

Lesson 4

Prospecting & Pre-Approach

Prospecting and Its Types

- Introduction of Prospecting
- Types of Prospecting- (A) Generating Prospects (Identifying Prospects)
(B) Qualifying Prospects

Pre-Approach

- Introduction of Pre-Approach
- Parts of Pre-Approach-(A)-Customer Research
(B)-Planning the Sales Presentation

OBJECTIVES

After studying this lesson, you would be able to understand-

- Meaning and Types of Prospects
- Meaning and Parts of Pre-Approach
- Sources of Customer Research and
- Planning for the Sales Presentation to attract the Prospects

PROCESS OF EFFECTIVE SELLING

Process of effecting selling include the following steps

1-Prospecting

2-Pre-approach

3-Approach

4-Presentation and Demonstration

5-Handling objections

6-Closing sale

7-Follow-up

PROSPECTING

Succeeding in today's competitive environment means that a company constantly is finding new customers. A salesperson's basic strategy should be to spend as much time as possible with excellent prospects (people who recognize their need and are ready to buy)

Prospecting is the method or system by which sales people learn the names of people who need the product and can afford it. There are two steps in successful prospecting. The first step is **generating prospects**. The second step is **qualifying prospects** means most suitable prospects.

1-Generating Prospects (Identifying Prospects)

In this step a sales person obtains name and address of good prospects by using following ways:

(a) Referrals from customers:

Number one source of referrals of sales person is their existing customers who provide nearly two-third of their prospects

(b) Referrals from Internal company sources such as the sales manager, the marketing department or the telemarketing department

Customer's inquiries may be generated from company advertising, direct mail, trade shows and tele-prospecting efforts.

(c) Referrals from External Referral Agencies:

Some companies turn to outside agencies, such as contact software international for the generation and qualification of prospects.

(d) Published Directories:

Trade associations, the government, local chambers of commerce, the yellow pages all are good sources of prospects. Many of the directories are available on the internet.

(e) Networking by the sales person:

Salespeople often use their friends and relatives to make new contacts. Many sales people join professional and civic organization in part to meet new people who may be potential customers or who may be able to provide prospects.

(f) Cold Calling:

Sales people make unannounced calls for new prospects. The popularity of this approach is declining because it is very time consuming and not very cost effective due to the high rejection rate.

2-QUALIFYING PROSPECTS:

Whatever the source of the prospects it is important that the prospects should be qualified. Philosophically, professional salespeople do not want to bother people who have no need for their products. Moreover it is very expensive for sales-people to make calls which have little chance of success because the customer does not need or want or can not afford the products. In order to qualify a prospect, the sales person or the person providing the referral should determine whether the prospect is a good one to determine this, the prospect must satisfy three conditions:-

- The customer has a need for the products which are being sold
- The customer can afford to buy the products
- The customer is receptive to being called upon by the sales person

2-PRE-APPROACH

Pre-approach step include all the information gathering activities which sales people perform to learn relevant facts about the prospects and their needs and situation. Then based on this information, sales people plan their sales presentations, selecting the most appropriate objective for each call.

Pre-approach divided into two parts

- Customer Research
- Planning the sale presentation

(A)-Customer Research:

The sales person should learn everything possible about the business of the prospective customer-its size, its present purchasing practices, location of its plant, the name of people of executives and most important the names of people who make the buying decision as well those who influence the purchase. It is also helpful to learn something about the buyers back ground, such as education and social affiliation or their personalities. If the prospective buyer has been having problems the seller should, if possible become familiar with them.

When researching a current customer or one which has been called previously by a salesperson from his company, start by reading the company's files. They should provide background information on the company and possibly on the buyers as well-sales records, correspondence; past sales call reports, and other relevant information.

Many companies store information about their customers in a database to which their sales people have easy access using laptop or notebook computers.

For new customers a great deal of the information may be obtained easily using the internet or online services.

Other sources include trade magazines, industrial directories, and newspaper, yellow pages, articles, government publications as well as the annual report of companies. Some times company's current suppliers, customers and certain employees can provide information.

The goal of customer research is for salespeople to know as much as they can about the company, the decision maker and their needs before making their first call.

(B) Planning the Sales Presentation:

The most important part of planning the sales presentation is defining the objective or goal for the particular call. The goal is not necessarily to close or complete the sale on each call. In fact sales people report that on the average it taken four calls to close a sale. However on each call, the sales person want to obtain from the buyer some type of commitment for action which moves the sale forward. That should be the goal.

Sales person may also plan how they are going to approach the buyer and what kind of question they want to ask. It is important that sales people recognize difference across

selling situations and adapt their presentation accordingly. Based on their pre-call customer research, they will make a tentative judgement as to which of their products best meet their customer's needs and then formulate a tentative plan for presenting the features and benefits of that product. Of course the information may often cause them to alter their initial objectives and /or plans. This is adaptive selling.

SELF CHECK QUESTIONS

1. What do you mean by the term 'Prospecting' give its importance and different methods.
2. What do you mean by the term 'Pre-approach'? Discuss its objectives and sources of information.
