

BSBSLS408

Present, secure and support sales solutions

Release 1

Learner guide

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Aspire Version 1.1

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BSBSLS408 Present, secure and support sales solutions Release 1

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Before you begin

This learner guide is based on the unit of competency *BSBSLS408 Present, secure and support sales solutions*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Analyses and evaluates textual information to develop research strategies, integrate facts and ideas, and meet organisational requirements
Writing	<ul style="list-style-type: none"> Creates documents using specific and detailed language to convey explicit information, requirements and recommendations
Oral communication	<ul style="list-style-type: none"> Obtains information by listening and questioning, and Participates in discussions using detailed, clear and persuasive language to contribute details, express requirements and provide advice
Numeracy	<ul style="list-style-type: none"> Identifies, interprets and compares mathematical information in simple and familiar written texts
Interact with others	<ul style="list-style-type: none"> Uses a range of interpersonal skills to build rapport and establish relationships with others Tailors communication to achieve purpose, demonstrating a sophisticated understanding of audience needs
Get the work done	<ul style="list-style-type: none"> Sequences and schedules complex activities to achieve outcomes in a timely fashion Uses systematic, analytical processes in complex, non-routine situations, setting goals, designing strategies, gathering relevant information and evaluating options Uses formal and informal processes to monitor implementation of solutions and reflect on outcomes Uses main features and functions of digital tools to complete work tasks and access information

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1 Prepare for sales presentation	1A Obtain, organise, review and be familiar with products, ideas and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Identify and choose appropriate sales tactics for prospects	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Consider the variety of sales solutions and prepare to meet buyer needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1D Identify and select sales aids	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Present sales solutions	2A Create a supportive selling environment through body language	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Use listening and questioning skills to identify buyer needs and objections	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Adjust the presentation to match the needs and preferences of the buyer	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2D Use persuasive communication techniques to secure buyer interest	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2E Demonstrate and communicate key features and benefits of product to meet buyer needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2F Use sales aids to build buyer understanding of how the product aligns with their needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 3 Respond to buyer signals	3A Identify and assess verbal and nonverbal buyer signals	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Use probing to identify the source of buyer resistance	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Identify strengths and limitations of strategies to counter resistance and implement an appropriate strategy	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Use trial closes strategically during different stages of the sales process	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 4 Negotiate and finalise a sale	4A Initiate formal close to the sales process using supportive and confirming language	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4B Negotiate and summarise conditions of agreement, including finance, and confirm buyer's decision	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4C Prepare and complete sales documents and process and monitor client order	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4D Identify and present cross-selling opportunities to buyer	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 5 Support post-sale activities	5A Contact buyer post sale, provide assistance and advice, and help them access after-sales support	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	5B Use feedback methods to identify sales and product satisfaction	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	5C Address and resolve service problems	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	5D Develop and implement client loyalty strategies	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	5E Offer and implement additional sales solutions and benefits to clients	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Prepare for sales presentation

Delivering a sales presentation is an important step in the sales process. It may occur daily as you interact with customers or it may be a formal, prearranged presentation. It is often the culmination of research, analysis and careful planning that for some sales processes can be months long.

When preparing a sales presentation, keep the customer's needs in mind. Make sure you have a clear understanding and knowledge of the product, have a range of sales aids ready, and are able to offer appropriate and genuine alternative solutions to suit the customer's requirements.

A well-prepared sales presentation engages a customer with relevant information and entices them to make a purchase commitment.

In this topic you will learn how to:

- 1A Obtain, organise, review and be familiar with products, ideas and services
- 1B Identify and choose appropriate sales tactics for prospects
- 1C Consider the variety of sales solutions and prepare to meet buyer needs
- 1D Identify and select sales aids

1A

Obtain, organise, review and be familiar with products, ideas and services

A moment of truth in every sales process comes when a sales presentation is delivered to a customer. How this is presented, what is said and even the nonverbal messages delivered in those precious minutes may determine the success of the sales presentation. How do you prepare for this moment of truth? Background work in preparing for a sales presentation is crucial. As a salesperson, you need to spend time learning about the products and services you are selling so you can select those that best meet the customer's needs.



Be prepared

To effectively prepare for a sales presentation, you must have a solid understanding of the product you are selling and be able to convey this information to the customer.

To ensure team members are familiar with the products, conduct spot quizzes during staff meetings, arrange brainstorming sessions, or have team members prepare product information pages.

Before a presentation, you need to:

- understand what the customer requires and why they may value certain features and benefits of a product over others
- read and understand product information
- review accuracy, currency and validity of product information
- summarise and highlight key components of products
- obtain appropriate products or samples that need to be shown at the presentation
- consider the most appropriate sales tactics to use.

The importance of knowing the products

Detailed product knowledge is essential so the sales presentation proceeds smoothly. Know where information about the products and services is found and learn as much as you can about each one in your designated area.

You need to be able to describe and show the products as well as being able to respond to, and overcome, any resistance a customer may have to purchasing the product. If objections are raised, a salesperson with thorough product knowledge can often respond to objections quickly and confidently so the customer gains a positive outlook on the product.

You need to have a comprehensive knowledge of the product so you can explain a range of information.

Check that you understand:

- the main features of the product
- how the product works
- why the product suits the customer
- how the product will benefit the customer
- the cost
- availability
- solutions to possible objections.

Be familiar with your products

Being familiar with the products means that you can provide detailed information, demonstrate their use, respond to questions and refer customers to other products that may suit them better if and when a time permits.

From a customer's perspective, this demonstrates a desire to provide a solution rather than just gaining another sale. If you are not familiar with products or services, you may risk not being able to offer the most appropriate service or solution to a customer, which could result in losing a sale.

Be sure you can explain each aspect associated with a product.

Product features

Features are the characteristics of a product or service that can be seen, touched, smelt, felt, heard or tasted. Key features may include safety devices, a low energy rating or the fact that it comes in a range of models to suit different customer needs. Cost is also an essential feature. There should be fact sheets that detail a product's features that can be provided to customers.

Product benefits

The benefits of a product are what a customer gains from a product's features. For example, soft leather provides comfort; safety features reduce the risk of accidents; a low-cost item provides the benefit of affordability; having a range of options available provides choice. Benefits are what motivate the customer to purchase. Make sure you have a list of features and their accompanying benefits so you can explain them confidently.

Product cost

There is a range of costs associated with all products and services, and, in most cases, cost is something customers are particularly sensitive to. Knowing costs and cost breakdowns allows you to provide an accurate price and negotiate on price if needed. Be aware of discounts on certain items and when the discounts apply; for example, when purchasing in bulk; seasonal sales; and if the customer is a member of a loyalty scheme.

Product availability

Be sure you know the availability of products. Ask yourself these questions:

- Will there always be a range of products on hand?
- Can you locate an item at a branch store?
- Are products on back order?
- What is the turn-around time from ordering?

Delivery of product

Be prepared with information about:

- availability – is there a delivery service?
- delivery times – is there after-hours delivery?
- costs – is delivery free or is a cost involved; is free delivery part of the sales pitch?
- location – are items delivered within a certain range of the store?

Identify internal product information sources

Product information available from within a business may vary in terms of the information that can be made public and that may be proprietary information. Remember that some information about a product can be sensitive or confidential to the company; this could include detailed product pricing and costs, or research and development trials, so be sure about what you can share in a sales presentation.

Internal product information can be sourced from a wide range of documents and information locations.

Sources may include:

- company website
- marketing material
- company intranet
- products
- brochures and catalogues
- detailed manuals
- case studies
- laboratory testing information
- experienced salespeople
- historical development information.

Identify external product information sources

With the increase in social media and online reviews, customers have access to product information and reviews from a range of sources external to the organisation. In some cases, customers may place a higher trust in external sources of information because of perceived impartiality.

Industry bodies and associations, government bodies or even competitor reviews may produce external information. This information may be in the form of a product review, a rating system or even product recalls and safety warnings. This external information can be compiled by a salesperson or sales team and utilised with good effect in a sales presentation. Some sources are identified below. As the information has been independently compiled and assessed externally, it may add additional creditability to the product or company presentation. However, always be alert to biased and inaccurate information.

Where external product information can be sourced from
<ul style="list-style-type: none">• Industry magazines• Articles on government and industry websites• Professional industry associations• Independent audits and reviews• Testimonials and recommendations• Competitors' websites• Manufacturers• Suppliers• Packaging and labels• Word of mouth

Review product information in line with customer knowledge

Whatever you plan to use in terms of product selection and materials to support the presentation of these products, some initial consideration should be given to the people who will be viewing the presentation, whether in a formal presentation or in a routine sales encounter.

Once you understand the customer – and their needs and wants in relation to a product or service – you are able to review relevant product information. This allows you to determine if the product or service can provide a solution for the customer and assists them to prepare and adapt the products for the presentation.

Here are some questions to ask yourself.

Reviewing product information

Who is going to be at the presentation? Will it be an individual or a whole procurement team?

What do you know about the people attending your presentation? Knowing about them as a businessperson or as an individual can be useful.

What role does each person play in the decision-making process? How might you shape your sales appeal to meet their different interests?

How receptive will your audience be to the product?

Does the organisation you are presenting to use particular jargon, terminology and specific language?

What information does the person already know about the product?

Obtain and organise the product for a presentation

It is important to prepare the physical and tangible aspects of a sales presentation. These elements allow the customer to use their senses to explore the product; that is, to see, hear, touch, taste or smell. This may include example cards, brochures, a customised sales presentation kit, product samples, and so on.

Here are some examples of aspects that can enable you to obtain and organise the product ready for presentation.

Quantity needed

Having considered the audience of your presentation, you can determine the quantity of items you need to prepare and how you would like to deliver the presentation. Make sure all samples are neat, clean, safe and healthy, and provide no risk of harm to others.

Availability of products

Ensure sample products are readily available for your presentation. You may need to alert personnel in a department, warehouse or storeroom to be certain of having sufficient items well before the presentation. Also consider what aspects of the products the customer may like to see or experience. For example, customers may expect a chocolatier to provide actual chocolate samples rather than simply showing pictures or chocolate moulds.

Support material needed

Think about the support material that needs to be provided, such as fact sheets, features and benefit sheets, catalogues, brochures, manufacturer's notes and website addresses. Depending on the product or service being presented, you may need to include items such as a list of similar services previously offered, testimonials, case studies, and a list of qualifications for people who are to supply the product.

Currency and accuracy of information

Check the currency and accuracy of information contained within any sales tools. This can be particularly important in industries where rapid change occurs and product data and usage ages quickly. You need to reassure the customer that the information you are giving them is unbiased, correct and up to date.

Example: obtain products and review information

An Australian training company has the opportunity to deliver a sales presentation to senior management of a mining company. The potential outcome is a five-year contract worth several million dollars a year in revenue. Max is the sales team leader. He needs to ensure that his team is well prepared for the sales presentation.

As part of preparations, Max reviews current service offerings to ensure that presentation materials are suitable for the audience. Max knows that the language style and terminology used by the mining company needs to be reflected in the presentation materials, as this will better demonstrate an understanding of the prospective client's recruitment needs. For example, Max conducts a thorough review of all sales presentation materials to ensure language around job role titles and competency standards are the same as those used by the mining company.

He knows that his company's strong focus on safety training and stringent quality assurance in their procedures means that they are likely to have a distinct advantage over competitors. In sequencing the sales presentation, Max places an emphasis on safety training, quality assurance standards, and the qualifications and experience of its training staff. This information is communicated early in the presentation to gain the attention of the key decision-makers.

Max uses appropriate sample training programs and plans to demonstrate to the company the training organisation's capability in relation to previous courses and programs they have run.



Practice task 1

Read the scenario, then answer the questions that follow.

Case study

You are a sales team leader for a small vitamins and supplements company. Products include powder supplements for athletes, and vitamins and minerals in both tablet and powder varieties for people with specific nutritional deficiencies. Your products are sold online through your company website, or via health food and vitamin stores. With recent interest in health and wellness products, sales of powder supplements have risen sharply.

1. Where will you obtain information about the products from?

2. What product information does a salesperson need to review before the presentation?

3. How might a team leader ensure team members are familiar with the products on offer?

1B

Identify and choose appropriate sales tactics for prospects

Sales tactics are the strategies, methods and approaches a salesperson takes when offering products to a potential customer. When choosing a tactic to use, be aware of the customer you are working with, the type of industry, your organisation's position in the market, the organisation's sales budget and the time you have.

Choose an appropriate sales tactic that could result in a sale. This allows you to respond to a customer's need using a particular approach, and if this doesn't work, a different tactic can be implemented.

Remember that some tactics will not be appropriate for particular products, or for different types of customers, so knowing different tactics and when they can be applied better equips you to adjust your approach.

Here are some principles of an effective sales presentation.

Principles of an effective sales presentation

- Always be honest and never provide misleading or false statements.
- Speak clearly and succinctly in language customers understand.
- Be familiar with information relating to the products and services so you can discuss all aspects confidently.
- Be prepared with answers to questions customers are likely to have.
- Be prepared with appropriate sales aids to assist the presentation.
- Be prepared with a range of appropriate sales solutions.
- Be professional when discussing competitors. Don't say anything negative, as this reflects poorly on a salesperson and the company they represent.

Sales tactics: build a rapport

Acknowledge the customer, make them feel welcome and build a rapport with them.

Your role is to make the customer feel comfortable. If they feel pressured or the timing is wrong a potential sale may be lost.

Here is an example of an approach that can be used for either a formal sales presentation or a routine customer approach in a store.

Building rapport

- Be friendly and strike up a conversation with the customer that may or may not be related to the sale itself.
- Don't ask questions that require a 'yes' or 'no' answer.
- Encourage a two-way conversation that lets the prospect know that you are interested in them and their needs.
- Listen actively to create an environment where the customer feels understood and recognises that you are willing to assist them.
- Use open gestures, mirror the customer's body language and display empathy.
- Use open questions that require a detailed response ('Tell me about ...'), and closed questions requiring a yes/no response ('Does this meet your needs?').
- As the conversation and presentation progresses, more open-ended questions can be added to identify the customer's needs.

Sales tactics: promote one product at a time

Rather than attempting to sell five different products all at once, you should only promote one product or service at a time. This limits a customer's buying decision to a 'yes' or 'no' in relation to the one product rather than the entire range. It also streamlines a presentation and avoids confusing the prospect.

However, you may decide on a dual presentation in which different presenters give information about different products or services.



Sales tactics: provide a demonstration

Depending on the type of product or service, a demonstration is an effective sales tactic. You can show the potential customer how the product is used and promote the features and benefits.

Provide the manufacturer's manual or supplier's guide to back up the demonstration.

Be sure that everything has been prepared and risk-assessed beforehand for ease and safety of use.

In some circumstances the customer may be allowed to use the product themselves to see how easy and safe it is. Always follow work health and safety regulations, such as providing safety equipment or specific clothing; making a suitable workspace available where necessary; or ensuring that cords and electrical plugs are in good working order.

Sales tactics: tell a story

Humans are naturally attracted to stories. An emotional connection can be created through the use of the storytelling tactic.

Effective sales professionals are often effective storytellers. This tactic can also be used to establish rapport and maintain a connection with the customer. This makes storytelling serve a dual purpose. Education about a product through a story is perceived as less threatening.



For example, cleaning products may be sold by telling a story about the company founder who was seeking a product that was environmentally friendly and did not aggravate her son's chronic asthma.

Other sales tactics

There are additional sales tactics you can use, depending on the type of product and the customer's needs.

Here are some examples.

Offer proof

Success stories can be very powerful, especially when success has overcome a similar problem a customer is facing. For example, weight loss stories related to a particular fitness and eating program are powerful stories to use for a gym or personal training studio.

Provide honest testimonials where appropriate. Remember it is against the law to make false or misleading statements.

Create urgency to purchase

Assuming a product or price is scarce creates urgency to buy. This can be achieved by limiting the number of products available or pricing a product for a limited time, such as 'Offer valid for 30 days'.

Urgency strategies are often used effectively when a new product is introduced to the market and a company is keen for customers to trial it. Never pressure customers. Only describe genuine offers where an item is truly scarce or the sales period is clearly stated.

Follow a sale through

Improving the salesperson's and organisation's credibility is made much easier by following up on any questions or requests made by the client.

Follow up quickly by promptly answering questions about the product or service. This demonstrates professionalism and a commitment to customer service.

Simplify buying procedures

A useful sales tactic is to ensure the process of buying your product is easy. This includes communicating information succinctly and clearly, and describing any ordering, paying options or delivery information.

Once a customer has made the decision to purchase, they are keen to have the transaction completed quickly and easily.

Choose options to meet customer needs and preferences

Customers are individuals, and their needs and preferences are unique. Select a sales tactic that reflects the customer's interest in the product or service, and be prepared to change tactics as the sale presentation progresses.

Knowing the best sales tactic to use may not necessarily be apparent early in the sales process. Often during a sales interaction, opportunities present themselves that allow you to adapt your sales strategy.

Tailoring an approach to meet a customer's needs and preferences results in a customer feeling more at ease with a salesperson and, more importantly, the salesperson demonstrating that they are responsive to each customer. For example, you might use demonstration in a formal presentation to a group of potential customers; or a customer with young children in a store may appreciate an approach that acknowledges the children rather than simply ignoring their presence.

Here is some information about selecting appropriate sales tactics.

Selecting sales tactics



- Recognise that not all customers are the same; customers possess individual personalities, product needs and buyer behaviours. Tailor an approach to each individual customer.
- Rather than using a specific tactic early in the approach, keep options open and look for an opportunity or a lead-in for a sales tactic.
- Have sound knowledge and experience of different types of sales tactics and how they can be best applied. Don't be afraid to trial and experiment with different sales tactics; this could even be role-played in the first instance.
- Salespeople can use their previous experience of sales tactics that had a positive result with another customer.

Understand customer types

Knowing how individual customers behave when seeking a product can help your timing and the manner of your approach. Understanding buying types allows you to match your communication style with that of your customer.

Matching the way you speak and interact with a customer can build rapport. This works because people feel more at ease when the people they are speaking with is someone who communicates in a complimentary way to them.

Here are some examples of customer types.



Methodical buyers

Methodical buyers like to find out as much as they can about a product before they commit to buying. They have already researched the product but ask the salesperson a lot of questions. They are in no rush to make a decision.

Signs include:

- reading product packaging and labels thoroughly
- comparing products
- asking many product-related questions, often about technical details
- placing a high degree of trust in expert information.



Humanistic buyers

Humanistic buyers are not pushy and are generally driven by their emotions. They are value-driven and their buyer decision-making is generally based on products or services that further their view of social good. They can be slow at decision-making. Characteristics of a humanistic buyer include:

- high emotional involvement in the purchase
- feeling and acting strongly about a product
- slow and carefully deliberated decision-making
- being strongly driven by their values.



Spontaneous buyers

Spontaneous buyers don't spend time making conversation or wandering about. They are direct, and ask questions only if they have gaps in understanding a product's features or benefits. They use clear and concise language to express themselves. Signs include:

- approaching the salesperson first
- taking control of the conversation
- telling the salesperson what they want, often quite directly
- general impatience during purchase decisions
- subjective decision-making.



Competitive buyers

Competitive buyers are easy to spot. They tell a salesperson what they are looking for straight away and love to talk. Competitive buyers are strongly driven by logic and seek proof as well as substantiated claims. Signs include:

- using expressive, animated body language
- leading and almost controlling the conversation
- making it easy to talk to them
- making fast, logical decisions
- providing instant feedback if they do not like the salesperson's approach.

Example: identify sales tactics

John is a sales team leader for a pest control company. He is currently training Rob, a new sales team member. Rob observes John's sales presentation to Cho, a prospective client who runs a small Chinese restaurant. John uses a combination of tactics to build rapport and ensure the client is confident in his presentation.

John: 'Tell me your needs in relation to pest prevention.'

Cho: 'Recently the council came and inspected our kitchen. They were concerned we did not have a regular pest control prevention program in place.'

John: 'Okay. So you are looking for an ongoing pest control program?'

Cho: 'Yes.'

John: 'Our company has a reputable small business pest control prevention program. We offer a monthly inspection and a bimonthly treatment program, which is accredited with local councils.'

Cho: 'That sounds good, as we need to demonstrate to the council we have met their recommendations.'

John: 'Yes, councils have very stringent requirements. We work closely with local councils, and I know from experience your local council is particularly thorough in their inspections.'

... continued

... continued

Cho: 'Yes, I know!'

John: 'We have managed to work with three other local cafes. I have brought along some written testimonials from them as well as the reports they received from the local councils after their inspections. All of these cafes were thrilled with the result; it meant they were able to keep their food licences.'

Cho: 'Wow, it sounds like you really can do the job! So how much is it?'

John: 'Well, we do have a special offer on at the moment. If you sign up with us this week I can offer you a 30 per cent discount. The discount is only on offer for customers who sign up by the end of the week. Please think about it and I'll get back to you tomorrow morning.'



Practice task 2

Complete this table to explain each sales tactic as one of the key principles of an effective sales presentation.

Sales tactic	Explanation
Demonstration	
Storytelling	
Urgency to purchase	
Offer proof	

1C

Consider the variety of sales solutions and prepare to meet buyer needs

Customers purchase products for a variety of reasons. This means that you need to use different approaches and solutions for different customers. A one-size-fits-all approach is ineffective because it assumes that all customers have the same problem or need for a product. While there can be similarities between customers, the customer's actual need can be complex and multi-layered. You should be prepared to understand the buyer's need and respond with a range of sales solutions to this need.



Know a range of sales solutions

The term 'sales solution' refers to a particular approach to selling. A key principle of an effective sales presentation is to focus on sales solutions that meet a customer's need to resolve an issue or problem they have. Solutions may relate to features or benefits of a product, but are always described to a customer with the solution in mind.

The more you know about a product or service and the customer's needs, the better able you are to provide an appropriate solution.

You may receive resistance or objections to a product as to how it will meet their needs. In most cases the resistance is expressed verbally; for example, 'I don't see how this can help me'. However, sometimes the resistance presents itself nonverbally, such as with a puzzled facial expression.

Having a range of solutions gives you opportunities to overcome concerns or ambivalence towards a product. Be sure the solution addresses each customer's concerns or objections.

Sales solutions

Be familiar with the range of sales solutions you can offer.

Here are some solutions that may be suggested.

Types of sales solutions



Product features and benefits

Be aware of all the options available with a product, such as cheaper models, a variety of colours, a range of attachments, different sizes, etc.

Some of these may be very important to a customer, so be prepared to describe and explain those that the customer is interested in. For example, the fact that you can provide them with the colour they want at a reasonable price may be the selling point that convinces them to buy.

**Cost**

A sales solution focusing on value for money and low overall product running costs is attractive to customers who are price sensitive or seeking a product that may last a long time but have lower maintenance service requirements.

Provide different product options with ranging prices if appropriate.

Favourably compare your organisation's prices to competitors' prices.

**Time**

Solutions that offer savings or efficiencies related to time are useful to customers who are seeking a product to carry out a task faster or to save time. Be aware of any product features that can save a person time. For example:

- Robotic vacuum cleaners designed to clean a designated area of the house on a timer may save a customer spending time manually vacuuming the house.
- Wireless printers are an effective time-saving device, as it is no longer necessary to plug a computer into a printer in order to print a document.

**Environment**

Increasing social awareness on the environmental impacts of many products has resulted in a surge of environment-based features being offered as a sales solution. For example, compostable disposable coffee cups may be a solution for people with limited rubbish disposal access and a general concern for their carbon footprint; customers may be seeking a product that is bio-degradable and contains no chemicals.

**Safety**

Providing products or services that are safe is crucial. Not only do organisations have a duty of care to their customers, but it is against the law to sell items that are unsafe or potentially dangerous.

Most customers value safety and inquire about the safety aspects of a product or service they are thinking of purchasing. Safety may be related to a person's physical or emotional wellbeing as well as to security. For example:

- Superannuation companies may offer a superannuation product portfolio that delivers low risk based on safety and security of wealth.
- Electrical goods may have safety devices and clear operating instructions.



Image

Humans are social creatures. Connecting with products and brands allows humans to create and identify with a certain image, and arouse certain emotions. Solutions based on brands and image are related to how an individual thinks, feels and is perceived by the world around them. For example, a salesperson selling luxury watches may focus on the image that will be created by wearing the watch.



Manufacturer's reputation

Sometimes the reputation of a manufacturer is so strong that a customer will consider that purchasing a product from that manufacturer will solve their problem. This is particularly common with a manufacturer who dominates a market.



Delivery

Delivery options may play an important role in a purchase, especially if it is a large item such as furniture or white goods. Know the range of delivery options so they can be explained clearly to the customer.

Same-day delivery or prompt delivery within a number of days may seal a purchase. Check that freight rates are reasonable and comparable with competitors.

However, always check that your sales offer is possible; for example, you cannot guarantee delivery of a product for the next day if the product is not currently in stock.



After-sales service

People are concerned that once they purchase a product the store is no longer interested in them. Providing after-sales service, particularly for technology products, can be a valuable incentive for purchase.

Ongoing servicing and remote support may include:

- offering a free check within a certain time period
- answering queries or concerns through a help desk or phone hotline
- providing reminder calls for servicing
- offering discounts on servicing.

Alternative solutions

In addition to the broad group of solutions focusing on areas such as cost and safety, alternative solutions may need to be offered to determine a sale. Alternative solutions can 'seal the deal', differentiating a product or service from a competitor. They can be used to meet buyer objections or dissolve hesitations about purchase.

Here are some alternative solutions.

Describing accessories

The salesperson may feel the need to describe a range of available accessories the customer may purchase later on. This is not strictly upselling, as describing the accessories lets the customer know what is available that may meet their future needs.

Gifts

Gifts or items may be offered as a free solution to the customer. This solution may be offered either because it normally has a fee, or is ordinarily a free offering; for example, free delivery of the product on weekends, a free booklet to go with the product, or a bonus accessory.

Customisation

An organisation may choose to customise products to suit the customer's preferences and tastes. For example, laptop computers may come with custom colour or design options on the outer layer of the product.

Finance options

Products with a high initial cost may be more attractive to a customer if various finance terms are offered. The customer may either pay in instalments via a lay-by option, use a credit card, or partner with a finance company to allow interest-free periods so the customer can take the product home and pay the finance company back later. Another option is offering a discount if the customer pays cash.

Trial period

Some products are suitable to be offered to the customer on a trial period of a certain number of days, and can either be returned or purchased at the end of the trial period.

Free delivery

Free delivery, especially for larger purchases, is highly desirable. In some cases, there may be free delivery on all products within a specific kilometre range. At other times, it may be offered as a bonus.

Training sessions

Providing a training session for the customer to learn how to use the product as part of the sale can be beneficial, especially in relation to electrical products or products requiring a certain skill level. In some cases the product may be offered with a number of free lessons.

Services offered to enhance the sale

A range of services may be offered to a customer to increase the likelihood of a sale. These may depend on the type of product and the nature of the organisation. For example:

- providing a courtesy car while theirs is in for service
- free tea or coffee
- a video for children to watch while parents are buying.

Determine the appropriateness of the solution

When offering sales solutions to a customer, listen carefully to the customer so that you are confident that the solution offered is relevant to them. A solution that is irrelevant, such as offering accessories on a product that the customer has no interest or need for, is inappropriate.

Salespeople can determine relevancy by asking focused questions, listening to the customer and observing nonverbal communication and cues.



Know organisational sales policy and procedures

Sales solutions can be enhanced if you are familiar with the actions you can take to close a sale if a customer is undecided. For example, if cost is an issue, a sales solution may include offering a discount or a lay-by option. However, you must make sure that your offer is within organisational policy.

An organisation is likely to have a set of sales policies and procedures that provides guidance to salespeople in regard to selling, especially in relation to financial terms and conditions. A sales team leader has a responsibility to ensure that all team members are aware of, and comply with, the guidelines.

Don't offer a solution that is beyond the scope of what the product offers or the organisation's policies and procedures. It is an easy trap for a keen salesperson to become so focused on delivering a solution that they forget policies, particularly around payment terms, and this can cause issues further down the track in the sales process.

In this way inaccurate promises to customers are minimised. Broken promises can lead to embarrassment or a salesperson being unable to fulfil the need correctly.

Frequently asked questions and responses:

- Can price be negotiated? If so, by how much?
- Can delivery needs be met?
- What are payment terms and options?
- What after-sales service is available?
- Are additional guarantees or warranties offered?
- Can giveaways be offered? If so, what?
- What other promotions are currently on offer?
- What other solutions can I offer?

Meet buyer needs

Offering a solution is based on the premise that a salesperson knows what the buyer's requirements or issues are. Often what a customer verbally states they want or need is not in fact accurate.

You need to use your observational skills, ask questions, and listen to the tone or emphasis of individual words used in a sentence. Be aware of subtle nonverbal cues; for example, the way in which a customer dresses when visiting a shop, or hidden messages or subtext within a conversation.

The decision a customer makes to purchase may be based not on the product itself, but by a solution the salesperson offered that meets their needs, such as free delivery, a gift with the purchase, or a trial period before purchasing.

Be prepared

Having sales information easily available and well organised means that you can focus on interactions with the customer. If you are too busy searching for information or recalling information, you may not be listening properly to the customer and fail to understand their needs.

You can make sure you are prepared by ensuring brochures, catalogues and aids are accessible, reviewing any previous notes or conversations with the customer before meeting them again, and checking organisational policies and procedures related to sales, such as options to offer discounts and delivery times.



Example: understand sales solutions

A leading manufacturer of corrugated steel rainwater tanks has developed a range of sales solutions associated with their urban range of slimline steel rainwater tanks. The market for rainwater tanks in urban areas has increased as communities have become aware of changes to Australia's climate.

Jenna, the sales team leader, develops a range of sales solutions as part of the new product range to be offered to this expanding market of customers.

Jenna advises her team of the sales solutions so they can work out which options to focus on in relation to the customers' needs and wishes.

The range of sales solutions include:

- savings on money: comparing costs for consumption of water supplied by water companies
- savings for the environment by collecting and storing a household's rainwater
- solutions based on health
- free delivery within a 20 kilometre radius or if paying in cash
- free tank cleaning for the first year.

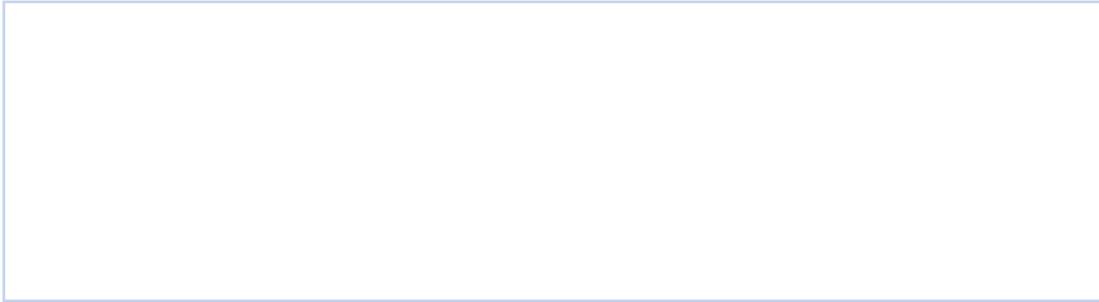
Practice task 3

1. Why are sales solutions constrained by organisational requirements?

... continued

... continued

2. Describe three possible sales solutions you may emphasise when selling a fire alarm system to a customer who values home security, does not wish to pay too much and would like the alarm immediately.



1D

Identify and select sales aids

Sales aids are essential to the sales process. A sales aid is any tool that assists you to sell your product. Aids can be used to demonstrate the features and benefits of the product or service, or they can be used to communicate a particular message or story in connection with the product.

You must be able to identify the sales aids available and select the most appropriate ones to use. A valuable skill is being able to use a range of digital tools such as word processing, electronic presentation slides and electronic media to enhance the presentation. You must also be comfortable and competent in using the selected sales aids.



A key skill is the ability to structure and sequence the presentation so the sales aids are used effectively within the sales message so they contribute to a positive sales outcome.

The value of using sales aids

People are said to remember only about 10 per cent of what they read and 20 per cent of what they hear. But when they see, hear, discuss and interact they may remember 90 per cent. This applies to customers – the more actively a customer is involved in a sales pitch, the more memorable and potentially effective the pitch will be. Sales aids allow you to effectively engage a customer with the product.

Sales aids add variety to a sales presentation. Rather than solely relying on verbal conversation and questioning, sales aids can be used to break up a presentation, and potentially reduce barriers and resistance to the product.

Value of using sales aids

- A short sales video engages a customer's hearing and visual sensations, and may be useful in condensing a wide range of ideas and concepts in a short period of time.
- Using a product sample for a customer to touch and feel engages them at a deeper level and helps them test the product to see if it is suitable for their needs.
- A demonstration may show how easy and safe it is to use a product.

Identify sales aids

There are a number of different strategies and support material that can be used to enhance a sales presentation. You should be competent in their use and use them confidently to promote the product or service. Never overuse a sales aid; for example, too many photos become monotonous, and reliance on technology may be annoying for some people.

Use a variety of aids within the one presentation and sequence they use so the presentation flows and does not slow down because of a reliance on aids. Always use a sales aid effectively and with restraint.

Here are examples of sales aids and an explanation of each.

**Products**

Showing the product itself can be valuable, as people can see the item, touch it and use it where appropriate.

Products should be displayed attractively. Suitable products may include books, medical equipment, health products, clothing and decorative objects.

**Product samples**

Smaller versions of the product in limited amounts may be supplied. This may be useful if the product is too big to transport.

You might use different qualities and colours of paper in a small pack for the client to use; samples of cosmetics; or a few sample pages of a training guide rather than the entire book.

**Models**

Small replicas of the product can provide an overall concept of the product.

A home construction company could use a model display home, or models of furniture.

**Whiteboards**

Electronic whiteboards offer space for a salesperson to write, draw or present images.

A whiteboard may be used to list customers' needs in a presentation. Information may be printed out immediately.



Brochures

Brochures contain a combination of text, graphics and other images and are generally related to a specific product or product range.

Brochures can be distributed and taken away. Brochures are valuable to summarise a product or service, such as a corporate retreat or gym.



Catalogues

Catalogues present lists of products and identify key features of each product. They use pictures and minimal text.

Catalogues may be hard copy for the customer to take away or provided on the organisation's website.

Most products can be described in a catalogue; for example, a carpentry tools catalogue showing all the woodworking tools and machines available from a company with a description of their use, size and price.



Presentation pack

A presentation pack may contain brochures, photographs, samples and other information relating to a product or service.

Presentation packs are useful for large-scale presentations. Potential customers can take them away and read them at their leisure.



Case studies

Case studies are an effective sales tactic used to illustrate how a product or service has been used. You can use a guest speaker as a sales aid and ask them to speak or use a slideshow with brief points.

A case study that highlights how a product or service was used may be more effective when a guest speaker is included in the presentation.

Select sales aids

Here is a list of further sales aids that can be used to enhance a sales presentation.



Electronic media

Digitised information, which may include videos, 3D graphics, video clips, slides or digital presentation tools.

Digitised information can be used in online sales presentations, including interactive applications.



Drawings

Drawn images of the product or aspects of the product may be appropriate if the product is new and photographs are difficult to obtain. Drawings may be projected onto a screen and issued as a handout.

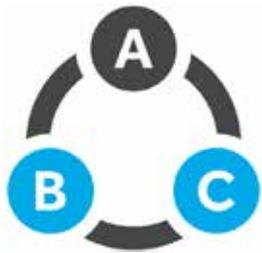
An artist's impression might be used to show how an apartment complex may look when complete.



Graphs

Graphs can provide a pictorial explanation of numerical concepts. Graphs contain limited text and should be clear and visually appealing.

You might use a graph to show the water usage of a washing machine over its lifetime compared with other brands.



Flow charts

Flow charts can provide an overview of a process involved in providing a service.

Use a flow chart to describe how a service can be implemented. Keep the chart simple and easy to follow.



Photographs

Images of products can provide a clear idea of a product's key features and benefits. Photos can show different models, colour choices or close-ups of features.

You can show images of the product being used in a variety of ways; for example, a multifunction copier.

Select more sales aids

Here are some other aids you may use in a presentation.

Product information sheets

Product information sheets can be useful to help describe detailed product information; especially useful for highly technical products.

Cheat cards

Cheat cards include key questions to ask or key phrasing to use when responding to customer queries. Ideally they are small cards that can easily be referred to.

Mind-mapping

Mind maps allow a salesperson to visually organise information, and may assist in sequencing and grouping information together.

Comparison tables

Comparison tables aid in differentiating products from one another. It may be an internal comparison table highlighting features of products from your organisation, or the comparison may be in reference to competitor products.

Prepare sales aids

You may prepare the aids yourself, ask team members to assist, or call on the services of experts such as your organisation's technology officer.

Prepare the aids well ahead of the presentation.

Here are some tips for preparing aids.

Tips for preparing aids

- Liaise with others, such as a warehouse officer, to ensure you have sufficient supplies of a product.
- Ask a technology person to set up the equipment so it is safe and works efficiently.
- Check the equipment before the presentation to ensure it is working as you want it to.
- Check any text is clear and grammatically correct and that there are no spelling errors.
- Approach a team member to gather the required number of brochures or catalogues.
- Ask for help in preparing presentation packs if appropriate.
- Ensure that all aids are clean and well presented.

Example select sales aids

Sandi is a sales team leader for Drake Mobility, a leading supplier of mobility aids used by people with a physical disability. She prepares for a sales presentation with a large occupational therapy provider. Drake Mobility has recently released a new wheelchair that is lighter in weight and has a stronger frame. The wheelchair is ideally suited to young children, who can be rough with their wheelchairs. One of the interesting features is the fabric covering the seat of the chair. It is a new blend of fibres, soft and comfortable on the skin, drawing moisture away from the body, and does not stain.



Sandi prepares for the presentation by:

- ensuring that sufficient product brochures are available and that the information in the brochure aligns with the information contained on Drake Mobility's website
- organising for a wheelchair to be available, along with small samples of the five different colours of the seat fabric
- preparing a series of photographs that demonstrate different configurations of the wheelchair and its optional extras.

To support the sales presentation, Sandi uses a multimedia presentation incorporating videos, graphics and photographs. The presentation is stored on a cloud server (a virtual computer storage space) and can be easily accessed via an internet connection. Sandi uses a tablet device to access the presentation and is able to either project the presentation onto a screen or whiteboard or deliver the presentation on the screen of the tablet device.

Practice task 4

1. Why is it important to supplement a sales presentation with sales aids?

2. List three skills you must have in relation to the use of sales aids.

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3. How can photographs be effective in a sales presentation?

4. How could a vacuum cleaner be used as a sales aid in a presentation to increase vacuum cleaner sales?

Summary

1. Thorough product knowledge is the first step in every sales presentation; know where to locate information about a product, ideas and services.
2. Product information should be regularly reviewed to ensure information is current and applicable to buyer needs.
3. Sales tactics are part of the overall strategy of approaching a customer and should be based on meeting the needs of the buyer.
4. Sales solutions should be focused on buyer needs and involve the creation of a solution to the customer's problem or reason for purchasing a product.
5. Alternative solutions add value to a product offering and, when well-matched to a customer's needs, can aid in finalising a sale.
6. Selecting the most appropriate sales aids enhances the experience a customer has with a product or service, engaging several of their senses in the sales process.

Learning checkpoint 1 Prepare for sales presentation

This learning checkpoint allows you to review your skills and knowledge in preparing for a sales presentation.

Part A

1. What essential information should a salesperson be able to confidently discuss with a customer about the products or services offered?

2. List at least four sources of product information you may need to consult prior to a sales presentation.

3. You are planning a sales presentation to a small group of people. List at least five tasks you need to undertake as part of your preparation.

4. One of the principles of an effective sales presentation is to understand a range of sales solutions. Describe four sales solutions that, as a salesperson, you can focus on and emphasise that will meet the customer's needs.

5. Describe the link between buyer needs and a sales solution.

6. Why do you need to be aware of organisational constraints when considering product alternatives?

7. Describe some examples of digital tools that can be used as effective sales aids in sales presentations.

Part B

Read the case study, then answer the questions that follow.

Case study

Michael is the recently appointed sales team leader for Jet Services, a company that provides baggage-handling services at domestic and international airports across Australia. He has been approached by an airline interested in outsourcing its baggage-handling services. This airline not only provides passenger travel, but also has a large amount of freight and is specifically seeking a provider who can deliver both of these services. Jet Services has never had a freight contract despite seeking to supply this additional service in the past, and there is pressure from the executive to secure this contract.

Four representatives from the interested airline will attend a presentation in a week's time.

As part of preparing for this presentation, Michael carries out the following tasks:

- Researches Jet Services's current passenger baggage-handling services by visiting one of the domestic terminals, and speaks extensively with the Jet Services operations manager to learn about how baggage handling is conducted at the site
- Reviews previous sales presentations
- Reads submitted tenders and contracts to learn about the different range of services that have been offered in the past and why the freight tenders were unsuccessful despite highlighting customs issues and the handling of dangerous goods.

Michael then plans a sales presentation. It includes a digital presentation with imagery of baggage handlers working on the tarmac and images of the safety accreditations Jet Services has achieved.

1. If you were Michael, how might you approach this situation and improve the sales preparation and tactics used?

2. What other sales aids or tactics may be appropriate for this presentation?

Topic 2

Present sales solutions

Presenting a sales solution is often a challenge for new sales professionals. It is the critical point in the sales process where you deliver product information to the customer and engage in a process of matching and meeting their needs.

The actual delivery of a sales presentation may be short in relation to the amount of time spent preparing for it. You must be able to respond quickly in your delivery. They must understand the importance of body language and effective communication skills to create a winning sales presentation.

In this topic you will learn how to:

- 2A Create a supportive selling environment through body language
- 2B Use listening and questioning skills to identify buyer needs and objections
- 2C Adjust the presentation to match the needs and preferences of the buyer
- 2D Use persuasive communication techniques to secure buyer interest
- 2E Demonstrate and communicate key features and benefits of product to meet buyer needs
- 2F Use sales aids to build buyer understanding of how the product aligns with their needs

2A

Create a supportive selling environment through body language

Body language can make or break efforts to establish a sales relationship. Examples include positive signals such as smiling, nodding and leaning forward, or negative ones such as frowning, leaning backwards, crossing your arms and looking disinterested.

Body language can help to reinforce and add credibility to what you say, or it can have the opposite effect, contradicting the meaning of words spoken. The key to

creating a supportive selling environment is to use your own body language effectively and to be able to read the nonverbal signals that a customer is sending in response to a product.



Build rapport with the customer

Establishing rapport with a customer to create a supportive selling environment and build their trust and respect is the starting point for successful sales transactions. Rapport is the relationship between the buyer and the salesperson that helps them to learn about the customer's needs, encourages the customer to buy and improves the likelihood of repeat business.

Rapport builds trust, respect and confidence with the salesperson. If you do not establish rapport from the beginning, you may not get a second chance to establish it.

Ways to build rapport are listed below.

Using interpersonal skills to build rapport

- Be approachable by using positive body language such as smiling and nodding.
- Adopt a relaxed posture.
- Show interest in the customer's needs.
- Accept the customer's point of view.

Body language techniques

The words we use can affect whether we successfully build rapport with a buyer, but words are not the only way we communicate. We also use nonverbal methods of communication such as facial expressions, gestures and posture. Body language is how our thoughts, intentions and feelings are expressed through the use of the human body.

Different types of body language can have a strong effect on customers. Overall, the body language of a salesperson should be welcoming, professional and genuine. It is important that salespeople understand and apply a range of body language techniques to establish and build ongoing relationships. Nonverbal communication cues can provide you with an additional source of information that may help you understand buyers' needs.

Here are some body language techniques to use.

Facial expressions

Facial expressions include:

- having a friendly smile as a greeting
- making eye contact while a customer is talking
- frowning to demonstrate you do not understand.

Be alert to cultural differences, as some people are uncomfortable making eye contact, and in some cultures nodding means 'no'.

Posture

The way you hold yourself can communicate how interested you are in the customer and help to establish a positive rapport.

- Sit or stand in a comfortable and relaxed position.
- Lean forward slightly to convey a positive, welcoming manner.
- Don't turn away from them or cross your arms.

Gestures

Use gestures in a pleasant, approachable manner; for example:

- Use a friendly handshake.
- Point to indicate a particular feature of a product.
- Nod to show understanding.

Space

Be aware of the physical distance between you and the customer.

People from different cultures may have different comfort levels relating to distance. Some people like to stand close to the salesperson, while others prefer a considerable distance. Take care to observe if a customer steps away from you when discussing a product or service.

Pauses

Be mindful of using pauses too frequently, as they may disrupt the flow of conversation. The length of the pause is important, as a pause that is too long becomes an awkward silence.

Pauses can be used to:

- provide time to think and reflect on the information
- emphasise a particular point
- allow a statement to fully register with the customer
- allow time for a customer to ask a question.

Mirroring

Mirroring is a body language technique in which one person subtly copies the body language of the other person, such as smiling and nodding. This often helps the customer feel accepted and comfortable.

Mirroring should be practised in general terms, and care should be taken to not copy every expression, as this can lead very quickly to discomfort.

Use your voice effectively

The manner in which you speak is affected by the tone of voice, the words chosen for emphasis, the speed of speech and the intonations within sentences. You may have heard the expression, 'It wasn't what they said, it was the way they said it', meaning that a person may use appropriate words but speak them in a negative tone that may make a customer feel uncomfortable.

Speak clearly and slowly in a friendly tone, using words the buyer will understand. If you show enthusiasm about a product, the buyer is more likely to respond. Be aware that some buyers may be quiet and shy, and being overly enthusiastic may make them feel awkward.



Reactions to body language

Pay attention to how the customer responds to your nonverbal cues.

Here are some examples of nonverbal cues and how customers may react to them.

Salesperson's nonverbal cues

Your intention may be to demonstrate enthusiasm and excitement for a product. However, the customer could easily interpret this in a very different way; for example, they may see your excitement as exaggerated and false. Watch carefully for the customer's reaction and be prepared to change your approach.

Customer's nonverbal cues

Pay close attention to the customer's nonverbal cues. These can be clues as to what a customer thinks or feels about a product or service. For example, they may have a puzzled look, showing they do not understand what is being said; they may have their arms folded across their body and not be making eye contact, indicating they are not really interested. Listen carefully to their tone of voice to find out how enthusiastic they are about a certain product.

Different reactions

Customers are individuals, and their reaction to body language may be based not only on their cultural beliefs, but also past experiences, both positive and negative. They will not all react the same way to what a salesperson says when explaining a product or service. Subtle observation throughout the presentation allows a salesperson to adjust their body language appropriately.

Example: use effective body language

A company selling water filtration systems to corporate customers invites a prospective customer to a demonstration in their showroom. The customer enters the showroom and is greeted with a warm smile and a firm, friendly handshake. The tone of the greeting is kind and genuine. The customer's body language instantly relaxes and it is clear that they have been put at ease.

At the commencement of the formal presentation, Hamish, the salesperson, uses open yet relaxed hand gestures and is careful not to display closed body expressions (like folding his arms in front of his chest).

After using open-ended questions, Hamish listens carefully to the customer's responses and casually mirrors gestures of the customer in a subtle manner to further engage with the customer.

The customer is deeply engrossed in the conversation and Hamish notices the customer has relaxed further during the presentation and is even making jokes and laughing with him. In response to this, Hamish relaxes the tone of the presentation slightly.

The presentation continues successfully and Hamish feels certain that at the end of the presentation the customer will purchase the product.



Practice task 5

1. In one paragraph, describe why rapport building is important in a sales process.

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... continued

2. Explain why pauses are useful in a sales presentation.

3. 'Every customer's body language is the same.' List three reasons why this statement is incorrect.

4. What are three types of nonverbal cues a salesperson can use to establish a supportive selling environment?

2B

Use listening and questioning skills to identify buyer needs and objections

When a customer is looking for a product or service, they are seeking a solution that will fulfil a number of needs. While there may be a primary motive, there are also a number of secondary needs that must be met.

For example, the customer may initially be looking for a powerful hairdryer, but they also want one that is within their budget and is good quality. Your role is to uncover as many of these needs as possible so that you are able to suggest items that best match the buyer's requirements.



Sometimes, the customer may not be able to explain exactly what they want; this is often referred to as a latent need. For many reasons they may not be comfortable verbalising this want. In both instances, the key is effective listening and questioning to determine needs.

Customers' needs and motives

Customer needs can be categorised according to what a buyer is seeking. Your role includes finding out which needs are important to the customer, and the customer's motive for buying. By listening to what the customer tells you and asking relevant questions, you can focus on exactly what concerns the customer and what they are seeking.

Examples of customer needs:

- Performance: How well does the product perform the functions it was designed to perform? How long is the item expected to last?
- Economy: Is the product worth the money? This might include upfront costs as well as ongoing costs.
- Appearance: Does the product look good? Will it suit me? How well is it made? Is it a specific brand?
- Comfort and ease of use: Is the product comfortable and easy to use or wear?
- Health and safety: Is the product safe and healthy to use?

Active listening

Clear communication includes active listening, which is the process of listening to what a customer is saying rather than just hearing their words. Effective listening is a skill that enables you to fully understand what has been said, which prevents misunderstandings. Some salespeople are so eager to make a sale that they do not listen to what is being said.

Ineffective listening may mean that you may only hear part of what the customer is saying or hear information incorrectly. Customers should not have to repeat themselves if you have not listened to them carefully. Not listening makes buyers feel you are not interested in their needs.

Listen effectively

Every customer wants to feel that you have listened to them and understand their needs.

As a team leader you may need to provide training and support for members of your sales team to develop listening skills. Role plays, videos and brainstorming sessions can be used to help others develop their listening skills.

Here are some suggestions for effective listening.

How to listen effectively

1

Focus on the customer. Make appropriate eye contact while they are speaking and concentrate on what they are saying. Do not get distracted or think about something else.

2

Listen more than talk. Be interested in what the customer is speaking about. This encourages the customer to keep talking.

3

Do not interrupt to rush in with a response or finish a customer's sentence for them. Never assume you know what they are going to say. Train yourself to listen without interrupting.

4

Listen using ears but also your eyes and other senses. Consider the whole body as a tool for listening.

5

Use verbal cues such as, 'Uh huh' and 'Mm' while a customer is talking. This shows them that you are still listening.

6

Nonverbally acknowledge what the customer is discussing by using body language, such as nodding or smiling.

7

Check to ensure understanding. Paraphrase or repeat what the customer has said. This confirms the discussion and avoids misunderstanding.

Use effective questions

The aim of questioning is to elicit from the customer/buyer their needs, preferences and motives, and to counter any objections they have. Questioning skills are an important tool for salespeople. It is through effective questioning that you can glean key customer insights and understand what the customer is looking for, why they want the product, what they want the product to be able to do for them, and what features and benefits of the product are important to them.

Poor questioning techniques result in you not knowing exactly what the customer wants. The customer may think they know what they want, but after you have questioned them you may find the real need is for something quite different, or that they are more interested in an alternative product or service.

Keep the following sequence in mind when asking customers questions:

- Obtain facts.
- Find out more about the customer's needs.
- Find out how your product or service might benefit the customer.
- Confirm the discussion.

Open questions

Open questions can be used to create rapport with the buyer. This gets a conversation started between the customer and the salesperson.

Once the customer is comfortable speaking with you, open questions can be used to demonstrate to the customer that you are genuinely interested in determining and meeting their needs.

Here are some facts about open questions.

Open questions obtain more information

Open questions are used to elicit more information. Open questions start with 'When', 'Where', 'Why', 'What', 'Who', 'Which', 'How' and 'Tell me', and are effective questions to ask because the customer cannot reply with a 'yes' or 'no' answer; the customer has to give you more detail.

Open questions encourage discussion

Open questions encourage discussion and a salesperson can find out what the customer is thinking and feeling. If sales professionals have established a good rapport with the customer through an effective approach, most customers will provide detailed answers to your questions.

Keep asking open questions

Asking the customer the right questions is important. Use customer response from each question to guide the next question; keep asking questions until you have a clear idea of the buyer's motive for buying, their needs and preferences.

Examples of open questions

Examples include:

- 'What brings you to the store today?'
- 'What functions do you need from your mobile phone?'
- 'Why do you prefer this style?'
- 'Where will you be storing the item?'
- 'Who will be using this service?'
- 'Tell me what you are currently using.'

Example: ask open-ended questions

Salesperson: 'So what brings you in today?'

Customer: 'I'm looking for chairs.'

Salesperson: 'What type of chairs are you looking for?'

Customer: 'Well, I've inherited my grandparents' dining table and would like some chairs to go with it.'

Salesperson: 'What style of table is it? Do you know what type of wood it's made from?'

Customer: 'Well, it's an old Baltic pine kitchen table actually, it's a fairly pale colour and in need of a little care.'

Salesperson: 'Also, what personal preferences do you have for the style of chair?'

Customer: 'My home is decorated in a fairly modern style, so I'd like a chair that will suit the table and my more modern furniture.'

Salesperson: 'Okay. What else are you looking for in a chair?'

Customer: 'I suppose I'd like them to be comfortable as well. I hate sitting in uncomfortable chairs. Oh, and I'd like to think that the chairs I buy will last as long as the table, so good quality is important.'

Salesperson: 'All right, let's begin over here ...'



Closed questions

Closed questions are questions that are answered with a 'yes' or 'no' answer, or in very few words. They are used to obtain routine details from the customer.

Here are some facts about closed questions.

Closed questions



- Think carefully before using closed questions.
- Closed questions should be avoided at the beginning of a sale because they tend to stop the conversation from flowing. However, if a customer is reserved, commencing with one or two closed questions can help reduce the customer's anxiety.
- Once the customer has replied with a 'Yes' or a 'No', you have to ask another question. Closed questions often begin with 'Is', 'Are', 'Do', 'Can' or 'Have'.
- Examples include:
 - 'Do you want a different colour?'
 - 'Is this what you wanted?'
 - 'Have you seen this product before?'
 - 'Would you like it wrapped?'
 - 'Would you like me to place an order for you?'
- Closed questions can be useful to use in conjunction with open questions when you want to clarify a point. You can focus on a particular aspect of a product and get particular details about the customer's needs. For example:
 - 'What functions are you looking for?' (Open question)
 - 'How much do you want to pay?' (Closed question)

Review questions

Review or summarising questions are asked to check understanding. They sum up what you have been told and allow you to clarify the customer's buying motives.

Review questions also show the customer that you have been listening to them.

Rephrasing is another way of ensuring you understand the customer by putting into different words and summarising what the buyer has asked for. For example, 'I'll just repeat what you've said so I know I've understood correctly. You'd rather have a complete set, but if it's not in stock you're happy for us to send you what we have and let you know when the rest comes in.'

Effectively use customer's questions

You should be attuned to the questions you are being asked by the customer.

The questions that a customer asks help you to find out more and ask further questions.

Here are some examples of effectively using the customer's questions.

Clarify customer need

Make sure you understand what the customer wants. For example, if a customer is asking questions framed around solving a problem associated with limited time, this may be a key clue to the salesperson to offer a time-associated solution.

Has the customer understood?

Check that the customer has understood. For example, a customer repeating the same question several times after an answer has been given may mean the information being presented needs to be communicated in a different way.

Identify customer interest

Identify the customer's level of interest in the product or service. For example, if a customer is asking about delivery and payment options early in the presentation, this may indicate that they are fairly interested in the product.

Respond to customer's questions

How you answer or respond to a question asked by the customer is important.

Here are some tips for responding.

Tips for responding to customer questions

- Be honest – if a salesperson is not sure of a fact, then they should say so.
- Follow up – seek the answer and get back to the customer promptly.
- Do not over-promise – be aware of organisational restraints.
- Pause and think about your response – there is no need to rush, especially if it is a difficult question.
- Do not use jargon unless it is clearly understood by the customer – instead, use plain English, especially if it is clear the customer has not understood you.

Handle objections

Objections are almost always part of a sales process and should not be viewed negatively. They are in fact an opportunity for a sales professional to demonstrate understanding and provide further opportunities to deliver a solution to a customer. Some prospective buyers may pose objections that may prevent a sale from being completed, such as the item is too expensive, it is not the colour they want or the product does not have all the functions needed. Effective questioning may help a salesperson provide the potential customer with more information, which in turn may overcome their objections.

A salesperson must be aware that not all objections can be overcome. It is important to check organisational policies and procedures to determine if an objection by a customer can be overcome. For example, a customer objecting to the colour options available on a product may not have this objection overcome if there are no other colours to choose from.

Here are some tips for handling objections.

How to handle objections

- Listen to what the customer is saying.
- Do not interrupt until they have finished, even if you know they are incorrect.
- Ask further questions to ensure objections are fully understood.
- Summarise the objections.
- Empathise; for example, 'I understand what you mean', 'I see why you feel that way'.
- Explain the benefits of what the product or service offers.
- Ask the customer if they can see that the benefits might cancel out the objection; for example, 'Have you thought about ...?'
- Ask the customer, 'Can I ask why?'

Practice task 6

1. What are four questions you might use with a customer who approaches you and says, 'I would like to buy a new television'?

2. What are the disadvantages of only asking closed questions?

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3. List three open-ended questions to aid overcoming objections a customer is raising about the perceived quality of the shoes they are interested in buying.

4. List three of the key features of active listening.

2C

Adjust the presentation to match the needs and preferences of the buyer

Customers expect sales professionals to present services or products professionally and clearly. When a customer asks about a product or service, they want the facts and all the information you can provide, so they can make a decision. However, the customer may raise objections or indicate that they want something completely different to what they asked you about. For these reasons, it pays for salespeople to have the skills to adjust their presentation if they realise it is not proceeding as well as it should.

Why adjustments are necessary

Adjustments may be necessary for a variety of reasons. Customers' needs are detailed and highly complex, and despite thorough planning and preparation for a sales presentation you may not always understand the intricacies of a customer's needs. Continued questioning and careful listening can help make the situation clearer.

Here are some reasons for making adjustments.

Reasons for making adjustments

- The salesperson thinks they know what the buyer wants, but after a few questions they need to adjust the presentation because they are wrong.
- The customer may have come in with a specific product in mind but, after speaking with the salesperson, wants something completely different.
- The level of knowledge a customer has about a product may be very low, so the salesperson needs to provide far more information.
- The customer may have a hearing difficulty or be in a wheelchair, which may mean the salesperson has to acknowledge their circumstances and ask specific questions.
- The customer may have difficulty speaking English. Language barriers may need another approach, especially if a customer has limited English understanding.
- The customer may actually need a product but keeps raising objections.

Adjust the presentation

No two sales presentations are the same. A salesperson must be prepared to adjust their presentation and approach to meet the customer's needs and circumstances.

Be sensitive to a customer's personal needs. They may have tastes that are very different to your own, or they may have personal or family problems that are distracting them. In all cases, show sensitivity to and respect for the customer when making any adjustments to a product presentation. Show empathy in all situations where the customer is having difficulty or is upset.

Be constantly alert to the customer's nonverbal cues and the types of questions they ask. Observation and reflection are key skills for a salesperson so that adjustments can be made appropriately.

Adjustments may be active or passive. Here are some examples.



Passive adjustment

When a customer does not understand what a salesperson has said and appears confused, a natural reaction for the salesperson is to either repeat or rephrase information. This is an example of a passive adjustment, and one that may not require too much planning or consideration.



Active adjustment

Active adjustments require a deeper level of observation and consideration. For example, if a salesperson becomes aware the product being offered is not actually what the customer needs, they need to consider how to approach a switch to a more suitable product.

Types of adjustments

Be familiar with a range of adjustments you can make.

Here are some examples of the types of adjustments that might be made.

Types of adjustments



Change the amount of information

The level of detail and information provided may need to be increased or decreased. Know how much is too much or too little to present to a customer.



Change the timing

Be aware of how much time a customer has to spend at a presentation. If a customer appears to be in a hurry, summarise the features and benefits and provide them with a brochure or information sheet. Ask more specific, targeted questions. You might schedule a one-on-one meeting after the presentation for those who need more information.



Change your language

Jargon and technical language can hinder or help a sales presentation, depending on the customer's knowledge. Be aware of the customer's background and watch their facial expressions to see their level of understanding or confusion. Use plain English and translate any difficult words or phrases into terms they can understand.



Check cultural differences

Cultural differences can require adjustments in approaches. As a salesperson, it can be difficult to know what may be culturally appropriate in every circumstance. Observe the customer's nonverbal reactions and use gestures and facial expressions to help guide the sales approach and presentation.



Change questioning

Change the way you ask questions. Use more open questions for discussion or closed questions to focus on specific needs and preferences.



Change the sales aids

Use different sales aids to suit the customer. For example, some customers are more visual and prefer pictures and imagery, whereas other customers may prefer a more kinaesthetic and tactile approach, such as testing the product.



Check understanding of English

The customer may have difficulty speaking English. Language barriers may need another approach, especially if a customer has limited understanding of English. Using gestures, diagrams and plain English can help. Avoid jargon and acronyms in the presentation.

Example: adjust a presentation

During each weekly team meeting at Security Inc., the sales team leader Ruby ensures the meeting agenda includes a professional development discussion. The type of discussion usually includes real-life situations and debriefing with the team. This week Ruby focuses on sales presentation adjustments and shares the following scenario with the team:

'In a recent sales presentation, at very short notice, a customer announces they have additional time to spend with the salesperson. The customer is interested in exploring the product more thoroughly and would like more time to ask questions. Fortunately, the salesperson is well-prepared and has a range of testimonials on a USB drive to access. In addition, the salesperson accesses a range of product samples that are ideally suited for demonstration purposes.'

Ruby discusses the presentation adjustments made, particularly the unusual situation of being provided with more time to present (a time adjustment is usually due to the customer having less time to spend with the sales team leader). A vibrant discussion arises with the team regarding the need to develop a 'toolbox' containing ideas for situations similar to this. Suggestions range from different product samples to video presentations and charts describing the features and benefits of the product.



Practice task 7

Read the case study, then answer the questions that follow.

Case study

Arun is a sales team leader for a large software provider that specialises in software that creates electronic forms for large organisations. He is to present his product to a management team at the local hospital that is seeking an upgrade to its current electronic forms system.

A 60-minute presentation is booked for Friday morning to present the eForms2go product. Arun has had extensive conversations with the IT systems manager to determine the most suitable needs for the hospital, and both Arun and the IT systems manager believe eForms2go is the best option.

On Friday, Arun discovers that an emergency is unfolding in the hospital and the duration of the presentation has been shortened from 60 minutes to just 30. Arun initially attempts to reschedule the presentation but the six managers, all of whom are decision-makers, will not be available again at the same time for another six weeks. The hospital is also on a short time frame to make a purchase decision. Arun quickly shortens the presentation and elects to provide hard copies of the part of the presentation that will be missed.

During the presentation it becomes apparent, through Arun's close observation of the nonverbal cues of his audience and their questions, that two of the executive team appear to have limited knowledge of IT systems and how the current eForms system works. Arun again adjusts the presentation by offering an analogy describing how the product works. After this explanation, the two executives seem to have a 'light bulb' moment and appear more relaxed with the presentation's content. The presentation concludes and the CEO of the hospital thanks Arun genuinely for being so accommodating.

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1. What adjustments did Arun make to the sales presentation?

2. How might you improve on Arun's presentation?

2D Use persuasive communication techniques to secure buyer interest

In an ideal sales environment, every potential buyer would convert into a sale quickly without hesitation or any objections. But, as experienced salespeople can attest, this is rarely the case. An eager customer may present in front of a salesperson, but they do not always translate into a successful buyer.

Persuasive communication techniques can advance an interested buyer into a committed buyer.



Use a range of sales skills

Successfully encouraging and influencing a customer to buy a product requires you to have a full range of interpersonal and communication skills. These skills are key components of the principles of an effective sales presentation. Here are some examples.



Active listening

The salesperson paraphrases to the customer what the customer has been saying in order to understand the customer's position and current circumstances.



Observation

Observe a customer's reaction to a product and to the salesperson (or yourself). Look for nonverbal clues in the way they use body language that can tell you they are interested or bored.



Negotiation

Negotiate with the customer throughout the sales process in a manner that the customer does not feel as though they have been cheated and results in a 'win-win' situation; for example, offering an incentive such as a discount, free delivery or a free trial.



Use questioning techniques

Using a range of questions (open, closed and review questions) to guide a customer to closing a sale. Each type of question can further persuade the customer to buy.



Adjusting tactics

Adjusting and responding to customer needs can eventually lead to a sale. Use a range of interpersonal and communication skills, and be aware of when you need to adjust and respond to customer needs if the current strategy is not working.

Use persuasive approaches

There are different approaches you may take to persuade a customer and convert them into a buyer.

Here are some aspects of a persuasive selling approach.

Merchandise approach

A merchandise approach is used when a customer has been looking at a particular product for some period of time. Rather than approach the customer and offering to help them in a general sense, you are now able to approach the customer by referring to the product they are interested in.

For example, a customer may be looking at a vacuum cleaner, reading information on the box and looking at the price tag. In this instance, you could approach by making a comment such as, 'That's one of our newest models. They were only delivered last week'.

The aim here is to start a conversation, in this case about merchandise. If the customer responds favourably by continuing the conversation, you know that your approach has succeeded.

Service approach

A service approach is used when a customer is clearly in need of assistance. This may occur when a customer is in a particular rush or is obviously looking for a salesperson's help and will clearly accept your offer of assistance.

The salesperson makes a direct offer of assistance using an open question such as, 'How may I help you?'

Salespeople overuse this approach in the mistaken belief that their job is simply to offer service to every customer. In reality, a salesperson's job requires that they are able to assess the needs of each customer and tailor an approach that best suits the situation.

Greeting approach

A greeting approach is used when a customer has been in the store for some period of time but has not shown an interest in a particular item or product range. While customers should not be 'pounced on' when they enter the store, it is important that every customer be approached at some point. In fact, most retailers have store policies that state that it is expected that salespeople approach all customers.

The purpose of the greeting approach is to strike up a general conversation with the customer about something unrelated to their visit; for example, 'Hi. How are you today? You've got your hands full there. Looks like you're having a great day shopping!'

Persuasive tactics

After presenting a product and providing all the answers to a customer's question, a salesperson needs to gently prod the customer to determine whether there is a genuine motivation to purchase. Despite the most persuasive of techniques, some customers are still not going to make a decision. A salesperson must also learn when to walk away from a potential sale.

Here are examples of some persuasive actions to help guide a customer to a decision.

Make it easy to buy

Make it easy to buy. Discuss the easy payment terms, transactions processes and paperwork required to persuade the customer to purchase the product.

Focus on value

Focus on value. Value is largely determined by the customer's needs, and a salesperson that has identified these needs can more easily communicate the value of the product. Offering a discount or special offer may provide the customer with added value.

Pre-empt objections

Anticipate objections. Be prepared for a customer's objections and provide solutions that benefit the customer.

Qualify the process

Throughout the sales process, a salesperson should continue to qualify and check whether a customer is ready to purchase. Ask simple questions throughout the process to determine how interested and committed a buyer is to purchasing.

Coaching

Most customers are familiar with sales techniques and tools. Take a coaching approach with a customer who is open to the salesperson becoming an adviser in the sales situation. Educate the customer in regard to the product's true value.

Make finalising motions

Discuss the consequences of not taking action, and commence the preparation of closing paperwork.

Consider space and time

It is important to make sure that the customer does not feel that they are being rushed or pushed towards making a decision. Organisations succeed because they have developed loyal customers who repeatedly return to shop with them, but one of the surest ways of destroying this relationship is by pushing customers into making hasty decisions.



Avoid problems by allowing the customer time and space to make decisions to ensure the product meets their needs. The time needed may vary from as little as a second or two, or wanting to think the purchase through overnight.

One of your roles is to maximise your company's sales. In giving customers space and time to evaluate their purchasing decision, you are assisting the customer to be sure that the suggested product does meet their needs.

Problems that may occur

If customers are not given enough time and space to make a decision, they may not return to the store. They may return products or complain to their friends about the service they received. Your organisation may lose customers' trust.

Organisations have legal obligations regarding purchase decisions and salespeople must know what these are. For example, the *Competition and Consumer Act 2010* and corresponding state and territory legislation ensures that customers are entitled to a fair deal and reasonable satisfaction. Salespeople must inform customers about any policies that might impact their decision, such as refunds, warranty repairs or additional costs.

Achieve an effective sales presentation mix

What is the perfect mix for a sales presentation and how can you get it right? The sales presentation mix refers to the elements you assemble to sell to prospects and customers.

Here are the six elements of an effective sales presentation.

Effective elements of sales presentations

1**Persuasive communication**

Use tactics to communicate in a persuasive manner to compel a customer to purchase.

2**Participation**

Ensure the customer is involved in the sales process. Ask questions and ensure the customer feels part of the experience.

3

Proof

Wherever possible, use proof in the form of evidence that the product can meet the needs of the customer. This could be through testimonials, case studies or a product demonstration.

4

Visual aids

Humans are visual creatures, and presentations incorporating pictures, graphs, diagrams or anything else that engages the eyes will help to deliver a solid presentation.

5

Dramatisation

Effective and interesting presentations involve an element of drama or theatre. They are, after all, setting a scene and sharing a story of the product/service. This does not mean a presentation requires over-dramatisation. Consideration should be given to a seamless and professional delivery that engages the customer.

6

Demonstration

Wherever possible, a sales presentation should incorporate a demonstration. Depending on the product or service, this may vary in its actual method of delivery; for example, where a product is particularly large, a video demonstrating a product's operation could be used.

Example: provide customers with time to consider their decision

Julian and Myrtle have been in and out of Eagle Caravans three times in the past fortnight. Each time they visit, Rosalie, a very experienced sales team leader, approaches them. Rosalie recognises early on that these buyers need space and time to consider their choices. In previous visits when approached, both Julian and Myrtle insisted they were just browsing and indicated politely, verbally and nonverbally, that they preferred to be left on their own to do this.

Today, Rosalie detects a shift in their body language as they enter the showroom. Rosalie warmly greets Myrtle and Julian and uses a more direct form of questioning today: 'Can I help you with anything?'

Julian and Myrtle indicate to Rosalie that they have appreciated being given time and space to browse the caravans on offer. They indicate to Rosalie they have had bad experiences with pushy salespeople in the past. Rosalie makes a mental note of this and, although she utilises persuasive communication techniques, she takes a more gentle approach.

A decision in regard to the most suitable caravan is made and Rosalie openly asks Julian and Myrtle if they would like some time to discuss the caravan on their own. This gentle tactic builds further rapport with the customers and the only objection raised is related to payment options.



Practice task 8

Read the case study, then answer the questions that follow.

Case study

Bruce is a sales team leader for a busy digital advertising agency, CQ Sales, which specialises in short video infomercials that are broadcast on websites. The following is a transcript of Bruce's closing remarks in his most recent sales presentation.

'We have a range of easy payment options, including secure online credit card facilities, PayPal and regular bank deposit options.'

'The advertising package CQ Sales has put together would normally retail at around \$6,000, but because we are nearing the end of the month, I am able to offer it to you for \$3,500. So you save \$2,500.'

'We understand that creating a video infomercial can be a concern for customers, as they are worried about additional costs. Our package includes the production of an advertisement free of charge by our in-house production team. Alternatively, if you have a preferred agency to work with, we are always happy to liaise with them on the technical side of things.'

1. What did Bruce do well?

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2. What sales tactics did Bruce use to persuade the client?

3. How might Bruce have improved the sales presentation to secure the client's interest?

2E

Demonstrate and communicate key features and benefits of product to meet buyer needs

Salespeople must be familiar with the features that make up the products and services offered in their specified area. Customers feel confident and trust a salesperson who knows what they are talking about. In addition to this, a salesperson must identify and acknowledge the benefits that arise from the features and focus on these to meet customer needs.

Detailed product knowledge that includes product advantages and disadvantages, features and service benefits helps salespeople support customers and provide quality service. Always be aware of biased or misleading information that may come from an external source.



Know the key features of products

Knowing the features and benefits of the products and services offered helps you determine which ones meet a buyer's needs and which ones to focus on in a presentation. This knowledge is also useful to differentiate the product or service from competitor's product lines.

Features are the characteristics of a product; they relate to what you can see, hear, taste, smell and feel. For example, a leather sofa may have soft, red cushions that feel comfortable; a cheese may smell and taste delicious; a sound system may have superior sound quality.

In your presentation you need to be able to discuss each feature of a product or service and relate them to the buyer's needs.

Features of a product include:

- | | |
|---|---|
| <ul style="list-style-type: none"> • its purpose and use • the name and place of the manufacturer • availability • brand name • product specifications and technical details such as its weight and size • safety aspects • care details | <ul style="list-style-type: none"> • cost • quality • use-by date • packaging • warranties and guarantees • delivery • additional options such as attachments. |
|---|---|

Identify product benefits

Simply describing features of a product is not enough to sell a product. A customer needs to see how the features can benefit them. Benefits answer the question 'How does this help me?' A feature of a service may be free delivery, but the benefit to the customer is the cost saving.

Some features may not be important to one customer but be essential to another. All salespeople need to be able to determine what the customer sees as important to them and why. This must always be the focus of sales pitches because the aim of a good salesperson is to find the product that best matches identified customer requirements.

Here are several tips to assist in identifying product benefits.

Product benefits
<ul style="list-style-type: none">• Safety and security; for example: car door security locks; burglar alarm; fire alarm• Performance; for example, control panels on a refrigerator; petrol consumption per kilometre; room to store photos without overloading the computer• Aesthetic quality; for example, gold-plated; titanium steel finish; quality designer• Social quality; for example, branded with a logo• Financial savings; for example, buying in bulk; tax advantages; discounts• Time savings; for example, online banking services; a recruitment company that screens job applicants for another organisation• Customer service; for example, two-year warranty; customer service help desk; prompt trouble-free service for faults; complimentary services such as a free massage with a hotel booking; free delivery• Availability; for example, immediate delivery• Manufacturing origin; for example, made in Australia

Link product features with benefits

Features are easy to see, while benefits may be more difficult to spot, as they cannot always be immediately seen. Benefits are often personal and emotional in context, and relate to what the customer wants. You should explain the features but focus on the benefits.

For each feature you identify, list the corresponding benefit, taking note of the customer's motivation for wanting the product. You cannot assume that a buyer will necessarily make the link between the features and the benefits. This is where your skills and knowledge play a key role.

Here is a guide to assist you in preparing a list of features and benefits to use when making a presentation.

Document features and benefits

Many organisations list the features and benefits of products in their catalogues or advertising materials to convey explicit information, requirements and recommendations. Make sure everyone has access to this material. Keep in mind what you already know about the buyer so you are not describing benefits the customer has no use for.

Be accurate

Product information and leaflets prepared to assist buyers in making purchasing decisions should be clear and accurate. Be honest in the information presented to customers and be aware that making false claims about a product is against the law. There is a range of legislation governing different industries and this can affect how a product is sold. For example, insurance products must include certain disclaimers and be compliant with Australian Securities and Investments Commission regulations. Businesses are not permitted to mislead or deceive buyers under the *Competition and Consumers Act 2010* (Cth).

Example: identify product features and benefits

Many businesses prepare specific lists that detail a product's features and benefits that can be used effectively when making a presentation.

Here is an example of a list of product features and benefits.

Product: Car detailing service	
Features	Benefits
Complimentary courtesy service, including pick-up and delivery from your home or work in the metro area	Convenience for customers who have busy lives and cannot wait around for their car to be ready.
Weekend appointments available in advance	Weekend appointments are ideal for customers who require greater choices for car detailing services and cannot attend during the week.
Modern detailing technology and fully equipped workshop	Utilising the latest technology, our cleaning services are state of the art and ensure an immaculate clean every time.
Fully insured	In the unlikely event of damage or unforeseen circumstances with your vehicle, we are fully insured and can return your car to you as new.
Old or new, we shine them all	We offer a range of specialist services that will suit all cars from the latest luxury to vintage and everything in between.
Ample customer parking	Customer parking makes it easy for the customer to park their car when they arrive.

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Special rates available to fleet owners and car dealers (by negotiation)	For customers who have a large detailing volume, we are able to offer special rates to keep your costs down.
Paint protection, fabric protection and other extra services available at reasonable price	Customers seeking a range of services in the one location in addition to car detailing benefit from a one-stop shop service.
While-you-wait cafe to enjoy a coffee while we clean your car	Relax in our cafe with free refreshments.

Product disadvantages

To understand the key benefits of a product, you need to understand any possible disadvantages of a product. Some features may not be available on certain models or packages, while some features may be better represented on another product. By understanding the product disadvantages you can be prepared for questions or objections that may arise.

While it may not be advantageous to explain why a product may not be suitable for a customer, being candid should be part of an organisation's ethical approach to selling.

Here are some techniques for overcoming disadvantages.

Be honest

It is neither fair nor honest to knowingly sell a product that does not meet the customer's needs. A skilful salesperson, however, can turn a disadvantage around into a positive selling point by explaining other products that will meet the customer's needs instead. For example, a blender that a customer likes may not have the speed they require, so the salesperson can point this out and show another model with a much faster action, as well as indicating the slightly higher cost.

Offer an incentive

A feature that is a disadvantage at first (for example, it only comes in the one colour) may turn out to be insignificant if the salesperson offers a small discount to satisfy the customer and complete the sale.

Know the customer

A disadvantage for one person may not be considered so by another person; for example, an expensive, limited-number, high-quality, designer-branded item may be perfect for someone who can afford it and wants an exclusive name brand; or an item from a bargain store may be ideal for someone looking for a cheap product that is not designed to last.

Refer the customer

If the organisation does not stock the type of product the customer wants, you can refer them to another store; this has a spin-off in making the customer feel good about your store and make them likely to return.

Provide proof of benefits

Providing a customer with examples of how other customers have recognised the benefits of a product or service is often a key part of the sales process. Proof of benefits may be obtained through a range of opportunities.

Here are some examples of how you might provide proof of product or service benefits.

Post-purchase feedback and anecdotes

During post-sales follow-up conversations, a salesperson may receive feedback from the customer about the benefits they have obtained since purchase. For example, the purchase of a family-sized trampoline has resulted in adults being able to enjoy the trampoline as well.

Real examples

Formal examples may be developed for the organisation for use. Some marketing departments develop formalised case studies and examples to use to highlight a particular feature or benefit. For example, an Internet Service Provider (ISP) provides its salespeople with written case studies and examples of businesses who have benefited from the speed of service provided.

Testimonials

Testimonials from celebrities or trusted people within the community can add considerable weight to a product's benefits. For example, an Olympic swimmer may endorse a range of swimming goggles. Legislation makes it unlawful for people to knowingly endorse a product they not use or do not approve of.

Observation

The salesperson may have observed customers using the product outside of the store. For example, observing people using a portable barbeque on a weekend at a park, or on a boat. They can use this information to promote the product.

Communicate features and benefits

Identifying product features valued by a customer, converting them into benefits and communicating them to the customer is an essential part of the sales process.

Be prepared for a sales presentation by knowing the features and benefits of the product or service that best suit the customer, and identifying how you can highlight them to persuade the customer to buy. Speak clearly and describe the product in language the customer understands.

You may decide to:

- provide information sheets that outline the features and benefits
- provide a demonstration
- allow the customer to use the product

- provide a brief electronic presentation, where appropriate
- describe case studies of people successfully using the product or service
- provide testimonials.

Example: explain features and benefits

Sleep Easy is a national chain of bedroom furniture stores. Despite three similar stores within close walking distance, Sleep Easy maintains a strong market position. Salespeople who are employed at Sleep Easy have undertaken a rigorous sales training program that focuses on selling benefits rather than features.

A customer, Joe, enters the Sleep Easy store. He browses for a short period of time before Chan, an experienced salesperson, greets him. Chan's approach is professional and friendly. Joe describes his need, saying his current bed and mattress are 15 years old; the base of his bed appears to be sagging and the mattress is lumpy and uncomfortable. Chan quickly identifies that Joe's need is actually for a deep and good night's sleep and therefore adjusts his sales presentation to highlight this benefit.

After demonstrating and trialling a few mattresses to determine Joe's preferences, Chan identifies the RestAWay 500 as the most suitable one for Joe. While it is more expensive than others in the store, it is not the most expensive. Chan highlights the features and benefits; for example, most other mattresses come with a standard 10-year warranty but the RestAWay 500 has a 15-year warranty to provide the customer with greater peace of mind. Joe selects a modern bed frame with a strong innerspring base.

Sleep Easy has a specialist installation team who set up and install the bed and mattress in Joe's room. They take the time to ensure the bed is level and appropriately assembled. This benefits Joe because the bed will be correctly positioned for maximum comfort, and Joe can be sure of a good night's sleep.

Practice task 9

Read the case study, then answer the questions that follow.

Case study

Salesperson: 'You said earlier that you were looking for a smartphone that was simple to use, could store lots of photos and music and looked good but was compact in design. This Banana 2.0 phone computer is very easy to operate with its clear keypad, graphics and instructions, and comes with 120 GB of memory, which means there is heaps of storage space available for photos, music and apps. It is small enough to fit in your pocket easily. As you can see, the phone is modern in design, so it looks really attractive, with a larger and stronger screen than the previous model so everything is easy to see and it is likely to outlast other models. Here, handle it and see what you think.'

1. What were the needs the buyer expressed?

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2. What features were mentioned by the salesperson?

3. Select a feature and describe the benefit the salesperson mentioned.

4. What proof of benefits did the salesperson mention?

2F

Use sales aids to build buyer understanding of how the product aligns with their needs

Sales aids are the tools a sales professional uses to enhance a sales presentation. They may be items a customer can take with them to refer to at a later date, or items that are part of a presentation. Sales aids should be selected with the customer and their needs in mind. Providing inappropriate or unnecessary sales aids only clutter and confuse a sales presentation and the customer.

When used effectively, a sales aid can be persuasive; for example, demonstrating a washing machine that is very quiet when operating can be a very persuasive sales tactic for a customer interested in a machine that is not loud.

Use appropriate sales aids

Sales aids need to be appropriate to the needs of the buyer. For example, offering a detailed written brochure with small type may be inappropriate for a person with a visual impairment or a lack of proficiency in the English language, whereas this would be ideal for a customer particularly interested in detailed product specifications.

The purpose of a presentation is to build buyer understanding of how the product or service aligns with their needs. Sales aids should enhance a presentation and, if they do not serve this purpose, they are not aids.

Be prepared with the aids you have selected for your presentation.

Here are some examples of different presentation and the appropriate sales aids.

Appropriate sales aids



Corporate sales presentation

Audience needs: Information and data on the product

Sales aids:

- Electronic presentation
- Graphs, photos, images and statistics



Hands-on presentation to a group

Audience needs: To explore and use the product

Sales aids:

- Product
- Product samples
- Printed brochures



Individual sales presentation

Audience needs: To purchase a product that meets their needs

Sales aids:

- Product
- Information brochure
- Manufacturer's manual
- Warranty



Remote presentation via audiovisual technology

Audience needs: Customer or salesperson is unable to be physically present to see the product

Sales aids:

- Electronic communication tools, videos, interactive aids
- Product samples (could be mailed to customer)

Use sales aids effectively

An effective sales aid highlights both the features and benefits of a product and focuses on how it helps the buyer to understand the product better. Work out how you will use the aids you have selected.

Here are some tips for using sales aids to ensure the customer finds out more about the product and how it meets their needs.

Effective use of sales aids



Point out benefits

- Use the products effectively by pointing out the features and describing how they will benefit the customer.
- Use case studies and testimonials.
- Provide a features and benefits list and the manufacturer's booklet.
- Encourage the customer to view a demonstration if appropriate.



Make electronic presentations engaging

- Make sure all slides for an electronic presentation are clear, brief and engaging.
- Use music, humour or attractive graphics to involve the customers.
- Practise beforehand to ensure a seamless presentation.



Be prepared with handouts

- Be sure that there are sufficient catalogues, brochures or information leaflets. Customers may be disappointed and inclined to lose interest in the product if you tell them that you have run out of informational material.
- Check the information is current and accurate.
- Check the information is presented in an appropriate way for the customer to be able to understand it.



Check for safety

- Ensure that all electronic equipment has been checked for safety and is in good working order.
- Use protective clothing if appropriate.
- Ensure safety devices are available, such as safety guards and knife sheaves.



Check products are in working order

- Make sure any models or products you are using to demonstrate are safe, clean and function correctly.
- Practise using the item before the presentation.
- Have a copy of the operating manual you can refer to with the customer.

Use effective communication

When using sales aids, a salesperson must be confident in their operation and use the aid to contribute to the overall presentation. A sales aid is a communication tool, and principles of effective communication apply when using it. Speak clearly, slowly and in language the customer understands. Use pauses effectively to give them time to absorb the information you provide. Allow time for them to ask questions.

Poor use of a sales aid or a lack of confidence in using the sales aid can cause loss of a potential sale, a customer being sold a product they do not want, or a customer sharing their poor experience with others.

Example: use sales aids effectively

Jewellers who specialise in custom-made engagement and wedding rings use a range of sales aids to determine a customer's need and tastes.

Custom-made jewellery is highly personal and individual. Sales professionals in this industry use photos and albums showing different designs and materials for customers to browse through. Samples of different stones are shown to provide the customer with an idea of the size and shape of particular gems. Samples of bands are provided for the customer to try on for size and to determine their particular need. Testimonials are often used to promote the exclusivity of their range.

Once a customer has been able to identify key elements they are looking for, including gems, colours, styles, shapes and sizes, the salesperson then prepares a series of drawings and sketches in conjunction with a designer. These sketches are also used as sales aids with the customer to help further refine tastes and preferences. Follow-up revisions of sketches and then actual stones are sourced for the customer to approve before the manufacture of a custom piece.

Sales aids are a combination of customised aids (individual sketches) and general aids (photos, previous designs and testimonials), and are used to create jewellery that meets the customer's needs.

Practice task 10

Read the scenario, then answer the questions that follow.

Case study

A funeral company develops a professional and pragmatic approach to managing funerals through a prepaid funeral plan.

As part of the plan, a customer can pay upfront and select a particular amount they wish to pay. In addition, customers can select particular items to be included in the package, such as colour themes, flower and casket options.

Because the funerals are prepaid, the customer and their family have the advantage of knowing how much the funeral is going to cost them.

1. What sales aids might be used for a presentation about a prepaid funeral plan to an elderly couple?

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2. How do these aids help the buyer to determine the product meets their needs?

Summary

1. Establishing rapport with a customer is the starting point for a successful sales relationship and includes using a range of interpersonal skills, such as being approachable, using positive body language, showing interest in their needs, and accepting their point of view.
2. Active listening is the process of listening carefully and attentively to what a customer says, rather than just hearing their words.
3. Questioning using open, closed and review questions helps to determine buyer needs, preferences, motives and objectives.
4. Features are the characteristics of a product; benefits are what the customer gains from the features of a product.
5. Persuasive communication techniques involve the use of particular tactics on the part of the sales team leader to progress an interested buyer to a committed buyer.
6. Proof of benefits showing how other customers have recognised the benefits of a product or service may be a key part of the sales process; they include testimonials, anecdotal evidence and case studies.
7. Sales aids should be selected and used appropriately and effectively to help show the customer how a product aligns with their needs.

Learning checkpoint 2

Present sales solutions

This learning checkpoint allows you to review your skills and knowledge in presenting a sales solution.

Part A

1. Describe at least four principles of effective listening.

2. You are a salesperson for a company that builds luxury yachts. Prepare three sample questions you could use to understand the needs of a sailor interested in buying a new yacht.

3. Explain how nonverbal communication can complement the spoken word in a sales presentation.

Part B

Read the scenario, then complete the tasks that follow.

Case study

A customer has asked you to see a product range. They tell you that they want the product to be good quality, safe, mid-price range, compact and efficient.

1. In the following table, list the features, benefits and disadvantages of a specific product or service.

Product:		
Features	Benefits	Disadvantages

2. Explain how you would use a range of sales aids to build buyer understanding of how the product (selected in Part B, question 1) aligns with the customer's needs.

3. Describe at least four principles of effective presentation that you would use in a sales presentation.

4. During your presentation, you realise that you need to adjust your approach. Complete this table to show possible adjustments according to the customer's situation or in response to your questions.

Examples	Possible adjustment
You think you know what the customer is after, but after a few questions you need to adjust the presentation because you are wrong.	
The customer enters the store with a specific product in mind but, after speaking with you, wants something completely different.	
The customer has difficulty speaking English.	
The customer is in a wheelchair.	
The customer keeps checking their watch.	

Topic 3

Respond to buyer signals

Buyer signals are the indicators that a customer displays when they are interested in purchasing a product or service. However, recognising the signals a buyer uses is only part of the process; sales professionals must know how to respond to these signals to successfully close the sale.

Questions, body language, customer statements and objections are all clues as to whether a customer is ready to buy. Hearing or noticing and then reacting to the buyer signals a customer is making gives you, as a salesperson, an opportunity to progress a sales interaction into an actual sale.

In this topic you will learn how to:

- 3A Identify and assess verbal and nonverbal buyer signals
- 3B Use probing to identify the source of buyer resistance
- 3C Identify strengths and limitations of strategies to counter resistance and implement an appropriate strategy
- 3D Use trial closes strategically during different stages of the sales process

3A

Identify and assess verbal and nonverbal buyer signals

Buyer signals are the cues a customer exhibits to indicate whether they are interested in a product and are ready to purchase, if they need to ask questions, or whether they need more time to think and make their decision.

Buyer signals can either be verbal cues or nonverbal cues.

When a salesperson notices a buyer signal, it is important that they respond quickly and positively. Buyer signals arise quickly within a sales interaction, but they can disappear just as quickly. It is one thing to notice the signal, but a sales team leader must be able to interpret the meaning of the signal.



Verbal cues

A verbal cue is something a customer says in relation to a product or service. It may be a confirmation, or they may need assistance in clarifying aspects of the product before they buy.

Examples of verbal cues:

- 'I've been looking for one of these for years.'
- 'When could it be delivered?'
- 'Can I pay by cheque?'
- 'These chairs will look great with my table.'
- 'I really like this one the best.'
- 'I need this.'
- 'Does this come with a warranty?'

Nonverbal cues

A nonverbal buyer signal uses elements of a customer's body language to indicate interest or disinterest in a product. Practise observing customers to see the types of signals they use.

Here are some examples.

Examples of nonverbal cues

- Nodding, smiling and reaching for their wallet
- Walking towards the cash register
- Walking around holding the item and not putting it down
- Examining the product closely
- Moving closer to the product
- Smiling or nodding in agreement with the salesperson

Non-buying signals

It is important to recognise non-buying signals: the behaviour a customer shows to indicate that they are not interested or ready to purchase.

Not all customers who walk into a shop are intending to buy. Non-buying signals allow you to either adjust your presentation or to politely exit the sales process. Whatever the situation, you must remain courteous and polite to these customers. If you treat them with consideration and respect for their decision, they may return in future when they do have a need.

Here are examples of both direct and body language signals.



Direct signals

A customer may be quite direct in using a verbal non-buying signal.

For example:

- 'I really don't have the money to spend on this – I am just dreaming.'
- 'No thanks, I'm just looking today.'
- 'Thank you, but it's not what I am looking for.'
- 'Sorry, I don't have the time now; I'll come back another day.'



Body language signals

Gestures and body language may indicate the customer does not intend to buy.

For example:

- Customer physically walks out of the shop.
- Eye contact is minimal and the customer begins to look elsewhere.
- Customer continually looks at their watch.
- Closed body language; for example, arms folded and negative facial expressions such as frowning or shaking their head.

Example: identify verbal and nonverbal signals

It is a busy Saturday morning in an electronics shop. There is a steady stream of customers entering the store and browsing the aisles. Raphael, a salesperson, observes the different buyers to determine their buyer interest.

Raphael observes an elderly woman casually browsing the digital radios. She picks up and looks at several models of radio before placing them back onto the shelf. She appears quite leisurely in her approach and seems content to browse. Raphael begins to speak with her about her needs, but, after a short discussion, she looks around and says, 'Please feel free to help another customer, I am in no hurry today'.



Across the store is a well-dressed man looking at printers. Raphael observes that he has picked up a box with a printer in it and is reading the side packaging intently. After some time he has not put the box down. Raphael and the man have a long conversation about printers and Raphael is able to determine that the printer he is holding does meet his needs. The conversation continues and the customer asks a few questions about warranties and costs of printer cartridges. He then says to Raphael, 'I've been meaning to buy a new printer for ages! It's about time I got around to it'.

Practice task 11

1. What can a buyer's signals tell a salesperson?

2. Describe what nonverbal buying cues may be displayed if a customer is not interested in a product.

3B

Use probing to identify the source of buyer resistance

It is not always easy to interpret a buyer's behaviour. There are many reasons why a customer may decline to purchase, so observing them closely, asking relevant questions and building rapport with them are important elements of the sales process.



Understand buyer resistance

Buyer resistance is the opposition a customer has to purchasing a product or service. Buyer resistance can include both reasoned (objective) and emotional (subjective) objections to the purchase. Resistance can be genuine or a guise to get rid of the salesperson or to stop the sales process.

An objection is anything that prevents a sale from being completed. There are many reasons why a buyer may raise objections. For example, the buyer may believe the price is too high; the colour is not what they want; or the product doesn't do all the things they need it to do. A sale will not proceed until an objection has been dealt with.

Be aware of the range of objections that may be raised.

Here are examples of sources of buyer resistance and the customer's behaviour.

Product uncertainty

- The customer's need has not been met in regard to the product.
- The customer explains that it is not what they are looking for.

Price

- The customer queries the value or perceived value of the product.
- The item is too expensive.
- The item is too cheap.

Timing

- The customer requires time to think.
- Time available may be too quick to purchase.
- Timing may be too slow to purchase; that is, the mood has passed.

Personality

- Some customers are always going to object, no matter what you say.
- Some customers are indecisive and may dither, go away, come back and then decide it is all too much for them.

Service dissatisfaction

- The customer does not like the salesperson.
- The customer believes service is too slow.
- The customer thinks the salesperson does not know enough about the product or service.

Competitors

- The customer believes a product is cheaper or better at a competitor's store.

Resistance from friends

- A person accompanying the customer does not like the product and persuades the customer not to buy a product.

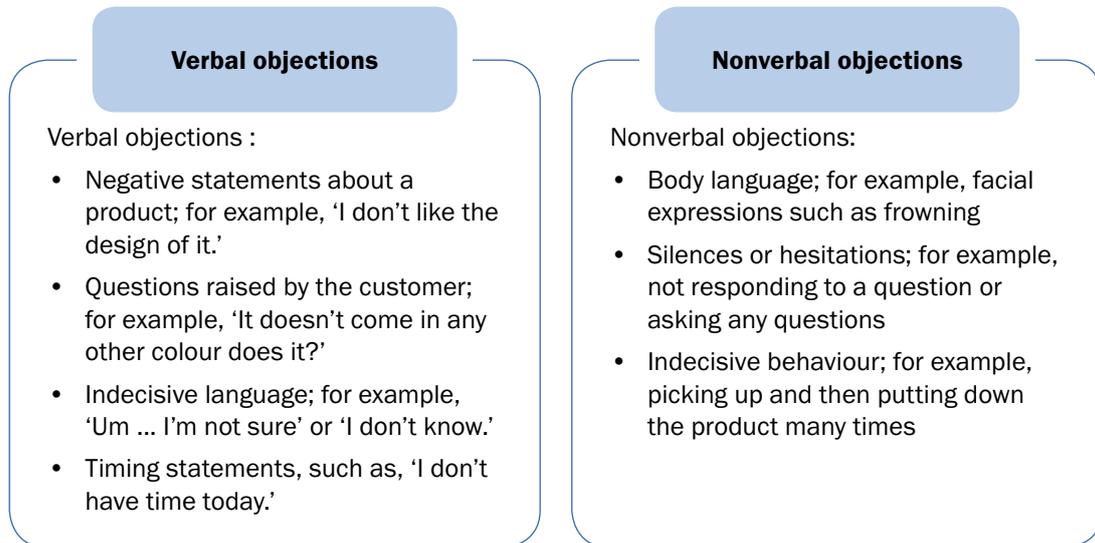
Resistance from decision-makers

- A customer may be buying on behalf of a company or person and believes the product or service will not meet the company's or the person's needs.

Objections

Objections can be raised either verbally or nonverbally.

Here is an outline of both types of objections.

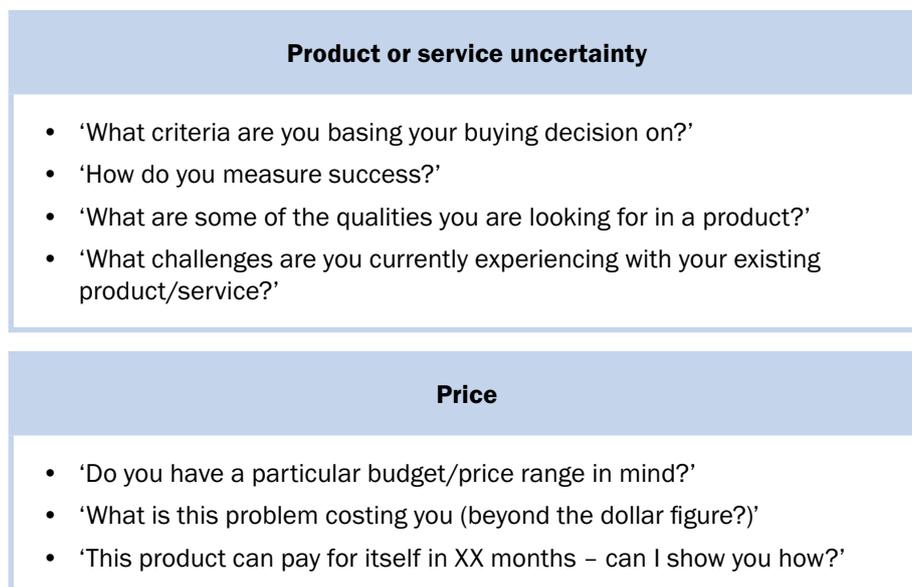


Overcome objections

Many objections can be easily overcome by providing more information about the product or service. However, before launching into an explanation, you should use a range of probing techniques to identify the source of the objection or the reasons for resistance and determine what information needs to be provided.

Open-ended questions are best, as they give the customer the opportunity to provide more information about their objection. For example, 'Can you describe what you don't like about it?' Closed questions may allow the customer to be more decisive and have less time to object.

Here are examples of different objections and the different types of questions that can be used to probe a customer.



Timing

- 'What might happen if you don't take action?'
- 'Can you come in another day?'

Personality

- 'Walk me through the process you follow when you consider decisions of this nature.'
- 'What concerns do you have about purchasing?'

Service dissatisfaction

Service or salesperson resistance is generally an objection that cannot be overcome by asking questions. Use alternative strategies, such as:

- adjusting your behaviours or mannerisms with the customer
- referring the customer to another salesperson who is an expert in the product or who may be better suited from a personality perspective.

Competitors

- 'Have you noticed the options that are available with our product?'
- 'We are offering a 15 per cent discount this month on any product a customer thinks they can buy cheaper elsewhere. Would that help you in your decision?'
- 'While our product may be priced slightly higher, it comes with a 24-month guarantee and I believe our competitors only offer a 12-month guarantee.'

Resistance from friends

- 'Do you really like this item?'
- 'How badly do you need the item?'
- 'Can you return on your own and reconsider?'

Resistance from decision-makers

- 'Are there other people involved in the purchase process?'
- 'Who else do you normally consult with on decisions like this?'
- 'Who are you currently using today to provide that service/product?'

Example: find out the source of resistance

Garden Nirvana sells expensive outdoor furniture, statues and exclusive water features. Dominic is the store manager, and this morning he meets with Ann-Marie, a garden designer, to assist her with her latest garden makeover for a client.

Dominic: 'I notice you have been looking at the Sandstone water features in our showroom. They are from a new designer. They look very striking, don't they?'

Ann-Marie: 'Yes, I had a look. They are great.'

Dominic: 'So, which one do you prefer for your current project?'

Ann-Marie: 'Unfortunately, none of them suit my current project.'

Dominic: 'Can you tell me why?'

Ann-Marie: 'The colour scheme of my garden requires a garden feature in warm colours, ideally with a reddish tone.'

Dominic: 'The only red tones we have in stock at the moment in our water features are the Iron Work range – is there anything in that range that suits?'

Ann-Marie: 'The colour is perfect but the design is too angular. I really need something that looks like the Sandstone design, but with the colour of the Iron Work range.'

Dominic: 'I could ring the manufacturer of the Sandstone range and ask if they could do a custom colour for you. I know in the past they have mentioned they can do custom designs.'

Ann-Marie: 'That would be great. Thanks.'



Practice task 12

Read the case study, then answer the questions that follow.

Case study

Monique is a sales team leader for a larger wholesaler selling boutique wool products, used for knitting, crochet, weaving and other crafts, to crafting retailers. This morning, Daphne meets with Monique to view their new line of angora wools, which Daphne is considering selling in her store. The following are two objections made by Daphne.

'I am not sure about the quality of this wool – are you sure it is angora?'

'I can buy this wool much cheaper elsewhere.'

1. Describe what type of resistance Monique may be encountering in this scenario.

2. Develop two probing questions for Monique to handle each resistance.

3C

Identify strengths and limitations of strategies to counter resistance and implement an appropriate strategy

Knowing how to manage and overcome resistance from a customer is important in obtaining a sale. Not every objection can be overcome, but every one of them can be countered, rebutted or refuted. In order to counter resistance, you need to be aware of a wide range of strategies to do this. Some strategies are only suitable for specific circumstances, so you need to be aware of the strengths and limitations of each strategy.



Manage buyer resistance

Knowing different strategies to counter buyer resistance is important because resistance and objections are a common part of the sales process.

An important step in overcoming objections is to accept that the objection is important to the customer. Accepting that an objection exists doesn't mean that you agree with the customer. For example, if a customer says that the price is too high, you should not say, 'Yes, you are right'. Accepting an objection simply means that you accept that it is important to the customer. A better response may be, 'What price range are you after? This product is available in different price ranges'.

Some tips for countering buyer resistance are as follows.

Tips for countering buyer resistance

- Listen to what the customer is saying and don't interrupt. Avoid preparing a response until the buyer has completely responded.
- Clarify and summarise the objection. Ask further questions to make sure you understand what they are objecting to.
- Empathise with the customer; for example, 'I can see why you feel that way'.
- Explain the benefits of what you are selling and ask the customer if they can see that the benefits might cancel out the objection; for example, 'Have you thought about ...?'
- Avoid arguing with a customer, even if the objection offered is untrue.
- Try to convert an objection into a sales point.

Strategies to counter buyer resistance

Different strategies can be employed depending on the circumstances of the sale; while one strategy may work well with one customer, the same strategy may be ineffective with another.

Understand the strengths and limitations of each strategy.

Here are some strategies that can be used to manage buyer resistance, including their strengths and limitations.

Description	Example	Strength	Limitation
<p>Assertiveness Be respectful but communicate actively.</p>	<p>'I understand you can feel this way.' 'Could you tell me why you don't like this?'</p>	<p>Respectful way of navigating an objection.</p>	<p>Customer may not agree with messages and statements made by the salesperson.</p>
<p>'Boomerang' Involves translating the objection into a positive</p>	<p>Customer: 'Your company advertises too much, which results in higher prices.' Salesperson: 'It is because of this higher advertising spend that we are able to offer a greater range of products.'</p>	<p>Suitable when:</p> <ul style="list-style-type: none"> • a helpless situation arises • the customer is not offended • an objection raised can be translated into a sales point. 	<p>When the objection raised has no hidden opportunity within. Not suitable for when the customer is offended.</p>
<p>Check perceptions Requests clarification of the behaviour or attitude from the buyer.</p>	<p>'What do you think about the design?'</p>	<p>Can be useful to understand what the customer is thinking about a product. Particularly useful when nonverbal cues are difficult to read.</p>	<p>Not appropriate when an objection has been raised, as the customer has already told you what they think.</p>
<p>Direct denial A technique that denies the claim made by the buyer in a factual and non-negative way.</p>	<p>Customer: 'That saw can't cut through steel.' Salesperson: 'I guarantee it can. Let me show you how.'</p>	<p>Works particularly well when responding to incorrect statements made by the buyer.</p>	<p>Not useful if the customer is correct in their statements.</p>
<p>Indirect denial When no contradiction or denial is stated in the response to the objection. It involves stating the unpleasant truth, but in a pleasant way.</p>	<p>'Yes, you are right, but ...'</p>	<p>It is a milder reaction than the direct denial, as there is no direct contradiction. It is still a useful strategy when the buyer has made an inaccurate statement.</p>	<p>Can only be used when a customer has made an inaccurate statement.</p>
<p>Incentives offer Incentives to purchase the product include gifts with purchase, product customisation, lay-by, price negotiation.</p>	<p>'I can offer you a free \$50 gift voucher if you purchase today.'</p>	<p>Can be useful if the customer is objecting on price or value.</p>	<p>Not suitable if the product does not meet the buyer's need.</p>

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Description	Example	Strength	Limitation
Further information Request additional information from buyers about their objection.	'Can you tell me a little bit more about what it is you don't like?'	Gives the salesperson an opportunity to learn more about the objection, particularly if it is unclear.	Only useful if the objection is unclear.
Superior benefit A technique that permits the salesperson to acknowledge objections as valid, yet still offset them with other features and benefits.	'Yes, the phone has limited storage space; this is because as part of the purchase, you receive 1TB of online storage space. This is actually a great benefit, because it means greater data security for you.'	Allows the salesperson to continue selling the product and to highlight to the customer relevant features and benefits.	When the objection cannot be offset by other features or benefits. When the objection is linked to price.
Trial offer If the customer is unsure about whether the product is suitable, a trial offer (usually time limited) is offered to the customer to see if the product is suitable.	Offering a 30-day trial of a cable television network to a prospective customer	Can overcome objections to do with product suitability. This can be a useful strategy because often the complexity of returning the product outweighs the purchase objections.	Unsuitable for perishable products/services or for customised/individualised products.

Identify and implement the most appropriate strategy

It is important that you select and implement appropriate buyer resistance strategies to secure the sale. If resistance is not overcome then the sale is lost. Identifying which strategy is best can take thought and planning.

You need to understand a customer's personality or buyer type. Rapport you develop with a customer can assist when selecting a strategy. For example, having developed a good rapport with a customer who is comfortable speaking to you, a direct denial may be very effective in communicating when an untrue objection is raised.

An objection should never be taken personally. At times there is a temptation to believe that a customer's objection is unreasonable and to show the customer that you are annoyed. Behaving in this manner will not lead to a sale or help the customer find a product that will meet their needs. Instead, it is better to think of objections as signposts that help you to find a solution that will satisfy the customer.



Example: manage buyer resistance

An experienced salesperson uses a range of strategies to counter objections.

Following are some objections and possible responses to them.

Objection	Response/solution
'I'm not happy with the delivery arrangements.'	'What type of delivery arrangement would you like? We can arrange something to suit you.'
'I want the product immediately. I can't wait three weeks.'	'You can enjoy it right away for an additional charge of \$15. I can arrange an overnight delivery for you.'
'It's far too expensive for me.'	'You're getting very good quality and so many benefits. If you like, perhaps you could order the basic (cheaper) model first. It would certainly address your needs. How does that sound?'
'It's cheaper at the shop around the corner.'	'Are you sure it is exactly the same model? They all look very similar. We offer free training sessions here.'
'None of the sizes you have fit me.'	'I can ring around our other stores. Would you like me to do that? If they have your size we can get it in by tomorrow morning.'
'I can buy it cheaper on the internet.'	'Of course people value different things. An online supplier may not be able to guarantee delivery and you don't always know what you're getting – especially from overseas. If you do prefer to transact online, we also have an online store.'

Practice task 13

List the appropriate strategy and a possible response to the objections in this table.

Objection	Appropriate strategy	Response/solution
'Um ... I'm just not sure about it.'		
'I've heard the quality of these is pretty poor.'		
'I don't get paid until next week.'		

3D

Use trial closes strategically during different stages of the sales process

Trial closes help to progress a customer through the sales process. When used appropriately they are one of the most valuable tools a salesperson can have, as they allow you to continually assess a sales situation or a customer. With practice, the trial close becomes an instinctive part of the sales process.



What is a trial close?

A trial close is when you ask questions to test a customer's response in the sales process. Trial closes can be used strategically at different stages of the sales process, so there are no strict rules around their use. They are largely dependent on the circumstances of the sales process. For example, you may sense that the customer has accepted your responses to their objections and may be about to make their decision.

Alternatively, you may observe that the customer is still indecisive but may be prompted to purchase with the right strategy.

The trial close works by placing the idea of closure into the customer's mind. You need to watch carefully for verbal and nonverbal cues to determine if the customer is ready to buy or not.

Here are some situations where a trial close can be used.

Situations when a trial close can be used

- Straight after the successful handling of an objection raised by the customer
- When a customer shows (verbal or nonverbal) signs of approval of a recommendation you have made
- After a salesperson has stated a major benefit of the product, which can then be progressed into a close

Trial close questions

A trial close uses questions to determine how likely it is that the customer will make the purchase. Trial closing questions are generally open-ended questions and are used to obtain a customer's opinion. The response from a trial closing question guides the sales professional as to what to do next.

In a trial close the salesperson progresses towards closing the sale and watches for a customer's responses to see whether the customer is ready to make the purchase. At this point in the process, the customer is not being coerced; instead, the trial close invites a customer to share an opinion.

Examples of trial close questions include:

- 'It looks like you really like this. Is that true?'
- 'Put aside the price for now – is this the right product for you?'
- 'Do you prefer the larger or smaller version?'

- ‘Can you see yourself driving this car every day?’
- ‘How does this sound so far?’
- ‘How would this look at home?’
- ‘Is now a good time to look at the finer details?’

Responses to trial closes

The response from the trial close is important, as it allows you to determine whether the sale will go ahead, if further questions need to be asked or if additional information needs to be supplied.

Check the customer’s interest in the product and whether they need further information.

Here are examples that might assist you in responding during a trial close.

Interest in the product

A customer who responds positively to a trial close question is demonstrating an interest in the product and there may be few objections.

For example, a customer responds with, ‘Yes, I love the product design’.

A salesperson can use this information to then progress the sales presentation towards an actual close.

No interest in the product

A customer who responds either negatively or neutrally may be indicating lack of interest in the product.

For example, a response such as, ‘Oh, I am not sure’ or ‘It’s okay’.

A negative or neutral response may allow a salesperson to uncover objections or resistance that may open the way for further probing questions.

More information needed

The customer may require more information or time to decide.

For example, a response that includes ‘Can I think about it?’ may indicate that a customer requires further time or more information about a product or its features.

The salesperson should use further probing questions, as the customer is not ready to close the sale at this point.

Benefits of a trial close

There are many benefits to using the trial close in a sales process.

Here is a list of the common benefits of a trial close.

Benefits of a trial close

The salesperson can learn from the attempt – specifically what the objections are and what time frames a customer may have in relation to purchase.

It is a soft approach to moving towards a close, especially if the conversation has stalled, or the customer is procrastinating.

The trial close checks a customer's view or opinion of a product or service.

It can guide a salesperson as to where they should be directing the customer.

Trial closes help improve closing ratios.

Example: a trial close in action

Miriam works as a sales team leader for a commercial cleaning company and is presenting on site to Ramon, the commercial manager for an environmental management company.

Miriam: 'How do you feel about the complete cleaning service we offer?'

Ramon: 'It seems very comprehensive. Do you offer a service that includes purchasing all of the cleaning consumables too?'

Miriam: 'Yes we do. In fact, as part of the package we are looking specifically at your business, Ramon. We would include grey-water-friendly cleaners with no chemicals and recyclable cloths to ensure minimal environmental impacts.'

Ramon: 'That's great to hear. As an environment management company, we are keen to ensure our business considers all elements of the environment.'

Miriam: 'So the date you would be booking for your first clean is April 23rd?'

Ramon: 'Um ... I am not sure. Are you able to commit to cleaning the office twice a week?'

Miriam: 'When should we send out our cleaning professionals to do the first clean?'

Ramon: 'I will need to cancel the other cleaning company. I need to give them four weeks' notice. So you should be able to clean in four weeks' time from today.'

Miriam: 'Yes. Have I missed anything?'

Ramon: 'No I think that is everything.'

Miriam: 'Is now a good time to complete the paperwork?'

Ramon: 'Yes, let's do it now.'



Practice task 14

1. When should trial closes be used in a sales interaction?

2. Provide three different trial close questions that could be asked when selling a product.

Summary

1. Buyer signals are the cues a customer exhibits to indicate whether they are interested in a product or service or are ready (or not) to purchase.
2. Buyer resistance can include reasoned (objective) and emotional (subjective) objections to the purchase.
3. Resistance from buyers is part of the sales process, and sales professionals must work to overcome objections.
4. Probing and asking key questions of a customer helps to overcome the source of buyer resistance.
5. Use a range of appropriate strategies to manage buyer resistance, such as direct or indirect denial, checking their perceptions, offering incentives, requesting further information or providing a trial offer.
6. A trial close tests where a customer is at in the sales process and guides a salesperson as to what to do next. Questions are asked to see how close the customer is to making the purchase, if further questions need to be asked or if additional information needs to be supplied.

Learning checkpoint 3

Respond to buyer signals

This learning checkpoint allows you to review your skills and knowledge in responding to buyer signals.

Part A

1. List at least four useful actions a salesperson should take when managing buyer resistance.

2. Explain why buyer signals are useful to a salesperson.

3. What is the purpose of buyer resistance strategies, and how will you know which one to use?

Part B

Read the case study, then answer the questions that follow.

Case study

Stephen works for Safety First, a WHS consultancy firm specialising in developing safety management plans, conducting incident investigations and providing advice to a range of industries in regards to their safety systems. Stephen is conducting a presentation to Ravi, the manager of an engineering firm that manufactures component parts for the rail industry.

Ravi needs a safety management plan and other WHS services, as his business is small and does not have a WHS officer. Ravi appears agitated and distracted during the presentation, and frequently looks out the window into the workshop as though he is looking for someone. Stephen and Ravi have the following conversation.

Ravi: 'I don't see why I need to have all of this paperwork in place to keep my employees safe. I know what's safe; I've been in this industry for 30 years!'

Stephen: 'That's one of the difficulties a lot of businesses like yours suffer from. It's so difficult for small businesses in high-risk industries like rail transport to maintain compliance with legislation. That's why our services are vital for your business; we know the paperwork side of things, and understand the compliance requirements, so you can continue doing what you do best. How does that sound?'

Ravi: 'It sounds like I have to pay a lot of money for no value!'

Stephen: 'Ravi, the value comes from risk. Let me ask you this: Can you afford to not be compliant with safety legislation and regulations?'

Ravi: 'I guess not.'

Stephen: 'How much could a serious incident cost you – in dollars, time and reputation if there is an accident on site?'

Ravi: 'I shudder to think ... It would probably be the end of my business.'

At this point Stephen notices that Ravi has become subdued and quiet.

Stephen: 'In fact having the compliance is a great sales tool for you too. Rail operators won't deal with a manufacturer who does not have all the WHS systems in place. Most importantly they won't let your staff onto their sites unless they are certain you have the systems in place.'

Ravi: 'I hadn't thought about that ... hmm.'

Stephen: 'What else concerns you about the service we can provide?'

Ravi: 'Well, we operate a 24/7 business here. What if I need help after hours, with injury management or something?'

Stephen: 'Safety First has a 24/7 support team in each state; they can be on a plane the same day if they have to travel to a remote site, but are always available via phone and email. Is there anything else concerning you?'

Ravi: 'Uh, no ... It's just a big step to take!'

Stephen: 'I appreciate that ... Should we look over some finer details, maybe work through it together step by step?'

At this point Ravi's body language shifts again. He looks directly at Stephen, with a smile.

Ravi: 'Yes, okay, let's have a look at some more details.'

1. Did Ravi display any nonverbal buying signals during the conversation? If so, what were they?

2. What strategies did Stephen use to identify the source of the resistance?

3. What strategies did the salesperson implement to manage the buyer's resistance?

4. Would you have done anything differently to manage Ravi's resistance if you were Stephen? Justify your response.

5. What trial closes did Stephen use?

Topic 4

Negotiate and finalise a sale

Negotiating and finalising a sale with a customer represents the conclusion of the sales process. It means that the customer has agreed to buy a product or service. Closing a sale results in financial success for the business and satisfaction for both the salesperson and the customer.

Many people can sell a product or service, but making the most of a sale and getting customers to come back to you takes practice and skill. When you enter a sales negotiation well informed, you keep expectations under control. The most effective sales relationships are based on trust between partners, which can evolve into long-standing partnerships. In this way, sales negotiation is not about winning but rather about mediating for the best outcome for all involved.

In this topic you will learn how to:

- 4A Initiate formal close to the sales process using supportive and confirming language
- 4B Negotiate and summarise conditions of agreement, including finance, and confirm buyer's decision
- 4C Prepare and complete sales documents and process and monitor client order
- 4D Identify and present cross-selling opportunities to buyer

4A

Initiate formal close to the sales process using supportive and confirming language

A sales process has several parts to it, with the final phase focusing on the sales close. This is when you turn the sales pitch into a sales closing. For many sales professionals this is the hardest and most challenging part. You are asking for the sale, and it is at this point that rejection can and does occur. You need to know how to close a sales process, including asking for the sale and finalising the sale.



Formal close

The formal close refers to the process of making a sale. It represents the achievement of the desired outcome for both the salesperson and customer. A formal close follows a trial close and is typically followed by commitment to purchase and exchange of money or a signature on a contract or other document.

The right time to close the sale is directly after the customer has shown strong buying signals. Some salespeople are a little nervous about this step because up until this point there has been no direct mention of handing over money. However, customers expect a salesperson to try to close the sale, and the customer will then either purchase or end the process.

The formal close uses a more direct form of persuasion than a trial close (which is generally a softer approach).

Formal close strategies

There are different close strategies that can be used by salespeople to finalise a sale. The strategy selected depends on the sales environment, the type of product or service being sold and the risks involved; for example, a retail situation may differ from a business-to-business exchange.

Buying signals provide you with choices in closing the sale. Sometimes, customers will not even notice that the salesperson has closed the sale because the approach the salesperson has chosen has made the close almost invisible.

Here are some formal close strategies.

Direct close

A direct close is the most straightforward closing technique. The salesperson simply asks, 'So you'll take this one then?'

This may be the most appropriate choice if a customer has exhibited very strong buyer signals and communication throughout the sales process has been very direct and open.

Active close

An active close means that the salesperson does something that signals to the customer that they have assumed the customer has decided to buy the product. Examples include:

- completing an order form for the product
- filling in delivery details
- measuring clothing for alterations.

Alternative choice close

The salesperson presents the customer with two options and asks, 'So which one will it be?' or 'Which of these would you prefer, A or B?' The customer answers, thereby indicating that they are willing to purchase one of the items.

Always try to provide the customer with two choices; regardless of which one the customer selects, a sale has been confirmed. Even if no product choices exist, a salesperson can give two choices with regard to payment or delivery. For example, 'Would you like this delivered to your office or to your home address?' or, 'Will that be on your store card or cash?'

Assumptive close

When the customer has shown very strong buying signals, the salesperson assumes that they are going to buy the product. Some people think this technique is pushy, but it is not if you are simply responding to clear and strong buying signals. The only time this technique will appear to be too assertive is if it is used without the appropriate buying signals.

Examples of this technique include:

- Buying signal: 'I've been looking for one of these for years!'
- Close: 'I'm glad we could help you find it. When would you like it delivered?'
- Buying signal: Customer reaches for their wallet.
- Close: 'How would you like to pay for it?'

Last chance close

The 'don't miss out' method of closing a sale is helpful if there is a limited supply of the product or a special price is offered for a limited time. The salesperson points out that supply is limited and that the item or price may not be available if the customer doesn't make a purchase today. It is important to be truthful with this technique. The last thing you want is your customer to buy the product believing that they are purchasing the last one that is available, only to see a whole wall of the items in the store the next week.

Examples of this close include the following:

- 'We only have two of these left in stock, so I'd recommend you buy now.'
- 'If you need this delivered by next Saturday, you will have to confirm your order with us today.'

Tips for closing sales

Watch experienced salespeople close a sale effortlessly. See what techniques they use and when they use them. You will gain these skills with practice.

Here are some tips for closing a sale effectively.

Tips for closing a sale

- Do it! If you don't ask, you don't get.
- If you've misread the buying signals and the customer isn't ready to buy, don't worry. Apologise and get back into the sale to find out what else the customer may be looking for.
- Give the customer time and space when making their decision. Now is not the time to keep selling.
- Let the customer make up their mind.
- Don't take a 'no' as a personal rejection.

Language in closes

Salespeople must use supportive and confirming language in a formal close. Be decisive but friendly, and speak clearly. If customers feel betrayed or tricked into purchasing a product, they might not buy from either you or the organisation you work for. In fact, they are likely to share their bad experience with other potential customers.

Always avoid 'umms and ahhs' in sales closes, as they do not portray confidence and do not support the customer's decision to purchase.



Don't use language or a tone that is hesitant or apprehensive in formal closes, as this may indicate to a customer a lack of faith in the product on your part. For example, a salesperson who closes with 'I can begin the paperwork if you'd like', may be better placed to reword their close with 'I will fill in the paperwork now and all you have to do is sign here'.

Example: close a sale

Renato works for a large paving supplier. He meets with the Browne family who are seeking a specific amount of pavers for their outdoor kitchen and pool surrounds. The Browne family discuss colour and textures of the pavers and decide on the Ultrapave 200 series.



After several trial closes, Renato believes the Ultrapave 200 in Mystic Grey suits the Brownes' needs in terms of style, colour and texture of the paver. Renato is aware of the differences that occur in paver batches. His company regularly uses the limited supply strategy to close a sale, as the colour and texture can vary considerably from batch to batch; identical batches of bricks and pavers cannot always be guaranteed.

Renato: 'As with all of the Ultrapave 200 pavers, each batch of pavers is unique due to the different mineral compositions within the paver. I know you are interested in 80 square metres of pavers for your outdoor area. We currently have 100 square metres of Mystic Grey in stock. I am worried if you leave it too long we may not have the exact colour and texture of the Mystic Grey you like so much in stock. It's a beautiful product, and I would recommend you order today if that's what you like.'

Practice task 15

1. Why are closing strategies important?

2. When is a formal close used?

3. When might you use an assumptive close?

4B

Negotiate and summarise conditions of agreement, including finance, and confirm buyer's decision

Finalising the sale is the logical progression from an initial interest in a product or service to a decision to purchase. As part of the finalising process, you should first confirm the buyer's decision. Clearly articulate any conditions relating to the sale to ensure the customer is clear on sales arrangements, such as finance, delivery, warranty, exchange or return of goods. You also need to provide the opportunity for the customer to negotiate the terms and conditions where appropriate.

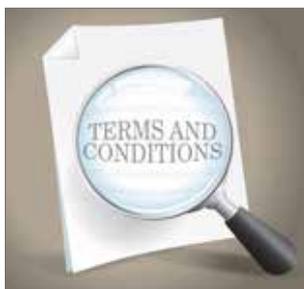


Conditions of sale

Conditions of agreement are any particulars that a salesperson or a customer stipulates and agrees to in relation to a sale, referred to as the terms and conditions of sale. A customer needs to understand what the conditions are and what they are receiving for the money they are exchanging for a product or service. A sale may involve a range of services, and these need to be clearly articulated. In some circumstances the customer has more leverage to negotiate the terms and conditions of a sale.

Customers often wish to know that they can return an item if it is the incorrect size or damaged. Terms may relate to returns, exchanges or refunds.

Here are examples of standard terms and conditions and further negotiated arrangements.



Standard conditions and terms

Depending on the product, the terms and conditions may be relatively standard and straightforward in accordance with consumer laws; for example:

- All prices quoted include GST (goods and services tax).
- Payment must be made in full at the completion of the service unless prior arrangements have been made.
- Free delivery is included as part of the sale.
- A receipt must be provided and retained as proof of purchase.



Negotiated arrangements

Some products or services may have more detailed terms and conditions, and the customer has more leverage to negotiate the terms and conditions such as:

- the purchase of health insurance where the customer is provided with product information and attached conditions such as eligibility, waiting periods, what products attract compensation and those that do not.
- when purchasing a house a customer may stipulate certain inclusions like repainting walls, or negotiate a lower price.

Negotiate terms and conditions

Conditions of sale must be stated accurately and be agreed to by the buyer before the sale is final. When negotiating conditions of sale, be clear and follow organisational procedures. Don't offer a discount or longer payment terms if this is not part of organisational policy.

For example, if a customer is purchasing a piece of furniture that is currently on display, they may try to negotiate as part of the condition of sale that the item is professionally cleaned prior to delivery. You may decide to include additional free items to close a sale. A contract may include a non-negotiable clause.

Be sure that all negotiations are conducted professionally and honestly. There are significant consequences of not being clear or being intentionally misleading or vague.

Consequences may include:

- loss of the current sale
- disgruntled customers who are unclear as to the conditions of sale
- loss of future sales from the customer or their acquaintances
- a fine imposed on the organisation for not outlining the conditions of sale, particularly if they are misleading or ambiguous.

Negotiate price

It is common for customers to make comments such as, 'I can't afford it', 'It costs too much' or, 'I can get it cheaper from your competitor'. While this may be true, it may mean that the customer doesn't want to pay the asking price.



Strategies to deal with price issues may include:

- dropping the price the moment a customer asks you to
- reiterating the benefits so the customer sees what they are getting for their money
- offering a price reduction within organisational policy and your level of authorisation.

Provide accurate price information

As part of the conditions of sale, customers need to be quoted the correct final price that they have to pay. It is important that salespeople are confident in all the processes involved in arriving at the correct final figure. In most cases, stores review these processes with staff members at the time of their induction, and the store's policies manual provides a useful backup resource.

You need to be able to identify, interpret and compare mathematical information. Seek training in finance and financial documentation if required.

Calculate discounts correctly

Organisations have a set process that must be followed to ensure discounts are calculated accurately and details of the discounted transactions are monitored for accounting and loss-prevention purposes. For example, you might have to consult a computer program or book that records the names of loyalty club members or people who are entitled to a trade discount to know who is entitled and what they are entitled to.

There are times in most organisations when you need to calculate price reductions.

Calculate discounts for:

- end-of-year stock sale
- competitor price matching
- trade prices
- duty-free prices
- staff discounts
- seasonal sale discounts
- VIP/loyalty customer discounts
- reductions for damaged goods.

Pricing laws

As well as being aware of your organisation's policy on price negotiation, there are also laws relating to pricing. The key points in these laws are that:

- customers should be made aware of the final price they will have to pay, including delivery, freight, taxes and so on
- all price quotes must be inclusive of GST
- prices displayed on shelves must be accurate.



You can read more about laws relating to pricing on the Australian Competition and Consumer Commission website at: <http://www.accc.gov.au>.

Payment options and financing arrangements

Financing arrangements are an important condition of sale. Be clear about what information and advice you can provide.

Customers may be offered a variety of payment methods, such as paying by cash, cheque, direct debit from an account or online payment by credit card, or credit options such as lay-by or interest-free credit that allow the customer to pay the total off over time.

Here is some information that a sales professional may provide on financing.

Finance information

Describe the total cost, monthly repayments and any account servicing or set-up costs.

Explain whether a deposit is required.

Detail the duration of the financing arrangement (including how many payments may need to be made).

Explain whether the customer can take the item home or needs to wait until final payment is received.

Prepare finance documents, including explaining important information contained within the documents.

Refer the customer to an appropriate financing or loan specialist to facilitate the finance; for example, to determine eligibility for finance.

Negotiate delivery

Delivery is often an outsourced service, and the cost of delivery is generally factored into the final price of a product. For larger items and business-to-business sales, delivery is a benefit considered by customers as a standard condition.

Always be aware of delivery costs, and any particular conditions around delivery; for example, additional charges for delivery up flights of stairs, or deliveries to non-metropolitan addresses.

Organisations often seek to differentiate themselves with delivery options and may include installation services as part of the delivery arrangements.

Delivery may be offered as:

- free or included in the cost
- discounted; for example, 'Delivery is usually \$200, but I can offer it to you for \$100'
- a sliding scale depending on the distance
- after-hours delivery (on weekdays or weekends).

Negotiate contract length

The length of a contract is generally a condition applicable to a service. An organisation may want customers to agree to a long contract, providing a certain level of assurance around monthly revenue until the contract ceases.

The length of a contract can be linked to price; for example, a car rental company may charge a cheaper daily rate for a customer who hires a car for two months as opposed to a customer who only wishes to hire a car for a weekend; gyms offer annual membership at a reduced price when compared to payment on a weekly basis.

Customers need to be aware of the length of any contract they are signing up to, as well as the information around costs involved in breaking a contract.



Client loyalty

Client loyalty can be a condition of sale.

Here are two types of client loyalty situations.

Exclusivity clause

In corporate sales, a condition of agreement may be that the customer only purchases a product through the nominated organisation. This allows for exclusivity in the sales process. To secure a cheaper product, corporate clients may negotiate an exclusivity clause. The company selling the product also benefits from this agreement because competitors are unable to provide services to the client.

For example, a school may have an exclusive contract with a clothing supplier to be the sole provider of a school uniform to students of that school.

Membership rights

Client loyalty as a condition of sale may not always be formally recognised through a contract. Purchases equalling a particular amount may grant a customer access to a VIP members club. Recognising the amount of money a customer has spent over time and providing the customer with access to discounted future sales or other benefits rewards the customer and retains them as repeat customers.

Summarise agreement and confirm buyer's decision

Once the customer has agreed to the sale and the conditions you have outlined, you need to summarise them to confirm the buyer understands and accepts the terms of agreement. Ask questions to clarify their understanding of what they are required to do. Describe the responsibilities of the organisation.

In particular, customers should be made aware of the final price they will have to pay, including delivery, freight, taxes and interest.

Items that have been negotiated and agreed to, such as free delivery, a discount or an extended contract must be clearly explained, with the customer being given the opportunity to ask questions and confirm the decisions made.



Example: negotiate conditions of agreement

Luna Protection Services is a data protection firm specialising in software and data management services. Its core offering is off-site hosting services of data. David is the sales team leader for the Australia-Pacific Region of Luna Protection Services and runs a bimonthly training program for all new sales staff.

This afternoon's topic for the sales training is on negotiating conditions of sale. This is particularly important for Luna Protection Services, as this is a customised service and there are always a number of conditions that must be negotiated and agreed upon at the closure of a sale. In discussing each of the conditions of sale, David gives a booklet to each attendee detailing company policies and procedures. The following is an excerpt on negotiating conditions of sale.

- Onsite training: As part of Luna Protection Services sales process, onsite training for up to 10 people is included in the standard agreement. If the client requires more onsite training, this needs to be negotiated in consultation with your sales manager.
- Go-live dates: Go-live dates refer to when the data management service will be migrated from the client's current provider to Luna Protection Services. Our standard offering is a minimum eight-week delivery time, but this may be negotiated depending on the size of the account and current workload capacity. All sales professionals must liaise with their technical account manager regarding confirmation of delivery times.
- Contract durations: Given the amount of set-up and technical work required for set-up, contracts extend for a minimum of two years. Short-term contracts are available, but should be discussed with the sales team leader before progressing any further in the sales process.

Practice task 16

1. Why is it crucial that the terms and conditions of sale are communicated to the customer?

2. Select one area where a customer may negotiate a sale; and provide an example of the negotiation.

3. A salesperson has closed a sale on an expensive item of clothing that the customer cannot afford to pay for immediately. Provide advice on appropriate financial arrangements.

4C

Prepare and complete sales documents and process and monitor client order

Once a sale is confirmed, there needs to be proof outlining the particulars of the sale agreement between the organisation and the customer. Depending on the industry or product, there may be rigorous legislative requirements in relation to sales documentation.

Organisations also require accurate details on sales to ensure the correct product is dispatched to the customer and processed in a timely manner and for the organisation's own record-keeping purposes.



Record keeping

Record keeping is a crucial aspect of all sales. Organisations must keep records of their sales for a variety of reasons.

Here are some methods used for record-keeping practices.

Taxation and legislative requirements

There are specific requirements for certain sales documents and industries to maintain particular records in relation to their sales. All business records must be kept for tax purposes as well as proof of business.

Warranty claims

Warranty claims become particularly important if the organisation also manufactures the product. A proof-of-purchase document can ascertain whether warranty claims are rejected or approved.

Sales history

Sales of particular products can be tracked through keeping accurate records of sales. The information helps to monitor revenue and profits. Sales history can also be an important business intelligence tool.

Customer records

Detailed customer records are kept to track clients and encourage customer loyalty. Customer information can then be used for future sales promotions and marketing activities.

Sales documents

Sales documents detail the particulars of a sale between an organisation and a customer. Under Australian Taxation Office regulations, an organisation is required by law to provide a sales document to their customers within 28 days of completing the sale.

Make sure you can confidently use a computer or other digital tools to complete the documentation.

Following are some examples of documents.

Sales documents



Tax invoices

A tax invoice is an invoice that confirms a sale. There are a number of specific Australian Taxation Office requirements, depending on the sale amount. A tax invoice must include:

- details of the seller's identity
- details of the seller's Australian Business Number (ABN)
- the date the invoice was issued
- a brief description of the items sold, including the quantity (if applicable) and the price
- the GST amount (if any) payable; this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, as a statement such as 'Total price includes GST'
- the extent to which each sale on the invoice is a taxable sale (that is, the extent to which each sale includes GST).



Warranty documents

Warranty documents may be issued as part of a sale. They may detail the duration of the warranty and what aspects of the product may be covered under the warranty.

You need to insert the date and purchase price of the item. Warranty documents are generally written using legal terminology and may include circumstances when the warranty is void; for example, the negligent use of an item.



Delivery documents

A delivery document (or docket) itemises the products being delivered to a customer and confirms the date, day, time and location a product or service is delivered.

A delivery document may be supplied in addition to a receipt to confirm that the product has been received by the customer.



Receipts

Receipts are documents that provide proof of purchase of a product. Generally a tax invoice can be used as a receipt. A receipt may be issued in Australia by a small business if they are not registered for GST and therefore not claiming or charging GST.

It is often a condition for the exchange or return of an item for the receipt to be provided as proof of purchase.



Lay-by forms

A lay-by involves payments in instalments under agreed terms by the organisation, and where the product is not delivered until full payment is met.

The Australian Competition and Consumer Commission has clear rules around the requirements of lay-by forms and documentation of lay-by policies. A copy of a lay-by form must be provided to the customer and must detail any termination charges involved if the lay-by is cancelled. The date, purchase price, deposit paid and balance owing, and when payment must be made in full are filled in on the form.



Sales orders

A sales order is an internal organisational document that details the sale of a product or service. Sales orders are generally used within large organisations selling business-to-business products and services. Generally a sales order is used under the following circumstances:

- Highly customised product delivery – the organisation has to custom build the product to the customer's specifications; for example, a custom-built laptop computer
- Back order of a product – where the product is yet to be manufactured or made, a sales order confirms either a back order or advanced order of a product; for example, the latest version of computer yet to be released.

Generate sales documents

A sales document can be generated either manually in a hard copy or electronically.

Regardless of the way the document is produced, always check for accuracy.

Here is a description of electronic and manual methods of generating sales documents.



Electronic

Specialist bookkeeping and accounting software packages provide templates for sales documents. Electronic sales documents retrieve product information from databases, including costs, product and customer details. Always review electronic records for accuracy.



Manual

Manual sales documents use a carbon copy system to ensure that both the customer and the organisation maintain a record of the sales agreement. When manually preparing a sales document, there is margin for error without the use of electronic systems to check item numbers, costs and product details. Ensure that documents are neatly and clearly written to avoid misinterpretation.

Monitor a client's order

Salespeople are responsible for monitoring a client's order after the sale. Monitoring a client's order becomes important if the customer is not taking receipt of the product or service at the time of purchase.

During the time between purchase and delivery, a customer may need to be kept informed of the status of the goods, especially if delivery has been delayed because of a stock shortage or if the item has to be customised. After all, a customer has paid for a product and is yet to receive it.



Regular, clear communication to the customer demonstrates that you and your organisation are keen to maintain a positive relationship with the customer. The monitoring of a client's order can help to develop a customer into a repeat purchaser, making future sales processes shorter.

Order updates

There are many different customised electronic sales software programs on the market that allow you to track in real time a client's order. In some cases a client may even be provided with a login in a portal which allows them to see the same information about a product and its progress to delivery.

Order progress updates:

- Order received: the sale has been finalised and a tax invoice is delivered
- Payment received: this indicates the method of payment and any transactions that have occurred to finalise the payment
- Order processing: this details any preparations that need to be undertaken to finalise the product for the customer
- Order picked: the sales items are gathered together in preparation for dispatch
- Product dispatched: the date and time a product has left the warehouse
- Product delivered: this includes the date and time a product is received by the customer.

Example: complete sales documents

Kale works for a large engineering supply firm and has recently closed a sale with Reimers, a building supplies retailer. Reimers has ordered a new line of steel frames and rods to sell in its warehouse to local construction companies. As part of the completion of the sale, Kale produces the following tax invoice for Reimers.

TAX INVOICE						
H & C Engineering Supplies 10001 North Road DARWIN NT ABN: 61 212 5460				Date: 26/01/2016 Invoice # R100829		
BILL TO: Reimers Pty Ltd PO Box 546 CHAMPION HILLS ACT ABN: 63 123 546 1				SHIP TO: Reimers Warehouse Lot 64 Main Road CHAMPION HILLS ACT		
PO	Salesperson	Dispatch date	Method	Terms	Due date	
R2342	Kale P	27/01/2016	Road	30 days	26/02/2016	
Description	Item no	Price (ex GST)	Qty	Subtotal (ex GST)	GST	Amount Payable (inc GST)
'Mitra' Steel frame support	0662	\$50.00	100	\$5,000	\$500	\$5,500
'Bayon' Stainless Steel rods	7651	\$20.00	75	\$1,500	\$150.00	\$1,650
TOTAL:					Total (ex GST)	\$6,500.00
					Delivery	Free
					GST	\$650.00
					Total amount payable (inc GST)	\$7,150.00

Practice task 17

Complete this table, identifying three common sales documents and adding a brief description of each.

Sales document	Description

4D

Identify and present cross-selling opportunities to buyer

Cross-selling (or complementary selling) is the practice of selling additional products or services to an existing customer. Cross-selling is a valuable skill for salespeople, as it helps to achieve the goals of making your customers satisfied and improving sales figures. Cross-selling has benefits for both the salesperson and the customer, and wherever possible you should identify cross-selling opportunities early in the sales process and offer them when closing the sale.



Be familiar with the range of products on offer so you are aware of suggestions you can make to the customer.

Cross-selling is used to increase the amount of revenue obtained from a customer and protect the relationship with the client by preventing them from purchasing elsewhere.

Benefits of cross-selling

Cross-selling has a range of mutual benefits for both sales professionals and for a customer.

Benefits of cross-selling for a customer include convenience of not having to shop elsewhere, and established rapport and trust with salesperson (cross-selling builds a deeper relationship between customer and salesperson).

Benefits of cross-selling

- Increases the amount of money a customer spends with the salesperson
- Demonstrates to the customer that the salesperson is trying to meet customer needs
- Promotes efficiency in sales with the salesperson spending more time with one person and less time and effort with multiple customers
- Reduces the likelihood of a customer switching to a competitor
- Increases the chance of customer referrals from satisfied customers

Dangers of cross-selling

Before you try cross-selling products to your existing client base, it is important to understand some of the key aspects of cross-selling. You need to link the cross-selling to an actual need the customer has. Randomly suggesting a product to a customer to purchase may come across as pushy or desperate and may harm your relationship with the customer.

When cross-selling you need to link the product to an identified need and explain why you are suggesting the item or service. You should not pressure the customer into buying.

Complementary selling

Selling additional items to customers is about increasing the customer's satisfaction with their purchase. An important part of providing excellent service is to ensure that the customer is aware of complementary products and services that will benefit them.

Here are two approaches. In the second approach the salesperson uses the information they learnt earlier to tailor their approach. This means that instead of feeling the salesperson is being pushy, the buyer thanks them for saving them time and effort. When developing knowledge of the products on offer, it is important to recognise products and services that complement each other.



First approach

It is not good sales practice to simply say, 'Is there anything else you're after?' As the customer can easily say, 'No thanks'. The problem here is that the salesperson has made no attempt to personalise the sales process; nor have they used any of the information they have learnt about the customer and their needs through their earlier questioning.



Second approach

The salesperson refers to a comment the customer made earlier or asks a question about the product itself.

For example, 'You mentioned that the table you have just bought will need to be looked after. While it is easy care, you still need to look after the surface. This furniture polish should do the job.'

Upselling

A technique for maximising sales is called upselling (or onselling), when you suggest to a buyer that a more expensive product may be better suited to their needs. Be persuasive but not pushy.

Always link the suggestion with one of the customer's buying needs. If you don't, the technique is likely to fail. It may cause the customer to lose trust in you and annoy them to the point that they leave the store.

If you are to suggest that they buy a product that is more expensive, you must also explain why this product will meet their needs better than the less-expensive alternative.

Here are two approaches. In both examples the salesperson shows the customer the same, more-expensive product. However, in the second example the customer reacts positively because the salesperson links the product with the buyer's need.

Upselling 1

Salesperson: 'Those chairs are good, but I think these ones will suit you better.'

Buyer: 'They're twice the price! Thanks for your help but I'd like to shop around before I decide.'

Upselling 2

Salesperson: 'These chairs are excellent value for money; however, you mentioned that you'd like the chairs to last as long as the table will. While the quality of these chairs is good, the joints are what are known as dowel joints; these are okay, but not as long-lasting as tenon joints, which will last much, much longer.'

Customer: 'Oh, they are twice the price of the others! But you're right, I want good quality. Thanks for pointing this out. I wouldn't have known otherwise. Looks like I'll need these ones.'

Example: present cross-selling opportunities

Faraday's is a gym specialising in fitness programs for the whole family. As additional sales streams, Faraday's also sells menu plans, vitamins, personal training sessions and home sports equipment, such as medicine balls, skipping ropes and foam rollers.

Mitchell is the sales team leader and has been working on closing a sale with Ranj and Jonathon, a couple who are interested in a gym package to improve their fitness. After determining their individual fitness goals, Mitchell finalises the sale of a 12-month gym access package. In finalising the sale, Mitchell notes that both Ranj and Jonathon have expressed frustration at previous attempts of attaining their fitness goals due to their personal lack of motivation in attending a gym.

Mitchell identifies this as a great cross-selling opportunity to explain to Ranj and Jonathon that many people are better able to attain their fitness goals with the help of regular sessions with a personal trainer. Additionally, he reminds Ranj and Jonathon of the convenience of exercising at home and suggests some simple home sports equipment that they can use when watching television in the evenings.

Ranj and Jonathon have not considered the idea of having more than just a gym membership to keep them fit and they are both grateful for Mitchell's advice and suggestion to help them stay motivated and achieve their fitness goals.



Practice task 18

1. What are some of the benefits cross-selling offers a salesperson?

2. Describe the difference between complementary selling and upselling.

Summary

1. The formal close to the selling process refers to the process of the customer agreeing to, and the salesperson finalising, a sale; it represents the achievement of the desired outcome for both the salesperson and customer.
2. Terms and conditions of agreement are any particulars that a salesperson or a customer stipulates and agrees to in relation to a sale.
3. Cross-selling is the practice of selling additional products or services to an existing customer.
4. Upselling is suggesting to a buyer that a more expensive product may be better suited to their needs.
5. Sales documents are required by law to confirm the purchase or sales transaction. They may include sales orders, tax invoices, lay-by agreements or receipts.
6. Sales professionals are responsible for monitoring the progress of a sales order to ensure that the product is delivered to the client, as requested, in a timely and professional manner.

Learning checkpoint 4

Negotiate and finalise a sale

This learning checkpoint allows you to review your skills and knowledge in negotiating and finalising a sale.

Part A

1. Describe how a formal close differs from a trial close.

2. Describe some tools that can be used to prepare sales documents.

3. What advice should a salesperson provide to a customer on financing arrangements?

4. Describe two conditions of agreement for a customer who has purchased a large item of furniture.

5. How can a salesperson identify cross-selling opportunities for a customer who is finalising a sale?

Part B

1. Use this table to develop an information sheet for new salespeople describing how to undertake the following aspects of strategy for closing a sale.

Closing sales strategy	Steps
Initiate a formal close	
Close a sale using relevant strategies	
Use supportive and confirming language	
Negotiate conditions of sale	
Prepare sales documents	
Identify cross-selling opportunities	

2. Complete a sales document for a sale. It may be a receipt, invoice, delivery docket, lay-by or sales order. Use an organisational template, or this table for an invoice.

TAX INVOICE						
Company				Date: Invoice #		
BILL TO:				SHIP TO:		
PO	Salesperson	Dispatch date	Method		Terms	Due date
Description	Item no	Price (ex GST)	Qty	Subtotal (ex GST)	GST	Amount Payable (inc GST)
TOTAL:					Total (ex GST)	
					Delivery	
					GST	
					Total amount payable (inc GST)	

Topic 5

Support post-sale activities

After-sales support given to the customer is often the key to customer satisfaction. The customer's pleasure in purchasing a product can quickly be eroded if post-sale activities do not match the customer's expectations or the information provided by the salesperson.

Post-sale activities are the means by which an organisation assists the customer gaining the most value from their purchase and maintaining a helpful and friendly relationship.

In this topic you will learn how to:

- 5A Contact buyer post sale, provide assistance and advice, and help them access after-sales support
- 5B Use feedback methods to identify sales and product satisfaction
- 5C Address and resolve service problems
- 5D Develop and implement client loyalty strategies
- 5E Offer and implement additional sales solutions and benefits to clients

5A

Contact buyer post sale, provide assistance and advice, and help them access after-sales support

You should never underestimate the value of after-sales support. It is often post sale that the customer's relationship with an organisation and its products or services is established. Customers who are engaged in after-sales support activities and have a positive experience are more likely to recommend the organisation and the products to others or be receptive to cross-selling or promotional offers.



Benefits of quality after-sales service include increasing market share by establishing client goodwill, increasing repeat sales from the customer and leading to customer referrals.

After-sales support

Organisations have a number of responsibilities relating to the support they give customers after a sale has been made. In some instances these are legal requirements, while in other cases they are a way of providing ongoing service to the customer. The provision of post-sale support makes good business sense and helps to ensure the ongoing satisfaction of customers and build client relationships.

Here is some information about after-sales support.

Inform the customer

Once you have closed the sale of a product with a customer it is important to let them know of the support services that may be available to them. Doing this is an important step in helping to build long-term customer loyalty, as some customers may think that the store will lose interest in them once they have spent their money.

After-sales options

After-sales support options vary considerably depending on the product offered. For example:

- Retailers of electrical products, such as computers and televisions, commonly provide after-sales support to buyers, including ongoing support if the customer has a technical query or problem.
- Some stores provide support in the form of a letter they send to customers saying they hope they are enjoying the product and to contact the store if they have any difficulties.

Let the customer know about after-sales support

Customers need to know how they can access the support provided.

It is important to provide the customer with documentary evidence of the support available, such as a warranty, brochure or help line number. Sometimes, the customer needs to retain their receipt as evidence they have purchased the item and are entitled to after-sales support. If you don't tell them, they may be unable to exchange or return an item.

The most important thing to do at this stage is to make sure that you have accurately explained the existence of after-sales support as a way of alleviating any concerns the customer may have felt. Use your communication skills to ensure the customer understands the extent of the support and whether there is any fee involved. It is also important to make sure that customers are fully aware of the details of this backup service.



After-sales support: provide contact details

A valuable way of demonstrating to the customer that you are keen to ensure their long-term satisfaction is to provide them with contact details for the organisation if they have any questions about the product they have just purchased. This may be a matter of pointing out the organisation's contact details on the receipt, but this should be done in such a way that shows you are happy for them to contact the organisation if and when they need to. Check your organisation's policy on this to make sure you are following correct procedures.

Here are two tips for providing contact details.

Provide contact details



Invite the customer to call

At the conclusion of the sale, repeat your name and invite them to call if they have any questions. You could also introduce other salespeople to the customer so that they feel comfortable speaking to them if you are unavailable. Remember that it is against the *Privacy Act 1988* (Cth) to give out a salesperson's private details to a customer.



Call the customer

An excellent way of maintaining satisfaction is to contact the customer a couple of weeks after the sale to see if they have any questions that you can help them with. Check your organisation's policy on making contacts such as these, and make sure you have the customer's permission to contact them in such a manner.

After-sales support: guarantees and warranties

Many items may come with a guarantee that they meet a basic level of quality and performance (given the price and description of the goods), are fit for the purpose for which they were sold, and match the description or sample given to the customer before purchase.

Let the customer know if the product or service comes with a guarantee or warranty. Some warranties may extend for one year; some longer. The customer may be required to date and sign a form and send it to the manufacturer.

Organisations that offer such warranties do so voluntarily. However, once offered, these warranties must be honoured.

After-sales support: delivery services

Many retailers offer a variety of delivery options for their customers. Make sure the customer is told whether there is an additional charge for delivery. For example, there might be an extra cost for urgent deliveries or deliveries after hours. To avoid issues with delivery services it is important to pay attention to a number of areas.

Tips about delivery services

- Ensure your delivery drivers are trained in providing excellent customer service.
- Keep promises made to the customer. If the delivery is expected between 9.00 am and 11.00 am make sure this happens.
- Ensure delivery drivers are aware of any special handling requirements for products. This will avoid the problem of goods being damaged during delivery.
- Double-check the customer's contact details to ensure accuracy, including a phone number should the driver need to contact the customer.

After-sales support: returns, replacements and refunds

Customers should be aware of the organisation's policies in regard to goods they wish to return. Fair trading laws protect a customer from receiving below-standard goods, but companies have the right to refuse to exchange items or refund money if the customer has simply changed their mind or decided they don't like the colour of the product.

Organisations must make their policies clear to customers, and it is your role to make sure they are fully explained. For example, a store might decide that customers can only return or exchange goods if the customer has a receipt and the package is unopened. Other stores may have more flexible rules and be willing to exchange goods to retain a customer or further their image as an organisation that cares about its customers.



Additional after-sales support

Here are a number of other strategies an organisation may implement to provide after-sales support for customers.

Repair services

Generally, repair services are only discussed with customers on an as-needed basis. It isn't a good idea to raise product repairs at the time of the sale, as this may alarm the customer into thinking the product has poor quality. However, you can discuss this as a general service offered by the organisation.

Installation

Installation involves set-up or installing a product on behalf of the client. Some companies provide this free, while others may charge depending on the type of installation needed. For example, a fire alarm that must be hard-wired into a house must be installed by a licensed electrician and therefore a service charge for installation is likely. In contrast, a bed frame may be set up as part of the delivery.

Phone support and help lines

Many manufacturers provide phone support for their products. Ensuring customers are aware of this service is a way of making sure that the customer feels confident with their purchase. Such help lines are generally for electrical and computer items, but they are becoming increasingly popular as retailers and manufacturers realise that customers are looking for something extra when it comes to service.

Online support

With society's increasing reliance on technology, many companies now offer online support, with downloadable tutorials, documents or instant chat functions. These support options allow a customer access to a range of different tools to assist them with their support needs at any time of day in any location around the world.

Skills and knowledge of a salesperson in after-sales support

To provide a customer with excellent after-sales support, you must be equipped with the correct knowledge and appropriate level of skill to handle the inquiry.

After-sales support:

- Use active listening skills to clarify the customer's needs.
- Use questioning skills to identify any issues or concerns a customer may have.
- Refer the customer to the after-sales support team (if your organisation has one).
- Provide written information the customer can refer to later, such as cards, brochures and website details.
- Learn organisation policies and procedures in relation to after-sales support.
- Be honest in your communications with the customer; if you don't know, refer them to someone who can assist.

Example: follow-up after a sale

Emergency Solutions Pty Ltd provides fire safety and suppression services to industrial clients. One of the sales team, Yuri, has recently gained a new client, Pacific Minerals, who asks them to install fire alarms, extinguishers and other fire safety services into their head office.

Yuri acts as a liaison person to ensure that the installation progresses smoothly. Following the installation he phones Pacific Minerals' manager, Jacob, to confirm that everything has gone well, the client's expectations have been met and they are satisfied with the service.

Yuri provides Jacob with a login system to Emergency Solutions online monitoring service. Using this program Jacob is able to provide feedback on all interactions his organisation has with Emergency Solutions. Yuri is always quick to follow up with a phone call to Jacob to confirm that any issues or queries have been promptly dealt with.

Yuri mentions to Jacob that Emergency Solutions offers an annual maintenance contract that allows for the ongoing servicing and monitoring of their systems. As Pacific Minerals is already a client, Yuri is able to offer an attractive price for the maintenance contract.

Practice task 19

1. What are the benefits an organisation receives by providing quality after-sales services?

2. Why may customers need technical advice or assistance after they have purchased an item?

3. How may a salesperson help customers to access after-sales support?

4. List three types of skills or knowledge a salesperson requires to be able to assist customers with after-sales support.

5B

Use feedback methods to identify sales and product satisfaction

Every organisation aims to improve its sales and profits. The best way to do this is to serve the customer as fully as possible. By seeking customer feedback, many businesses gain a clearer picture of ways they can improve. Collecting feedback can present a challenge. An organisation must be clear on what information they want to obtain in order to improve; for example, is it feedback on the product or is it feedback on the service experience? A range of different feedback methods can also be employed, depending on the budget, purpose and nature of the organisation.



Obtain feedback

Customers are normally willing to provide feedback on their customer experience and satisfaction level if it is made easy for them to give their feedback. In fact, customers like to know that you value their feedback and that you are willing to take their opinions into account.

Customers often have a different perspective from that of staff and managers. They are likely to experience problems and situations you may not be aware of. Their comments will reflect the experience they have with your organisation.

Once you have obtained feedback you need to analyse and evaluate the information to determine the most appropriate action to take within organisational requirements. For example, you may need to improve procedures, provide staff training or suggest that different marketing strategies be used.

There is a wide range of different feedback methods available to an organisation.

Email dialogue

Email can be used to gain written information from a customer about the product or service. In an email dialogue you have the opportunity to ask further questions to obtain additional information from the customer. Types of questions could include open or closed questions; for example, 'Were you happy with the product you purchased?' or 'Can you explain why you mentioned you were confused about payment options?'

Be aware of the advantages and disadvantages of using emails to solicit feedback. Here are the advantages and disadvantages for using emailed dialogue.



Advantages

- Email is generally a preferred method of business communication.
- It is direct to the customers.
- It reaches an individual's inbox quickly.



Disadvantages

- Many people no longer have time to read lengthy emails, so correspondence needs to be concise.
- Email cannot convey tone of a message particularly well.

Focus groups

A focus group is an organised discussion with a selected group of individuals to gain information about their views and experiences of a product or service.

Here are the advantages and disadvantages of using focus groups to solicit feedback.



Advantages

- Allows a group of people to discuss the product in a neutral setting.
- Depending on the format, this can be structured (through specific questioning) or unstructured (free-flowing conversation).
- Different perspectives are presented.
- Provides an opportunity for discussion and brainstorming with customers.



Disadvantages

- Focus groups can be difficult to set up.
- Gaining commitment from participants can be challenging.
- A dominant communicator can easily hijack focus groups, and the opinions and views of others in the group may be missed.
- Focus groups target a group's view rather than the individual's, so if individual feedback is important, this is not a useful strategy.

One-on-one interviews

Interviews are an option to discuss one-on-one a customer's experiences and views of a product or service. These are generally scheduled with a series of key questions, which may be qualitative or quantitative. Generally the types of questions asked in a one-on-one interview are likely to be open or summarising, as the aim of the questioning is to elicit as much information from the customer as possible; for example, 'Can you tell me about your initial impressions of the salesperson?' or 'Was there anything you would have liked to have explained to you during the sales process?'

Here are the advantages and disadvantages of using one-on-one interviews to solicit feedback.



Advantages

- Personal and thorough in their approach
- Customer receives another level of customer service in a one-on-one interview (they feel their opinion is valued).



Disadvantages

- Expensive and time consuming to administer and collate
- Difficult if customers are distributed geographically.

Surveys

Customer surveys are used to monitor and track customer satisfaction. Customers may be asked to answer open and closed questions, tick a box, select a scale, or select options.

A survey form may be given to the customer after a sale has been made, or they may be asked to complete a form online. A form may be included with the item for the customer to complete at their leisure.

Organise a method of collecting the data from surveys, analyse the results and categorise the responses. Results may be presented as percentages, in narrative form, in pie charts or other graphic representation.

Here are the advantages and disadvantages of using surveys to solicit feedback.



Advantages

- Allows a standard set of questions to be offered to all customers to gain information about a range of aspects of a product or service
- Low cost to the organisation to administer and collect, especially if online
- Can cover a wide range of areas.



Disadvantages

- Response rates can be very low
- Depending on the quality of the survey tool, particular information the customer may wish to provide in feedback may not be possible
- Poorly worded questions may provide false information
- Can seem impersonal to the customer.

Telephone interviews

Telephone interviews are useful if the customer agrees to talk. You can use a set of prepared questions and add others during the conversation. Results are immediate.

Here are the advantages and disadvantages of using telephone interviews to solicit feedback.



Advantages

- Additional information, including the customer's tone of voice, can be obtained via a telephone interview
- These are generally more personal in their feedback method
- Relatively low cost to administer.



Disadvantages

- Response rates can be low
- Many customers do not like responding to telephone interviews
- Time consuming
- The interviewer needs to have skilled interviewing techniques.

Social media platforms

Some organisations may wish to engage with a customer in an online social environment, either one-on-one or in a group situation. Examples of social media platforms that could be used include Facebook, Twitter and Instagram.

Here are the advantages and disadvantages of using social media platforms to solicit feedback.



Advantages

- Engages with a customer in an informal social environment
- Social media groups and communities can be easily targeted to ensure that potential customers can see responses from satisfied customers.



Disadvantages

- Comments can be very public and many not be controllable by the organisation
- How an organisation handles the negative feedback on social media can sometimes be more important than the feedback itself.

Anecdotal feedback

Anecdotal feedback is feedback via an individual's written or verbal account of what they think about a product or service. It may be passed on by another customer during or after the sales process.

Anecdotal feedback is a useful mechanism to record and reflect upon opinions from the customer's viewpoint. Qualitative data such as this may be difficult to measure, but should always be noted as it is generally unsolicited.

For example:

- 'My Uncle Jim bought his Hampton washing machine in 1962 and it still works!'
- 'I love the range you have. That's why I keep coming back.'
- 'Your store is always a bit cheaper than others, yet the quality is good.'

Sales performance data

Internal information is available to an organisation to determine customer satisfaction and sales performance and complement the external feedback obtained.

There are many different statistical methods that can be employed to analyse and review sales data to determine areas of improvement for the business. Many organisations use complex and technical calculations to determine future sales and profitability; for example, banking and finance organisations employ actuaries to calculate complex risk and probability of customer behaviour. However, salespeople can also utilise simple calculations to determine sales performance.

Here are examples of such simple calculations.

Sales ratios

One way to track effectiveness as a salesperson is to calculate the sales leads to close ratio. This tracks how many leads/prospects become customers, converting a lead into closed sales. This ratio should be generated for a specific period of time, such as monthly.

For example, a curtain supplier has 30 leads for the month of March and closes 6 sales. The sales leads to close ratio is therefore:

30 divided by 6 = 5. Therefore, for every 5 leads a salesperson receives in March, they close 1 sale. Converting this to a percentage, 1 sale for 5 leads (1/5) = 20%.

Profit margins

There are many different ways to calculate profit margins from an accounting point of view. However, a quick and easy way for a salesperson to determine how much profit (or the profit margin) exists within a product is to use the following calculation:

- Sale price – Cost of product to organisation = Profit (in dollar amount)
- Profit/Sale price x 100 = Profit margin

For example, a jet ski is sold for \$15,000. It cost the retailer \$10,000. Therefore when the organisation sold the jet ski they made a profit of \$5,000.

- \$15,000 – \$10,000 = \$5,000
- The profit margin is 33%.
- \$5,000/\$15,000 = 0.33333
- 0.3333 x 100 = 33%.

Example: use a survey to solicit feedback

Written surveys must be clearly presented, written in language that can be understood by customers, unambiguous, and able to be completed easily and quickly. It is a good idea to include a space at the end of the form for the customer to make specific comments.

Customer service survey

Thank you for purchasing the 300D Telescope from Milky Way Telescopes. As part of our commitment to excellence in customer service, please take the time to complete this short survey.

For each of the following statements about Milky Way Telescopes please indicate whether you: Strongly agree (1); Somewhat agree (2); Neither agree nor disagree (3); Somewhat disagree (4); Strongly disagree (5)

	Strongly agree 1	Somewhat agree 2	Neither agree nor disagree 3	Somewhat disagree 4	Strongly disagree 5
Promptness					
My queries were addressed promptly.					

... continued

... continued

	Strongly agree 1	Somewhat agree 2	Neither agree nor disagree 3	Somewhat disagree 4	Strongly disagree 5
Experience and expertise					
The salesperson anticipated my needs so I didn't have to initiate everything.					
The salesperson had a good understanding of my needs.					
Communication					
Communication was easy to understand.					
Communication was free of jargon.					
The salesperson spoke clearly.					
The salesperson was professional.					
Service					
Milky Way Telescopes is committed to customer service.					
Relationship with our company					
My choice to buy the 300D Telescope was a good one.					
I am not happy that I purchased my telescope from Milky Way Telescopes.					
I would recommend Milky Way Telescopes to others.					
How did you hear about us?					
Is there anything specific you would like us to improve?					
Thank you for your feedback.					

Practice task 20

Read the case study, then answer the questions that follow.

Case study

Sian works for an organisation specialising in prepaid mobile telephone plans. The organisation is interested in gaining feedback on customer satisfaction of the product from their younger 18–25 audience who are generally very tech-savvy.

1. Which feedback methods could be appropriate for this situation? You may wish to list more than one.

2. Explain why you believe the method/s to be appropriate?

3. What should Sian do once the feedback is obtained?

4. Describe two statistical methods that can be used to demonstrate Sian's sales performance.

5C

Address and resolve service problems

It is important to address and resolve any issues or concerns that arise from an analysis of feedback. Feedback from a customer relating to a service problem provides an organisation with the opportunity to solve the problem. In many cases, the organisation may not even be aware of the problem. Negative word of mouth spreads much quicker and further than positive word of mouth, so it is important to promptly address and resolve any issues raised.



Identify problems or difficulties

Difficulties and issues can only be addressed if a customer communicates these issues to the organisation. Customer service strategies that strongly promote customer feedback can help organisations identify and rectify issues a customer may be experiencing.

Not all information comes through formal channels of feedback. Informal conversations and interactions with customers can also be a valuable source of feedback. These informal opportunities must also be addressed and documented to ensure that appropriate follow-up and investigation occurs.

Here is a process for identifying problems and difficulties.

Identifying issues

Information obtained from external feedback sources such as surveys, interviews and salesperson follow-up must be carefully analysed to determine the types of concerns being raised.

Issues should be categorised into different areas. Categorisation is useful for an organisation to determine exactly what the issue is and where the difficulty lies.

Categories may include:

- Service concerns; for example, a customer is unable to contact anyone to help.
- Salesperson issues; for example, a customer is not told they have to keep their receipt.
- Product issues; for example, a product breaks down.

After the information is assessed, an organisation can determine if individual feedback can be addressed. This is only possible if there are customer contact details. Information is often de-identified for privacy reasons, and it may not be possible to communicate with the customer.

Address problems or difficulties

Problems or difficulties communicated by the customer to the organisation should be addressed quickly and without fuss. A customer may quickly recover from any dissatisfaction they have when the organisation addresses issues promptly and professionally. In many cases, a customer becomes a loyal advocate, sharing their positive experiences with friends of how their problem was resolved.

Legislative requirements need to be adhered to; for example, if the product sold is faulty or does not do what it is supposed to do, then the organisation must replace it or refund the customer's money.

Some organisations may have policies that extend further than legislative requirements to protect their image; for example, they may extend a warranty beyond what is required by legislation.

Addressing problems or difficulties:

- Acknowledge the customer's concerns.
- Each should be addressed individually, especially if the customer has more than one issue.
- Communicate with the customer in regard to how the resolution is progressing, including any delays.
- Follow up after the issue has been rectified to ensure the customer is satisfied with the rectifications made.

Strategies for addressing service difficulties

Be aware of the strategies you can implement to quickly resolve issues relating to customer service. In many cases you may need to train team members in processes and work practices.

Here are some issues and concerns that may arise and strategies to use to resolve them.

Unable to contact anyone to help

Resolution:

- Ensure a messaging system is available for customers to leave messages; for example, voice messages or emails.
- Provide customer with contact details at the time of sale.
- Ensure messages are being answered.

Not being told to keep a receipt after the sale

Resolution:

- Train sales staff to communicate the need to keep a receipt.
- Organisation to keep records of all sales transactions.

Staff do not follow up on concerns raised by customer

Resolution:

- Train staff in customer service skills.
- Develop and use disciplinary procedures for staff not following up on concerns.
- Utilise a customer database and record details of concerns and actions taken to follow up; for example, 'Left a message with the customer to call back'.

Too much time taken to resolve an issue

Resolution:

- Communicate regularly with customer as to why there is a delay.
- Communicate regularly with staff responsible for the customer's difficulty to monitor progress.
- Train staff in processes.

Strategies for addressing product difficulties

When customers complain about a product they have purchased, you need to resolve the situation as quickly as possible, as a dissatisfied customer is unlikely to be a repeat customer. However, if you address the problem professionally and promptly they are likely to appreciate the service provided and the organisation is more likely to retain their custom.

Here are some strategies to use for addressing specific product difficulties.

Product is broken

Resolution:

- Investigate the fault with the manufacturer.
- Offer a replacement item or replacement model.
- Repair the product if it is under warranty.
- Consider replacing the product even if it is no longer under warranty.
- Train staff to explain conditions of warranties at the time of sale and/or repair.

Customer cannot use the product

Resolution:

- Provide additional training/support to customer on how to use product.
- Suggest appropriate training courses or materials to customer.

Incorrect description of the product

Resolution:

- Train staff about the products they are selling.
- Ensure product information is accurate.
- Ensure staff explain warranties and guarantee conditions.

Slow delivery of product to customer

Resolution:

- Investigate lead times.
- Reprioritise delivery schedules.
- Train staff to provide more accurate delivery information to clients.

Follow up the solution

Once a solution has been offered and implemented, it is best practice to follow up to see that the customer is satisfied and the solution has met their needs. Continuing to offer high-quality customer service maintains customer goodwill and sustains the customer relationship. You may need to amend policies or procedures to ensure the difficulty or issue does not arise again.

For example, check that the customer has received the replacement, call the customer to see if they are happy with the delivery, and confirm that staff are being trained in customer service techniques that could prevent the issue recurring.

Example: resolve service difficulties

A public transport company receives a written complaint from a first-time customer.

Customer: 'Everything seems to be done online now and I really want to talk to someone. I don't like the idea of completing a form of set questions when there is a lot more I want to talk about. When I call I am put in a queue and have to wait for ages. Even something as simple as booking a ticket takes ages and I am not very good with the computer.'

Damien, the public relations manager, is asked to deal with the issue. He contacts the customer who has provided their telephone number.

Damien: 'I'm sorry you've had so much trouble. It must have been very frustrating for you. Did you know that you can book through a local travel agent? Have you one nearby that you could go to? They can also answer any queries you have.'

Customer: 'I didn't know that. I think you should explain this in your publicity.'

Damien: 'That's a good idea. I'll follow that up. If you need to call, I suggest you ring before 9.00 am, or around midday when we are less likely to be busy. That shouldn't be a problem for you, as you are retired. Is that correct?'

Customer: 'Yes. Well, I'll try that next time, though I like the idea of going to the travel agent.'

Damien: 'I'll also give you the number of one of our call staff in case you have any further trouble. She'll be able to discuss anything with you. And thanks for your comments. They have been recorded and will help us improve our services. If you don't tell us, we don't know.'

Customer: 'Thanks for calling. It was nice to be able to talk to someone.'

Practice task 21

Read the following email from a customer, then complete the task that follows.

Hello,

I recently purchased a month's supply online of one of the brand of nappies you supply: Miracle Wonder – large. The product is great.

I am rather annoyed though, as I am nearing the end of my first month's supply, but it is only Day 20. We only use one nappy a night, so I would have assumed that a month's supply would include at least 28–30 nappies, and not 24!

Is it done this way to make us buy more?

Regards,

Maria Fontano

... continued

... continued

Complete this table to categorise the issue and list some possible resolutions that could be offered to Maria.

Issue	
Category	
Method of feedback	
Possible solution	

5D

Develop and implement client loyalty strategies

Customer loyalty strategies are part of an organisation's overall sales and marketing plan that rewards clients for their participation and brand loyalty. The aim of a client loyalty program is to receive repeat purchases from loyal customers and dissuade them from purchasing with a competitor.

In today's competitive business world, customers demand better service and engagement from organisations. Strategies and programs that offer a loyal customer benefits and advantages have the potential to grow the business, retain customers and build long-lasting customer goodwill.



Client loyalty strategies

In a competitive world organisations are always looking for ways to attract new customers and retain existing ones. Online shopping has increased the competition. Organisations look for a point of difference that will set them apart from others.

One method to encourage repeat custom is to reward customers for their loyalty through customer loyalty programs, incentives and promotions.

Salespeople need to be aware of their organisation's programs and be ready to answer any questions customers have. Train team members so they understand the policy and procedures relating to each strategy.

Here are 10 commonly used client loyalty programs and strategies.

1

Client reward schemes

A record is kept of the transactions a customer has made in a store, and after a certain number of sales the customer receives a free product. This strategy encourages a customer to repeat purchase.

Example:

Customers receive a free coffee after their 10th coffee is purchased.

2

Credit or discount facilities

The customer is given access to an account with the organisation or a discount, which may result in the customer paying later, or paying less in total. It encourages the customer to purchase more, or more frequently.

Example:

An electrician has an account at an electrical consumables store.

3

Formal letter of thanks

A letter of thanks formally recognises the purchase a customer has made. A formal thanks is a polite and respectful way of acknowledging the transaction.

Example:

The CEO of a recruitment company writes a letter thanking a company for allowing them to recruit for a specific project.

4

Invitations to VIP shopping events

An invitation is given to customers who are registered as VIP members to attend shopping evenings. It provides VIP members with early access to new product lines and creates a sense of value to customers.

Example:

A cosmetics company offers a sale night for VIP customers.

5

Points are awarded, which can be redeemed later for products

A point system is allocated to a dollar amount. A customer accumulates points and redeems them for other products. This encourages repeat purchases.

Example:

A stationery supply organisation allocates 1 point for every \$10 spent. Points can be redeemed for free stationery items.

6

Discounts are available exclusively to loyalty club members

A VIP card allows a customer to be identified as a member of a loyalty club, providing them with discounts. This encourages repeat purchases.

Example:

A baby shop provides a 10 per cent discount to customers who are members of their loyalty club.

7**Offering promotional items**

A gift is provided to the customer after a purchase. This provides the customer with a free item; if the product is branded it is ongoing advertising for the organisation.

Example:

A customer who purchases a boat receives a free branded esky from the boat sales company.

8**Newsletters containing special offers**

Customers are encouraged to subscribe to an organisation's newsletter and take advantage of special offers. This encourages customers to identify with the organisation.

Example:

A yoga centre sends a monthly newsletter to subscribers offering discounts to yoga accessories purchased.

9**A percentage of all takings are donated to a charity**

An organisation aligns themselves with a cause and commits to donating a percentage of profits to the cause. This appeals to customer's sense of community awareness and contribution.

Example:

An organisation that roasts coffee beans donates 5 per cent of all profits to coffee bean farmers in developing countries.

10**A personal thank you**

A personal thank you is given face-to-face or via phone to a customer, thanking them for their business. This personalises the sale and the customer is more likely to feel a connection to the organisation.

Example:

A personal phone call from a manager thanking a client for their business.

Example 1: client loyalty programs

Mai is a self-employed consultant. As part of her work she is frequently required to travel throughout Australia to provide coaching and mentoring services to her clients. Mai is aware that she spends a lot of money on hotel services, so is keen to make her travel arrangements easier. Mai has a look at a number of hotel chains and notices that several of them offer VIP clubs, including a range of rewards for their guests. Points are accumulated during each visit at any of the hotel's member affiliate locations. These can be used for upgrading rooms, free stays, dinners and VIP booking services. Mai decides to join one of the VIP clubs. Mai quickly builds up points and before long her rooms are upgraded to the executive suite, giving her access to a meeting room, which is perfect for her client meetings.

Example 2: client loyalty programs

Mai is pleased with her assessment of VIP clubs in relation to hotels, so she decides to look around for other options that could be beneficial in her travel arrangements. Mai notices that one of the major airlines has an offering to cost offset a traveller's carbon footprint. This is particularly important to Mai because her consulting business relates to sustainable management practices. Although this offset means that Mai has to pay a small fee, she is pleased to know that her travelling can be carbon offset with the money she has been saving from the hotel VIP club. Mai believes this to be a worthwhile commitment to the environment and to the authenticity of her coaching.

Practice task 22

1. List the benefits for a small business of having a client loyalty program.

2. You are employed by an organisation that specialises in retailing pet foods. Describe a suitable client loyalty program, and explain its suitability.

5E

Offer and implement additional sales solutions and benefits to clients

The relationship between the customer and the organisation does not always end with a completed sale.

Cross-selling may occur when you describe additional products that are complementary to the one just purchased, and which the customer may not have known about.

High-quality customer service can continue to be offered and additional sales solutions can be suggested in the weeks following the sale when opportunities arise; for example, if another product is available that complements the product they have purchased, or on the anniversary of a significant purchase.

Solutions must meet a customer's needs and preferences; otherwise the strategies might appear to be aggressive and may have the opposite of the intended effect, which is to attract repeat custom.



Promote sales through newsletters

Newsletters sent regularly to customers and potential customers allow an organisation to continue to connect with a customer after a sale. Regular communication with a customer allows the organisation to promote additional sales and benefits in case a future buying opportunity arises. Customers generally view newsletters favourably because they are informative and the customer can read them at their leisure.

Newsletters may include:

- upcoming sales and promotions
- product and service profiles and reviews
- organisational information
- salespeople profiles
- industry updates.

Promote sales through websites

Currency of information on a website is imperative. Internet search engines do not rank a website in search results well if content is not regularly updated.

Website functionality is also important. Many customers use smart phones and tablets to access online information. Websites should be user-friendly and compatible with these devices.

Increasingly, online sales are popular, particularly to those who repeat purchase. The online sales 'shopping cart' must be easy to use and remember a customer who visits the website to repurchase.

Websites can be updated with different imagery, videos and information. Organisations should integrate social media, newsletters and blogs with their websites to ensure they encourage existing customers to visit and view.

Maintain customer accounts

Customer databases provide organisations with access to specific customers for marketing campaigns or special offers, as well as identifying purchasing history. It is important that you ensure details are accurate, including the correct spelling of the customer's name, and that contact details are correct.

Information can be used to inform customers on special offers, offering the customer a reward scheme or contacting the customer as part of ongoing post-sales activities.

Australian privacy laws allow customers to request any information that a business has recorded, so it is important that information is appropriate and professional. Be aware that a customer can legally request not to receive any marketing or sales information from an organisation. Be sure to check if a customer has selected this option.

Customer details include:

- name and contact details
- details of items bought or returned
- address
- how they heard about the organisation
- transaction records
- customer's demographics.

Loyalty membership programs

Loyalty or membership programs provide a customer with a sense of belonging to a community, and can be beneficial in encouraging repeat business. Such programs can help you manage the customer's accounts, as they identify what purchase is being made, when they are being made and purchase costs.

Maintaining a customer's interest in a loyalty or membership program involves offering the customer something they value.

Programs are promoted whenever the opportunity arises. The benefits arising from loyalty membership programs can provide additional sales and continued customer support.

Additional strategies to offer and promote sales solutions

There is a range of additional strategies that can help an organisation offer sales solutions to customers.

Here are some examples that can enable you to offer and promote products using strategic sales solutions.

Event sponsorship

Sponsoring or supporting an event that particular customers may be interested or involved in creates another connection to a customer. The implicit message is that the organisation aligns its values closely to those of the customer. Event sponsorship is about organisation awareness and staying in the mind of the customer.

Organisations who are major sponsors may also be able to offer specific benefits to their customers. For example, a car accessory retailer sponsoring a car race is able to offer free entrance to the event for their customers.

Case studies or testimonials

Case studies and testimonials offer success stories of other customers using or benefiting from a product or service. This is a gentle way to educate a customer about differing benefits.

For example, a detailed case study about an engineering firm that faced challenges in constructing a bridge focused on how the organisation overcame the challenges by using a particular concrete-pouring technique. This case study could be used to share with other engineering firms or construction companies interested in different concrete-pouring techniques.

Social media platforms

Social media platforms benefit customers who follow an organisation via social media channels. Organisations use social media to offer promotions, discounts and offers to customers if they reply or engage with the organisation, particularly via Facebook or Instagram.

For example, a mountain bike organisation asks customers to post photos of themselves using their bikes via Instagram and offers a \$500 gift voucher. These photos can be used by the organisation to promote their bikes.

Editorials and blogs

Blogs and editorials can be used to position the business as a subject matter expert in a particular area. These benefit a customer because they provide free information about a topic that a customer finds interesting or useful.

For example, a financial planner may write a regular editorial or blog which customers can subscribe to; the content of the blog may be about changes to superannuation laws and how these affect Australians.

Trade show and expos

Organisations may run trade show information sessions or expos for their customer base to educate and inform. Information sessions give salespeople the opportunity to network and socialise with customers as well as provide them with useful and relevant information on a product or service.

For example, a pharmaceutical organisation may offer an information evening about a new medication that pharmacies may be dispensing.

Example: offer additional sales solutions

Tanya is very proactive in regard to offering additional sales solutions to her customers at the car sales company where she has worked for the past 14 years. Tanya keeps a simple spreadsheet of all of her customers. It includes information such as age, interests, family and other significant information a customer may have shared with her. Each week, Tanya runs a report to determine which customers have an anniversary date for the purchase of their new car, and she personally writes them a birthday card to touch base with them.

More recently, Tanya has included another short report, which she runs to determine which of her customers are now out of the new-car warranty period; this is known to be a key time line marker for many customers to sell their car. She has developed a customised email or letter to remind them that their vehicle is about to run out of the new-car warranty. In her communication, she provides two possible options to offer an additional sales solution.

- She informs the customer that they can extend their new-car warranty for a limited time and for a reduced fee.
- She provides them with the option of an attractive trade-in price for their existing car and the opportunity to purchase a new vehicle.

The results of Tanya's proactive approach to customer relationships is obvious. Recent sales reports have indicated that at least 50 per cent of Tanya's sales each month are the result of repeat business.

Practice task 23

1. You are a salesperson for a day spa that provides massages, beauty treatments and spa packages. The organisation wishes to implement a loyalty membership program for its regular customers. Describe some examples of the types of benefits a customer could receive from this program.

2. You are a sales manager for a home furnishings organisation. What are some of the details you may wish to have included on your customer database for all customers? List as many as you can.

Summary

1. Customers who are engaged in after-sales support activities and have a positive experience with this are more likely to be receptive to cross-selling or promotional offers from the organisation.
2. Customers have a different view of a business and can provide valuable feedback to an organisation, especially the problems and situations that employees may not see.
3. Feedback from a customer relating to a service problem or issue provides the organisation with an opportunity to solve the problem and restore their reputation and rapport with the customer.
4. Customer loyalty programs increase not only customer retention but also customer lifetime value and profitability by the means of a long-lasting customer relationship.
5. High-quality customer service must continue to be offered post sale, as this is the time when a customer is actually using and engaging with their product.

Learning checkpoint 5 Support post-sale activities

This learning checkpoint allows you to review your skills and knowledge in supporting post-sale activities.

Part A

A company is looking to implement a client loyalty program, which encourages customers to purchase more products from their company.

1. What customer loyalty strategies might be recommended?

2. Name three statistics that could be used to measure the success of a company's sales team.

3. How can sales statistics be used to measure sales performance?

Part B

Read the case study, then complete the tasks that follow.

Case study

Luke is a sales professional for a large website development company.

Tony is a customer who purchases a website from Luke.

As part of the after-sales support, Luke contacts Tony one week after the website has been activated to see if Tony is happy with the functionality and design of the site. Tony is generally happy with the site, but has a number of questions about how some of the back-end systems work. Luke schedules a time for himself and Ingrid, the designer, to meet personally with Tony to assist him with his queries.

Ingrid, Luke and Tony have a face-to-face interview on Thursday. Luke documents Tony's feedback on his tablet. The customer's concerns are:

- lack of understanding about how the customer contact form works on the website
- lack of understanding about how to edit the online newsletter function
- the home page video is not working
- the website does not appear to be ranking well within popular search engines when common search terms for Tony's business are written in.

Having met with Tony, Luke considers his job is done. He assumes that Ingrid follows up with Tony's concerns.

Three weeks later when the company's standard survey is sent out, Luke is shocked to read the results and feedback from Tony. They are quite negative and mention Luke's lack of customer follow-up.

1. List the steps the salesperson took to provide after-sales service.

2. Explain why Luke scheduled a meeting with the customer.

3. What could Luke have done better in his after-sales service?

4. Describe the reasons why resolving the issues for Tony is so important.

5. What additional sales solutions might Luke offer Tony?

