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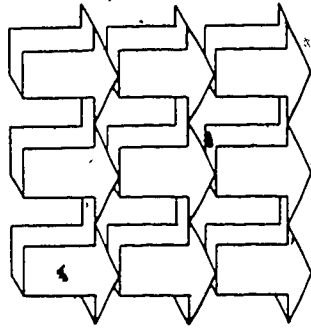
ABSTRACT

This lesson on managing sales efforts, the 14th in a series of 18 units, is part of the first level of a comprehensive entrepreneurship curriculum entitled: A Program for Acquiring Competence in Entrepreneurship (PACE). (Designed for use by secondary students, the first level of PACE introduces students to the concepts involved in entrepreneurship and helps them become aware of entrepreneurship as a career option.) The following topics are covered in the unit: the role of selling in different types of small businesses, the definition of the term selling as stated by the American Marketing Association, and the things that salespeople need to know about their customers and about themselves to be successful at selling. Included in the lesson are instructional text organized in a question-and-answer format, individual and group learning activities, a case study, and assessment questions. (MN)

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**PACE**  
REVISED

Program for  
Acquiring  
Competence in  
Entrepreneurship



- Level 1
- Level 2
- Level 3

ED228492

# Managing Sales Efforts

Developed by M. Catherine Ashmore and Sandra G. Pritz

**You will be able to:**

- **Discuss the role of selling in different types of small business.**
- **Define selling as stated by the American Marketing Association.**
- **Describe what salespeople need to know about their customers to be successful at selling.**
- **Describe what salespeople need to know about themselves to be successful selling.**

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Research & Development Series No. 240 AB 14



## BEFORE YOU BEGIN...

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.
2. Read the Unit Objectives on the front cover. If you think you can meet these objectives now, consult your instructor.
3. Look for these business terms as you read this unit. If you need help with their meaning, turn to the Glossary in the *Resource Guide*.

buying motive  
personal selling  
selling

## MANAGING SALES EFFORTS

### WHAT IS THIS UNIT ABOUT?

All businesses sell products or services. Successful selling means attracting new customers as well as continuing to serve old customers. Successful businesses do not underestimate the need for using efficient selling principles.

This unit is designed to introduce you to the importance of selling for the small business, to identify the motives of the customers, and to identify some of the characteristics of successful salespersons.



### WHAT IS SELLING?

The American Marketing Association defines selling as "the personal or impersonal process of satisfying and persuading a prospective customer to buy a commodity or service, or to act favorably on an idea that has commercial significance to the seller." Selling is helping customers make decisions. Personal selling is the process of helping customers fulfill their needs in a face-to-face situation.

### WHAT IS THE ROLE OF SELLING IN THE SMALL BUSINESS?

Entrepreneurs should not underestimate the importance of selling. It affects all types of businesses. Everything in today's market must be sold: ideas, services, products, and personalities. Few products or services move from the producer to the final user without personal, face-to-face selling. If a firm cannot sell its products or services, it will not make a profit and the business will fail. Whether or not a business is successful is determined by profit and loss. The end result is simple: for a business to be successful it must sell.

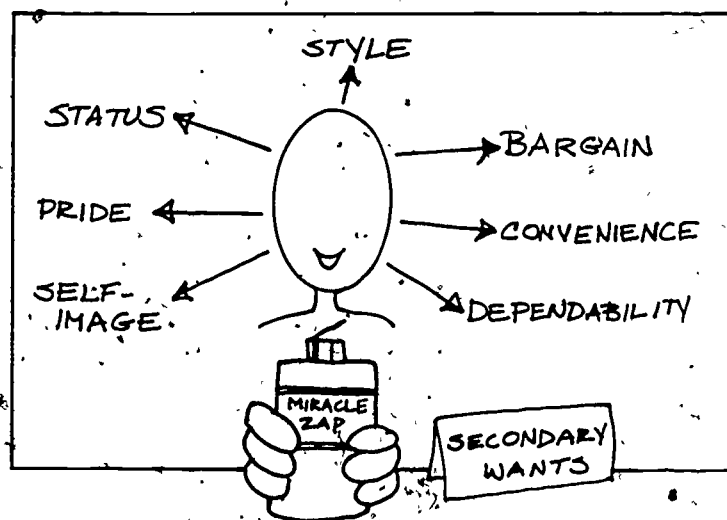
Satisfying customers will also ultimately reflect upon a firm's profit. This is done by developing effective selling techniques. Good sales techniques convince customers of their need for a product or service. Assisting customers, treating them fairly, and being courteous are three good techniques. Acting as "customer adviser," the salesperson can help determine how the customer's needs can best be met. The customer should also benefit from the sales assistance. The entrepreneur who can sell ideas, services, products, and personalities will satisfy customers and attract additional business. These customers will return and will usually recommend the services or products of the firm to others. Therefore, good customer relations should be highly valued by the entrepreneur.

Even when the purchase is made from an automatic vending machine or other self-service outlet, personal selling via a vending machine salesperson has usually played an important role in the placement of the vending machine and in the choice and display of merchandise in the machine. The owner of the potential outlet for the machine must be convinced that it will be an asset to his or her business.

#### WHAT DO YOU NEED TO KNOW ABOUT YOUR CUSTOMERS?

Buying *motives* are the reasons people purchase a particular product or service from a particular business. Some of the reasons why people buy are to satisfy basic needs such as food, shelter, and security. Other reasons are the need for comfort and the need for social approval. To be an effective salesperson, you should be able to identify and understand the motives behind a customer's interest in a product and adjust your sales presentation to appeal to that need.

Remember that no two customers are alike and their reasons for purchasing particular merchandise usually differ. Purchases are made to satisfy wants and needs. Customers may purchase items for the same reasons or entirely different reasons.



In order to be more efficient in the selling process, it is the salesperson's responsibility to identify as many of the customer's reasons for buying as possible. This will enable the salesperson to match the right merchandise with the needs and wants of the customer. Sometimes this can prove to be a difficult process. In some cases the customer may not know the reasons for wanting to make a purchase; others know their reasons but do not wish to reveal them.

**WHAT MOTIVATES CUSTOMERS TO BUY?**

This has been an important question to people in sales for many years. Many believe that buying decisions are influenced by the customer's basic needs and secondary wants. Also, the strength of the basic need or secondary want is influenced by the thinking of the customer at the time of the sale. In other words, is the customer thinking rationally or emotionally?

Basic needs are things such as food, water, freedom from danger, security, and so on that are essential to people. Secondary wants are generally buying motives that are learned. These may include such things as the desire for a bargain, convenience, dependability, or style.

Included in secondary wants are rational and emotional buying motives. Rational motives include such things as the durability, reliability, and cost of a product. Emotional motives include such characteristics as status, pride, and self-image.

The following chart should aid you in understanding the relationship of these buying motives.

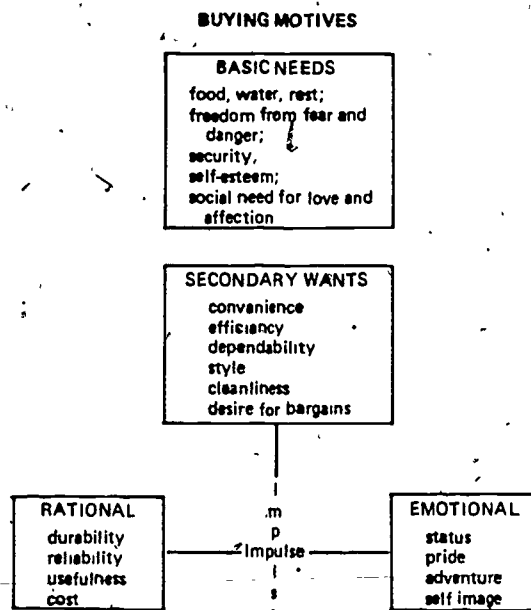
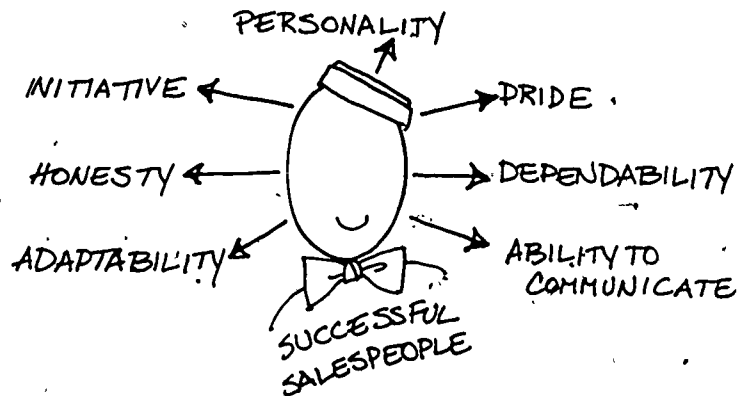


Figure 1. Purchases for basic needs and secondary wants are influenced by rational and emotional motives. These motives determine which store a customer will patronize

(Taken from: Samson, Harland E.; Little, Wayne G.; and Wingate, John W. *Retail Merchandising: Concepts and Applications*, Cincinnati, Ohio: South-Western Publishing Company, 1982)

WHAT ARE THE CHARACTERISTICS OF SUCCESSFUL SALESPEOPLE?

Successful salespeople usually possess characteristics that help them in their selling endeavors. Successful salespeople have the ability to get along well with people. They have a desire to serve others, and make every effort to satisfy their customers. They are able to tailor their selling techniques to the personalities of the prospective buyer, and their attitudes reflect this ability. They respect each customer's needs and wants and the customers notice this. The customers respond by coming back, and by telling their relatives and friends about the good services or products they have purchased from this salesperson.



Successful salespeople have pride in their work and accomplishments. Serving people by meeting their needs is rewarding and satisfying for the salesperson.

*Dependability* is another important asset of the salesperson. Customers will sometimes rely on you to locate a product, have the goods delivered, and answer questions about an advertised product. Every effort should be made to fulfill customer requests. Your customer's faith in you and reliance on you are assets. By depending on you, your customers show they like what you are doing for them.

Being a good salesperson requires initiative, enthusiasm, and ambition. Selling is taking action. You must actively involve yourself in selling. Following a customer around and merely taking an order is not selling. Working with customers and trying to fulfill their needs by offering knowledgeable advice and assistance is what selling is about.

Be *honest* with every customer by treating each one fairly and equally. Offer discounts and premiums only in given situations, but to all customers fitting those circumstances. For example, you can give discounts to those who buy in large volume or to senior citizens. Today's consumer awareness movement has helped reduce the amount of dishonest practices by salespeople. One dissatisfied customer can mean fifty lost customers. Customers may not immediately recognize dishonest practices but eventually they will realize they were "taken."

Your *personality* is a key to successful selling. The effectiveness of your interaction with customers varies because of your personality. A personality that often clashes with customers is not a selling personality.

Personality may be defined as "that something which distinguishes one person from another" or "a reflection of inner self." Your overall appearance and dress, your speech, emotions, abilities, and actions make up the sum total of the image or personality you project.

Personality is viewed in three ways. The first is what you believe your personality is like.

This view may or may not be accurate. The second is the personality you wish to develop. Each successful salesperson continually improves his or her personality by objectively analyzing current interactions. Observation, self-assessment, and the counsel of other salespersons are all effective approaches you can use to improve your personality. The third view of your personality is how it is judged by others. This is the most difficult view for people to accept objectively. You often tend to see only what you want to see in yourself.

*The ability to communicate* is another characteristic of a successful salesperson. This ability comes from experience, from assessing your strengths and weaknesses, and knowing about the product or service you are selling. When approaching prospects, you should be at ease, poised, and confident. You must be able to initiate and maintain conversation effectively and present yourself and your ideas clearly. In order to speak with confidence, you must know what you want to say and how best to say it.

To serve customers well, you must also be adaptable. People are frequently unpredictable. You can never be positively sure of what they will ask you or what they will want you to do for them. You should be as prepared as possible to handle various situations smoothly and correctly.



## ACTIVITIES

Do you feel knowledgeable about what it takes to become a successful salesperson? Will you be able to put some of the skills into practice? The following activities will help you to apply the material presented in Level 1.

### INDIVIDUAL ACTIVITY

Do you believe you possess the characteristics of a successful salesperson? Would you like to know how to become a better salesperson? Get a Self-Analysis Form from your instructor. The self-analysis was developed by the Dartnell Corporation and is the result of years of research and counseling with large numbers of salespeople. It will give you an opportunity to check yourself against sixteen personal and business characteristics needed by salespersons. It will also help you identify your strengths and weaknesses. It is best to be honest: only you will see the results of this self-analysis.

### INDIVIDUAL ACTIVITY

Get a Buying Motives Form from your instructor. Match the buying motives listed on the left to the products on the right by placing the letters of the motives in the blanks of the corresponding products. Keep in mind that a product may appeal to different customers for a variety of reasons, so you are likely to have more than one motive per product.

#### Example: Motives

- a. love
- b. comfort
- c. imitation
- d. desire to be handy  
around the house

#### Products

- a, c piece of sculpture
- b, c, d hedge-trimmer
- b, c refrigerator
- a, b, c, - bedspread

### GROUP ACTIVITY

Get together in small groups of three to four persons. As a group, compare your responses from the individual activity in which you matched buying motives. Discuss reasons for similarities and differences in your responses.

CASE STUDY

Bill Morris, a junior in high school, decided that he needed to make a choice on his future career. Bill had been a person who had never had to make any serious commitments before. He seemed to just accept whatever the future offered without any prior planning.

Bill's distributive education class was studying a sales unit. Bill had taken particular interest in the information on careers in selling. He examined entry level opportunities as well as the opportunities for advancement. Bill was very impressed with his findings and has decided he would like to pursue a career in sales upon graduation.

In the past Bill had average to below average grades in his school work. Math and science seemed to be his weakest subjects. However, Bill did well in social studies, distributive education, and athletics. He has a pleasant personality and works well with other people. He is currently employed in a food service operation that he enjoys.

1. From the information given, do you believe Bill would make a good salesperson? What type of employment in sales do you believe may be best suited to Bill?
2. What preparation would you recommend to Bill for employment as a salesperson?

## ASSESSMENT

Directions: Read the following assessment questions to check your own knowledge of these topics. When you feel prepared, ask your instructor to assess your competency on them.

1. Discuss why selling is important to every business.
2. Customers are motivated to make purchases for many reasons. Describe the differences between basic needs and secondary wants.
3. Describe some of the characteristics needed by the salesperson to sell product(s) and/or service(s) successfully.

NOTES

<sup>1</sup>Samson, Harland E.; Little, Wayne G.; and Wingate, John W. *Retail Merchandising: Concepts and Applications*. Cincinnati, Ohio: South-Western Publishing Co., 1982.

<sup>2</sup>Weirauch, B. "Self-Analysis for Salesmen." *Sales Management Guide*. Chicago: Dartnell Corporation, 1973.

We thank the above authors for permission to reprint from their work.

OTHER SOURCES USED TO DEVELOP THIS UNIT


Hodgetts, Richard M. *Effective Small Business Management*. New York: Academic Press, Inc., 1982.

Haas, Kenneth B., and Ernest, John W. *Principles of Creative Selling*. 3rd ed. Encino, California: Glencoe Publishing Co., Inc., 1978.

Baty, Gordon B. *Entrepreneurship for the Eighties*. Reston, Virginia: Reston Publishing Co., 1981.

For additional information, consult the lists of additional sources in the *Resource Guide*.

# PACE

- Unit 1. Understanding the Nature of Small Business
- Unit 2. Determining Your Potential as an Entrepreneur
- Unit 3. Developing the Business Plan
- Unit 4. Obtaining Technical Assistance
- Unit 5. Choosing the Type of Ownership
- Unit 6. Planning the Marketing Strategy
- Unit 7. Locating the Business
- Unit 8. Financing the Business
- Unit 9. Dealing with Legal Issues
- Unit 10. Complying with Government Regulations
- Unit 11. Managing the Business
- Unit 12. Managing Human Resources
- Unit 13. Promoting the Business
-  Unit 14. Managing Sales Efforts
- Unit 15. Keeping the Business Records
- Unit 16. Managing the Finances
- Unit 17. Managing Customer Credit and Collections
- Unit 18. Protecting the Business

Resource Guide

Instructors' Guide

Units on the above entrepreneurship topics are available at the following three levels:

- Level 1 helps you understand the creation and operation of a business
- Level 2 prepares you to plan for a business in your future
- Level 3 guides you in starting and managing your own business

# OSU

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