

SELLING & NEGOTIATION SKILLS

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Chapter I

Introduction to Sales & Personal Selling

The essential point of any sales transaction is that ***it is an agreement between a buyer and a seller to exchange values for their mutual profit.*** A selling organization obviously employs sales people to sell. However it wants that selling is to be consistent with this fundamental mutuality:

- The buyer should receive merchandise which meets specifications and fills one of his needs.
- The seller should receive money of equal value within the agreed terms and conditions of the purchase.

The function of a Sales Representative is therefore two fold. First, sales representative makes certain that his company participates in as many profitable sales as possible while they are covering their territories. ***They are charged with the responsibility to get the business.*** Second they ensure that those sales do constitute honest exchanges of value. It is expected that both customer and the company will benefit from the sale. Salespeople are responsible to the customer for assuring that products purchased fill the customer's needs and meet customer's needs and meet specification. They are also responsible to the company for screening business for its profit potential so that the company does not misallocate its resources. Maintaining this balance is a demanding job which requires an individual with mature judgment.

Companies have succeeded by building long term business relationships with its customers. They conduct their business in such manner that they are trusted and welcomed back. Companies value these long term business relationships and traditionally seek to assure that the customer will be better off after buying their product.

Veteran sales people have found over time that keeping to three fundamental principles helps to make mutually profitable sales that build long term relationships:

1. **Make a contribution.** Sales people should be of service to the customer so that they perceive the sales person as one of his resources and as an added value to the Company's products. Many successful sales representatives are viewed by their customers as on-site, unpaid, technical consultants.
2. **Be considerate of your customers.** Treat them with courtesy and simple respect. The good manners you learned in your home are far more valuable than anything a course in selling can teach you. It is considerate to respect your customer's time and to appreciate their interests along with your own. Yet here again, sales people encounter a matter of balance. A company does

not recommend either subservient behavior or putting the customer's interest ahead of your own. It is recognized that the company and its sales people succeed through its customers' success. And experience has shown you cannot sell successfully if your customer detects transparent self interest. He must perceive your genuine interest in his success. Few things will serve you better than sincere affection for your customers and good humor.

3. **Meet all your commitments.** When you do what you have said you will do, you avoid disappointing your customer and costing the company its accumulated goodwill. Therefore, you should make only those commitments you can meet.

The manipulative, abrasive techniques of the stereotypical sales person of folklore are not appropriate to modern marketplace. Manipulation is easily detected; leaving the impression a sales person has tried to outsmart the customer, and making it unlikely he will be welcome back. Good sales people succeed with straight forward techniques that enable them to solve the customer's problem and to differentiate their products and services in the face of intense competition.

This tradition of service and problem solving has limits. There is a danger that an element of charity can creep in. Your time and company resources might be used to solve a customer's problems without selling him anything. To avoid this danger, one or two conditions should be considered.

1. Solve a problem by selling an appropriate product.
2. Solve a problem in order to create a relationship which will ultimately lead to a sale.

This line is difficult to draw; however, the ability to apply it successfully often distinguishes the profit-making sales representative from the amateur.

In short every good organization will have a tradition of customer orientation but not of altruism. Sales representatives have quotas, and there are certain skills which help to meet those quotas. These are founded upon a basic understanding of human behavior, and they can be learned and applied.

These sales skills have been identified by sales people over many years. Like intelligent people everywhere, they have sought to understand their profession better, to analyze their environment and activity so they may find structure and order in what they are doing. In that way sales people have learned to do more of what works efficiently and not to repeat that which is less productive. You will be learning the principle, practices, and skills that have proven successful with good sales persons and organizations.

You will find sales skills very necessary. A company designs products that have a technical advantage and make a technological contribution. **But those products will not sell themselves.** Purchases are made by human beings who work with imperfect information and hesitate to make decisions. Customers need a source of information in which they can have confidence. And they need a representative of a good company whom they can trust to assist them if the need arises. You are that source, and you are that representative. In fact you are the company in the eyes of the customer

Chapter - 2

HUMAN MOTIVATION

The goals of this chapter are for you to:

1. Describe the needs of a normal human being and recognize the motivational power of unmet needs.
2. Link needs and drives together in a cycle of buying motivation.
3. Identify the features, advantages and benefits of a product.

As an individual, each human being is complex and unique. Individuals, however, are probably more alike than they are different. The psychology of human motivation is the study of similarities. Individuals differ in their behavior, but basically they spend much of their time striving to satisfy needs common to all human beings.

All human behavior has a cause of which we may or may not be aware. Our behavior is not random, even though it sometimes appears that way. Some internal or external stimulus or combinations of stimuli causes behavior that varies widely in their complexity.

For example, physical stimuli in people's bodies generate feelings of hunger. Hunger represents a state of tension, and upon experiencing such tension, people seek food to alleviate it. People need food.

A more complex need is the need not to eat – to diet. It is easy to see many possible and varied needs imbedded in the behavior of dieting. Physical well-being, people's images of their bodies, their desire for acceptance by their peers – these are only a few of the possible needs or tension states that elicit the behavior of restricting food intake. Human behavior such as making purchase decisions does not occur until there is a need motivation. Motivation is that state of goal-directed tension which an

individual experiences when a need is unfilled or not satiated. Customers perceive met/unmet needs as their tension states. Tension is thus a necessary pre-condition for a purchase. That tension should however, be caused by the customer's need rather than by the sales person's objectionable behavior.

Sales people are involved in helping their customer's satisfy needs, and can function as an aid in identifying and relieving tension states. We will therefore study needs in some detail.

Maslow's Pyramid.

One of the most quoted theories of human motivation was proposed by Dr. Abraham Maslow. According to Maslow, human needs are classified in five categories and are satisfied in a certain order. These 5 types of needs are related to each other in a hierarchy or order of priority. Maslow portrays this hierarchy in a pyramid form.

Maslow's Hierarchy of Needs

Maslow said the needs at the base of the pyramid have the highest priority. Higher priority needs will dominate the consciousness of the individual and cause him to behave in such a way as to gratify those needs. Lower priority needs are minimized or even forgotten or denied. As Gandhiji said "even god can talk to a hungry man except in terms of bread." After a specific need level has been satisfied, the next higher need emerges and dominates behavior. The satisfied need is no longer an active motivator.

When experimenters attempt to observe the hierarchy, they usually find that people are trying to satisfy several levels simultaneously. They do not satisfy one level completely before moving up to the next. They have higher percentages of satisfaction of the lower needs. Individuals defy rigid characterizations by types based on needs. Each individual is motivated by a unique combination of needs. The combination varies depending on how the individuals' environment is affecting him at the present time. We can generally assume that most customers in today's world are seldom concerned by physical needs. Few of us are preoccupied with pain, food,

shelter or physical discomforts, although the need for sleep dominate us.

However, some people may find the security, unsatisfied to a fair degree for extended periods. General quarters of unprofitable operation will generally trigger some anxiety about security, specifically job security. A major purchase decision, where the risks of failure are great may not heighten security, anxiety, even in an individual who normally is motivated by higher order needs. The memory of security deprivation, such as that provoked by a long period of unemployment, may influence a person's need for security for a long time.

From the sales representative's point of view, a major problem with Maslow's pyramid and other schemes for analyzing human motivation, is that needs cannot be observed directly. We cannot be certain what other people think or feel and thereby determine their motives. All we can really know how they behave. But their behavior can tell us a great deal about their need level. Given an assumed dominant need level in a customer for a given situation; we can emphasize product features in which he would be most interested.

Examine the table below and complete your expectations:

Need level	Observable Cues	Sales Appeals
Security		
Social		
Ego		
Self- actualization		

Maslow's Hierarchy thus gives us a way of organizing how people behave and what motivates purchase decisions. And it gives us a scientific reason upon which to base these two selling truisms:

1. Customers buy for *their* reason, *not ours*
2. Customers buy a product for what they perceive it will do for their unmet needs, not for what that product is physically. They buy solutions, not specifications

Maslow's Hierarchy gives us a way of organizing how people behave and what motivates purchase decisions

Primary Need Levels Examples of Feelings Examples of Feelings

Needs		resulting from Unsatisfied Needs – Tension States	resulting from Satisfied Needs – To be Gained
Actualization	Spiritual Understanding	Boredom, selfishness, being stifled, uselessness, inhibition, defensiveness, inflexibility, dependence	Growth, maturity, independence, curiosity, sensitivity, altruism, flexibility, spontaneity
	Wisdom		
	Contribution		
	Self Fulfillment		
	Creative Expression		
	Aesthetics		
	Autonomy		
Ego	Self-esteem	Failure, defeat, shame, inadequacy, humiliation, guilt, insignificance, ignorance, dishonor, depression, embarrassment	Pride, success, prestige, honor, victory, confidence, respect, mastery, recognition, credit, accomplishment
	Achievement		
	Competence		
	Skill, Knowledge		
	Competition		
	Status, Recognition		
	Power		

Soci al	Giving	Rejection, loneliness, neglect, isolation, criticism, misunderstood, disapproval	Belonging, support, understanding, popularity, attention, intimacy, complemented
	Love		
	Friendship		
	Social life		
	Companionship		
Sec urity	Acceptance	Confusion, pressure, doubt, worry, danger, loss, fear, disorder, insecurity, anxiety, threatened, guarded	Familiarity, peace of mind, harmony, certainty, stability, order, openness
	Contact		
	Confidence		
	Predictability		
	Stability		
	Assurance		
	Guarantees		
Phys ical	Safeguards	Hunger, thirst, sickness, drowsiness, weakness, hot, cold, discomfort, pain, fatigue	Recuperation, play, fullness, alertness, convenience, warmth, strength, pleasure, rest, ease, excitement, fun
	Safety		
	Long Life		
	Health		
	Comfort		
	Shelter		
	Food		
	Water		
	Air		

These two truisms are the foundation of the empathy which all good sales people possess. To sell effectively you must recognize the power of unsatisfied needs in your customers and work at seeing things from their perspective. *Customers will only buy from you because of what you and your product can do to satisfy their needs.*

NEEDS v/s WANTS

Needs and wants are not the same. If you ask a customer, what he wants, he will tend to describe an article he wants to possess. He usually expresses his want in terms of things he already knows about, such as competitive products. If you can get the same customer to talk about his needs, he will describe a condition that requires a solution. Some of these needs may not be stated directly by the customer. But they may be detected by a sensitive sales person. You have an opportunity to present your product and services as a solution to his need.

Try to keep your conversations with customers focused on the end result they are trying to achieve. This could range from the direct application for the product, to their personal motives. Then you can talk about their needs rather than their wants, which are restricted to those things of which they are aware. And they will see you as a source of information that expands their list of wants.

Chapter 3

Buying Motivation Cycle

How does the concept of needs relate to selling? Every time customers decide to purchase a product from a vendor, they will proceed through three states of a purchase decision.

Stage 1: the customer must experience a tension state. The tension motivates the customer to identify his need and to satisfy it. A sales person may introduce tension by making the customer aware of a previously unrecognized need.

Stage 2: the sales person must present the product or the service to the customer which fills that need. Here, anything from a catalogue to a systems team could fill the role of the "Sales Person".

Stage 3: the customer must overcome his natural reluctance to make a purchase decision, and buy the Company Product. He then directs his attention to his next most urgent need, although satisfying that need may not involve the Company product.

These three stages constitute the buying process. At the same time the customer is going through a buying process, the sales person is going through a sales process that complements it.

Motivation/Manipulation?

Note that the buying process does not require sales people to manipulate the customer for their reasons. Rather, it requires sales person to motivate the customer by offering an opportunity for the customer to satisfy his needs.

- The customer may also need the assurance that he is buying the most reliable solution to his problem (a security need)
- He may further need to conduct business with the company sales person with whom he is familiar and to reward him for all his efforts with a sale (a social need)
- He may also need the personal satisfaction of solving a problem for his employer and the prestige of solving it with the most innovative approach available (an ego need)
- The customer may even need a new measurement or computation tool because it will give him the capability to expand his competence, to contribute to scientific growth (a self actualization need)

Features, Advantages & Benefits

Recognition of need motivation requires us to look at products from the customer's point of view. What does the product do for the customer? It is useful to examine the features, advantages and benefits of a Product.

Feature: a fact about a product or service that is part of its design.

Advantage: the performance difference between the product with the feature, and the product previously used or offered by the competition.

Benefit: What the product does to fill the customer's needs.

Example:

Feature: Automatic transmission

Advantage: Driver does not shift gears

Benefit: Less shifting mean less tiring driving, especially in cities

Sales people will appeal more effectively to their customers' needs if they present benefits instead of features. But many sales people habitually describe features instead of benefits. They are trained on product features and evidently expect their customers to comprehend intuitively how features benefit them. Unfortunately, that degree of intuition is demonstrably rare in people.

However, it is not sufficient to describe benefits only. Customers tend to believe those things they understand. They need to know the factual basis for the benefits. Sales people must present features and translate them into benefits for their customers.

- When you talk only of features, you stop selling to customer needs through benefits.
- When you talk only of benefits, you fail to build credibility through features.

Forcing Sentences

One way to build the habit of linking features and benefits together is to begin using "forcing sentences." These are sentences that require a benefit to complete the statement. They force you to speak in terms of benefits.

- "What this feature means to you is"
- "The way you benefit from this feature is"
- "The significance of that fact for your company is"

It isn't enough to say, "Our automatic digital test systems will reduce test time and eliminate human error"

You want to convert those statements to benefits for the customer or his employer. "Our automatic digital test systems will reduce test time and eliminate human error. And that, of course, means savings in labor costs and significant reductions in board repair and final test problems. So your company will make more profit and you will get management approval for your printed circuit board assembly group."

Chapter 4

SALES PROCESS

Experienced salespeople agree that no two sales are alike. Each is unique and will follow a natural path of its own. Consequently, new salespeople have a tendency to think they are not "selling" because their activity seems to be unstructured, not patterned. In reality, there probably is a pattern. But any one sale will generally skip or combine some stages of the typical process. In addition, sales often extend over more than one call, making the pattern difficult to recognize.

Earlier, we discussed buyer motivation and emphasized that customers will go through a buying process to determine how our proposal benefits them. The sales process must complement that buying process, since it is the customer who must be motivated to some action. Different customers will make purchase decisions in different manners, reflecting their own environments and behavioral styles. And those variations will cause us to emphasize different parts of the sales process in order to better match the customer. But a "typical" sale might go through the following five basic steps:

Contact. The salesperson has to insert himself into the cycle somehow, he has to make contact with the customer.

Qualification. The salesperson must qualify the customer to ensure that efforts invested in the customer have some potential of resulting in a sale.

Investigation. The salesperson must investigate the customer's application so a credible solution to his need can be recommended.

Presentation. The salesperson must present a solution to the customer's need.

Close. The salesperson gains a commitment from the customer to take the next step in the sales process. The final close is for purchase of the product.

Every sale will not necessarily go through all five of these steps in this exact sequence. You need not program yourself to do all of these things with every sale. But these five things will usually happen in a complete sale initiated by the salesperson with a previously unknown customer. And the five steps illustrate the way effective salespeople use their time. These are the activities that constitute "selling."

STEP 1. THE CONTACT

Where do you start the contact process?

You may wish to start with an individual who can give you information about this new customer or account, but who will not make a purchase decision. That way you have less risk of sounding ignorant when you get further involved with decision makers in the sales process. Receptionists and purchasing agents can usually provide you with a quick picture of your prospect.

But try not to spend too much time with an account below the level where your product will actually be purchased. That decision-making level will vary depending on the product type and the size of the account. A general systems salesperson will eventually want to talk to the President of a small

company about a Computer System, while the instrument salesperson may be talking to the Engineering Manager and Production Test Manager at the same firm.

You should therefore set the objective of penetrating quickly to the highest practical level of management. If you sell to a high level you will be well-directed and well-recommended to lower levels. When the president of a company tells you to see a lower and more appropriate person in his firm regarding some possible purchase, he has most likely picked the right person. And that individual will probably be a more receptive customer if he knows that his president sent you.

How do you start the contact process?

When first meeting a customer, open with an introduction followed immediately by a question. Questions require answers and get the customer involved in the process. They also give the customer an opportunity to tell you what interests him. Let the customer talk.

What must you accomplish in the introduction?

You must get the customer's *attention* and arouse his *interest* in how he can benefit from further contact with you. Attention and interest are key words. You will get the customer's attention and capture his interest by quickly showing that you are prepared to have a business discussion that benefits him. Be careful that you do not appear to be just fishing for information or are only interested in selling him something. Do some pre-study. Plan your contacts ahead of time and say things that are relevant to the customer. Don't assume that your customer is interested; assume instead that he isn't interested. This will apply to your first meeting and all subsequent meetings. Don't get careless as time passes. You may even find it helpful to write down the first few sentences before seeing your customer so you won't freeze up.

How do you terminate the contact step?

End it with a mutual commitment for further action. If both you and the customer end your conversations with agreed tasks, the next step is easy: meet later to exchange information or results. This accumulation of mutual commitments builds progress in the buying process.

A sample contact step then might proceed as follows, either in person or on the telephone:

Salesperson: "Good morning, Mr. Rakesh. My name is Jeet Sethi, I'm a sales representative for Micro Controls. I've been told that your plant here has a large printed circuit board assembly area. Micro Controls has

recently introduced a low-cost digital board test system that may be able to save your company substantial testing costs. Tell me, are you now using automated board testing? Or have you ever evaluated it?"

Introduce yourself, get attention, and arouse interest by stating a benefit. Ask a question. Then be quiet and listen. Later, make the transition to the next stage with a mutual commitment.

Salesperson: "Okay, Mr. Rakesh. Let's do this, then. I'll come back on next Wednesday at nine o'clock prepared to show you in more detail how we generate digital test patterns. And will you check with your cost analysis people before then to find out what board testing is currently costing your firm?"

STEP 2. QUALIFY

During the qualifying step you will be trying to make certain that the person in whom you are investing your time can, in fact, buy your product or influence its purchase. You are seeking the answers to some specific questions. These questions should not be asked within too little time, or the customer will feel he is being interrogated. You will probably ask qualifying questions at opportunities throughout the sales process, but you must ask them.

You must ask in a manner so as not to give offense, but you are entitled to answers. One simple courtesy that prevents giving offense is to ask permission before proceeding with a string of questions. "Mr. Deepak, I don't know much about your manufacturing process. Is it all right if I ask a few questions?"

Has the customer got the money to purchase your product?

In the English language, it is rude to ask:

"Have you got enough money?"

But it is acceptable to ask:

"Has your management approved your entire budget request we talked about last week?"

Or

"How large is your budget for test equipment going to be if you proceed with this proposed product development?"

Or

"How much are you presently spending on your data processing system?"

Never talk about personal things like somebody's money when you can talk about abstractions like their budget.

Does the customer want or need the benefit your product offers?

Ask enough questions to establish whether, for example, he can do what he wants to do with a desk-top computer or a minicomputer. If his need doesn't match your product, drop out of the sale and call your friend back at the office who can satisfy this customer. And, ask the customer what he wants to do before you present a product. Do not tell a customer what features your product has before determining whether he needs the benefits of those features.

Does the customer have the authority to purchase your product?

This is another question you would never ask directly. But you might ask:

"Who will be the members of the systems evaluation team?"

Or

"How long is the approval cycle for a requisition such as this, and who signs it off?"

But you must be certain to sell to all levels of an account. Sell technical benefits to the engineers and financial benefits to their managers.

Can you meet the customer's delivery requirements?

If you will have to expedite delivery, determine your chances of doing so before investing time in a sale. If the Company cannot shorten its delivery time and if the customer will not extend his requirement, you are not a qualified vendor. Sales judgment will be necessary, however, in those cases where the customer wants a firm delivery commitment and your quoted delivery is marginal. If you make the commitment, you are the one who will have to make it come true. *Don't promise anything unless you are perfectly certain you can deliver.* What if several people on the line get the flu? What if the weather delays receipt after shipment?

Obviously, some things necessary to make that commitment are beyond your control. If a missed delivery commitment is a great inconvenience for a customer, you may lose good will and future business. What other tools can you use to handle urgent delivery requirements? Can you sell the customer a demonstrator? Can he rent one from a rental company? What else can you do to help him?

Should you decide that the downside risk outweighs the benefit of making the sale with a marginal delivery requirement, be careful about giving the customer the impression that you do not want his business. You may lose the sale through faint effort, but let the customer eliminate your company. Do not eliminate yourself as a qualified vendor.

Do you qualify the individual or the account?

The ability to qualify customers is the measure of a professional sales representative. It must be done or you will not be able to allocate time efficiently. But many people influence the purchase of your products who will not meet superficial qualifying tests.

- Nurses will not specify the equipment that goes into a new intensive care ward. But their equipment preference is almost always solicited and considered.
- A data processing center programmer will have little or no spending authority, but his software questions have to be answered satisfactorily before your hardware is purchased.

In more complex system sales or major account situations, it is important to recognize that "buying" is occurring at several levels. Different people may be making technical, financial, and reliability evaluations, for instance. In such situations, it is the account which must be qualified, not each individual.

The transition from qualifying to investigating is rarely distinct. Typically you will mix questions about the customer and about the application, but each activity has a different objective.

STEP 3. INVESTIGATION

Successful sales representatives have established a counselor relationship with their customers. Over time, the customers have learned to expect technical

advice and insight from good company representatives. This expectation differentiates them from many other salespeople who call. A proper investigation is what makes this counselor relationship possible. If the customer is going to accept our recommendations, he must believe we understand his problem.

"Mr. Pradeep, can you tell me more about your application?"

"Can you make an estimate as to when you might be expanding this system?"

The essential point of the investigation is to recognize that both the salesperson and the customer may have needs that are met in this stage of the sales process.

- The sales representative may need the information for which he is asking.

- And, the customer may need the flattery he feels when asked questions.

The professional skill comes in taking enough time to ask questions for the customer's benefit when you already know the answers, or think you know them.

How do you make the transition from the investigation stage to the presentation? Again, if it is necessary that the sales interview be interrupted for applications research or because of time constraints, establish a mutual commitment and agree to meet later. For instance:

"Based upon your description of this application, Mr. Pradeep, I think our new computer will have sufficient memory. But I would like to check with my applications specialist back at the office before I commit to that. Can we do this? I'll research the memory question. And, in the meantime, will you find out whether your financial people would rather lease or purchase?"

The intention in this technique is to get the customer personally involved in the sale and committed to seeing you again, if you must leave.

STEP 4. PRESENTATION

The purpose in presenting your product is to arouse your customer's desire for it and to build conviction in him that the product will benefit him or his company. Suppose your company manufactures high-technology electronic products and there is a strong temptation to talk about that technology. Your sales representatives should resist that temptation. Do not only fill your presentation with facts about technology. Let it also overflow with enthusiasm and statements that communicate to the customer how much better off he will be *after* he buys your product. Present the product in terms of benefits that fill the customer's needs. A product is a solution to a customer's problem, and this is an appropriate time to restate the features and benefits of your product.

An effective presentation must be enthusiastic. Buying is an emotional process and the salesperson's enthusiasm will be communicated to the customer. Don't be false or artificial. Inflated, over-emotional statements turn off customers. But it is easy to punctuate your presentation with little statements such as:

"Here is a neat feature! See what the instruments will do for you when you press this button!"

Rather than

"Now, pressing this button will re-set the memory."

Or

"Look at what a good job of human engineering the designers did! The front panel is a lot cleaner than the old model. Your people will find this newer one much easier to use."

Rather than

"Notice that the front panel has been cleaned up a lot."

Salespeople sometimes hesitate to express their enthusiasm because they fear their customers will react skeptically. Generally speaking, customers will react negatively when they hear subjective opinion expressed as fact. Opinion identified as opinion will rarely be offensive.

For Example:

"I think you will find this a very impressive machine that satisfies many of your needs."

rather than

"This machine is great and right for you."

STEP 5. CLOSE

If the preceding stages of a sale have progressed satisfactorily, the close should be the easiest part.

- Your customer has a need and you can fill it.
- He can afford your product.
- During the presentation, he acquired conviction that he will benefit from owning it.
- You have the conviction that he will be better off after he buys it.
- Now all the customer has to do is make the purchase decision.

Human nature almost guarantees that he will hesitate because he fears making a mistake. The salesperson's job is to help the customer make that decision. Too often both people will sit there and make no progress because of their respective anxieties, probably researching the application to death. Somebody has to take a decision or nobody is going to make any money. The professional salesperson must recognize a responsibility to assert himself and end the impasse when there is one. One straightforward way is to simply assume that the purchase decision has already been made:

"It appears you have established that this product satisfies all of your needs. How do we go about getting it ordered by Purchasing today?"

And then be quiet. Silence is uncomfortable and your customer will eventually fill it with an answer.

There are some other basic closing techniques. Yet even a technique as simple as the example above is used too infrequently by salespeople. Many of these salespeople share a common performance problem in failing to assert themselves and ask for the order in some way. They want so much to keep the customer's goodwill that they hesitate to risk raising his tension level. Unfortunately, that higher tension may be necessary if the customer

is going to be motivated to complete a buying cycle.

Tension is usually unavoidable in making

significant purchase decisions like those customers make. In fact, it often helps salespeople to recognize the benefit the customer gets when a sale is closed. The customer's tension and unease will decrease after he has made the decision necessary to solve his problem, and he feels better.

Closing may thus require a salesperson to do some aggressive things that deliberately raise the customer's tension level and motivate him to make his purchase decision. Yet a salesperson must be careful that his internal aggressiveness does not manifest itself in the kind of aggressive behavior which makes the customer react so defensively that he is not welcome back. External aggressiveness which is perceived as being abrasive or threatening will rarely build mutual commitment or long-term relationships with customers. Instead, it is usually resented.

Closing requires a fine balance of assertive behavior, neither too assertive nor too passive.

- * Being assertive means acting in a firm, forthright manner. It includes the determined, effective persistence that may be required to encourage some customers to make the decisions which they **need to** make.

* Being outwardly too assertive will often irritate sophisticated customers in the industry and make it difficult to see them again. And being too passive will rarely get the order.

This balance of assertiveness will depend upon the individual customer's reaction to the salesperson. The point at which the customer will react defensively to the salesperson's assertiveness depends upon his culture, personality, and environmental stresses. Typically, new salespeople could be far more assertive and rarely offend their customers. These salespeople should have more confidence in their customers; customers know salespeople are there to get the business.

Your objective as a salesperson should be to close at the threshold of the customer's tolerance for assertive behavior without exceeding it. Being able to detect that threshold is one part of the customer sensitivity that salespeople acquire with experience. Of course, you may have to **look** for that threshold a few times before you learn how to sense it.

AFTER THE SALE

Post sales support of the products you have sold is also an important activity for a salesperson. You must insure that the customers get the performance and reliability for which they paid. Customers generally purchase our products periodically, and you want to go through the

sales process with them as often as possible. It will be difficult getting them through their buying process if they were not satisfied with the performance of a product they bought from you earlier.

Chapter 5

Negotiation

- **What is Negotiation?**

- Negotiation is the mean by which people deal with their differences. Whether those differences involve purchase of a new automobile, a labor contract dispute, the terms of sale, a complex alliance between two companies, or a peace accord between warring nations, resolutions are typically sought through negotiations. To negotiate is to seek mutual agreement through dialogue.

- **Types of negotiations**

Distributive Negotiation: A negotiation in which the parties compete over the distribution of a fixed sum of value. The key question in a distributed negotiation is “who will claim the most Value”? In distributive negotiations, a gain by one side is made at the expense of the other.

- **Key points to remember to achieve success in Distributive negotiation :-**the first offer can become a strong psychological anchor point, that one sets the bargaining range. The negotiation outcomes often correlate with the first offer. So start at the right place
- Do not disclose any significant information about your circumstances
- Information about the other side can benefit you. Learn as much as possible about the other side’s circumstances and preferences

Don’t overshoot. If you claim aggressively or greedily, the other side may walk away. You will have lost the opportunity to make a deal

- **Integrative Negotiation:-**

- A negotiation in which the parties cooperate to achieve maximum benefits by integrating their interests into an agreement. These deals are about creating values and claiming it
- In Integrative negotiation your task is twofold:
 - 1) To create as much as value for you as well as for the other side.
 - 2) To claim value for yourself.
- **Key points to Remember the Integrative Negotiation**
- Provide significant information about their circumstances
- Explain why they want to make a deal
- Talk about their real interests or business constraints
- Reveal and explain in general terms their preferences among issues or options
- Consider and Reveal any additional capabilities or resources they have that might meet the other side's interests and could be added to the deal
- Use what they learn to find creative options that will meet the interests of both the parties to get the greatest extent possible

Concepts of Negotiation

- Any successful negotiation must have a fundamental framework based on knowing the following:
 - The alternative to negotiation
 - The minimum threshold for a negotiated deal
 - How flexible a party is willing to be , and what trade – offs it is willing to make

4 Key Concepts of Negotiations

- BATNA (**B**est **A**lternative **T**o a **N**egotiated **A**greement)

Know your BATNA

- The concept has been developed by Roger Fisher and William Ury
- It is one's preferred course of action in the absence of a deal
- Knowing your BATNA means knowing what you will do if you fail to reach an agreement in the negotiation

- Know your BATNA before the Negotiation

Improving your position in the negotiation table

- Improve your BATNA to improve your negotiating position
- Identify the other side's BATNA
- Weaken the other party's BATNA
- You might for example, ask Rs. 50,00,000 for your house and agree between yourselves to accept no offer below Rs. 46,00,000.
- Having bottom line makes it easier to resist pressure and temptations of the moment. In the house for example, it may be impossible for buyer to pay more than Rs. 44,00,000 and everybody involved may know that you have bought the house for Rs. 41,00,000. But if you have strong BATNA then you have opportunity to crack the deal.

■ **Reservation Price**

- Also Known as the "walk away price"
- Reservation price should be derived from your BATNA
- Don't enter a negotiation without a clear reservation price

Example: You are currently paying Rs 20 per square foot for the suburban office space . The location is satisfactory and you believe that the price is fair, but you wouldn't mind paying more to be closer to your downtown customers. While preparing to negotiate with a commercial landlord for an office lease in a downtown high-rise, you decided that you would not pay more than Rs 30 per square foot. **That's your reservation price.** If the landlord insists on more, you can stay where you are at Rs.20 per square foot (your BATNA).

- At the end of a lengthy negotiation session, the landlord declares that he will not accept less than Rs. 35 per square foot – and he won't budge. You graciously terminate the negotiation and walk away from the deal

■ **ZOPA (Zone Of Possible Agreement)**

- ZOPA is the area or range in which a deal that satisfies both parties can take place
- It is the set of agreement that potentially satisfy both parties
- Each Party's reservation price determines one end of the ZOPA.

A buyer has set a reservation price of Rs 52,75,000 for the purchase of a commercial warehouse . “That’s as high as I’m willing to go,” she tells herself. Naturally, she would prefer paying less . Unknown to her, the seller has set a reservation price of Rs 50,00,000 That is the least he’ll take for the property . The ZOPA, therefore, is the range between Rs.50,00,000 and Rs.52,75,000. The two parties might haggle a bit in reaching agreement , but an agreement in this range would satisfy each.

Buyer : What would you say to an offer of Rs. 51,00,000? I could agree to that.

Seller : Thanks , but I believe that the building is worth more and I can get more if I wait for a month.

Buyer : You may or you may not .I would be willing to pay Rs 51,75,000

Seller : Pay Rs 52,00,000 and it is yours

Buyer : I agree to pay Rs 52,00,000

■ Value Creation Through Trades

- The negotiating parties can improve their position by trading the values at their disposal – Getting what one wants in return for something it values much less
- Both parties often emerge as winners
- For a supplier , an extended delivery period can be useful whilst the customer may need the delivery in a phased manner
- Warranty for the customer is valued very high whilst the supplier can do it for a small incremental cost
- Work from home office two days each week can mean a lot to a working mother whilst it comes at no cost to the employer

Summing up Key Concepts

- BATNA is the best alternative to a negotiated agreement . It is one’s preferred option in the absence of a deal . Knowing your BATNA means knowing what to do if you fail to reach an agreement . Don’t enter a negotiation without knowing your BATNA.
- If your BATNA is weak , do what you can to improve it . A strong BATNA improves your negotiating position.
- Identify the other side’s BATNA. If it is strong, think of what you can do to weaken it.
- Reservation price is the price at which the rational negotiator will walk away. Don’t enter a negotiation without a clear reservation price.
- ZOPA is the zone of possible agreement. It is the area in which a deal will satisfy all parties. This area exists when the parties have different reservation

prices. Home buyer willing to pay Rs 52,75,000 and the seller is willing to part with the home at a minimum price of Rs 50,00,000.

- Value Creation through trades is possible when a party has something he or she values less than does the other party and vice versa. By trading these values, the parties lose little but gain greatly.

- **The Negotiator's Dilemma**

- The Negotiator's Dilemma describes the situation faced by people who enter any type of bargaining situation. They must determine which game to play
1) aggressively claim the value currently on the table (and possibly come out as a loser) which is the type of distributive negotiation, or

2) Work with the other side to create even better opportunities that can be shared, which is the type of Integrative Negotiation.

- Don't Bargain over position
- It should produce the wise agreement, if the agreement is possible
- It should be efficient
- It should improve or at least not damage the relationship between the parties
- Effects of Bargain over position
- Arguing over position produces unwise agreement
- Arguing over position is inefficient
- Arguing over position endangers an ongoing relationship
- Which Game to Play
- Being nice is " NO ANSWER"

Chapter 6

Negotiation Strategies

- Soft Positional Bargaining :- emphasizes the importance of building and maintaining a relationship
- Hard Positional Bargaining :- emphasizes on winning the negotiation and does not focus on maintaining the relation or win- win situation

Soft	Hard
Participant are friends	Participant are opponents or enemy
The goal is agreement	The Goal is victory
Make concessions to cultivate the relationship	Demand concessions as a condition of the relationship
Be soft on the people and problem	Be Hard on the people and problem
Trust others	Distrust others
Change your position easily	Dig in to your position

Make offers	Make threats
Accept one- Sided losses to reach agreement	Demand One sided gain as the price of agreement
Insist on agreement	insist on your position
Yield to pressure	Apply pressure

Balanced negotiations is the Mid Way approach

Principled/ Balanced

Participants are problem solvers

The goal is wise outcome reached efficiently

Separate people from problems

Be Soft on People and Hard on problem

Proceed independent of trust

Focus on interest and not on positions

Explore interest

Invent options for mutual gains

Insist on using objective criteria

Reasons and be open to reasons; yield to principle, not pressure

The Process of Negotiation:-

- Negotiation is a process and not an event
- It is a multi-faceted business transaction

- The process consists of various activities under the following five broad stages:
 - Pre- negotiation Stage
 - Conceptualization
 - Setting the norms
 - Discussion / Talks
 - Agreement

Pre-Negotiation Stage:-

- This stage is also called Intelligence/ Information gathering stage.
- Planning is the main focus area at this stage. It is a critical tool. It is expected to define the broad framework for carrying out the negotiation.
- Planning with the end in mind will help you make a comprehensive plan
- Most often a comprehensive plan will help you in effective problem solving and thereby achieve the desired objective.
- Good planning for negotiation can lead to better confidence in the negotiation table
- Five steps to help in planning for negotiation:
 - - Prioritize and rank the goals
 - - Look into the priorities of other party
 - - Find out real motivation
 - - Plan factual inquiries
 - - Quantification of the objectives

Prioritize and rank the goals:-

- Decide upon the goals for the negotiation session to make it more result oriented
- What interests are to be taken for the discussion .Eg .Monetary , long term relationship.
- These interests need to be understood by all team members.
- Once the goals are identified, each party should priorities them.

- Thereafter the points can be discussed in that sequence or in order of priority . The hard areas can be discussed first followed by the soft areas or vice - versa.

It should be kept in mind that negotiation is a process and each party should focus on trading the less important items for secure the more important items

Look into the priorities of other party:-

- It is always beneficial to know the priority of the other party. (values , needs , issues)
- Your strategy will depend on the priority of the other party
- You strength on the negotiation table will be enhanced

Find out real motivation:-

- It is important to tactfully find out the motivation/ position of the negotiating party before the negotiation process starts
- Every negotiator's way to determine this may be different

Plan factual inquiries:-

- In any negotiation it is important to get important information at the pre-negotiation stage
- Good negotiators spend a lot of time in asking information seeking questions , staying curious and alert to uncover the other side's views of the situation , facts , interests and priorities
- The above exercise needs to be conducted skillfully so that it does not look too obvious and ruin your chances to get important information

Quantification of the objectives:-

- All the objectives should be linked to a monetary perspective/quantified
- Linking the objectives to a monetary aspect or units is required to make it more understandable and enhance the possibility of getting good counter offers
- Quantification and principled reasoning facilitates the cordial tone of negotiation and helps in arriving at a fair solution

Conceptualization stage:-

- After planning it is important to formulate the probable foundation of the agreement
- Points to be considered here are – competitive analysis and legal aspects to facilitate basic amicable principles
- Both parties broadly exchange information in a formal manner with regard to views, aims, possible estimations, basic calculations. The size of the team, time, venue are also decided at this stage
- At this stage the negotiating parties may establish some measures of compatibility amicably
- A broad agenda is worked out at this stage Proper conceptualization results in systematic and effective bypass of “negotiation traps”

Setting the Norms:-

- The next stage is “ setting the Norms”- stage 3
- Here both the parties should define the norms based on monetary aspects.
- Setting the norms in itself often becomes a point of negotiation

Discussion/Talks:-

- Negotiation is a process of dialogue
- There should not be any change in the pre-decided matters like team members, size of the team and the broad framework.
- It is advisable to have a patient approach , recognize the role of the other person
- The discussion should be carried out in a decent/dignified manner.
- It should be issue based without hurting personal sentiments
- No personal defend / attack should be encouraged
- Clubbing of issues should be avoided

Agreement:-

- This is a post negotiations step where the formal drafting of agreed terms and conditions are done
- This should be done as agreed in the conceptualization stage under the legal aspects

- This agreement will also include the guideline for resolution of any disputes arising in future
- Some negotiations end with the issuance of a purchase order. The purchase order must include all the monetary aspect as well as the timelines, non-performance clause etc.
- Steps of Negotiations

Tasks involved in the negotiation steps

- Negotiation comprises of various tasks
- Negotiation is a process of communication aimed at resolving any sort of problem
- It is recommended that one should enter any negotiation with a co-operative approach rather than a competitive approach
- That there is no set standard process for being successful in negotiations
- There are only guidelines which can be followed

Guidelines that can be followed:-

- Selecting the team members
 - The size of the negotiation team needs to be kept small to ensure it is more manageable, easy to communicate and less costly
 - The team should have a leader along with experts in the relevant areas Technical, prices analysis. There could also be a lead negotiator:-

Identify the key objectives and issues of negotiation :-

- An issue can be any matter with a potential to create disagreement in the negotiation
- The disagreement may be due to different information sources used by the parties regarding functional areas such as Audit reports, technical analysis, MIS reports etc.
- While preparing for the objectives , one must ensure that there should be enough technical support in terms of facts and market knowledge for each objective followed during negotiation

- In competitive negotiation, the evaluation of the best price must be based upon various criteria and conditions, like level of production, demand expected etc.
- In non-competitive negotiation. The negotiated best value must adhere to the set government norms in all aspects. It should be in line with the government's social targets ,because a negotiated deal cannot offer or transfer any right superseding the established law.

Identify the negotiators' possible approach to the negotiation:-

It is better to understand the rigid framework of the constraints. This provides the broad way for proceeding with the negotiations

Assessment of strengths and weaknesses:-

- Assessment of the strength and weakness of the other party will ultimately motivate to arrive at win-win conclusion.
- There are some resources which are common for all the involved parties to it , like :time available to negotiate , importance of the contract and risk involved in it.

Establishing the negotiation priorities and potential trade-offs or concessions:-

- Important points can be categorized into groups like, avoidable points (issues to avoid during negotiations) bargaining points (issues open to bargain), give points (issues open for concession) and must points (non-negotiable issues)
- Trade-offs in both cases of negotiations is helpful in competitive negotiation. The trade off position can be used for evaluating the final proposal offered. In case of non-competitive negotiation, This can be used for developing counter offers for establishing the tolerance limit for negotiations
- A reasonable trade-off is possible by answering the following questions:
 - What is a reasonable and acceptable result on the basis of the shared information?
 - What is the reasonable and expected outcome on this issue?
 - What may be the least desirable result acceptable?

Determine an overall negotiation strategy:-

- The tactics and its sequences should be pre-decided.
- You may start from less important and move towards the most important issues of the discussion , or

- You may start from the most important and move towards the less important issues of the negotiation.

Following any of the above approach is called the building blocks approach

Prepare a negotiation plan:-

- The detailed plan of negotiation should be discussed with all the team members so that the team is on the same wave length and they can contribute effectively.
- The plan will bring in clarity of the role expected out of every team member
- The team can even plan who steps in when during the negotiation process

Brief your management about the plan:-

- The briefing may be formally through a presentation or through informal discussion and inputs taken
- The strategy must be executed with prior approval of the management

Prepare a negotiation agenda:-

- **A negotiation agenda should include:**
 - Topics to be addressed along with the order in which they will be discussed.
 - A general time schedule for negotiating each of the point.
 - Locations of the negotiation schedule
 - Names and titles of the team members, with their cell numbers and e-mail ids

Points to be considered for effective negotiation:-

- Assess the party with whom you are negotiating
- Evaluate the situation and assess the possibility of the parties achieving their goals
- Evaluate the relationship with the negotiating party . Look at past interactions/ negotiations
- Look at tangible and intangible takeaways out of this negotiation
- Consider what you definitely want and what you can trade off
- Assess the best you can derive out of this negotiation

- Assess what you definitely have to achieve out of this negotiation
- Be prepared as to how you will handle the issues that will come up during the negotiation
- Prioritize issues
- Be prepared with all the data/MIS reports and other important and relevant information before start of the negotiation
- Assess the negotiating party's strength and weakness and approach to negotiation
- Assess your strength and weakness and what will be your approach to negotiation
- Prepare the agenda
- Based on the above what should be my strategy
- If the negotiation fails what is my alternative

Negotiation Strategies:-

- Strategy articulates the negotiators overall plan designed to achieve desired goals.
- Getting substantial gain out of the deal is a primary goal of the negotiating parties.
- There are three negotiation strategies suited for obtaining a beneficial position in a negotiation.

Soft

Hard

Balanced negotiations

Deciding a Suitable Strategy:-

- Deciding on a strategy for negotiation is important.
- It will guide the negotiator in developing a purposeful behavior.
- Possible factors which influence the selection of a specific strategy :

Goals-The selection will be guided mainly by the objectives or goals expected to derive a consent upon in the negotiation process. There may be multiple goals.

Authorities -The selection of strategy largely depends on the levels of authority conferred to the representative participating in the interaction.

Personality Profile - The context of exhibited values in the previous negotiations should be given a prime focus for designing a suitable strategy .It is observed that most negotiators seek to maintain a coherent personality profile all the time.

Counterparts – It is clear that a strategy appropriate for one type of counterpart may be inappropriate for another and experience of past interactions will have a say on the strategy.

Alternatives - Knowledge of “Best Alternative to a Negotiated Agreement” or BATNA may guide in selecting the negotiation strategy

The Negative Tactics:-

Negative tactics can be divided into three categories:

- Deception
 - Coercion
 - Prevention
- Deception:-Negotiators do adopt deception as a tactic occasionally.
 - This is done to deceive the other party , and influencing their decision to favour the deceiving party. (Make the other party believe in something which is not right)
 - Deception is seen as a business trick . However, if the truth unfolds it may reduce one’s say in the negotiation table.
 - Coercion:- It is a method of getting people to do something by force
 - Coercion happens at all levels in the hierarchy
 - Subordinates are normally subjected to this situation
 - It is often seen as direction and not compulsion and hence subordinates are left with little choice in the decision making/ negotiation process but to obey the Senior Manager

- Prevention:-This is the third way a party can block the other party in some way.
- Prevention may occur when a person acts as a gateway to other people or information.
- This is normally done by refusing to fully and honestly answer the questions (information seeking questions).

- **Negotiation Styles**

- Belief Oriented Style :-Belief is the basic essential element of this style.
- It is strongly recommended that once the understanding among the negotiating parties is reached , they realize that belief is established through a set of behavior and the resistance between the negotiating parties is diluted / minimized resulting in an amicable solution
- Belief can be acquired in a phased manner.

A belief-based style is perfectly suitable and can be executed with soft and balanced strategy

Professional Style:-

- Professional Style is followed specifically in the international bidding negotiations.
- It covers a large span of application areas like Mergers & Acquisition where the negotiations are carried through a principle negotiating agent. (not necessarily an individual , can be an organization as well).
- This style is suitable for negotiations in the areas of Industrial Relations , International Bidding , Political , Selling and Buying of firms.

Non-Professional Style:-

- Negotiation can happen within non-professional contexts.
- These negotiations are carried out in an absolutely non-skilled level.
- These negotiations are such because they happen in an unplanned manner where the outcome is not defined.
- This style is suitable for negotiations of the following nature;
- Domestic : Discussions and arguments at home
- Every day : Everybody , everyday

- Hierarchical: Parent-Child , Boss – subordinate etc.
- Spectrum of Negotiation Styles:-**Consideration of Self** – Own interest most important . Your victory most important and not that of the other party.
- **Consideration of Others** – Your values will enforce consideration for others , which are often based on your beliefs about people . In this style there are chances of you over estimating the importance of others, thereby prioritizing their well over your own.

- Excessive consideration for others leads in offering concessions where you secure the loser's position.

- Over doing this (giving away too much) may even result in you losing important elements of the relationship.

- This can result in loss of respect.

- Some people like being submissive – However that is not the way to conduct a negotiation . Hence, stand up to your needs and be assertive .

- **A Middle Way** – Between concession and competition lies balance.

- A collaborative negotiation is often seen as a balance negotiation even with competitive elements.

- Shared values are commonly used to protect the relationship and ensure fair play.

Chapter 7

Selling to Superiors

- ☐ Selling to Superiors precisely underlines the set of additional techniques because a superior is one who is greater in quality aspects, rank, position and status
- ☐ It is observed that the superior collects all the feature related information through various sources
- ☐ It is better for the salesperson to understand the reasons behind the involvement of superior in the transaction
- ☐ The seller must go through the following steps
 1. Experience Stage:- In this initial stage, it is expected from the salesperson spare substantial time and conduct a study to understand the buyers need
 2. Assessment Stage:- Assess the requirements in terms of quality, cost, stocking and lead time
 3. Value Creation:- Suggest actions, process, provide references and add a substantial value which will guide the buyer in all terms
 4. 4. Role extension:- extend your role constructively till the result is ensured
- ☐ Direct and indirect function
 1. The profit function:- Any seller must have profitable customer relationships if he wants to survive long term
 2. The Volume function:- Sellers are interested in certain quantity of product they sell and not only profit they made
 3. The safeguard function:- To improve the cost-efficiency of the transaction

Indirect function includes: Innovation, marketing, scouting and access function

- ☐ Selling to superiors can be fruitful exercise if following tools are used in a sensible manner
- ☐ Selecting a good team:- A team comprising of good and sound technical skills should be articulated for selling to superiors
- ☐ A single person as a human being does not have an answer for everything

- ❑ Communication Skills:- it is the key to handle a great leader. It is so because in absence of good communication, all other technical advancement will not create any impression on the superior
- ❑ Honesty in claims:- All the claims must be made strictly on true facts and not just to comply the set norms
- ❑ Visionary Approach:- It is suggested not to carry out the sells negotiations not only with price aspects, but seller should gauge the requirements and match the product qualities predicting the future requirements
- ❑ Action speaks louder than words:- At different stages of sales, it is but natural to trigger an anxiety or doubt, so the doubt clearing small demonstrations should be accommodated often before even asked
- ❑ Consistency:- Effectiveness is impossible without consistency. It is advised not to change your personal style radically. Keep things simple and consistent
- ❑ Customized:- Try deliberately to accomplish the superior's personal identity and novelty needs, during the sells procedure
- ❑ "SELL" Model
- ❑ This is a simple model describing the various actions associated with the word itself
- ❑ In this procedure, selling starts with showing features. But note, however, that there is another viewpoint which suggests that starting with feature may turn the process less affective and generate more objections
- ❑ Show feature:- It is the very first stage; expected to show the features of the product
- ❑ Explain advantage:- Immediately after showing demonstrating the product, explain advantages possibly related with the features of the products
- ❑ Lead into benefits:- correlate the advantages with the benefits. This is simply highlighting the materialization of those benefits in conducting the set of activities due to using the product
- ❑ Let them talk:- Then at the end, let them talk further about the product, its feature and those future benefits
- ❑ "SLAID" Model

- ❑ Here selling starts with showing demonstration. But note, however that there is another viewpoint which suggests that starting with demonstration may allow the selling to become more dramatic than rational one
- ❑ Show the product:- Showing the product in full or showing specific function is also possible in the beginning, just to trigger the anxiety in the mind. It is not a full product demonstration
- ❑ Listen:- A partial demonstration flash triggers a lot of questions, or estimates or expectations, in case if the product is absolutely new concept
- ❑ 3. Acknowledge:- Your hearing will endorse that you have understood, and are ready to fulfill their needs. You may be given elaborative further deep information about their objection
- ❑ Identify:- Identify the objections and bring them on squaring off situation with contents offered by your product
- ❑ 5. Deliver:- Ask the participants to repeat the demonstration to build the confidence about the product performance. Objections will be removed automatically

Chapter 8

Selling to Customers

- **Every Sales transaction is targeted at either an individual buyer or an institutional buyer**
- **Selling to customer, specifically address the need of making you familiar with the qualities required in you**
- **It is popularly known as 'CFS' (Customer focused selling)**
- **CFS consists of five techniques to be followed in a stage- wise manner**
- **Open:- A CFS transaction starts with taking and asking for an appointment**
- **Investigate:- The immediate next step is to carry out a specific exercise for investigating their needs. Investigation demands a lot of sharp business listening**
- **Present:- It is always preferable to carry the product and its literature with you as this is a tangible presentation**
- **Confirm:- Before jumping to the other aspects, confirm whether the understanding of the product is up to the expected level**

Closure:- Closure is a real beginning of the business. A systematic closure should be carried out in a typical

The 4 P's Theory:-

- **Power of persuasion is a proved to be best tool in every effective CFS. The ability to persuade others means motivating them to do what you want them to do and to like it**
- **You Job is to become absolutely excellent at influencing and motivating others to support and assist you in the achievement**
- **The key to persuasion is motivation. People have two major motivation:- 1. the desire for gain and 2. the fear of loss**
- **There are four “P” that will enhance your ability to persuade others**
 - **Power:- The first “P” is Power. There are various types of power. They are delegated power, knowledge power, monetary power and charismatic**
 - **Perception:- The second “P” is perception. This refers to the way you or your product is perceived by the people. How properly you have acquired the share of the mind of your customer largely determines the proper perception**
 - **Performance:- The third “P” is performance. This refers to your level of competence and expertise in your product’s performance.**
 - **Politeness:- The fourth “P” of persuasion is politeness. When you treat people with kindness, courtesy and respect, you make them want to do things as desired by you. They are motivated to go out their way to accept you and they follow your guidance**

Persuasion Models:-

- **Hugh Rank Model:- There are two steps in this model**
 1. **Intensify:- It can be done by repetition, by association and by composition**
 2. **Downplay:- It can be done by Diversion, by Omission and by Confusion**
- 3. **Monroe’s Model:- This developed by John Monroe in 1930s and this model describes ANSVA Model:**
 4. **Attention**
 5. **Need**
 6. **Satisfaction**
 7. **Visualization**

8. Action

Sequential Request Model:-

- **Foot in the Door (FITD):-** Make small offer then increase
- **Door in the Face (DITF):-** Cause rejection then make real
- **Bait - and - Switch:-** Great offers
- **That's not all (TNA):-** Add a string of benefits
- **Disrupt - then - reframe (DTR) :-** Break the pattern then rebuild differently
- **Fear - then - relief (FTR):-** Scare them then rescue them
- **Selling the top of the line (TOTL):-** First promote an expensive product. Then show them a cheaper product
- **Dump and Chase (DAC):-** Provoke objections then negotiate on them

The 'TIN' Need Model

- **A Negotiator must know thoroughly the interconnection of these needs. Understanding and recognition of the role played by these needs is very important to convert the negotiation process an effective one**
- **Threshold Needs**
- **Identify Needs**
- **Novelty Needs**

Chapter 9

Selling to Subordinates, Peer Groups & Strategic Selling.

- **A Peer Group is an association of members having approximately the same age, interests and of same social status**
- **In today's environment of increasing sales costs and lengthening sales cycles, organization are focusing their efforts to target Peer group**
- **Advantages of Selling to Peer group**
- **Accommodate the busy schedule of peers**
- **Peers can manage their own learning and development**
- **Very cost effective**
- **Automatic expansion**
- **Ideal for unsought product**

How to design the sales campaign

- **It should look to be Smart**

- **Peer focused**
- **Allow the brand engagement with the peers**
- **Take the brand into grapevine, and**
- **Allow to inculcate word of Mouth**

Formation of Peer Group:-

- **Be interesting**
- **Add Goodwill**
- **Keep Contact**

Strategic Selling:-

- Strategic Selling is also known as consultative selling
- Strategic selling exists because – product and services are more complex, competition has greatly increased and customer demand for quality, value and service has risen sharply
- Strategic selling emerged due to the breaking of mass markets into target markets

- **Business Consultant:-**
- The consultant should have up-to-date knowledge of business news and current affairs
- The consultant should have an in-depth understanding of the customer and the industry
- The consultant or salesperson should be ready
- He or she should have the ability to listen and collect information

- **Strategic Orchestrator:-**
- The person should have knowledge of his own company's structure
- Expertise in developing and managing a team
- Ability to manage priorities and performance

- Efficiency and flexibility
- Long Term Ally:-
- The person should build interpersonal trust
- Create positive image of the company
- Show concern for customer's needs for long term relationship
- Deliver on promise

Model of strategic selling:-

- Personal Sales strategy
- Relationship strategy
- Product strategy
- Customer strategy
- Presentation strategy

Scope and Application of Strategic selling:-

- Review current accounts:-
- ✓ Analyze current position with regard to the account and the specific sales objective (SSO)
- ✓ Think through alternative positions
- ✓ Determine which alternative positions would be best secure your objective and devise the action plan to achieve it
- Analysis of the sales
- ✓ Classification of buyers
- ✓ Identifying the influences
- ✓ Ambiguities/strengths

- ✓ Response Modes
- ✓ Motives behind win results

Chapter 10

Body Language

Things to look for in Confident People

- Posture: Standing tall with shoulders back
- Eye Contact: Solid with a 'Smiling face'
- Gestures with hands and arms: Purposeful and deliberate
- Speech: Slow and clear
- Tone of Voice: Moderate to Low

Types of Body Language

- Aggressive Body Language: A combination of body movements deliberately coordinated for signaling aggressiveness
- This is the tool for suppressing the opponent party during negotiation

- Unless a sophisticated and professionally mature attitude is used in dealing with such body language, it often leads to the party at receiving end of the negotiation committing mistakes
- Aggression can be indicated through following body signals
 1. Facial Signals:- Like disapproving frowns, Eyes used for indicating aggression
 2. Body signals:- Visible signals through postures
- Aggressive body Language can be used as a reaction
 1. Feeling of invasion:- When somebody strongly feels that the other person has invaded one's private and personal space, it is often taken as an act of aggression upon one's privacy
 2. Dilemma about friendship:- When one person moves in space reserved, it is difficult to judge that was it a friendly move or aggressive move

Other types are...

- Attentive
- Bored
- Closed
- Submissive

Gestures

- There is another set of symbolic actions, known as gestures and they are equally indicated through body movements
- Insulting Gestures:- Pointing fingers, Arm thrusts etc..
- Mock attacks:- some physical items can be used like banging doors, tables or throwing some items etc..

Contribution of Body Language in Negotiation

- **First impression and confidence:-** First impression is very important. It can show how confident you are or lack of confidence in you
- **Group's culture and engagement:-** A positive body language keeps the two parties engaged in arriving at an amicable situation, even though there might be technical problems
- **Useful in managing difficult situations and maintaining defensiveness:-** Very often during the negotiation process, the meeting

may reach an emotionally tense situation, forcing people to adopt a defensive posture and become motivated to ignore the stand of the other

■ **Gauging truthfulness and integrity:-**

- Eyes maintain little or no eye contact, or there may be rapid eye movements
- Hand or fingers are in front of his or her mouth when speaking
- His or her body is physically turned away from you

Decoding, the difficult task

Openness- Good eye contact, leaning forward, uncrossed arms and legs

Defensiveness – Minimal eye contact, Rigid body, crossed arms and legs

Evaluation- dropping glasses to lower nose, leaning forward, hand on cheek

Deception – Increased eye movement, forced smile

Boredom – Poor eye contact, blank stare, swinging foot,