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**SALESMANSHIP  
PRACTICES AND PROBLEMS**

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## PREFACE

So much has already been written about salesmanship that the only justification for another book is that it presents a new approach to the subject. This volume is a departure from the usual text on salesmanship in that it is neither inspirational, anecdotal, psychological, nor economic.

The unique aim of this book is to present successful salesmanship as a simple process of overcoming twenty fundamental problems commonly encountered in selling goods and services. The author's conception of selling is that it is essentially a method of dealing with difficulties which are created by a salesman himself, his product, and his prospects. A successful salesman experiences little trouble in surmounting these problems; an unsuccessful salesman fails because he cannot overcome these basic difficulties met in selling.

These fundamental problems are experienced in selling every variety of product and service and with all types of prospects. They often are present before a salesman comes face to face with a prospective customer and they often exist long after an order has been secured. Many of the problems confronting an individual salesman are of his own making, arising from his personality, habits, health, education, and attitude. Other problems are created for him by prospective purchasers and are a result of their experience, personality, education, needs, ability to buy, and authority.

After critical observation of the work of many salesmen of numerous products and services, consultation with many types of buyers, conferences with salesmen and sales executives, and consideration of the author's personal experience as a salesman, sales executive, and trainer of salesmen, twenty of the most common problems encountered in this occupation were selected as representative of the difficulties met by salesmen in selling all kinds of products and services. Each of these problems is represented by a chapter in this book.

After these twenty basic problems of salesmen were selected, genuine sales situations, depicting the methods employed by salesmen in dealing with these fundamental problems, next were sought. Several unique methods were employed in procuring actual interviews between salesmen and prospects. Microphones were installed in the offices of buyers of various types of products and services and the actual conversations between salesmen and these buyers were recorded on wax cylinders in adjoining offices. These records were obtained without knowledge of the salesmen. Transcriptions from these records produced several hundred pages of verbatim sales conversations. In addition, investigators, equipped with dictographs and ear phones, listened in on hundreds of sales interviews and rated the difficulties of salesmen on eighty separate points, including opening remarks, personality factors, objections encountered, strategy in dealing with price, competition, closing the sale, etc.

Investigators were assigned also to accompany salesmen on the job to record their remarks, methods, time employment, and difficulties encountered. Posing as purchasers, investigators also shopped retail stores and made verbatim records of the presentations of retail salesmen and the problems encountered by them in a wide variety of retail establishments. Critical observations were made of the methods used by these salesmen in meeting these problems.

As a result of these investigations carried on over a period of two years, many genuine records of sales interviews illustrating the twenty common problems encountered by salesmen were secured, and two or more are included with each chapter. These interviews are the first actual records of what salesmen say to buyers that have been published in book form. Many of them have appeared in *Advertising & Selling*, through whose cooperation they are reproduced here.

Salesmen and students of selling will find that a study of these actual problems dispels the impractical aspect of a purely theoretical approach to a knowledge of salesmanship. These problems challenge the imagination and, since they are susceptible of several interpretations, they readily provoke group discussion and exchange of opinion which stimulates constructive thinking. All details of the interviews are genuine. Only individual and company names and locations are fictitious. Each problem is

followed by a list of questions to guide the reader in arriving at a sound solution of the difficulties found in each sales interview. These questions also serve to test the reader's judgment as well as stimulate his thought on the problem.

Although it is important that salesmen become familiar with the fundamental difficulties or problems encountered in selling, it is equally important that the tried and tested practices of successful salesmen in overcoming these problems be understood. Accordingly, the problems in each chapter are preceded by a description of the practices of outstanding salesmen in dealing with these specific problems. To secure the best solutions to these common problems, field observers watched salesmen at work and recorded their methods, and purchasing agents reported and rated the performance of salesmen calling upon them. The actual time employment of salesmen traveling by automobile was determined by installing graphic recorders in salesmen's cars, and the starting time, stopping time, travel time, waiting time, number of stops made, and other significant features of salesmen's typical city, suburban, and rural automobile travel were obtained. Foot travel also was measured by pedometers carried by salesmen over a period of several months and the number of miles walked daily by salesmen in city, suburban, and rural work was determined.

In addition to this extensive field research, the practices of successful salesmen in solving these problems were determined through interviews with salesmen, from the writings of outstanding salesmen and sales executives, and from the sales training programs of progressive sales organizations. The selling practices described in this book are not of the author's devising but have been collected from hundreds of salesmen and organized and presented here for the benefit of other salesmen. These proved practices apply equally well to every type of salesman.

To aid salesmen in applying the practices described in each chapter, they have been organized into simple outlines or "routines" which are included in each chapter. This unique feature of the book makes it possible for a salesman to put his knowledge of how to solve a selling problem into practice by memorizing these routines, which are based on the methods of outstanding salesmen, and by practicing them in interviews with prospects and customers. When confronted with a basic sales problem, a

salesman who has familiarized himself with the routine for attacking that problem has no hesitancy in dealing with it. Selling proficiency comes from developing good selling habits which can be quickly acquired by following the "routines" suggested in each chapter.

Here, for the first time in one volume, a description of the practices of outstanding salesmen has been brought together and correlated with actual sales problems.

Each chapter is followed by a list of reading references to supplement the material in the chapter and to serve as a source of additional information bearing on the problems included therein.

This book is designed to enable salesmen who want to improve their performance and earnings to profit from the practices of successful salesmen; to aid sales executives in carrying out their sales training programs; and to serve as a textbook for courses in salesmanship in schools and colleges.

The author is indebted to numerous students who have aided in the field research; to sales executives who have cooperated in investigating the problems and methods of their salesmen; to the purchasing agents of numerous corporations; to the publishers of sales magazines, particularly *Advertising & Selling*, *Printers' Ink*, and the Dartnell Corporation; to the authors of books on sales and advertising; and to my wife who has given invaluable aid in the preparation of the manuscript.

BERTRAND R. CANFIELD.

BABSON PARK, MASS.,  
September, 1940.

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# SALESMANSHIP

## CHAPTER I

### THE SALESMAN'S JOB

**What Is a Salesman's Job?**—In general, the job of a salesman is to locate individuals or organizations that have legitimate needs for, as well as the ability to buy, his product or service; to aid such prospective purchasers in reaching a decision to buy by telling and showing them how the product or service meets their needs; and to see that the customer obtains the satisfaction from the purchase to which he is entitled.

**Types of Salesmen's Jobs.**—Sales jobs may be classified in numerous ways:

1. *By type of buyer*, including industrial selling of raw materials, installation equipment, operating supplies, accessory goods to manufacturers and industrial consumers; institution selling of operating supplies and equipment to hotels, hospitals, asylums, and educational institutions; professional selling to physicians, architects, engineers who specify the purchase of commodities by consumers; and individual consumer selling, which includes all retail selling in mercantile establishments, by telephone, and in person by house-to-house canvassing.

2. *By type of distributor*, including wholesale selling of all types of commodities by wholesalers or jobbers to retailers, large individual consumers, industries, or cooperatives. Manufacturers' representatives selling to wholesale outlets are sometimes called "wholesale" salesmen. Retail selling includes sales to ultimate consumers by retail establishments of various types.

3. *By geographical area*, including city selling wherein the activities of the salesman are confined to the city or suburbs where the office from which he works is located; country or field selling

in which the salesman travels in rural areas or from town to town throughout the country; foreign selling in which the salesman travels into foreign countries selling at export.

4. *By rank*, including junior selling which involves assisting with promotional and missionary work, keeping records, and other activities associated with selling; senior selling which involves complete responsibility for handling a full line through the performance of all selling functions.

5. *By type of commodity*, including staple selling of products bought largely on a price or utility basis; specialty selling of products possessing style or novel features other than price; technical selling of products of a mechanical character.

6. *By function*, including missionary selling which involves assisting distributors with advertising, demonstrating, and improving their sales, or aiding customers in securing the service which they are entitled to receive from their purchase; engineering selling involving the use of highly specialized, technical knowledge in the solution of problems of industrial purchasers; specialty selling involving the specialization of sales effort in the introduction of new products or in reviving the sale of old items sold through distributors or direct to industrial consumers.

### ANALYZING THE SALESMAN'S JOB

For more than thirty years, factory managers have been making systematic analyses of the methods of workers in manufacturing and have prepared detailed descriptions of the duties performed by efficient operators in various jobs in numerous industries. These factory-job descriptions have enabled industrial engineers to establish the best methods of performing various tasks, secure greater working efficiency, effect economies, and increase output.

Profiting by the experience of industrial engineers, progressive sales executives have made similar studies of the duties of outstanding salesmen engaged in various types of selling so that all salesmen may know exactly what duties must be performed in a specific sales job and poor salesmen may profit by executing the same duties as successful salesmen. Unfortunately, many salesmen have little more than a general impression of the duties required of them. A salesman's conception of his specific duties often differs from that of his manager, who may have only a

mental picture of the sales job. Salesmen in the same organization frequently perform widely different duties.

Salesmen who have an exact statement of their responsibilities will work harder and more happily because they know exactly what is expected of them. They can locate their weaknesses by checking their operations against their job description to discover those duties which are being neglected.

### SALES-JOB DESCRIPTIONS

To show the specific duties of salesmen engaged in various types of sales activity, the following job descriptions have been prepared with the cooperation of well-known sales organizations. Although these descriptions omit obvious and minor duties, they include all the major tasks involved in the following principal types of sales jobs: (1) house-to-house, direct-to-consumer salesman, representing a manufacturer of food products; (2) wholesale salesman of specialty food products selling for a manufacturer to retail food merchants; (3) retail salesman of automobiles selling for a retailer direct to consumers; (4) export salesman of rubber tires and sundries selling for a domestic manufacturer to distributors abroad; (5) industrial salesman representing a manufacturer of accounting machines selling direct to business organizations; (6) wholesale salesman of surgical dressings and packaged drug sundries representing a manufacturer selling direct to retail druggists; (7) retail salesman selling to ultimate consumers in a retail department store; (8) typical inside retail salesperson.

These sales-job descriptions were obtained by interviewing salesmen, asking them questions as to how, why, and what they do; interviewing field sales supervisors, branch managers, and general sales managers; observing salesmen at work; reviewing printed sales training material; and examining salesmen's reports of field work.

Experienced salesmen may profit from study of these job descriptions by checking their methods with those of successful salesmen in the various lines. Beginner salesmen should find in them a comprehensive picture of their duties and responsibilities and a guide to profitable activity.

**1. House-to-house, Direct-to-consumer Salesman, Representing a Manufacturer of Food Products.**—The salesman of a national manufacturer of packaged food products, sold and

delivered direct to ultimate consumers, performs the following duties:

**I. *Selling duties.***

**A. Procedure with active customers.**

1. Deliver previous order; collect; post customer's house card; post route book.
2. Sell order for future delivery.
3. Sell coffee.
4. Sell bargain group of products.
5. Discuss premium offer; show premium; deliver company advertisement; ask for prospect.

**B. Procedure for securing new customer.**

1. Describe premium offer.
2. Show premiums.
3. Show company house organ.
4. Demonstrate coffee mortar.
5. Give calendar house card.

**C. Procedure for getting back inactive customers.**

1. Review inactive accounts before going on territory.
2. Determine objections that may be encountered.
3. Decide on approach to be used.

**D. Procedure for house calls.**

1. Carry neat, clean display basket with fresh samples.
2. Set basket and premium on floor.
3. Pick up one article at a time and hand to customer.
4. Be sure customer knows how to use product.
5. Make coffee once for every customer.

**II. *Routine duties.***

**A. Post route book and house card after each sale.**

**B. Balance cash.**

**C. Record collections.**

**D. Prepare remittance to district office.**

**E. Perform sales-car duties.**

1. Load.
2. Check performance.
3. Wipe clean.
4. Fill tires.
5. Refuel.

**III. *Executive duties.***

**A. Make first call at 8 A.M.**

**B. Average 60 calls, 40 deliveries daily.**

**C. Prepare route to call every two weeks on each customer.**

**D. Keep informed on merits of each product.**

**E. Spend minimum of eight productive hours daily in field.**

**IV. *Good-will duties.***

**A. Adjust complaints.**

**B. Be punctual and regular on calls.**

This analysis of a house-to-house salesman's duties reveals that nothing has been left to chance to ensure a thorough selling job. Instead of relying upon the momentary inspiration or skill of the salesman to obtain good interviews, this company made an analysis of the work of their best salesmen in dealing with active, inactive, and new customers. The practices of these outstanding men were incorporated in procedures or routines for handling each type of buyer. All salesmen are trained to perform the specific routines and their performance is judged by the way they carry out the various steps as outlined in the description.

The least imaginative and unresourceful salesman is sure to conduct an acceptable interview if he adheres to the procedures that have been established. Standard selling talks have also been prepared to accompany each step in the procedures.

While the character of selling in this case obviously lends itself to standard procedures, the profitable performance of salesmen of this company proves the merit of organizing and regularizing the salesman's job for this type of sales work.

Definite daily objectives are set for these salesmen, based on the number of calls, deliveries, and hours spent in the field, which guarantee a greater measure of accomplishment.

**2. Wholesale Salesman of Specialty Food Products Selling for a Manufacturer to Retail Food Merchants.**—The salesman of a national manufacturer and distributor of packaged specialty food products, who calls upon food retailers and takes orders for delivery by food wholesalers, performs the following duties in addition to the obvious customary functions of selling volume, getting orders, and making contacts:

*I. Primary duties.*

1. Build floor, counter, and window displays.
2. Price stock correctly.
3. Prepare advertising for handbill or newspaper.
4. Hold consumer sales in retail store.
5. Know retail merchant's problems and be able to give helpful suggestions about his store.
6. Check stock in the retail store.
7. Interest salespeople in the company's products.
8. Be firm with merchant when refusing a request.
9. Plan sales work.
10. Know company policies and guarantees.
11. Study company publication.

**II. *Secondary duties.***

1. Contact printers for dealer advertising.
2. Call on wholesalers.
3. Call on C.C.C. camps and army posts.
4. Call on hotels and restaurants.
5. Conduct food shows.
6. Drive a company car.
7. Purchase stock from wholesalers when necessary.
8. Fill orders for cash from company car.
9. Care for company automobile.
10. Handle damaged merchandise.
11. Adjust consumer complaints.
12. Know all company products and discuss them intelligently.
13. Know direct prices on all company products.
14. Know and discuss percentage of profit to merchant on company products at retailers' prices.
15. Arrange material in company sales car for most efficient operation.
16. Know and read code dates on packages of company products.
17. Know company and competitive merchandising activities in territory.
18. Know prices of all competitive products.
19. Know voluntary chain operations in territory.
20. Know retailers' objections to premiums for consumers.
21. Check wholesalers' stocks of company products.

**III. *Reporting duties.***

1. Prepare a report on each call.
2. Prepare a daily summary report on all calls.
3. Answer correspondence from supervisors and district offices.
4. Prepare a weekly route list.
5. Prepare reports on store sales.
6. Prepare weekly expense and automobile-operation report.
7. Write automobile accident reports, when necessary.
8. Write automobile fire and theft reports, when necessary.

This description of the duties of a salesman of specialty food products sold through retail merchants indicates the growing amount of missionary or service selling to promote the resale of nationally advertised products. Salesmen to dealers are no longer chiefly concerned with writing orders; they perform a multiplicity of merchandising duties for retailers, such as building displays, preparing advertising, holding consumer sales, training salespeople, and advising on management problems.

Further evidence of greater sales service to retailers is the practice of this company's salesmen in purchasing company products

## SALES INTERVIEW OBSERVATION RECORD

I. *Observer check interview on following points.*

- A. Original or follow-up call.
  - B. Salesman—known or unknown to buyer.
  - C. Product or service offered.
  - D. Appointment—by phone
  - E. Cold canvass.
  - F. Immediately heard
  - G. Was business card used?
- By Letter  
Referred to Buyer  
Waited (time)

II. *Opening interview—technique.*

- A. Verify buyer's identity.
- B. Announce name and company.
- C. Initiative in shaking hands.
- D. Handling of seating.
- E. "Breaking ice," how?
- F. Does salesman divert buyer from previous work? How?
- G. How does salesman handle buyer who continues working?
- H. Opening statement of salesman.
- I. How does salesman handle third party at interview?
- J. Does salesman use entering wedge of clipping, picture, etc.?

III. *Interview technique.*

- A. Does salesman have apparent purpose in calling? What?
- B. Does he know needs of buyer?
- C. Does he seek to discover needs? How?
- D. Does he interrupt buyer?
- E. Does he do all talking?
- F. Does he engage in irrelevant conversation?
- G. Does he argue?
- H. Does he apparently have a standard story?

IV. *Visual material technique.*

- A. Does he use visual material? What?
- B. Does he introduce it naturally?
- C. Does he keep control of it?
- D. Does he use it mechanically?

V. *Demonstration technique*

- A. Did salesman demonstrate all or any feature of product?
- B. Did buyer take part in demonstration?
- C. Was it introduced naturally?
- D. Was talk mechanical—too rapid?
- E. Was demonstration directly related to buyer's needs and interests?
- F. Were materials in good order?
- G. What questions were asked by buyer?

VI. *Meeting objections technique.*

- A. Did salesman apparently forestall objections in sales talk?
- B. Were objections met calmly, respectfully?
- C. What were principal objections of buyer?
- D. How did salesman answer each objection?
- E. Were objections disposed of immediately or answers deferred?
- F. Did salesman seek to minimize objection? How?
- G. Did salesman ascertain that his answer was satisfactory? How?
- H. Was salesman "thrown off the track" by the objection or did he swing back on his story?
- I. Did salesman distinguish between real obstacles and excuses?

VII. *Closing technique.*

- A. Did salesman test prospect's interest in his proposition? How?
- B. Did he try to secure an order? How?
- C. Was the trial premature?
- D. How many closing attempts were made?
- E. If sale was not closed, why?
- F. Was further effort planned?
- G. Was order blank introduced naturally?
- H. Did buyer take initiative in buying?
- I. Was a payment required with order? How was payment obtained?
- J. Was buyer's signature secured? How?
- K. Was a trial order secured?

Sales interview observation record used by a sales supervisor in checking the performance of a salesman before a prospect. This form lists the general duties that must be performed by salesmen in presenting products or services to prospects. A salesman can discover his weaknesses and take the first step toward improving his interviewing methods by having his presentation rated on these points.

from wholesalers and reselling them for cash to retailers as an accommodation.

The considerable amount of paper work to be done by salesmen is revealed in this job description. There are eight types of reports ranging from individual call reports to accounts of fire and theft of sales cars. Although these reports may be necessary to good supervision in this case, a job description indicates records that may be eliminated or combined with a saving in time for the salesmen.

The general use of automobiles in transporting salesmen creates added responsibilities for them in the operation and care of their cars and the arrangement of stock and promotion materials therein.

**3. Retail Salesman of Automobiles Selling for a Retailer Direct to Consumers.**—Analysis of the methods of outstanding salesmen of a well-known manufacturer provided material for the following job description of automobile selling.

The salesmen whose work is described are employed by successful retail automobile dealers in all parts of the country.

**I. *Selling duties.***

**A. Locate prospect's needs.**

1. Discover number in family; which members drive; how car is used; approximate price prospect can afford.
2. Use portfolio, catalogue, or other visual sales aid to help prospect clarify in his mind the qualities in a car that are most important to him, such as appearance, safety, comfort, and economy.
3. Ask questions to discover facts that bear on fitting car to prospect's needs.

**B. Tell how product fits needs of prospect.**

1. Use portfolio or visual material.
2. Discuss each need and get a decision on one quality at a time.

**C. Show how product fits needs of prospect.**

**1. Demonstrate.**

**a. Have a plan for demonstration.**

- (1) Get car in condition.
- (2) Plan demonstration route.

**D. Get prospect's agreement on each point as it is made, i.e., "close" the sale on that point.**

**E. Answer or, preferably, forestall objections, including those growing out of competition.**



*F.* Take first opportunity to get an order; seek an order in *every* interview.

*G.* Handle trade-ins.

1. Sell new car thoroughly, including demonstration, before making a trade-in offer.

2. Examine used car thoroughly in prospect's presence to avoid suspicion of guessing at price.

*H.* Sell accessories.

## II. *Routine duties.*

*A.* Report, daily, *names of new prospects* with address, telephone number, car owned, model interested in, and sources.

*B.* Report, daily, *calls on prospects, owners, suspects*, with names, addresses, telephone numbers, result of calls, time spent with each, date for next work, and remarks.

*C.* Prepare *summary of daily sales efforts* classified as productive and nonproductive work.

*D.* Prepare *file card* for each prospect secured and file by days of month for follow-up.

*E.* Prepare daily call schedule of prospects, owners, and suspects, listing addresses and telephone numbers.

## III. *Executive duties.*

*A.* Mail advertising to prospects in advance of calls.

*B.* Secure names of prospects from customers and friends, and by canvassing, observation, and consulting registration list.

*C.* Set a daily objective of calls, demonstrations, appraisals, and hours in the field.

*D.* Make a daily work plan each night for the succeeding day.

*E.* Qualify prospects by telephone and in person.

*F.* Keep informed about the industry, company, product, buyer's motives, company advertising, and competitive products.

*G.* Attend sales meetings.

## IV. *Service duties.*

*A.* Deliver service policy in person or be present when it is delivered and explained by service manager.

*B.* Show and discuss service policy during sales interview.

*C.* Make follow-up call in person and by telephone once a month to remind customers to get service provided in policy.

## V. *Good-will duties.*

*A.* Call on owners several times during the first three weeks after delivery, and at least once a month thereafter.

The trend toward "planned selling" of specialties is emphasized in this job description of automobile selling. The eight steps outlined in detail organize a salesman's presentation with sufficient flexibility for the first call on every type of automobile prospect. Definite objectives are given the salesman to enable

him to control the interview, to focus discussion on the features of the product of greatest interest to the prospect, to test his interest, and to seek action. This plan provides an orderly presentation, yet leaves the salesman free to adjust his story to the individual prospect.

A salesman following this procedure is not guided largely by questions asked by the prospects. This plan keeps him on the track and saves the time of both parties to the interview. Unplanned interviews often lead into "dead ends" or time-wasting side trips leading to a vague promise to "think it over."

The emphasis in this sales specification is on the prospect, his needs and interests, rather than on the salesman and the car. This "flank attack" strategy is superseding the traditional "frontal attack" in selling specialties. Salesmen using it seldom talk about what their product *is*, its specifications and construction; they get enthusiastic about what it *does*, its comfort, safety, economy, or performance for the owner.

The importance of planned activity as well as planned interviews is emphasized by this job description. To make the best use of selling time, the duties of the salesman call for the preparation of a daily work plan each night. A daily call schedule of prospects and owners is required and a daily objective of calls, demonstrations, and appraisals, based on a definite number of hours in the field. Such a systematic program reduces waste time and increases sales.

**4. Export Salesman of Rubber Tires and Sundries Selling for a Domestic Manufacturer to Distributors Abroad.**—The export salesman, of a large domestic producer of tires and rubber goods, who sells to distributors located in foreign countries, performs the following duties:

*I. Selecting distributors.*

1. Study qualifications of interested firms.
2. Secure complete information about them.
3. Recommend to factory, firms to be approached.

*II. Contacting distributors.*

1. Provide distributor with product information.
2. See that personnel is of right type and organized efficiently.
3. Make consumer and dealer calls with distributor's salesmen.
4. Aid distributor in analyzing market and establishing quotas.
5. Aid distributor in getting prompt service from factory on shipments, documents, credit, etc.
6. Act as buffer between factory and distributor.

7. Create good spirit in distributor's organization.
8. Check distributor's contract to ensure
  - a. Proper execution.
  - b. Clear understanding.
  - c. Satisfactory execution.
9. Check distributor's stock and take monthly orders to avoid shortages.

### III. *Contacting dealers.*

1. Secure new dealers for distributors.
2. Identify dealer with advertising.
3. Keep dealers adequately stocked.
4. See that dealer's prices, terms, service are competitive.
5. Check character of distributor's service.
6. Aid dealer in promoting consumer sales.
7. Give dealers product information.
8. Secure dealer's preferred attention to line.
9. Create good will of dealer.
10. See that automobile importers specify company tires.

### IV. *Competitor relations.*

1. Analyze competitive situation to ensure that prices, discounts, terms, advertising are competitive.
2. Cooperate with reciprocating competitors to ensure that distributors do not undersell competitors and that dealer terms are exchanged with cooperating competitors.

### V. *Advertising.*

1. Check advertising expenditures of distributors in approved media in specified period.
2. See that dealers have store and window displays.
3. Secure publication of publicity stories.
4. Aid distributor in erecting outdoor signs.
5. Induce distributor to match company appropriation for retail advertising.
6. Supply distributor with advertising material.
7. See that distributor sends in proofs and bills for advertising.
8. Aid dealers and distributors in preparing mailing lists.
9. Report on competitors' advertising.

### VI. *Shipping duties, charges, taxes, laws.*

1. Investigate shipping charges periodically.
2. Notify company of changes in shipping charges.
3. Provide company with copy of freight tariffs in native language.
4. Examine consular declarations to ensure that importations are classified to secure minimum rates.
5. Supply company with pamphlets covering local laws and taxes.

### VII. *Credit and financial.*

1. Report on credit standing of new and old customers.
2. Make credit reports on history, type of business, character of managers, references, and reputation of customers.

**VIII. *Claims and adjustments.***

1. Inspect each article submitted for adjustment.
2. Determine amount to be charged in replacement.
3. Report on adjustments to home office.
4. Check distributor's willingness to make adjustments.

**IX. *Reporting duties.***

1. Be sure that correspondence
  - a. Is clear and brief.
  - b. Has a separate letter for each subject.
  - c. Refers to previous correspondence.
2. Report on competition, monthly.
3. Report on expenses, weekly.
4. Report in general, annually.
5. Report on estimated sales, annually.
6. Report itinerary.
7. Report on advertising to advertising department.
8. Make special reports as required.

The complex responsibilities of salesmen in foreign markets are illustrated by the job description of a rubber-tire export salesman. Not only do overseas salesmen perform the same duties as domestic salesmen, but in addition they are held accountable for shipments and must watch import duties, tariffs, taxes, shipping charges, and laws in the countries in which they are operating. Their duties include contacts with retail dealers as well as wholesale distributors. Settlement of claims is in their hands, as well as an important credit responsibility. Operating at long distances from their domestic headquarters, export salesmen usually have a large measure of supervision of all phases of distribution in their territories, not shared by salesmen in this country.

Much attention must be paid by salesmen abroad to the competitive situation as indicated by this job specification. The employing company in this case is a member of a combination export association authorized under the Webb-Pomerene Act which permits cooperation among competitors to fix prices and standardize sales terms in foreign markets. Accordingly, the salesmen of this company cooperate closely with competitors.

The advertising functions of foreign salesmen are more numerous than those of domestic salesmen. Wholesale as well as retail, advertising must be run and distributors given aid in establishing appropriations, controlling expenditures, and using the manufacturer's advertising helps. Competitors' advertising efforts must also be reported.

## **5. Industrial Salesman Representing a Manufacturer of Accounting Machines Selling Direct to Business Organizations.**

### *I. Securing interviews.*

1. Select right man to see.
2. Prepare for interview.

### *II. Conducting interviews.*

1. Gain attention of prospect.
2. Arouse interest of prospect.
3. Obtain a knowledge of the prospect's problem.
4. Secure facts from the prospect.
5. Explain principle of machines clearly.
6. Discuss machines with prospect.
7. Obtain the confidence of the prospect.
8. Establish prestige for the company.
9. Create a desire in the prospect for the machines.
10. Show examples of satisfied customers by means of the classified users' list.
11. Establish conviction of prospects.
12. Secure permission to make survey.
13. Secure permission to demonstrate.
14. Meet objections.
15. Secure orders.

### *III. Conducting demonstrations.*

1. Demonstrate to prospects by appointment at company office.
2. Demonstrate to prospects by appointment at prospect's office.
3. Demonstrate applications to prospect after a survey.
4. Demonstrate after a survey to sell the idea originally presented.
5. Demonstrate additional applications to customers.
6. Make a standard demonstration.
7. Prepare for demonstration.
8. Explain principle of company's machines.
9. Know machines.
10. Create desire for the equipment.
11. Obtain conviction of the prospect.
12. Establish prestige of the company.
13. Obtain action following demonstration.

### *IV. Conducting surveys.*

1. Make survey at proper time.
2. Contact right individual for survey.
3. Secure receptivity of prospect to survey.
4. Obtain cooperation of prospect in survey.
5. Obtain an accurate understanding of the prospect's situation.
6. Get the facts about the prospect's problem.
7. Obtain the prospect's confirmation to the facts obtained.
8. Talk the prospect's language.
9. Prepare for the survey.

10. Create the confidence of the prospect in the survey.
11. Obtain the cooperation of the prospect's employees.
12. Analyze the prospect's present situation.
13. Keep the ultimate objective of the survey in view.
14. Determine fruitful results.
15. Develop a definite plan.
16. Check the plan with the known needs of the prospect.

*V. Presenting the proposition.*

1. Make preliminary oral presentation.
2. Present proposition during first approach; demonstrate, while getting facts, checking facts, developing plan, or establishing a prospect's needs.
3. Use exhibits.
4. Determine proper executive to get proposition.
5. Forestall delay to take action.
6. Use list of users of product.
7. Explain company policies.
8. Explain contract.
9. Show results with pictures rather than technical details.
10. Close the sale.

*VI. Servicing customers.*

1. Know customer responsibilities and company policies.
2. Provide new customers with detailed write-up of directions for using machines.
3. Supervise preparation of proper codes by customer.
4. Establish proper control.
5. Aid customer in selection of proper personnel.
6. Educate customer's personnel.
7. Supervise primary operation of equipment including source of data, flow of documents, coding, punching, verifying, and scheduling production.
8. Aid customer in scheduling reports and determining their number, sequence, distribution.
9. Review reports with executives.
10. Aid customer in providing filing facilities.
11. Continuously check up with customers' executives.
12. Make a continual study of customer's business.
13. Advise customers of latest equipment and methods, users in competitive industries, company publications, and accessory services.

*VII. Performing routine and executive duties.*

1. Prepare call reports and special customer reports.
2. Schedule work and make proper use of time.
3. Get acquainted with several key men in each business.
4. Analyze territory opportunities.
5. Use files for call reports, surveys, and correspondence.
6. Learn manufacturing processes, products, and problems of prospects.

7. Capitalize on reputation of company executives.
8. Pursue outside activities which will contribute to business success and participate in civic and community affairs.
9. Consult newspapers for leads.
10. Maintain list of active prospects.
11. Study continuously to learn all possible about every prospect and customer.
12. Study company machines, applications, executive talks, educational material, publications, sales helps.
13. Know proper use of salesman's equipment.
14. Contact former and competitive product users.
15. Make a monthly schedule of calls.
16. Know the company's creed for salesmen.
17. Know how to organize work to make it automatic.
18. Know competitive products, their limitations, and the claims of competitors.
19. Attend company sales meetings.
20. Attend National Association of Cost Accountants meetings and keep posted on their activities.
21. Prepare forecasts of sales.
22. Prepare machine specifications.
23. Know company policies, contracts, and prices.
24. Know company sales plans.
25. Know factory organization.
26. Attend group meetings of C.P.A., Comptrollers Institute, Business Clubs, and Associations.

VIII. *Using company advertising and sales aids.*

1. Know operations of company's educational department.
2. Know company's customer training program.
3. Use reprints of executives' speeches.
4. Use classified list of users.
5. Know and use company publications.
6. Know services of company's commercial research department.
7. Know functions of special representatives on national accounts.

The above description of the job of a salesman of business machines emphasizes the importance of adequate preparation in advance of a sales interview through the medium of a thorough survey of a prospect's needs. Although the numerous applications for this type of product demand that a salesman be conversant with a prospect's business problems in order to adapt the product to his needs, the desirability of advance knowledge of a prospect's situation gained through a survey is becoming recognized as fundamental to the successful selling of many commodities. In this case, a salesman must perform sixteen operations in making a survey from the proper timing of the survey to the

formulation of a complete plan checked against the known needs of the prospect. Such a survey must be sold to a prospect and his cooperation secured in carrying it out. Possessed of the facts disclosed by the investigation, a salesman is in an excellent position to present his product, from the standpoint of the prospect's problem, and meet objections effectively. The salesman's time and expense involved in making a preliminary survey are justified by increased sales resulting from the use of the facts obtained.

The importance of showing advantages by means of demonstration in addition to telling about them is emphasized in this job description. In the sale of all types of mechanical equipment a demonstration is a most effective selling tool. The thirteen demonstrating duties required of salesmen of this company ensure that prospects shall understand the applications of the product to the solution of their problems.

The growing necessity for salesmen to study is indicated here. Salesmen must study not only the processes, products, and problems of their prospects, but the machines, applications, executive talks, educational material, publications, and sales helps of their company. The importance of study of company policies, products, plans, and organization is emphasized by this company in common with other progressive sales organizations.

## **6. Wholesale Salesman of Surgical Dressings and Drug Sundries Representing a Manufacturer Selling Direct to Retail Druggists.**

### *I. Maintain sales of established items.*

1. Remind buyer of all items in line which he can possibly carry by
  - a. Showing photograph album.
  - b. Describing the line and enumerating all classes as well as prominent individual items.
2. Check dealer's stock, if he does not do so himself.
3. Use inventory check sheet.
4. Write order for items not stocked.

### *II. Sell items not now stocked by buyer.*

1. Show one or more pocket samples.
2. Get one item not now stocked started in each store every trip.
3. Discover items which buyer should order but does not.
4. Present item not now stocked.
5. Use this item as a "call leader," "feature item," "opener," or "finisher."



III. *Present dealer fixed or flexible merchandising assortments, units, deals, or offers.*

1. Work these into order before or after review of the line.
2. Study sales arguments on these features.
3. Secure coaching on presentation.

IV. *Introduce sales helps.*

1. Carry selling helps in sales car.
2. Set up counter displays.
3. Use sales promotional material list.
4. Call dealer's attention to company advertising.
5. Order sales helps to be shipped to dealer.
6. Set up mass merchandising displays.
7. Introduce counter cards, price tickets, window displays, etc.

V. *Sell company merchandising plan.*

1. Sell stock rotation sale idea.
2. Sell value of open mass display with price tickets.
3. Emphasize many uses for company's products.
4. Stress importance of turnover in earning profits.
5. Get products out in front where they will sell.
6. Sell large quantities or case lots of fastest moving merchandising sizes.

VI. *Make adjustments.*

1. Correct errors and misunderstandings.
2. Arrange for return of merchandise for replacement.
3. Know adjustment policy of company.
4. Leave no loose threads in customer relationships after calls.

VII. *Make collections.*

1. Collect from dealers who buy direct when they have not remitted within 60 days of invoice date.

VIII. *Call on distributors.*

1. Contact wholesalers, surgical supply dealers, hospitals, institutions, industrials, and miscellaneous retailers.
2. Employ tact, polish, and a thorough knowledge of items and prices in this work.

The above instructions for a salesman of surgical dressings emphasize the importance of maintaining sales of items already stocked by dealer customers. In their desire to sell new items or those not stocked by a buyer, salesmen often ignore products that have been previously stocked by a dealer customer. Sales of established items should not be taken for granted; a salesman selling regularly to a dealer should check the dealer's stock, use an inventory check sheet, and seek a reorder for items previously stocked.

The resale of established items is also stressed by this company by selling dealers on stock rotation, open mass display, preferred

display position, and the importance of turnover in earning profits.

The duty of a salesman to make adjustments and correct misunderstandings with customers is included in this sales-job description. Knowledge of the customer and his problems enables a salesman to handle adjustments to the mutual satisfaction of both buyer and seller.

In this case, salesmen make collections from dealers who buy direct from the manufacturer. This is customary for salesmen representing direct sellers.

Salesmen who call principally upon retailers also frequently contact wholesalers and institutions, particularly in lines distributing through a limited number of outlets.

**7. Retail Salesman Selling to Ultimate Consumers in a Retail Department Store.**—This description of the selling duties of a retail salesperson is a composite description resulting from observations of more than 1,200 department store salespersons made by the Research Bureau for Retail Training.

*I. Sizing up the customer.*

1. Notice the customer's carriage.
2. Notice the customer's actions and expressions.
3. Notice the customer's conversation.
4. Notice the customer's general appearance.
5. Watch and listen attentively.
6. Act friendly and interested.

*II. Approaching the customer.*

1. Be alert; show the customer you are ready to wait upon him.
2. Smile and look good-natured.
3. Look at the customer.
4. Stop all care of stock and go up to customer.
5. Leave other salespeople and go up to customer.
6. Ask the customer to be seated when possible.
7. Avoid using same phrases over and over; make words of greeting cordial.
8. Call the customer by name, if possible.

*III. Finding out what the customer wants.*

1. Ask questions about use or purpose of article wanted.
2. Display merchandise and watch expressions and actions of customer as he looks at goods.
3. Listen attentively to what customer asks for.
4. Listen to customer's questions and comments about merchandise.

**IV. *Displaying merchandise.***

1. Make room to display merchandise.
2. Select merchandise to be shown *first* which should be that which has been requested or is particularly suited to customer or has been advertised or is on display or is medium-priced.
3. Display enough merchandise to afford sufficient selection.
4. Show only a few samples at one time.
5. Stop showing merchandise as soon as customer shows interest.
6. Show how the merchandise would look in use.
7. Get merchandise to customer quickly.
8. Handle merchandise to create impression of value.

**V. *Presenting sales arguments.***

1. Know the merchandise thoroughly.
2. Make concrete statements about the merchandise.
3. Call attention to interesting facts about the goods.
4. Meet customer's objections and answer questions.
5. Avoid talking too much.
6. Emphasize most suitable features for customer.
7. See what qualities customer is interested in and discuss them.

**VI. *Closing the sale.***

1. Center attention on one or two articles.
2. Review the selling points of the articles under consideration.
3. Meet objections.
4. Create good will for future, through courtesy, alertness.
5. Make out sales check.
6. Deliver package.
7. Return change.
8. Answer questions about delivery and holding goods.
9. Handle two customers at once.

**VII. *Practicing suggestive selling.***

1. Offer a substitute when article requested is out.
2. Suggest buying in larger quantities.
3. Suggest other merchandise in the same department.
4. Suggest merchandise in other departments.
5. Suggest merchandise to meet customer's needs.

In this description of the duties of a retail department store salesperson, it is significant that nearly half of the duties outlined require the salesman to get the customer's viewpoint. This practice of "sizing up the customer," "approaching the customer," and "finding out what the customer wants," is rightfully placing the emphasis in selling on the buyer and his problem rather than upon the salesman and his offering.

Many of the duties of store salespeople are also assumed by consumer salesmen of specialties such as automobiles, refrigera-

tors, radios, when engaged in showroom selling; particularly, those duties involving the display of merchandise may be effectively applied to the work of salesmen in the display room.

The desirability of suggestive selling of related items, which has long been practiced by aggressive retail merchandisers, is recognized in this outline and several ways in which this selling strategy may be applied are suggested.

**8. An Inside Salesperson.**—This outline of typical duties performed by salespersons is based on information gathered by trained field analysts employed by the U. S. Employment Service, the Job Analysis and Information Section, from actual observation of typical retail inside-selling jobs. This description, when combined with the preceding one, gives a complete description of store-selling duties.

I. Determines merchandise desired by customer; ascertains make, type, size, pattern or design, quantity wanted, and approximate price the customer is willing to pay.

II. Displays merchandise and assists customer to make a selection by suggestions and explanations; emphasizes the chief selling point of the article, be it quality, style, durability, popularity, utility, taste, appearance, freshness, or price; may tell or show customer how to use the article; attempts to encourage the sale of higher priced articles.

As it is usually to the worker's interest to sell as much as possible, every attempt is made to suggest articles that might be used in connection with the article purchased and to consummate each sale in a minimum of time.

III. Writes out sales slip in duplicate or triplicate (store policies vary) designating the merchandise and its price, his own identifying number, and sometimes the name and address of the customer; if the sale is to be charged or sent C.O.D., procures customer's signature on sales slip. In some establishments, no sales slip is used for cash sales. In establishments where merchandise is sold on a time payment plan, the worker may fill out a sales contract for the customer's signature instead of a sales slip.

IV. Receives payment or secures credit authorization, and gives wrapped article to customer or arranges for its delivery.

A. If sale is cash, receives money and

1. Wraps article, rings up sale on cash register, and makes change, or
2. Gives article to a cashier-wrapper who makes change and wraps article, or
3. Sends money and sales slips to a central (cashier's office) via a pneumatic tube system or overhead carrier. Cashier's office returns receipted sales slips and change (merchandise may be sent with the sales slips and money to the office).

- B. If a sale is to be charged, either ,**
1. Sends sales slips to credit department via a pneumatic tube system or overhead carrier for approval of account and return, or
  2. Places sales slips in holder of charge phone, presses signal button to call credit authorizer, verbally gives name and address of customer, and removes sales slips from holder when they have been stamped and perforated (by a stamp and punch actuated by credit authorizer) to indicate credit approval, or
  3. Procures written approval of account by floorman or department manager.

The original copy of the sales slip goes to the credit office if the sale is charge, or to the cashier's office if the sale is cash or C.O.D.; the duplicate is wrapped with the merchandise; and the triplicate is retained until the end of the day when it is sent, together with an itemized list of the day's sales, to the store accounting office. In stores where sales slips are written in duplicate, the original copy is sent at the end of the day to the accounting office. Merchandise that is to be delivered is wrapped and routed to the delivery department. Usually the portion of the duplicate sales slip bearing the customer's name and address is detached and used as an address label.

V. Cares for stock on sales floor; places new merchandise on shelves, racks, or stands according to a predetermined order; keeps stock neat, orderly, and dusted during the day, requisitioning replacements of staple articles of merchandise from stockroom as necessary, or informing buyer or department head of shortages as they occur; may cover stock or remove it from counters at night; at end of day fills out a merchandise order slip or want slip recording, for the information of the buyer, articles of merchandise called for by customers but not carried in stock, and merchandise, the stock of which is running low.

VI. Writes out accommodation slips (in cases where merchandise is returned by the customer for alteration, repair, or some other reason, but where the customer retains ownership of the merchandise) indicating the disposition of the merchandise and whether the alteration or repair is a free service or will be charged to the customer.

VII. May trim showcases on sales floor according to directions of department head or window trimmer.

VIII. Takes periodic inventories of stock, calling out items to another worker who records them on an inventory sheet.

This general job description is supplemented by specific descriptions of the work of salespersons in the principal departments in retail stores including books, china and glassware, floor coverings, furniture, flowers, furs, groceries, jewelry, in the U.S. Employment Service study of sales occupations.

**SALES DIFFICULTIES REVEAL SALESMAN'S JOB**

Selling is not a repetitive activity; each new situation contains a different combination of common operations. A description of the duties of a salesman as detailed in the preceding descriptions does not give a complete picture of the actual mental and physical activities of a salesman since these operations vary according to the circumstances encountered in each sales interview.

Even if a salesman follows faithfully the duties outlined in a sales-job description as for example, "Suggest buying in larger quantities," he still must be prepared to meet the objections of the prospect to that suggestion. Such objections or problems which must be met and overcome by a salesman form the heart of his job; the fact that they differ in every sales interview makes his work a complex occupation.

Success in selling is measured not so much by the routine performance of definite duties as by the ability to solve variable problems. Good salesmen experience few such problems; poor salesmen encounter numerous insurmountable problems or difficulties. Accordingly the picture of a salesman's job cannot be complete until it includes a list of the principal difficulties encountered by salesmen and the methods used in meeting those difficulties.

These difficulties may be classified as:

1. *Personality difficulties*, including lack of confidence, poor appearance, lack of self-control, discourtesy, indifference, laziness, poor voice, and tactlessness.

2. *Knowledge difficulties*, created by ignorance of product features and applications, company history, organization, personnel, policies, competition.

3. *System difficulties*, resulting from failure to keep records of sales activities, promises to customers, routing, time control, etc.

4. *Selling-technique difficulties*, resulting from lack of plan, no information about prospect, failure to answer objections, faulty demonstration, weakness in closing.

5. *Trade difficulties*, arising out of preferential treatment, price cutting, special concessions, competition between distributors.

6. *Product difficulties*, including deterioration, poor construction, spoilage, improper packaging.

SALESMAN'S DIFFICULTY ANALYSIS FORM

	Excel- lent 10-9	Good 8-7	Fair 6-5	Poor 4-3	Bad 2-1
<b>A. Personality difficulties:</b>					
Confidence					
Self control					
Aggressiveness					
Appearance					
Physique					
Alertness					
Tact					
Sociability					
Sincerity					
Enthusiasm					
Voice quality					
Courtesy					
Sense of humor					
<b>B. Knowledge difficulties:</b>					
Product knowledge					
Company knowledge					
Price knowledge					
Advertising knowledge					
Service knowledge					
Competition knowledge					
Customer needs					
Delivery knowledge					
<b>C. System difficulties:</b>					
Reports					
Time employment					
Planning work					
<b>D. Sales-technique difficulties:</b>					
Contact with prospect					
Description of product					
Comparison					
Demonstration of product					
Meeting objections					
Getting decision					
Arranging details					
<b>E. Miscellaneous difficulties:</b>					
Product difficulties					
Price difficulties					
Customer personality problems					
Competition problems					
Delivery difficulties					
Service problems					
Credit difficulties					

Sales-difficulty-analysis form used in rating the personality, knowledge, system, and sales-technique difficulties of a salesman. This form may be used by a salesman in checking his technique; or a salesman's manager, customers, or friends may be asked to rate his work on this form.

These faults may be determined by having salesmen list difficulties as they are encountered in their work; observation of salesmen at work reveals numerous difficulties; consultations with sales executives produce more problems; customers may disclose difficulties of salesmen who call upon them; an examination of sales reports will show other obstacles met by salesmen.

A difficulty-analysis check sheet is used by observers in checking the shortcomings of salesmen of various types of product. Typical difficulties observed follow:

1. A salesman of a wholesale grocery company, interviewing buyer of a steamship company, experienced the following:

**Personality difficulties:** lack of confidence, listlessness, and lack of enthusiasm.

**Knowledge difficulties:** ignorance of buyer's requirements.

**Sales-technique difficulties:** rambling presentation, inadequate answers to objections.

2. A salesman of typewriters, interviewing the buyer of a large industrial organization, experienced the following:

**Personality difficulties:** poor voice, no sense of humor, lack of enthusiasm.

**Knowledge difficulties:** lack of information about competing machines and the needs of the prospect.

**Sales-technique difficulties:** no attempt to discover prospect's requirements; overemphasis on price.

3. A salesman of shoe polish, interviewing buyer of industrial corporation operating retail stores in foreign countries, experienced the following:

**Personality difficulties:** poor voice, lack of enthusiasm and aggressiveness.

**Knowledge difficulties:** no knowledge of buyer's market for product offered.

**Sales-technique difficulties:** irrelevant talk, politics, foreign customs; no presentation of product; inability to meet objections.

4. A salesman of electrical equipment, interviewing the purchasing agent of a transportation company, experienced the following:

**Personality difficulties:** argumentativeness; poor voice quality.

**Knowledge difficulties:** poor product knowledge in respect to application of prospect.

**Sales-technique difficulties:** overemphasis on price; weakness in meeting objections; control of interview lost.



5. Three salesmen, representing three 'competing manufacturers of belting, calling upon the purchasing agent of a large manufacturer of machine tools experienced the following:

**Personality difficulties:**

Salesman A: poor appearance, too aggressive.

Salesman B: lack of enthusiasm, aggressiveness, and self-control.

Salesman C: not alert; poor in use of English.

**Knowledge difficulties:**

Salesman A: uniformly good knowledge.

Salesman B: poor knowledge of product and prospect's requirements.

Salesman C: lack of knowledge of prospect's needs.

**Sales-technique difficulties:**

Salesman A: uniformly good sales technique.

Salesman B: weak in answering objections and getting action.

Salesman C: poor in describing product, in answering objections, and in getting action.

6. Twenty-five salesmen of a large heating equipment manufacturer were observed and 256 separate difficulties were listed, of which the following were the principal ones:

**Personality difficulties:** too aggressive; unaggressive; discouraged; ill health; pride; lack of confidence; lack of convincingness; takes too much for granted.

**Knowledge difficulties:** lacks product and application knowledge; cannot estimate; does not know advertising, price change policy, competition, heating engineering.

**Sales-technique difficulties:** poor in opening interview; interviews wrong party; gets into arguments; too talkative; afraid of prospect; too blunt; discusses competition too freely; too familiar; cannot meet objections; fails to suit talk to needs of prospect; sidetracked by interruptions.

**System difficulties:** irregular calls; too many contacts; stays at home frequently; spends too much time on few prospects; inadequate calls; wastes Saturday mornings; improper use of reports; equipment in poor order; no system for call backs; poor routing.

**Trade difficulties:** prospect a stockholder in competing company; distributor's salesmen not cooperative; price cutting; misrepresentation by competitors; competitors stronger.

**Product difficulties:** price too high; parts defective.

7. Retail salespersons in department stores experience the following difficulties as observed by trained investigators:

**Personality difficulties:** indifference; laziness; inattentiveness; unfriendliness; listlessness; annoyance; lack of confidence; talkativeness; discourtesy; carelessness in dress.

**Knowledge difficulties:** does not know what goods to display; is unfamiliar with stock; lacks information about goods; does not know what goods to suggest.

**Sales-technique difficulties:** fails to discover customer's wants; fails to display goods effectively; suggests goods unsuitable to customer; hurries in closing; fails to meet objections; does not bring out proper goods; brings out too much or too little merchandise; is too slow in bringing out merchandise; does not listen to customer; asks the wrong questions.

8. Three wholesale salesmen of lubricating oil, representing three competing oil companies and calling on the purchasing agent of a large industrial concern, experienced the following:

**Personality difficulties:**

Salesman A: poor appearance; weak voice; poor use of English.

Salesman B: poor appearance; lack of enthusiasm.

Salesman C: tactless.

**Knowledge difficulties:**

Salesman A: lacks knowledge of price, customer's requirements, competition.

Salesman B: lacks knowledge of price, customer's needs, competition.

Salesman C: does not know operation of prospect's product; lacks mechanical knowledge and knowledge of competition.

**Sales-technique difficulties:**

Salesman A: poor in opening sale and making good impression.

Salesman B: weak in opening sale and answering objections.

Salesman C: weak in answering objections.

### SOLUTIONS TO SALES DIFFICULTIES

To obtain a full description of the job, the methods employed by successful salesmen in meeting the difficulties as described above should next be secured. Methods of solving difficulties may be obtained by personal interviews or by means of questionnaires, stating the specific difficulties and asking, "How do you meet this difficulty?" Methods may also be discussed in group sales meetings.

A typical "difficulty" and its solution by a good salesman illustrate how answers may be found to such problems.

**The difficulty:** Salesman not prepared for interview with facts concerning prospect's problem.

**A solution to this problem by a successful salesman:**

In working out an interview in advance of a call, I first review all correspondence and other information available concerning the matter to be discussed in the interview.

The next thing is to determine what object, or objects, I wish to accomplish in making the call. These I fix firmly in mind so that they can be introduced at the proper time and in sequence.

I then collect and organize such supporting data as I shall need and take with me also such literature as is pertinent to the subject to be discussed.

Lastly, I endeavor to put myself in the place of the person I am about to call upon and imagine what arguments or objections he may interpose and how those may best be met and overcome.

No attempt will be made in this chapter to describe in detail the solutions to specific sales difficulties since that is the purpose of the succeeding chapters—to describe the methods of successful salesmen in meeting the most common difficulties encountered in the sale of various types of goods and services.

#### IMPORTANCE OF KNOWLEDGE OF SALESMAN'S JOB

If a salesman is to be successful, it is obvious that he should know in detail all the duties he is expected to perform, the difficulties commonly encountered in carrying them out, and the best methods of meeting such difficulties.

Achievement in selling begins with the duties and difficulties of the job; if these are clearly understood at the outset, many of the problems involved in securing signed orders will take care of themselves. Knowing what should be done is equally as important as knowing how to do it. Yet in anxiety for action and enthusiasm, salesmen overlook the more commonplace but equally important fundamentals of the simple duties and obstacles that make the job what it is.

Nor is it sufficient to know *what* to do; a good salesman also knows *why* he is called upon to do the things that his job demands. A knowledge of the reasons for doing a task and the implications or consequences of the action should be fully understood if he is to carry on his work with an intelligent understanding of his job and a cheerful compliance with its requirements.

In addition, a sales manager should use a duty and difficulty analysis as a basis for selecting salesmen and measuring the qualifications of applicants, and as material for training courses, locating and correcting salesmen's weaknesses, and improving methods of distribution.

## Problem I

### DUTY ANALYSIS OF SALESMAN'S JOB

Frederick C. Dayton, representing Bedford Tire and Rubber Corporation

Frederick C. Dayton has been employed as a general-line salesman of the Bedford Tire and Rubber Corporation, Akron, Ohio, with headquarters at Philadelphia, since 1938. He is one of 200 salesmen selling Bedford tractor, truck, and passenger-car tires, tubes, and automobile accessories, lawn hose, and rubber soles and heels direct to retailers of automobile accessories, automobiles, implements, gasoline and oil, hardware, and large industrial concerns. Dayton's territory includes eastern Pennsylvania.

The Bedford Company has made a thorough analysis of the work of its general-line salesmen and has prepared the following job description. Dayton was given these definite written instructions in regard to his duties when he was engaged by the company:

#### DUTIES OF BEDFORD GENERAL-LINE SALESMAN

- I. *In retaining present volume and improving dealer's merchandising methods.*
  1. Call on dealers regularly.
  2. Discuss new products, and products that require frequent follow-up.
  3. Explain Bedford advertising and promotion plans.
  4. Help dealer work out local advertising program.
  5. Review Bedford's outstanding advantages regularly.
  6. See that *Bedford Retailer's Merchandising Manual* is used in the following seven ways:
    - a. Analysis of possibilities.
    - b. Store location, layout, equipment.
    - c. Man power.
    - d. Inside selling.
    - e. Outside selling.
    - f. Advertising.
    - g. Recording results.
  7. Discuss management problems, credits, collections, resale program, etc.
  8. Discuss new selling features, like time payments, farm tractor sales, tubes, accessories, and campaigns on new products.
  9. Inventory dealer's stocks specified by district manager.
    - a. Point out to dealer what is needed to balance stock.
    - b. Take orders for stock dealer requires.

10. Develop associate dealer and petroleum outlets.
  11. Hold dealer meetings.
- II. *In securing new dealer where no representation exists.*
1. Make territory analysis on form provided.
  2. Select important problem towns.
  3. Observe active competing dealers.
  4. Select most desirable dealer prospect.
    - a. Estimate number of tires sold in town, annually.
    - b. Determine who is selling them.
    - c. Rank dealer prospects as to desirability.
    - d. Decide which should be obtained.
  5. Get acquainted with dealer prospects.
    - a. Make preliminary call.
    - b. Determine what interests prospect.
    - c. Throw out "teaser" information.
    - d. List advantages of dealer's present deal vs. Bedford advantages.
    - e. Decide vulnerable points.
    - f. Plan your attack.
  6. Present Bedford franchise.
    - a. Arrange uninterrupted meeting.
    - b. Use company advertising.
    - c. Cover advantages thoroughly.
  7. Ask for prospect's business; get contract.
- III. *In contacting car, truck, and implement dealers and obtaining specifications.*
1. Keep above, using original equipment, posted on new developments in Bedford products.
  2. Establish good-will contact and relationship with local Bedford dealer.
  3. Obtain specifications where advisable.
- IV. *Concerning consumer accounts.*
1. Have limited list of most important consumer accounts in territory, call on these.
  2. Sell important consumers.
- V. *In knowing competing practices and dealers.*
1. Know and call upon competitive dealers.
  2. Check their resale practices.
  3. Be familiar with new activities of competitors, sales plans, products, advertising, etc.
- VI. *About miscellaneous functions.*
1. Check delivery service on orders placed; be familiar with back-order situation.
  2. Contact company store, if any.
  3. Contact newspaper offices, keeping their good will and getting publicity.
  4. Keep dealer informed and enthusiastic on newspaper and billboard advertising.
  5. Check current dealer campaigns advocated by Bedford.

VII. *In making reports and carrying on correspondence.*

1. Daily reports.
2. Route lists.
3. Expense reports.
4. Specifications.
5. Reports on sales campaigns.
6. Study of reports received.
7. Analysis of time employment.

During the past year, sales in the territory have declined and the district sales manager has made a study of Dayton's daily call reports on dealers, a typical number of which follow:

January 15. Call No. 1. Martin Auto Supply Co., dealer. Discussed new safety tubes. Took order for three batteries. Made adjustment on a 5.00-16 four-ply casing. Checked delivery on last order.

Call No. 2. Wilson Department Store. Tried to close sale for ten truck casings and tubes as a trial order. Must call back later.

Call No. 3. Lane Oil Co. Operates four stations. Tried to interest manager in distributing our tires. Call interrupted.

Call No. 4. Jones & Bates, dealer. Discussed our time-payment plan. Took order for dozen new safety tubes. Talked to their salesmen.

Call No. 5. Mudge & Mitchell, prospective dealer. First call. Presented our franchise.

Call No. 6. Bainter & Mason, a competitive dealer. Live wires. Not interested in taking on other line.

Four calls. Buyers out.

January 16. Call No. 1. Johnson Perry, dealer. Discussed time-payment plan. Complaining about poor business. Secured no business.

Call No. 2. Tom Watson, dealer. Overstocked. See on next trip.

Call No. 3. Newton Smith, competitive dealer. Is enthusiastic about present line, not interested in making a change. However, may take on battery line in spring.

Call No. 4. David Miller, dealer. Placed order for tires and tubes, amounting to \$180. Inquired about advertising.

Call No. 5. Allen Manufacturing Co. Discussed truck tires with purchasing agent. May consider later.

Call No. 6. Blake County Bus Lines. Satisfied with bus tires now using.

Five calls, buyers out.

January 18. Call No. 1. T. L. Jefferson, possible dealer. Discussed our line. Not financed adequately to give us volume.

Call No. 2. Morgan & Co., dealer. Reviewed advantages of our line. Stocked up. May buy later.

Call No. 3. Bruce McCormick, competing dealer. May consider our line later.

Call No. 4. Y. K. Yount, dealer. Ordered two motorcycle casings, five passenger casings, and two all-solid tires.

Call No. 5. Spring & McCutchinson, dealers. Sales poor. Complaining no business. May liquidate tires and concentrate on gas and oil business.

Call No. 6. Bounter Oil Co., prospective dealer. Presented company franchise. Will consider and I shall call back later.

Call No. 7. McArthur & Co. Moving and trucking concern. Now using competitor's tires. Not interested in changing.

Three calls, buyers out.

Salesman Dayton maintains that he is making a good number of calls, is securing some business, and is attempting to locate new dealers as well as maintain the volume of present dealers. He claims that he is contacting important consumer tire accounts in his territory. Declining sales are caused by poor business conditions, he believes.

The district sales manager believes that Dayton is not doing a thorough job in developing present dealers and has not followed the duties outlined in his job description.

### **Questions**

1. Is salesman Dayton doing a thorough job of selling as indicated by the typical call reports compared with the job description quoted in the problem?
2. Compare Dayton's call reports with his job description and list the duties required which are not being performed.
3. What other duties should be included in the Bedford sales-job description?

### **Problem II**

#### **DIFFICULTY ANALYSIS AND SOLUTIONS TO DIFFICULTIES OF SALESMAN'S JOB**

**Howard R. Parker, representing Lincoln, Baker & Co.,  
Investments**

Howard R. Parker, representing Lincoln, Baker & Co., Investments, New York City, sells securities to banks, trust companies, institutions, and large individual investors in metropolitan New

York. The company is represented by 60 men who operate out of the home office as well as from branches in Boston, Philadelphia, and Chicago.

Faced with a weak investment market and declining sales volume, the sales executives of Lincoln, Baker & Co. investigated the principal difficulties encountered by its representatives and called upon the most successful salesmen to describe how they overcame these difficulties involving prospecting, preparing for interviews, and conducting interviews.

As one of the ten top men in the sales organization, Howard Parker has been asked to describe his method of meeting the following difficulties which are representative of those confronting salesmen of the company:

**Sales Difficulty:** Sales interviews are not planned; salesman has no objective in calling; interviews lapse into irrelevant discussions of politics, business conditions, or sports.

**Solution to Sales Difficulty, by Howard Parker:**

I make a definite plan for a minimum of three interviews a day. I telephone my prospect several days in advance to see whether he can be interviewed at a definite time. I next determine what particular securities I shall try to sell him. Sometimes, I send the prospect a letter reminding him of my telephone appointment and paving the way for my call by putting a few ideas to him. If the sale may be large and the prospect is important, I sometimes prepare a written proposition to submit to the prospect. Or if I do not write a proposition, I prepare a brief outline of the main selling points which I expect to cover. My records are consulted to get information concerning the prospect and his needs or I talk with one of his friends or associates about his investment situation. I try to figure out what objections he may raise and prepare to anticipate them.

**Sales Difficulty:** Salesman is handicapped by lack of information about prospects with the result that often the wrong investment is recommended to the wrong prospect at the wrong time.

**Solution to Sales Difficulty, by Howard Parker:**

I seek to obtain much information about prospects in advance of interviews from my customers, bankers, commercial credit ratings, friends and acquaintances of prospect, other salesmen, news items in local newspapers, and by observation. Some of the information which I seek about a prospect includes: his business connections, outdoor activities, education, principal business interests, participation in com-



munity affairs, whether he is married and has children, present investments owned, solicited by competitors. When I possess as much of this information as I can secure, I am better able to present my story to a prospect.

**Sales Difficulty:** Salesman has difficulty in securing quantity and quality of prospects and often is at a loss as to whom to see next.

**Solution to Sales Difficulty, by Howard Parker:**

Prospecting is a regular daily activity with me. At the beginning of each month I prepare a list of 50 prospects to be seen during the month. These prospects are secured through present satisfied customers, influential friends in the community, lists of investors, social, civic and business meetings, newspaper items. I frequently take customers to lunch and seek their cooperation by describing to them the type of prospect which I am seeking. I believe that it is necessary to have a definite picture of a natural prospect in mind when seeking prospects. In seeking prospects, I attempt to subordinate my self-interest and point out to my customers how they can aid their friends to experience the same satisfaction from investing which my customers have enjoyed through my service.

**Sales Difficulty:** Salesman has difficulty in making prospects recognize their needs.

**Solution to Sales Difficulty, by Howard Parker:**

To get prospects to recognize their need for the investments I offer, I paint a negative picture of the returns an investor is experiencing with his present investments and point out to him the losses which he is suffering from failure to purchase securities which will pay him a fair return consistent with safety. I hammer on these points until the prospect admits them.

**Sales Difficulty:** Salesman is easily put off by prospect and is hesitant in closing sales.

**Solution to Sales Difficulty, by Howard Parker:**

I close sales by summing up all the points that I have made during the interview and secure the agreement of the prospect to each point. I make strong appeals to whatever motives the prospect may have, such as security, desire to speculate, or conservativeness. I figure out with a pencil before the prospect the return on the investment under consideration. Several attempts are made to get the order. If I am unsuccessful, I make an appointment for a return call and leave the door open for

future discussion. Sometimes, I write down the main points that the prospect admits in favor of the investment. If the objections of the prospect are not clear, I attempt to draw these out and answer them.

**Sales Difficulty:** Salesman is unable to meet competition of life insurance as an investment.

**Solution to Sales Difficulty, by Howard Parker:**

In meeting this competition, I say, "Life insurance is a splendid investment, but I think you also agree that you should put a portion of your funds into a diversified list of bonds and stocks. The only question, it seems to me, is what portion of your capital should go into each form of investment."

**Sales Difficulty:** Salesman does not make good use of his time and travels excessively.

**Solution to Sales Difficulty, by Howard Parker:**

I make a timetable for each day's work, setting down in time order the names of prospects and customers whom I expect to see during the day. I make up this schedule every evening before I leave the office. To provide for prospects who may be out when I call, I also make an emergency list of prospects in the same building or neighborhood who should be seen. I force myself to follow my schedule as closely as practical. I also zone my calls to save time running around over the city. Then I prepare my schedule so that each prospect may be reached conveniently in order of coverage. This plan conserves my time and, I figure, saves me many selling hours during the course of a year.

The other outstanding salesmen in the organization were also asked for their solutions to these and other difficulties. Some of them discounted the value of the solutions to the common difficulties on the ground that territories and prospects differed so widely that a successful solution in one area or with one prospect would not be generally applicable in all territories or with all prospects.

The management admitted that areas and prospects differed but maintained that the several solutions of outstanding salesmen to a certain difficulty would give a variety of ways to approach the problem which could be applied in any territory or to almost any prospect.

### Questions

1. Do the solutions to common sales difficulties serve a useful purpose in clarifying the duties and responsibilities of the salesmen of Lincoln, Baker

& Co.? Give your reasons for or against this method of obtaining a better knowledge of a salesman's task.

2. Prepare a partial job description or duty analysis for salesmen of Lincoln, Baker & Co. by studying the methods of salesman Parker in meeting common difficulties; present in outline the duties of the salesmen under the headings: (1) Preparing to sell, (2) Conducting the sales interview, (3) Routine or systematizing duties.

3. Criticize salesman Parker's methods of meeting difficulties.

### Problem III

#### DIFFICULTY ANALYSIS OF SALESMAN'S JOB

Paul H. Mason, representing Allen-Lawson Machine Company

Paul H. Mason, representing the Allen-Lawson Machine Co., Chicago, manufacturers and distributors of adding, accounting, and tabulating machines, sells direct to banks, stores, wholesalers, manufacturers, utilities, and other types of commercial organizations in northern Illinois and Wisconsin. The company employs 200 salesmen operating out of the home office and branches in New York, Boston, Philadelphia, and San Francisco.

To help Paul Mason and other members of the sales organization obtain a better understanding of their work and increase their sales, the company has sent two of its sales executives into the field to observe the difficulties encountered by a representative number of the salesmen and to record them. Mason has been selected as one of the salesmen for observation since he covers a representative territory and is typical of a majority of men in the company from the standpoint of sales and results.

After accompanying Mason on his calls on customers and prospects for several days, the investigator made the following report:

He is too argumentative and in some cases is so talkative that prospects become bored and lose interest in the points discussed. His voice is often too loud and irritates not only the prospect but others in the same office. By interrupting prospects, he shows a disregard of the opinions of prospects. A limited vocabulary and poor use of English make a negative impression in some cases.

He does not make use of his interview portfolio. He did not have complete portfolio with him as he is remodeling it.

He does not get the prospect to assent to the points which he makes. Little attempt is made to emphasize the service which the company offers to customers to ensure satisfactory use of equipment.

In conducting demonstrations, he does not instruct the prospect in the proper operation of the machine by making difficult operations clear. The prospect does not take much part in the demonstration and the salesman does not dramatize and completely display varied features of the machine, its serviceability, durability, etc.

He stresses only three or four specific uses of the machine ignoring the many other useful applications of the equipment which should be of interest to a prospect.

In closing a sale, the salesman's attitude lacks positiveness and he fails to lead a prospect quickly toward the close of a deal. He fails to visualize possession and lacks an attitude of assurance to create confidence with the prospect.

Letters of recommendation of users are not used and samples of figure work of customers are not introduced to show proof of performance.

He fails to write down for prospects the specific uses of the machine which the prospect admits apply to his business.

Orders are not requested as the salesman plans to delay securing the order until the prospect has tried the machine.

He does not take machine with him when he calls on a prospective buyer interested in a certain machine.

Late morning starts limit selling time and salesman spends an average of only five hours a day in the field. An average of eight calls are made during a typical day and two interviews result.

No good-will calls are made on old customers to check their satisfaction.

No plans are made by salesman in advance of interviews to discover needs of prospect or assemble figure work which may apply to his business.

The route followed by salesman was not planned and resulted in lost time through backtracking and excessive mileage traveled.

Salesman does not make appointments with prospects and consequently wastes considerable time waiting or calling back.

He does not maintain a good filing system for recording prospects so that he is unable to recall the results of previous contacts.

He has difficulty in meeting such objections of prospects as: "I want to buy a second-hand machine," "My bookkeeper has plenty of time," "Business is too small," "I'm going to move," "I'm going to liquidate my business."

He fails to link up return calls with previous calls.

Salesman does not make definite appointments for return calls on prospects.

When he gets a prospect to the closing point, he fails to make all terms and conditions clear to avoid a possibility of misunderstanding when the machine is delivered.

Pencil and paper are not used in figuring out for a prospect the low daily cost of the machine.

The weak points in the accounting systems of prospects are not discovered to use as a point of attack in the sales interview.

He does not determine the best time to approach prospects and often makes calls at hours when prospects are not in their offices.

The personality, hobbies, and interests of prospects are not discovered and employed in conducting interviews.

Prospects are not invited to visit satisfied customers in the prospect's line of business to observe how the machine meets their needs.

He fails to leave with the prospects advertising data and literature about the machine or applications in which prospects are interested.

The salesman spends time in the office during hours when calls and interviews might be conducted.

He does not use letters of recommendation from manager as an introduction to new prospects.

He fails to get permission from prospects to use their names in interviewing referred prospects.

Secretaries, information clerks, and office boys prove to be difficult barriers to salesman in securing interviews with prospects. He has no plan for getting past these obstacles to interviews.

The salesman's knowledge of competitive products is limited and he is unable to make satisfactory comparisons with competitive machines.

The executive who accompanied Paul Mason also observed numerous commendable methods which were recorded for future discussion with all salesmen in the organization.

When shown his list of difficulties, Mason admitted that the criticisms of his work were fair, but maintained that many of them were of little consequence in the successful conduct of a sales interview and that there was little to be gained by attempting to correct many of the deficiencies recorded.

### Questions

1. Did the difficulty analysis of salesman Mason's job serve a useful purpose in clarifying the duties and responsibilities of his work? Give your reasons for or against this method of obtaining a better knowledge of a salesman's task.

2. Prepare a partial job description for salesmen of the Allen-Lawson Co. by analyzing Mason's difficulties and presenting in outline the duties of the salesmen under the following sections: (1) Preparation for sales, (2) Conducting sales interviews, (3) Routine duties, (4) Systematizing work, (5) Following up customer.

3. Select the six outstanding difficulties of salesman Mason and describe in detail the best method of correcting these shortcomings.

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## CHAPTER II

### PERSONAL QUALIFICATIONS FOR SELLING

Recognition of the close relationship between the personal qualifications of an individual and his success as a salesman is one of the most significant developments in salesmanship in recent years. Today, age, education, experience, and marital status have a definitely predictable bearing on a man's success or failure in the sale of numerous products and services.

Heretofore, salesmen and sales managers have had no standard, other than their personal opinion, by which to judge the relation of personal traits and experience to sales success. However, through analyses of the traits of outstanding salesmen and through the development of aptitude tests and psychological measures, much progress has been made in evaluating personal qualifications for this work. Standard qualifications are being established for specific sales jobs and a more critical examination of the qualities that make for sales achievement is supplementing individual opinion as the sole determining factor in judging the fitness of an individual for sales work. Trial-and-error methods are gradually being displaced by a more scientific approach to qualifying salesmen. On account of the many variable personality factors involved, progress in the exact measurement and testing of personal qualifications for selling must necessarily be slow, but the time may not be far distant when the traits and experience of a salesman can be weighed and measured with as much exactness as are raw materials, iron and coal, used in manufacturing. Until that time arrives, individual judgment must largely dictate the qualifications for selling.

#### **THE SALES JOB DETERMINES THE QUALIFICATIONS OF THE SALESMAN**

Personal qualifications must be considered in relation to the sale of a specific product or service and a definite sales job. The qualifications of a competent insurance salesman are unlikely to

be the same as those of a good automobile salesman, as the duties and responsibilities of the two men are not comparable. Little is to be gained by generalizing qualifications. The specific demands of the individual job dictate the qualities necessary for succeeding in it.

An analysis should first be made of the job for which the salesman is to be qualified, and written job specifications prepared detailing the activities involved. Several job descriptions appear in Chap. I. To illustrate how the personal qualifications, necessary to perform a certain sales job successfully, may be drawn from such descriptions, the following table shows in the first column the activities to be performed and in the second column the personal qualities necessary in performing those activities.

DUTIES AND PARALLEL QUALIFICATIONS OF A RETAIL AUTOMOBILE  
SALESMAN

<i>Salesman's Duties</i>	<i>Salesman's Qualifications</i>
I. Locate prospect's needs by	Initiative.
<i>a.</i> Getting information about prospect's car and driving habits.	Tact.
<i>b.</i> Using visual sales material.	Curiosity.
<i>c.</i> Questioning prospect.	Imagination.
II. Tell how product fits needs of prospect.	Resourcefulness.
III. Show how product fits needs of prospect.	Analysis.
IV. Get prospect's agreement on each point as it is made.	Voice.
V. Answer or forestall objections.	Use of English.
VI. Close sales.	Enthusiasm.
	Knowledge.
	Enthusiasm.
	Sincerity.
	Imagination.
	Knowledge.
	Sincerity.
	Tact.
	Persistency.
	Resourcefulness.
	Self-control.
	Alertness.
	Confidence.
	Patience.
	Knowledge.
	Tact.
	Loyalty.
	Aggressiveness. <sup>1</sup>
	Determination.
	Persistence.
	Sincerity.



DUTIES AND PARALLEL QUALIFICATIONS OF A RETAIL AUTOMOBILE SALESMAN.—(Continued)

Salesman's Duties

Salesman's Qualifications

VII. Handle trade-ins.

Tact.

Honesty.

Knowledge.

VIII. Routine reports daily on calls, interviews, prospects; prepare daily call schedule.

Honesty.

System.

Accuracy.

IX. Executive duties; mail advertising to prospects; set daily call quota; make daily work plan; keep informed about industry, company, product, competition.

Industry.

System.

Organization.

X. Create good will by following up customers to see that they get service.

Friendliness.

Health-energy.

Unselfishness.

Courtesy.

The 30 personal traits required by a retail automobile salesman in carrying out the duties described above may be classified as

Salesman's Rating					
Salesman _____					
Branch _____	Symbols	5—Outstanding	4—Above Average	3—Average	Date: _____
		2—Below Average	1—Weak		Rated by: _____
<p><b>NOTE:</b> The definitions following each of the points below are explanatory only. They are given for the purpose of uniform interpretation of the various qualities to be considered. They are not intended to restrict you in your considerations.</p>		SYMBOL	VALUE		
1. CAPACITY FOR GROWTH: Is he intelligently ambitious? Does he have good business judgment? Does he appear to have executive ability? Can he develop to the point where he can assume greater responsibility?					
2. GENERAL SALES ABILITY:					
(a) Results consciousness (c) Responsiveness to special tasks (e) Merchandising ability (f) Prestige with big buyers					
(b) Distribution of product (d) Knowledge of our products and policies (g) Detail work					
3. PERSONALITY AND APPEARANCE: Popularity with organization and trade, tact, courtesy, physique, health, vitality, neatness, cleanliness.					
4. CHARACTER: Loyalty, integrity, temperance, moral conduct, handling of personal affairs.					
5. DEPENDABILITY: Does he follow instructions? Will he do what you expect him to do and do it conscientiously and thoroughly?					
6. MENTALITY: Intelligence, mental alertness, judgment.					
7. ANALYTICAL SENSE: Natural inclination to analyse situations and reports. Ability to reach conclusions and make decisions based on the facts.					
8. ENTHUSIASM AND FORCE: Ability to generate enthusiasm and to convince others, energy, aggressiveness, and consistency of purpose.					
9. ORIGINALITY, IMAGINATION, RESOURCEFULNESS: Alertness for development of new and better ways of doing things; initiative in putting them into effect.					
10. EXPRESSION: Voice; clarity, both verbally and in writing.					
(See reverse side for Numerical Key of Values)					

Form used by a large packing corporation in rating the personal qualifications of salesmen. This form shows the characteristics required for this type of wholesale selling to retail food stores.

follows: *Hard traits*: industry, persistency, aggressiveness, determination, loyalty, confidence, alertness, honesty, knowledge.

*Soft qualities:* tact, patience, friendliness, unselfishness, sincerity, imagination, curiosity, self-control. *Business traits:* system, organization, resourcefulness, accuracy, analysis.

These traits may also be considered from the standpoint of the development of a salesman's personality as tangible traits, or those which lie within the power of the salesman to determine; and intangible traits, or those which in some degree must be possessed as natural characteristics. Tangible traits are largely the hard qualities of honesty, industry, knowledge, determination, confidence, all of which can be cultivated. Intangible traits are such soft qualities as friendliness, patience, tact, sincerity, unselfishness, which are largely natural characteristics and not so easily developed.

To illustrate the personal characteristics demanded by another type of selling job, the duties of a wholesale salesman of tires and rubber goods are paralleled by the personal qualifications required for this specific work, as follows:

DUTIES AND PARALLEL QUALIFICATIONS OF A WHOLESALE SALESMAN OF TIRES AND RUBBER GOODS, SELLING TO RETAIL MERCHANTS	
<i>Salesman's Duties</i>	<i>Salesman's Qualifications</i>
I. Call on dealers regularly.	Industry.
II. Discuss new products.	Knowledge of product.
III. Explain advertising and promotion plans.	Knowledge of advertising.
IV. Help dealer with local advertising.	Unselfishness.
V. Aid dealers in:	
1. Analyzing market possibilities.	Analysis.
2. Evaluating store location, layout, equipment.	Knowledge of retailing.
3. Inside and outside selling.	Retail sales experience.
VI. Discuss retail credits, collections.	Knowledge of credits and collections.
VII. Explain new selling features of line.	Voice; use of English.
	Enthusiasm.
	Knowledge.
VIII. Inventory dealers' stocks.	System.
	Detail, attention to.
IX. Develop associate dealer outlets.	Initiative.
X. Hold dealer meetings.	Leadership.
	Voice.
	Helpfulness.
XI. Secure new dealers.	
1. Make territory analysis.	Analysis.
2. Select important problem towns.	Discernment.

DUTIES AND PARALLEL QUALIFICATIONS OF A 'WHOLESALE SALESMAN OF TIRES AND RUBBER GOODS, SELLING TO RETAIL MERCHANTS.—(Continued)

<i>Salesman's Duties</i>	<i>Salesman's Qualifications</i>
3. Observe competing dealers.	Observation.
4. Select desirable dealer prospects.	Judgment.
5. Get acquainted with prospects.	Sociability.
a. Determine prospect's interests.	Curiosity.
b. List advantages of present dealers vs. your advantages.	System.
c. Plan attack.	Organization.
6. Present company franchise.	Knowledge.
7. Close contract.	Persuasiveness.
	Sincerity.
	Forcefulness.
	Persistency.
XII. Get dealers of cars, trucks, implements to specify tires as original equipment.	Friendliness.
	Persuasiveness.
XIII. Sell important consumers.	Knowledge.
	Sincerity.
	Alertness.
	Convincingness.
XIV. Know competing practices and dealers.	Knowledge.
	Observation.
XV. Check delivery service.	Thoroughness.
XVI. Contact newspapers for publicity.	Tact.
XVII. Make reports and correspond.	System.
	Detail, attention to.
	Organization.
	Method.

QUALIFICATIONS FOR SELLING DETERMINED BY RATING PERSONAL-HISTORY FACTORS

Salesmen have always been asked by prospective employers what they have done during their business or school careers, whether they are married or single, their age, and numerous other questions about their personal history. These questions are asked in the belief that past performance is a good indication of what may be expected in the future. However, in thus judging the fitness of a person for sales work, it is difficult to determine how much weight to give to the different factors of personal history. If a prospective salesman is over forty years of age, should he be automatically disqualified? If he has had five jobs in the past five years, has six children, or has completed only the sixth grade in school, should he be given consideration?

Progressive organizations answer these questions by establishing standard salesmen's qualifications. The qualifications of prospective salesmen are compared with the standard. A company or industry determines standard qualifications by comparing the personal history records of numerous successful and unsuccessful salesmen. Ratings or scores are established for these factors based on the significance of each in the personal histories of outstanding and poor salesmen. Separate scores are established for age, education, dependents, etc.

The personal-history factors of age, education, marital status of a prospective salesman are usually recorded by applicants on a special form. Each item on it is evaluated or scored. The scores of the various items are totaled and a gross numerical score is obtained. This is compared with a critical score, above which are listed the greater part of the successes and below which are listed the greater portion of the failures. If the total score of a prospective salesman is greater than the critical score, he is considered qualified for the particular job. If his score is less than the critical, he must be sufficiently outstanding in other respects to offset the deficiency. Personal history factors must be judged, however, in respect to the job of selling a specific product or service.

#### RATING PERSONAL HISTORIES TO DETERMINE QUALIFICATIONS FOR LIFE INSURANCE SELLING

An outstanding example of how qualifications for selling may be determined by comparing the personal histories of successful and unsuccessful salesmen is found in the study of the histories of more than 10,000 salesmen employed by eleven life insurance companies from 1933 to 1935, made by the Life Insurance Sales Research Bureau. Ten personal-history items were selected and a scoring system was devised to give the best predictions of first- and second-year sales production, as follows: (1) dependents, (2) occupation, (3) employment status, (4) time with present employer, (5) present membership in organizations, (6) officer in organizations, (7) net worth, (8) minimum current living expenses, (9) amount of life insurance owned, (10) length of negotiations.

The score established for each factor follows:

1. *Dependents*: no dependents, 3; one dependent, 4; two dependents, 6; three dependents, 8; four dependents, 8; five dependents, 7; six or more dependents, 4.

2. *Occupation*: executive, not in retail business, 10; retail business executive, 8; office worker, semiexecutive, 8; salesman of intangibles or real estate, 6; professional, 6; retail store employee, 5; salesman of tangibles, 4; office worker, clerical, 4; engineer, 1; manual work, skilled or unskilled, 1; miscellaneous, 3.

3. *Employment status*: employed, 6; unemployed less than one month, 8; unemployed one month, 7; unemployed two months, 5; unemployed three months, 4; unemployed four months, 4; unemployed five months, 3; unemployed six months or more, 2. Men who have recently become unemployed have a much better chance of success than do those who have remained unemployed for a considerable time. Men who have been unemployed for a very short time receive even higher scores than those who are now employed and are willing to make a change and enter the life insurance business.

4. *Time with present employer*: less than three months, 3; three to eight months, 4; nine to twenty-three months, 5; two years to three years, eleven months, 6; four years to five years, eleven months, 7; six years to seven years, eleven months, 8; eight years or more, 9. The man who has worked a long time for his present employer will not only be more likely to remain in the business but his production is likely to be above average also.

5. *Present membership in organizations*: none, 3; one, 3; two, 4; three, 8; four or more, 11. Active membership provides a valuable means of contact with prospective clients.

6. *Officer in organizations*: no offices, 4; offices in one organization, 7; offices in two or more organizations, 13. The man who holds office in the organizations to which he belongs is more likely to succeed than the man who is merely a member.

7. *Net worth*: \$0 to \$999, score 2; \$1,000 to \$5,999, score 4; \$6,000 to \$9,999, score 6; \$10,000 to \$14,000, score 8; \$15,000 or more, score 10. The man who has greater financial resources is more likely to make a success of the life insurance business.

8. *Minimum current living expenses*: less than \$50 a month 1; \$50 to \$99 a month, 2; \$100 to \$149 a month, 4; \$150 to \$199 a month, 9; \$200 a month or more, 14. The higher the standard of living, the higher is the average production of a new insurance salesman and the more likely he is to remain in the business.

9. *Amount of life insurance owned*: \$0 to \$1,999, score 1; \$2,000 to \$3,999, score 2; \$4,000 to \$4,999, score 3; \$5,000 to \$5,999, score 4; \$6,000 to \$6,999, score 6; \$7,000 to \$7,999, score 7; \$8,000 to \$8,999,

score 8; \$9,000 to \$9,999, score 9; \$10,000 to \$19,999, score 10; \$20,000 or more, score 11. The man who owns an inadequate amount of insurance on his own life cannot usually possess the requirements needed to become a successful salesman.

10. *Length of negotiations*: less than one month 4; one month 6; two months or more, 8. A man who enters the business in haste may do so because he is incompetent or cannot secure any other type of employment.

After scoring a prospective salesman on each of these ten items and obtaining the total score, this number must next be interpreted in terms of his probable success. Since a man's age will affect the points credited for almost every item, his numerical score is interpreted in terms of his age.

Next the numerical scores considered in respect to age are rated as excellent, very good, good, fair, and poor. A table is used in making these comparisons. Representative scores follow:

Age	Poor	Fair	Good	Very good	Excellent
22	24 to 40	41 to 45	46 to 51	52 to 57	58 and over
29	24 to 36	37 to 42	43 to 48	49 to 56	57 and over
34	24 to 33	34 to 39	40 to 46	47 to 55	56 and over
39	24 to 33	34 to 39	40 to 47	48 to 54	55 and over
44	24 to 37	38 to 42	43 to 49	50 to 56	57 and over
49	24 to 43	44 to 47	48 to 53	54 to 58	59 and over
55	24 to 50	51 to 53	54 to 57	58 to 62	63 and over

For example: a man has two dependents, score 6; principal previous occupation, salesman of automobiles, no experience selling life insurance, score 4; at present employed, score 6; worked for present employer two years, three months, score 6; member of two social organizations, score 4; official of one organization, score 7; approximate net worth \$500, score 2; minimum current living expenses, \$175 a month, score 9; insurance owned \$5,000, score 4; length of negotiations, one month, score 6. Total score, 54. This man thirty-two years of age would be classed "very good."

To determine the effectiveness of these scores, the Life Insurance Sales Research Bureau tested 408 men and found that those who survive one year with "excellent" ratings sell one and one-

half times as much as the average man and three times as much as "poor" men.

Similar studies have been made by such companies as the Phoenix Mutual Life Insurance Company and the Guardian Life Insurance Company.

**Numerical Key of Values  
for Salesman's Rating Symbols**

	5 (Outstanding)	4 (Above Average)	3 (Average)	2 (Below Average)	1 (Weak)
1	12 0	10 8	9 6	8 4	7 2
2	12 0	10 8	9 6	8 4	7 2
3	12 0	10 8	9 6	8 4	7 2
4	12 0	10 8	9 6	8 4	7.2
5	10 0	9 0	8.0	7 0	6.0
6	10 0	9 0	8 0	7 0	6 0
7	8 0	7 2	6 4	5 6	4.8
8	8 0	7 2	6 4	5.6	4.8
9	8.0	7.2	6.4	5 6	4 8
10	8 0	7.2	6.4	5.6	4.8

The total value, i.e., by addition of the values on each of the 10 points, establishes the rating as follows:

100—"Outstanding" i.e., No. 5  
 90—"Above Average" i.e., No. 4  
 80—"Average" i.e., No. 3  
 70—"Below Average" i.e., No. 2  
 60—"Weak" i.e., No. 1

Numerical key of values applied in rating salesmen by the large packing corporation which uses the Salesman's rating form, page 41. If a salesman, for example, is rated 3 on "capacity for growth," this chart shows that his value on this factor is 9.6. A salesman's total value is obtained by adding the values which he is rated on each of the ten points.

Although few concerns have, up to this time, evaluated personal-history factors in qualifying prospective salesmen, the studies that have been made and the ratings that have been established are significant contributions toward a better knowledge of the personal qualifications demanded for various types of sales work.

#### QUALIFICATIONS FOR SELLING DETERMINED BY PSYCHOLOGICAL TESTS

While no psychological or aptitude test has as yet been devised that can conclusively indicate whether a person will succeed or

fail in selling, numerous tests have been developed that reveal personal traits closely associated with proficiency in selling. The fact that many large employers of salesmen use these tests to check their other measures for determining a prospective salesman's capacity is evidence that they have merit.

Tests are available for measuring the personality factors that contribute to success in selling, such as intelligence, selling aptitude, dominance, social intelligence, introversion, extroversion, confidence, observation, memory, and vocabulary.

### INTELLIGENCE TESTS

The need for intelligence in selling varies with the nature of the job and the type of buyer to be sold. In routine order taking, greater than average intelligence is not required and may even be a disadvantage. A man of superior intellect would not long be content to work at a routine sales task which made little demand on his mental powers. On the other hand, complex selling of technical specialty products or intangible services calls for high intelligence.

Intelligence may be measured by a number of mental tests, of which the Otis Self-administering Test Form A is outstanding. This test, composed of 75 items, measures the speed and accuracy of perception and the difficulty level on which a person is capable of thinking. The Army Alpha examination, revised form 5, is especially prepared for business use.

### SELLING-APTITUDE TESTS

A number of tests have been devised to evaluate selling aptitude, of which the Vocational Interest Test, prepared by Dr. E. K. Strong, Jr., Stanford University, has been used extensively in qualifying life insurance salesmen. Two-thirds of 283 salesmen who received an A interest rating on this test are successful salesmen; only 6 per cent of those who received a C rating have been successful. In one life insurance company, 102 salesmen took this test; the table shown on page 49 shows the close correlation between the results and the average annual sales.

Another aptitude test for life insurance salesmen has been prepared by Dr. Verne Steward and is a composite inventory of mental ability, personality, and background knowledge.



## LIFE INSURANCE SALES INTEREST RATINGS

Number of men	Rating	Annual sales, per man
2	C	\$169,000
2	B-	236,000
4	B	270,000
15	B+	186,000
79	A	209,000

Retail selling aptitude may be tested by the F. A. Moss test which measures judgment, memory for faces and names, observation, knowledge of merchandise, and ability to follow directions.

The Vocational Aptitude Examination for sales groups, by Cleeton and Mason, aids in discovering differences in ability and the vocational inclinations of men.

The Vocational Interest Schedule, by L. L. Thurstone, is also used in testing interest in selling. The subject is required to rate 72 occupations according to liking, indifference, or dislike.

On the other hand, experiments with psychological tests for selecting department store salespeople were conducted by the Research Bureau for Retail Training, University of Pittsburgh, over a period of three years. Twenty-six separate tests were used, including tests of judgment in selling, ability to meet objections, color naming, block counting, and optical illusion; all failed to distinguish between good and poor salespersons.

## PERSONALITY TESTS

Personality plays such an important part in all types of selling that several personality tests have been used in measuring qualifications for this work.

The Personality Inventory, prepared by Robert G. Bernreuter, is designed to measure six aspects of personality: neurotic tendency, self-sufficiency, introversion-extroversion, dominance-submission, sociability, and confidence.

The A-S Reaction Study, by G. W. and F. H. Allport, tests the tendency of an individual toward domination or submission in his social relationships. Men and women who are convincing and aggressive, able to persuade and control others, manifest strong ascendance reactions on this test and reveal personality qualifications commonly associated with success in selling. In a group of

52 men, recently out of college and selected for training in salesmanship, the average score was +13.9 as compared with an average score of -0.9 for a group of 31 water-meter readers.

To measure the introversion or extroversion tendencies of an individual, the Psychological Interview, prepared by R. D. MacNitt, may be used. A similar test has been prepared by A. R. Root, called the New Introversion-Extroversion Test. These tests measure the propensity of a person for finding his satisfaction in the inner life of thought and fancy or in external things. Extroversion, or interest in external, is commonly associated with a favorable sales personality.

### VOCABULARY TESTS

As selling is carried on by means of the spoken word, the correct use of English, a proper choice of words, and an ample vocabulary are fundamental to a salesman's ability to describe the benefits of his product or service. To evaluate an individual's vocabulary, several tests are used.

The Cooperative English Test, prepared by Carpenter, Lindquist, Cook, Paterson, Beers, and Spaulding and sponsored by the American Council on Education, is an outstanding test for measuring English usage, spelling, and vocabulary. This test of 14 pages may be completed in 70 minutes.

Candidates for sales work may check their qualifications for selling as well as their interest in and aptitude for the work by taking the tests previously described under the supervision of a vocational counsel or psychologist. The tests may be procured from the Psychological Corporation, New York, or the Cooperative Test Service, New York. Executives may also use these tests in measuring the qualifications of applicants for sales work.

The authors of many of these tests frankly state that the scores obtained should be regarded as suggestive rather than conclusive. However, the individual who desires a better understanding of himself and an evaluation of his traits in respect to sales work may profit from taking them. The results must, of course, be supplemented by interviews with sales executives, by other objective opinions, or by the experience records of employers in the field in which the individual is interested.

**SALESMEN'S QUALIFICATIONS SOUGHT BY EMPLOYERS**

The personal qualifications of salesmen sought by employers for various types of sales work are also revealed by an analysis of the judgment forms used by sales executives in recording their impressions of candidates. The personality traits listed on these forms may be accepted as significant in determining the qualifications necessary for success in certain types of selling.

**QUALIFICATIONS FOR SELLING AUTOMOBILES**

One of the "big three" manufacturers of automobiles prefers wholesale salesmen who are (1) enthusiastic; (2) able to express their thoughts in a convincing and intelligent manner; (3) industrious.

Retail salesmen of automobiles should have the following characteristics, according to a large motor-car manufacturer: (1) integrity; (2) thoroughness; (3) industry; (4) accuracy; (5) system; (6) ambition; (7) initiative; (8) teamwork; (9) courtesy; (10) knowledge; (11) resourcefulness; (12) courage.

**PERSONAL QUALIFICATIONS SOUGHT IN LIFE INSURANCE  
SALESMEN**

A large life insurance company requires agency managers who interview prospects to rate each applicant on the following personal characteristics, which may be applied also to similar types of specialty selling:

1. What is his character and integrity? (a) Absolutely trustworthy. (b) High character. (c) Good as general average. (d) Somewhat doubtful. (e) Unreliable.

2. Is he sincere? (a) Insincere. (b) Some doubt as to sincerity. (c) No impression. (d) Usually creates confidence. (e) Absolutely sincere.

3. Is he sold on life insurance as a profession? (a) Dubious as to advantages of this work. (b) No definite attitude. (c) Believes in it as a profession.

4. Does he possess enthusiasm, imagination, and ambition? Does he look ahead? (a) Keen interest in the world and his own future. (b) Some enthusiasm and ambition. (c) Vague interest in life and in his own future. (d) Apathetic.

5. Does he possess self-confidence and determination and can he stand punishment? (a) Self-confidence in the face of difficulties. (b) Shows grit. (c) Somewhat easily discouraged and apt to lean on others. (d) Gives up in the face of difficulties.

6. Does he give evidence of industry? (a) May loaf on the job. (b) Will tend to take things easily. (c) Will be fair worker. (d) Will work systematically. (e) Will be consistent hard worker.

7. Does he possess the ability to convince others? (a) Very convincing. (b) Frequently able to bring others to his point of view. (c) Clear but not persuasive. (d) Fails to put his ideas across. (e) Tends to be swayed rather than to sway others.

8. Is he intelligent and familiar with current history and modern business? (a) Quick to grasp situations and use knowledge. (b) Limited grasp of facts and situations. (c) Unable to understand and absorb information.

9. Has he a good command of English? (a) Makes obvious mistakes. (b) Does not express himself well. (c) Unnoticed. (d) Fair command of English. (e) Speaks well and forcefully.

10. Was he successful in his last job? (a) Failure. (b) Poor. (c) Fair. (d) Somewhat successful. (e) Successful.

11. Does he like meeting people and has he social instincts? (a) Really enjoys meeting people. (b) Meets people easily. (c) Shows some strain in meeting people. (d) Dislikes meeting people.

12. Does he have a pleasing personality, good appearance, and bearing? (a) Pleasing personality and favorable first impression. (b) Satisfactory appearance. (c) Colorless. (d) Somewhat unfavorable impression. (e) Unpleasant personality and poor appearance.

13. Does he have good health and physical endurance? (a) Poor health. (b) Health only fair and not much endurance. (c) Average health and endurance. (d) Good health. (e) Excellent health.

#### PERSONAL QUALIFICATIONS SOUGHT IN DEALER SALESMEN OF PAPER SPECIALTIES

An important manufacturer of paper specialties requires his branch sales managers to rate each candidate for selling to retail dealers as excellent, good, fair, poor, bad on each of the following factors, which may be considered typical qualifications of salesmen to the retail stationery and notions trade:

1. Apparent physical condition.
2. Apparent education.
3. Bearing.
4. Personal appearance.
5. Value of previous experience.

6. Character.
7. Resourcefulness and imagination.
8. Cheerfulness.
9. Courtesy.
10. Industry.
11. Sense of humor.
12. Tact.

### PERSONAL QUALIFICATIONS SOUGHT IN DEALER SALESMEN OF SOAP

In interviewing prospective salesmen, the executives of a large manufacturer of soap and grocery specialties look for the following positive and negative personal qualifications which may be considered typical for salesmen to the retail grocery trade:

1. What is his facial expression, physique, carriage, neatness, and appearance? (a) Makes poor appearance. (b) Gives somewhat unfavorable impression. (c) Appearance satisfactory. (d) Good appearance. (e) Creates fine impression.

2. What degree of determination does he seem to possess? (a) Gives up in face of small difficulties. (b) Somewhat easily discouraged. (c) Shows determination. (d) Strong determination in spite of difficulties.

3. What is his character and integrity? Is he frank and straightforward? (a) Character somewhat doubtful. (b) Character as good as general average. (c) Character high. (d) Absolutely trustworthy.

4. How do his manners impress? (a) Rough and grating. (b) Awkward, ill at ease. (c) Not outstanding. (d) Agreeable. (e) Cultivated, pleasing.

5. Does he show initiative, originate ideas? (a) Waits to be directed. (b) Keeps up his end of conversation. (c) Originates ideas readily; strikes out for himself.

6. Is he physically fit for strenuous sales work? (a) Anemic, sickly, too fat; can't stand hard work or bad weather. (b) Fair health, little reserve energy, subject to minor ills. (c) Good physical trim, energetic, eyes bright, skin clear. (d) Great stamina; will almost never lose a day from work.

7. How would you describe his voice? (a) Disagreeable, grating. (b) Slightly unpleasant. (c) Not outstanding. (d) Agreeable. (e) Very pleasant.

8. Does he know modern retail merchandising problems? (a) No experience, no knowledge, no interest. (b) Has given retailing some thought; has hazy ideas. (c) Some retail experience; knows dealers' troubles. (d) Wide retail experience; serious student of problems.

9. Has he good command of language; speaks good English? (a) Limited vocabulary; makes common grammatical errors. (b) Often at loss for words; expresses himself poorly. (c) Expresses himself well. (d) Talks easily; uses wide vocabulary.

10. Is he decisive; does he know his own mind? (a) Indecisive; has difficulty in making up his mind. (b) Does not weigh his decisions; is easily confused. (c) Fairly sure of himself. (d) Arrives at conclusions logically; is sure of himself.

#### CHARACTERISTICS SOUGHT BY EMPLOYERS OF RETAIL SALESPERSONS

An investigation made by the National Vocational Guidance Association of the qualifications of salespersons in retail stores showed that a majority of the employers preferred salespersons with the following qualifications:

Age: minimum, 18 to 21 years.

Education: minimum, high-school graduate.

Experience: not required.

Physical qualities: good health; average height and weight.

Personal qualities: courtesy, helpfulness, interest in people, honesty.

#### SALESMAN'S QUALIFICATIONS JUDGED BY BUYERS

The buyer is the final judge of a salesman's personal qualifications. The traits that make favorable impressions on buyers are those characteristics whose possession contributes to the success of salesmen and whose absence accounts to a great extent for their failure. An evaluation of the traits of successful salesmen of industrial products was made by the professional purchasing agents of seven large industrial corporations who rated 141 salesmen representing producers of metals, machine tools, machinery, rubber goods, leather products, oil, chemicals, and a wide variety of industrial supplies.

Eleven factors of personality were rated by these buyers, including self-confidence, appearance, voice control, aggressiveness, tact, sincerity, courtesy, use of English, enthusiasm, and alertness, in addition to 13 other factors of the salesman's presentation. Each quality of the 74 successful and 67 unsuccessful salesmen was rated on a scale of 100 points.

The personal characteristics of the 74 successful salesmen, rated by buyers and arranged in order of importance, were as follows:

*PERSONAL QUALIFICATIONS FOR SELLING*

Rank	Quality	Rating
1	Sincerity	82
1	Courtesy	82
3	Enthusiasm	80
4	Self-confidence	79
5	Self-control	77
5	Alertness	77
7	Appearance	76
8	Tact	75
9	Use of English	74
10	Aggressiveness	73
11	Voice quality	69

The strongest personal qualities of able industrial salesmen, according to these ratings, are sincerity, courtesy, and enthusiasm; their weakest traits are voice quality, aggressiveness, and use of English.

The variation in personal characteristics of salesmen of the same type of product is shown in the ratings of three above-average salesmen, representing three competing manufacturers of belting, who called on the same day upon the buyer for a large maker of machine tools.

Quality	Rating of belting salesmen		
	A	B	C
Self-confidence.....	90	70	90
Appearance.....	70	50	70
Voice quality.....	85	50	65
Self-control.....	85	50	65
Aggressiveness.....	70	50	70
Tact.....	90	70	70
Sincerity.....	90	70	50
Courtesy.....	90	70	50
Use of English.....	85	70	25
Enthusiasm.....	85	50	75
Alertness.....	85	50	10

A study of the personality ratings of three inefficient salesmen by three other purchasing agents revealed decided weaknesses. Salesman X represented a maker of metal castings; Y, a maker of paper boxes; Z, a producer of bearings.

Quality	Rating of salesmen		
	X	Y	Z
Self-confidence.....	50	90	90
Appearance.....	30	30	50
Voice quality.....	30	10	30
Self-control.....	50	30	10
Aggressiveness.....	50	70	90
Tact.....	30	10	10
Sincerity.....	30	50	70
Courtesy.....	30	30	30
Enthusiasm.....	30	50	90
Alertness.....	30	30	10
Use of English.....	30	30	50

These salesmen showed self-confidence and aggressiveness but a lack of tact and alertness.

#### CUSTOMERS RATE RETAIL SALESPERSONS

The characteristics of retail salespersons were similarly rated by customers of large retail stores in a study made by the Research Bureau for Retail Training to determine which qualities were considered most important. In order of importance they rated as follows: (1) courtesy; (2) friendliness; (3) willingness; (4) appearance; (5) serviceableness; (6) tact; (7) intelligence; (8) adaptability; (9) sincerity; (10) imagination; (11) patience; (12) memory; (13) alertness; (14) enthusiasm; (15) forcefulness; (16) honesty; (17) industriousness; (18) concentration; (19) loyalty; (20) self-confidence; (21) initiative; (22) health; (23) ambition; (24) cooperation; (25) dependability.

In another study of the characteristics of retail salespersons, conducted by Cook and Manson, customers rated personal traits in the following order of importance: (1) interest in customer; (2) ability to display merchandise; (3) alertness; (4) knowledge of merchandise; (5) courtesy.

#### SALESMAN'S QUALIFICATIONS AS DETERMINED BY ANALYSIS OF SUCCESSFUL AND UNSUCCESSFUL MEN

Progressive employers of salesmen have made analyses of the characteristics of their successful and unsuccessful salesmen,



revealing those traits possessed by good men engaged in certain types of selling.

The Monarch Life Insurance Company asked its general agents to rate the character, mental ability, dominant qualities, persuasive qualities, staying qualities, and appearance of their successful and unsuccessful agents.

Of the successful salesmen, 54 per cent possessed the dominant qualities of courage, aggressiveness, confidence, persistency, and determination; 22 per cent possessed the persuasive qualities of sincerity, enthusiasm, tact, self-control, and friendliness; 10 per cent possessed the staying qualities of energy, patience, endurance, health, and concentration. The three factors of dominance, persuasiveness, and persistence represented 86 per cent of the total reasons given for the success of the salesmen analyzed.

Analysis of the failures in the same company showed that 11 per cent of the salesmen failed because of lack of character including honesty, reliability, morals; 14 per cent because of lack of incentive to work; 16 per cent because of the financial factors of indebtedness, extravagance, etc.; 45 per cent because of the lack of dominant, persuasive, and staying qualities.

A similar analysis of the reasons why salesmen fail was made by J. C. Aspley, who asked 103 members of the Chicago Sales Executives Club why some of their salesmen did not succeed. The principal reason for failure among the 624 men reported upon was "lack of industry," which accounted for 196, or 31 per cent, of the failures. Next in importance was "failure to follow instructions," for which reason 72, or 12 per cent, were discharged. "Inadequate knowledge" was responsible for the failure of 72, or 12 per cent of the total. Ten per cent lost out for "lack of fighting spirit." "Lack of determination" was the reason for dropping 65, or 10 per cent of the men. Eight per cent, or 52, of the salesmen were dishonest. A similar number failed through "lack of enthusiasm." "Lack of tact and courtesy" accounted for the failure of 4 per cent and drinking and gambling for a similar number.

#### **SALESMEN'S QUALIFICATIONS REQUIRED BY SALES MANAGERS**

An investigation by the Sales Managers Club of Boston into the personal qualifications desired in salesmen for various types of

product showed that sales managers emphasize certain traits as desirable for selling specific products.

Retail electric-appliance salesmen should possess the following characteristics, in order of importance, according to the sales manager of a large appliance sales organization: (1) personality; (2) health; (3) loyalty; (4) intelligence; (5) imagination; (6) optimism; (7) courage; (8) creativeness; (9) sincerity; (10) confidence.

Pharmaceutical specialty salesmen should have the following personal traits, in the opinion of the head of a pharmaceutical sales organization: (1) health; (2) aptitude; (3) imagination; (4) enthusiasm; (5) honesty; (6) application; (7) reliability; (8) sincerity; (9) intelligence; (10) personality; (11) courage.

Automobile-truck salesmen should have: (1) good health; (2) personality; (3) ambition; (4) intelligence; (5) courage; (6) self-confidence; (7) enthusiasm; (8) tact; (9) application; (10) poise: This is the opinion of the manager of a truck sales organization.

In the opinion of a retail air-conditioning equipment sales executive, their salesmen should be: (1) honest; (2) enthusiastic; (3) intelligent; (4) friendly; (5) self-respecting; (6) tactful; (7) considerate; (8) temperate; (9) loyal; (10) determined.

The manager of a large food sales force says that their salesmen should possess: (1) industry; (2) confidence; (3) judgment; (4) system; (5) tact; (6) personality; (7) optimism; (8) willingness to learn; (9) loyalty; (10) neatness; (11) resourcefulness; (12) helpfulness.

The qualities necessary for success in the sale of office equipment are indicated by leading equipment manufacturers.

Successful selling of addressing and duplicating machines demands the following characteristics in the salesmen: (1) health; (2) honesty; (3) ability; (4) industry; (5) courage. Other characteristics considered desirable are good mental attitude, self-respect, personal appearance, courtesy and good manners, tact, resourcefulness, open-mindedness, initiative, loyalty.

Dictating-machine salesmen should possess traits of: (1) observation; (2) imagination; (3) speech; (4) self-confidence; (5) personality; (6) unselfishness.

#### **ANALYZING AN INDIVIDUAL'S SELLING QUALIFICATIONS**

The first step in determining a man's fitness for a specific sales job is to list the personal qualities found necessary for success in

the job; next, to take stock of his personal assets and liabilities with respect to those qualities.

The individual should first rate himself frankly and without egotism on each of the qualities, using a self-analysis rating form. When he has taken stock of his strengths and weaknesses, he should discuss his ratings with his sales manager or someone familiar with the sales job.

Since it is difficult for an individual to rate his own personality without prejudice, close friends or associates should be asked to pass judgment on the factors listed on the self-analysis form, returning the ratings by mail, unsigned.

In considering the ratings, the traits marked lowest should be singled out for development. The cause of the deficiencies should be determined and exercises carried out to strengthen them. Conferences for personal development should be repeated as often as necessary.

Single out one weakness at a time for improvement. For example, poor memory for names and faces may be improved by following exercises:

1. When introduced, be sure to catch the name clearly; if you do not, ask that it be repeated.

2. Repeat the name in the ensuing conversation as often as possible without making it conspicuous.

3. Write down the names of everyone met each day.

4. Make sharp mental note of the man's appearance, features, build, mannerisms.

5. Break hard-to-remember names into syllables; as Mr. Bowkowski, man bowing to a cow with skis on.

6. Make comparisons; as, Mr. Crane is a bird and a lifting machine.

### SUMMARY

The material in this chapter shows that there is no single characteristic or group of characteristics that ensures success in selling. There are, however, certain outstanding traits common to practically all kinds of sales work which may be considered essentials. These may be classified as mental and physical qualities. The principal physical qualities are health and appearance; the chief mental attributes are self-confidence, enthusiasm, sincerity, courtesy, initiative, and tact.

**Physical Qualities.**—Health is the basic physical quality for salesmen since it affects not only the physical but the mental attitudes of a man, particularly his industry, confidence, enthusiasm, and initiative. Poor appearance, posture, and bearing are directly related to health. Selling is hard physical work and demands that a salesman eat proper food, secure adequate sleep, and get relaxation.

A good personal appearance is also fundamental. It means neat, clean, and inconspicuous dress, clean linen, shoes shined, hair cut, and bearing erect. An unknown salesman is only what he seems to be in the mind's eye of the prospect. If a salesman looks well, the prospect is willing to listen.

Body control is just as important to a salesman as to a baseball pitcher. The salesman who exhibits during interviews such nervous mannerisms as pulling his nose, rubbing his head, and twirling his thumbs detracts from his presentation and annoys his prospects.

**Mental Qualities.**—Confidence is one of the primary mental attributes of a successful salesman. Salesmen are constantly subjected to rebuffs, discouragement, and opposition; unless they are fortified with a good measure of courage and confidence, they will succumb to fear and failure. Knowledge of the market, the product, and the prospect's problem is the surest developer of confidence in a salesman.

Enthusiasm is an indispensable characteristic. Unless a salesman is emotionally aroused about his product, service, company, and proposition, he cannot make others interested in his offerings. Enthusiasm coupled with sincerity converts a monotonous recitation into a glowing, energized story which commands attention and arouses interest.

The insincerity of many poor salesmen has created a general skepticism, in the minds of many buyers, of the veracity of all salesmen's statements. The sincere salesman wins the confidence of customers and secures their business because they know where he stands. Sincerity creates that confidence which is the foundation of permanent buyer-seller relations.

Courtesy and good manners characterize successful salesmen who listen attentively, speak considerately, and defer respectfully to the opinions of others. Courtesy is indispensable in creating good will through friendliness and unselfish service.

Initiative or self-reliance is indispensable to success in selling. Salesmen must be self-starters since they have no one constantly by their side to supervise and motivate them, as in the case of office and factory workers. They must seek out new customers, discover new ways to sell old customers, and pioneer new markets by employing new methods.

Tact is the ability to deal with others without giving offense and a vital characteristic of salesmen who must see each sales problem from the buyer's viewpoint. Differences of opinion arise in every sales interview; unless a salesman adjusts his thinking to that of his prospect, tension develops, friction results, and the sales presentation stalls.

### Problem I

#### PERSONAL QUALIFICATIONS OF SALESMAN

Clifford K. Greene, representing Lustre-Sheen Hosiery Co.

Clifford K. Greene, representing the Lustre-Sheen Hosiery Co., Philadelphia, Pa., manufacturers and distributors of women's silk hosiery, men's silk hose, silk underwear, nightwear, and neckties, sells direct to individual consumers in Portland, Me. Greene is one of 5,000 salesmen employed by his company. He is twenty-five years of age and earned \$2,597.77 in commissions during the past year, which is above average for men in his organization. He began work with his company five years ago as its youngest representative.

Salesman Greene keeps a diary of his daily activities, recording informally the prospects interviewed, sales made, and customers serviced. Two typical days from his diary are quoted verbatim here to illustrate his personal qualifications for this type of sales work.

Friday: Left home at 9 A.M.

1. Called on Mr. C., but reached his office ahead of him. Waited ten minutes until he came in. He didn't want a thing except money, so no sale was made. Saw a girl going into an apartment house wearing a white uniform of a nurse. I watched the door she went into and in about half an hour called back at the same house. Called on a first-floor apartment and found out where she lived and got her name, and went up three flights of stairs and knocked at the door. A figure clad in a negligee answered. She was embarrassed to be caught so, but I asked her if I might step in now after telling her who I was. I got in,

and sold her an order of stockings, and also got about four names of her friends, as leads. One was going to be married soon.

2. Saw the first lead she had given me. Made a sale. I went up the street to call on the girl who is to be married. She was in bed, but her mother came to the door. She was a very sweet person and told me all about her daughter and her future son-in-law. She was very happy over the whole thing. I complimented her on having such a charming daughter—I had seen her picture in the paper. She finally told me to call Saturday, and she would make the appointment for me.

3. Called on Mr. B. He will want something later. Mr. S. was out, call back. Mr. L. was out, call back. Miss H. C. another one of the nurses. Call back as she will be in at 7 P.M.

4. Mrs. H. wanted me to call back Saturday to see her about 9 A.M.

5. Called back at 7 P.M. on Miss H. C. Sold. So far two of my four leads were good for sales, and I have an appointment with the other for Saturday.

6. Saturday: Having an appointment at 9 A.M. with Miss F., I was sure to be on time. Rang the bell at 9 A.M. exactly. Her mother came to the door again. She said that she was very sorry, but she guessed that her daughter wouldn't need a thing. While she was out she had bought everything that she needed, including one dozen pairs of hosiery. Well, things looked bad here. I thought I would have a sure appointment, and now I haven't even met the girl.

7. So, I said to her mother, "You wouldn't mind if I met your daughter, would you? I've heard so much about her." She could see no reason not to, so in I went. In a few minutes out came the young lady. I could see that she was as lovely as her mother had described her. I began to talk of her coming marriage and edged over to my product. She became interested and wanted to see the hosiery. I finally ended up by selling three dozen pairs of our best hosiery, eight slips, six night-gowns, and two dozen pieces of other lingerie garments. It totaled \$197.67—paying me a very good commission. So that was the third lead from the same nurse of the day before. I went directly to the office, quite determined to have special care taken in sending this order so as to have no mistake made.

8. In the afternoon, I went to Sandy Beach and looked over my summer territory. Came back in town and made some calls. Made some appointments for Monday night and also collected a deposit from a nurse.

### Questions

1. What desirable personal characteristics are revealed by the preceding quotation from the sales diary of salesman Green? What undesirable personal characteristics?

2. What personal characteristics are necessary for the successful performance of the type of sales work in which Greene is engaged?
3. Do you consider Greene qualified for the sales work he is doing? Give your reasons.
4. How can an individual determine his fitness for this type of sales work?

## Problem II

### PERSONAL QUALIFICATIONS OF SALESMAN

Guy T. Morgan, representing Industrial Supply Corporation

Guy T. Morgan, representing the Industrial Supply Corporation, Boston, Mass., wholesale distributors of pipe, valves, and fittings, sells direct to large industrial corporations and plumbing contractors in New England. The company employs five salesmen operating out of the Boston office.

To gain a more complete knowledge of their salesmen's methods with the intention of aiding them in improving their techniques, the Industrial Supply Corporation has placed microphones and sound-recording equipment in the offices of purchasing agents of industrial concerns who have agreed to cooperate with the company in securing verbatim records of salesmen's presentations. Every word of the salesman is intercepted by the microphone hidden on the buyer's desk and transmitted to the recording equipment in an adjoining room where it is recorded on wax cylinders and later transcribed into typewritten form.

The following is an authentic transcription of the conversation of salesman Guy Morgan with the purchasing agent of a large transportation company:

1. SALESMAN: How do you do, sir?
2. BUYER: Good morning.
3. SALESMAN: Well, you're a busy man this morning, I take it.
4. BUYER: Yes, I am.
5. SALESMAN: I'm with Industrial Supply Corporation.
6. BUYER: Yeh.
7. SALESMAN: We 'did business with you this quarter and also last quarter and you suggested that I come in in January some time. Thought it possible that you might be able to give us some business.
8. BUYER: Well, you quoted on fittings?
9. SALESMAN: Yes.
10. BUYER: And valves?

11. SALESMAN: Yes.
12. BUYER: I see. Well, your prices on fittings were not attractive. We couldn't do anything on them. We got a better proposition from a manufacturer or jobber or what not. That's the way the thing stands at the minute. It's up to you to have the right price.
13. SALESMAN: On fittings? Yes, I suppose that's so. And I just thought that from time to time you could pick up some fittings from us. We have that in mind. We'd like to get some of those pickups.
14. BUYER: Yeh, we have an occasional pickup, but they're not the rule.
15. SALESMAN: No, I don't suppose so. But we hope that you might be able to find some way to give us some business. We're using your service, but we wouldn't cause you to declare any extra dividends. All business or half business, we would like a little of it. We're located near you and can give you as good service as the next fellow.
16. BUYER: Well, it's a terrible job for us to try to satisfy everybody because we've only got a limited amount of business, and it's difficult for us to spread it around thin enough to take in everybody. We've got eight or ten different people now and they're all kicking because they aren't getting enough. They're all getting something.
17. SALESMAN: Well, we'd like a little of that something. We're looking for business and if we can use more of your service, we'd like to have a little business.
18. BUYER: I'll keep the thing in mind.
19. SALESMAN: All right, thanks, good-by.

### Questions

1. What desirable personal characteristics are revealed by the preceding sales interview of salesman Morgan? What undesirable traits?
2. What personal characteristics are necessary for the successful performance of the type of sales work in which Morgan is engaged?
3. Do you consider Morgan qualified from the standpoint of personality for the sales work he is doing?
4. How can Morgan improve his personal impression on prospects?

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## CHAPTER III

### PRESENTING THE COMPANY

In the process of making a sale, the reputation of the selling company is often a significant factor. Impressed by names which have become "buy-words" through the expenditure of millions of advertising dollars, customers are yielding to the magic of company prestige. Unconcerned with "reasons why" or unable to judge the intrinsic merits of a product or a service, buyers are accepting the good name of a seller as ample guarantee of future satisfaction. With price, quality, and construction of many products almost identical, the deciding factor in many sales transactions is the reputation of the seller to give satisfactory service. The expansion of delivery, maintenance, supply, repair, installation, distribution, and other services by sellers has shifted the emphasis in many cases from the intrinsic merit of the product to the ability of the selling company to provide these accommodations.

A recent survey of buyers' motives confirmed the importance of company prestige by showing that the qualities of a product entered into a sales transaction to the extent of only 15 per cent; 85 per cent of the motives that induce purchasing are the standing of the seller, good will for the company, reputation for service, and similar factors.

The sales importance of company reputation and policies varies with the type of product sold. In a sale to individual consumers, of necessities and unbranded staples of small unit sale price such as pins, cloth, and writing paper, the standing of the selling company is of little importance. However, in the sale of luxuries and specialty products, the reputation and policy of the seller are of real concern to buyers. In purchasing mechanical specialties, the reputation of the selling company for giving satisfactory mechanical service is of primary significance to the purchaser.

Intangible services are sold largely upon the reputation of the selling company for delivering the service promised. Such intangibles as insurance, investments, and advertising are sold largely

through the confidence of the buyer in the offering company, its personnel and policies.

The significance of the standing of a selling company in a transaction varies also with the type of purchaser. Industrial buyers of technical goods as well as of large quantities of raw materials and supplies are vitally concerned with the resources, policies, and facilities of their principal suppliers. Individual consumers, on the other hand, are little concerned with company reputation except in the purchase of large units of sales price items.

Wholesale and retail distributors who purchase specialties from manufacturers for resale are much interested in the size, location, resources, personnel, and policies of companies whose products they distribute. Exclusive distributors of large sale price commodities are especially concerned with the responsibility of the manufacturers whom they represent.

The reputation of a company has become such an important factor in selling that many firms have established a definite book value representing the good will of their customers. The company name and prestige of a large tobacco-products concern is valued at fifty-four million dollars. A large automobile manufacturer estimates its name is worth fifty-one million dollars; another motor-car producer values its company reputation at twenty-five million dollars. These values do not represent the tangible assets of these companies, their plants, and physical equipment, but merely the worth of their corporate names. These values have been created by the confidence of buyers in the principles and policies of these organizations.

#### IMPORTANCE OF COMPANY KNOWLEDGE TO SALESMAN

Not only are the resources, policies, and reputation of a selling company important considerations to many buyers, but a knowledge of these company values is of equal concern to the morale and loyalty of the salesmen who represent it. The loyalty, faith, and enthusiasm of a salesman have their inception in a thorough knowledge of his company's history, policies, resources, and personnel. Until a salesman knows that his company is headed by the type of men he can trust and respect and that its success is founded on sound policies, he cannot successfully sell his house to a prospect.

The confidence of a salesman in his house comes through his knowledge that the founders of the business adhered to principles of right dealing, quality materials, fair prices, and equitable distributing policies during good times and bad for many years.

The interest of a salesman is aroused by his acquaintance with the history and personnel of his organization. His enthusiasm is stimulated by the knowledge that the business had a small beginning, experienced early failures, and finally won success. Such knowledge creates in him an intangible regard for his firm and a respect for its founders.

A salesman's familiarity with his company's progress and personnel also creates an emotional bond between the man and his organization and gives him a feeling of belonging to his firm which manifests itself in his enthusiasm and dealings with prospects and customers.

Knowledge of company organization also shows him his opportunities for advancement, reveals his relation to other personnel in the company, and creates confidence in the scope of the business.

#### WHAT A SALESMAN SHOULD KNOW ABOUT HIS COMPANY

Analysis of the sales training programs of America's leading sales organizations shows that these progressive companies expect their salesmen to be informed about the following features of the company: (1) history of the company; (2) executive personnel; (3) personnel and labor relations; (4) plants and branches; (5) financial status; (6) management policies; (7) distributing methods; (8) organization; (9) research and inventions; (10) competitive position; (11) sales volume and prices; (12) office routines; (13) social responsibilities.

**1. History of the Company.**—The history of every successful business is replete with numerous interesting incidents of the courage, initiative, and resourcefulness of the founders, which serve as excellent illustrative material in sales presentations and at the same time stimulate the morale and heighten the pride of salesmen in an organization.

Salesmen should be informed about the following features:

1. When, why, and how company was established.
2. The conditions under which the business was started, financial, territorial, trade, etc.

3. The founder and his principles.
4. Location and size of original plant.
5. Products originally made and type of trade served.
6. The difficulties encountered in establishing the business.
7. Methods of distribution first employed.
8. Labor relations.
9. Advertising and publicity campaigns.
10. Mergers and expansions.
11. Sales policies.
12. Growth and development of the business.
13. Changes in nature of business.
14. Addition of new lines and brands.
15. Changes in territories and markets covered.
16. Interesting incidents in early history.
17. Start and development of foreign trade.
18. Plant expansions.
19. Changes in official personnel.

Company history may be compiled by executives long associated with the organization, the advertising department, or professional writers and published in sales manuals; formal histories are sometimes issued, such as "The Medal of Gold," written by W. C. Edgar and published by the Washburn Crosby Co.

Incidents from the history of a company illustrate the principles of the founders which make it distinctive. An example of such an incident, from the history of the Studebaker Corporation, shows how a historical anecdote may be used to convince prospects and inspire salesmen of the soundness of company policies.

John M. Studebaker, one of the founders and for many years head of the Studebaker organization, would never read any of the thousands of letters of praise that came from the owners of Studebaker wagons and fine carriages and, later, automobiles made by the company. He instructed that they be courteously acknowledged by an assistant. On the other hand, he insisted that every letter of complaint be brought to his personal attention. The reason that he gave was that letters of congratulation were likely to make him too well satisfied with the product as it was made, and he knew that such an attitude would be fatal.

**2. Executive Personnel.**—A hundred years ago, the head of a business was personally acquainted with all his trade and employees. The customers of the village shoemaker had respect for the man and regard for his products because they knew him

intimately. However, with the expansion of business organizations, the personal relationships between seller and buyer and employer and worker, in many cases, have disappeared. In a few companies the personalities of the executive heads have not been submerged.

Henry Ford and his son, Edsel, personalize the Ford Motor Company. The late Charles M. Schwab personalized the Bethlehem Steel Corporation. The personality of the late Walter P. Chrysler was publicized by the Chrysler Motor Company to keep alive the spirit of personal relationship between producer and consumer.

Buyers prefer to deal with individuals rather than inanimate corporations. Salesmen can individualize their organizations by interesting prospects and customers in the personalities of major executives and, in this way, can revive the spirit of loyalty and good will which once characterized the personal relationships between buyers and sellers.

The loyalty of salesmen may also be enhanced by acquainting them with the accomplishments of company executives. Salesmen should have the following information about them, including directors, administrative staff, field officers, and department heads:

1. Age.
2. Place of birth.
3. Education.
4. Other business connections.
5. Interests and hobbies.
6. Official position in company.
7. Progress in company, positions held.
8. Memberships in organizations.
9. Honors received.
10. Club memberships.
11. Family history.

Anecdotes about the founder or head of a business illustrate the character of the executive personnel and serve as an inspiration to salesmen and customers. An example, from the history of the George E. Keith Company, shoe manufacturers, recounts the early experience of the founder as follows:

George E. Keith, at the age of ten, began making shoes with his father in a little back room in his home. He worked at the bench until twenty-one years of age, when, having saved about \$1,000,

he established a business of his own, giving employment to ten people. From this humble beginning has grown the present plant which now employs 7,000 people and manufactures more than 20,000 pairs of shoes daily.

**3. Personnel and Labor Relations.**—The number of employees in all departments of a business and the increase in personnel during the time the company has been in existence are facts that should be known and used by salesmen as evidence of the scope and expansion of their organization.

The number of veteran employees with a company testify to the stability of the firm and fairness of its labor policies. Many companies have twenty-five-year clubs, composed of employees who have been with the company a quarter century or more. One shoe manufacturer has 164 employees in this class, two of whom have been with the company fifty years, one for forty-seven years, and 21 for forty to forty-five years.

If employees are well paid, steady, and efficient, the quality of the products which they make will reflect the company's fair treatment of the workers. Profit-sharing plans, group life insurance, home-ownership plans, pension and retirement programs, relief and loan associations, and educational activities, all for the purpose of improving the welfare of employees, are excellent sales material. The facts about such programs should be known and used by salesmen.

The labor relations of a company give evidence of the soundness of its policies and the attitude of workers affects the quality of the product very materially. A fair rate of pay, regular employment, and freedom from strikes, all contribute to sound employee relations, which mean a better product, better service for customers, and substantial selling facts for salesmen.

**4. Plants and Branches.**—The size, number, and location of the plants and branches of a company reveal not only producing and distributing resources, but also the ability to give prompt service and fair prices to customers.

Plant and branch location has a definite bearing on prices as affected by transportation charges on incoming raw materials and outgoing finished products. The factory located near the hub rather than on the rim of the market is in a position to enjoy low delivery costs—a strong sales argument. The factory located near the source of its raw materials has a cost advantage which

may be reflected in its prices. Location also gives an advantage in the handling of shipments by rail, water, or truck.

An abundant supply of skilled labor is often dependent on plant location. A shoe plant located in eastern Massachusetts may make a high quality product by employing workers whose families have made high-grade shoes for several generations. Salesmen who sell goods produced in areas where skilled labor is available have strong quality sales points.

A large food-products concern, whose plant is located in the country, has found sales advantages in manufacturing where clean air and sunshine furnish ideal sanitary conditions, where operating expenses are reduced, and where employees are freed from the difficulties of commuting to the city.

Salesmen should be familiar with plant capacities which are indicative of company size and ability to satisfy unusual demands. The total square feet of floor space occupied, the number of buildings, acreage covered, number of machines, shipping facilities, all create a favorable impression on salesmen and prove to prospects the seller's capacity to serve.

**5. Financial Status.**—Buyers of large sale price commodities and services are interested in the financial responsibility of companies from which they purchase. They are concerned that a supplier may suffer financial reverses, go out of business, and fail to make deliveries to customers according to contract. Distributors and consumers may be left with an orphan product for which there is no demand, parts, or service. Salesmen must be acquainted with their company's financial condition to enable them to prove its permanence and financial soundness.

Salesmen should be informed about the following features of company finance:

1. Present capital structure.
2. Regular dividend rate.
3. Extra dividends.
4. Comparative sales, earnings, and taxes for several years.
5. Earnings per share of present stock.
6. Number of stockholders.
7. Total assets and liabilities.
8. Increase in assets by years.
9. Reserves.

**6. Management Policies.**—The management policies of a company are definite rules which have been adopted to guide it in its



dealings with employees, suppliers, distributors, and consumers. Since some of these policies are involved in every sales transaction, it is imperative that salesmen be thoroughly familiar with all of them and know how to use them to support claims, answer objections, and secure orders. Sales policies are usually found printed in policy books or manuals for the information of salesmen and executives.

The basic company policies that should be completely understood by salesmen include the following:

- |                              |                                |
|------------------------------|--------------------------------|
| 1. Profits.                  | 8. Competition.                |
| 2. Prices and terms of sale. | 9. Mechanical service.         |
| 3. Claims and adjustments.   | 10. Advertising and promotion. |
| 4. Quality of product.       | 11. Personnel relations.       |
| 5. Credits and collections.  | 12. Guarantee.                 |
| 6. Exclusive sale.           | 13. Export.                    |
| 7. Method of distribution.   | 14. Brand.                     |

An illustration of how a basic profit policy may serve as a strong sales argument is found in the case of a well-known automobile manufacturing company which for many years has had a policy of limiting its own profits in order to give greater value to the buyers of its cars. This company maintains that it has not taken more than 10.6 per cent profit from the customer's dollar while few competitors have taken less than 15 per cent. This policy is used effectively by the salesmen of this company in selling its product.

Not only is it necessary for salesmen to know company policies, but these policies must be explained to salesmen so that they will understand their merits and realize why they are superior to the policies of competitors.

**7. Distributing Methods.**—The distribution policy of a manufacturer of household appliances is to sell exclusively direct to consumers. All competitors distribute through wholesalers and retailers. The company explains its policy of direct selling to its salesmen so that they may defend it in discussions with prospects and customers as follows:

We sell direct: (1) because there are so many items in our line which have a wide variety of uses that they require personal salesmanship and demonstration in the home; (2) because our line has proved of sufficient importance to warrant our training men to become expert in demonstrating in the home; (3) because direct selling permits an actual

demonstration in the home and helps the customer to appreciate the value of the product; (4) because the past experience of the company is evidence that the public values our selling direct.

**8. Organization.**—Business organization is necessary to ensure proper supervision, to allocate responsibility, and to prevent duplication or repetition of duties. So that salesmen may know their relationship to other members of their company organization, it is important that they be provided with company organization charts upon which are drawn the relative positions of major executives, staff officers, executive assistants, field and branch managers, supervisors, and salesmen. Detailed descriptions of the duties of each of the executives shown on the charts will clarify their functions in the organization.

Such charts also serve as an incentive to salesmen by revealing the opportunities for advancement in the company. Furthermore, salesmen are given greater confidence in their organization through a better knowledge of its scope and relationships.

**9. Research and Inventions.**—Research and product development are two of the most significant features of the work of progressive industrial companies today. Improved products, greater variety of uses, lower costs are all of interest to buyers and originate in company laboratories.

Every salesman should know and use the facts of his company's research and new product developments. Prospects and customers should be told the amount of the company's annual investment in research, number of research personnel, value of equipment used in experiments, experience of the technical staff, organization for product improvement, and other details of its research equipment as well as accomplishments.

The following description of the activities of a well-known manufacturer of floor coverings illustrates the facts that salesmen should know about company research activities:

A very important department in the business is called the "Planning and Development Department." This department has two main divisions, the first of which deals with research engineering, that is, the development of entirely new types of plant machinery; and the second deals with various classes of typical research work, such as laboratory, market, and product research. The personnel of this department comprises men of inventive and investigative turn of mind. The Laboratory Research Division of the Planning and Development Depart-

ment is constantly endeavoring to better existing formulas or to create entirely new ones. The production and engineering departments are also on the lookout, first, for better machinery and, secondly, for better methods of operating and controlling what we already have.

In its instructions to salesmen, a large motor-car manufacturer says,

Our engineers have in the past pioneered a great many of the improvements which are accepted as standard in most cars today. Yet during the past few years the amount spent annually for research and engineering has been trebled. Besides this, millions have been spent on engineering and research buildings, laboratories, equipment, and a million-dollar proving ground.

Aside from the value of this information in closing sales, no more stimulating facts can be cited to improve the morale of the salesmen of this company and give them confidence in the product.

**10. Competitive Position.**—To meet competition effectively, a salesman should know the competitive position of his company or its relation to other companies making similar products or rendering comparable services in the same industry.

Salesmen should be informed about the following features of competing companies:

1. Sales volume.
2. Basic sales policies.
3. Financial stability.
4. Management.
5. Methods of distribution.
6. Plants and branches.
7. Products.
8. Research and inventions.
9. Labor relations.

A knowledge of the products and policies of competing companies enables salesmen, when called upon, to answer questions about competition and make comparisons. Salesmen also acquire confidence through the recognition of their competitive advantages.

**11. Sales Volume and Prices.**—The volume of company sales, in total and by various items over a period of several years, should be known to a salesman and discussed as evidence of company progress and product popularity. Sales volume should be

expressed in dollars and cents as well as by units of sale, such as pounds, cases, or gallons.

“ Salesmen should be familiar with the comparative prices received for various company products over a period of years. Should these reveal that customers are getting more goods or service at lower costs, salesmen would have a significant selling argument. For example, The General Electric Company in 1921 made Mazda electric lamps which cost consumers 45 cents each. Today, a lamp of the same rating costs but 13 cents, and consumers receive 80 per cent more light for their lighting dollar than in 1921. This specific instance is excellent sales ammunition to prove the fairness of prices and the contribution of company research toward lower costs.

The increasing number of customers served by a company over a period of years is evidence of its satisfactory service. This information may be used effectively by salesmen in interviewing prospects and customers.

**12. Office Routines.**—Salesmen should be familiar with the office routines of their company, particularly those involving the handling of an order, the invoicing system, the accounting procedure, the claim and adjustment routine, etc. Through a knowledge of these systems, they can cooperate in facilitating the clearing of office work and improving service to customers.

An example of the information that should be given to salesmen is the following procedure set up by a builders' hardware company for handling special orders:

1. Credit department approves.
2. Sales or contract department checks prices.
3. Order department, component parts inserted, order written up.
4. Stock and material purchase department.
5. Order department writes factory orders.
6. Orders cross-indexed in order department.
7. Procedure of order in factory.
8. Shipment of order.
9. Scheduling of orders.

**13. Social Responsibilities.**—The growing social responsibility of industry in recent years has led many companies to justify to prospects and customers their existence from the standpoint of their contribution to public welfare. Salesmen should know and discuss the contribution of their company to the relief of

unemployment, through increase in the number of employees over a period of years. Company aid to greater purchasing power may be expressed in steadily growing payrolls and increases in the individual earnings of employees.

Work provided by the company to employees in other industries, which supply the company with materials for manufacture, may be computed. It is estimated that every automobile sold creates from 600 to 2,000 hours of work; an electric refrigerator creates 300 hours of employment; a radio, 20 hours of labor.

A food-products manufacturer estimates that its 3,664 employees provide security for a total of 14,656 persons, a small but distinct contribution to the welfare of the country.

Salesmen should be informed of the facts regarding the contributions of business to social welfare so that they can defend their organizations, and industry as a whole, against the attacks of opponents of the capitalist system.

#### SOURCES OF COMPANY KNOWLEDGE

Salesmen may obtain information about the thirteen important company policies and activities just described, through conversations with company officials, by reading sales manuals, company advertising, and published financial statements, and through contacts with old employees. In some cases, this information is collected by progressive companies and made available currently to salesmen. However, salesmen are often obliged to gather company facts through their own initiative.

#### HOW A SALESMAN SHOULD USE HIS KNOWLEDGE ABOUT HIS COMPANY

Most beginner salesmen and students of salesmanship assume that knowledge of a company, its policies and its product, is sufficient to achieve success in selling. Accordingly, they read books on salesmanship, confident that the knowledge which they obtain therefrom will make them proficient.

However, knowledge alone is but a part of the equipment of a good salesman. *Skill* in using knowledge—the ability to apply sales information or, in other words, to translate principles into practice—is the foundation of an individual's success in selling. Many mediocre salesmen possess much knowledge about their job; their weakness lies in their inability to use it effectively.

Success in selling depends largely on the exercise of skill and may be compared to success in playing golf, tennis, or similar games. A golf enthusiast may read many books and have much information about the technique of a sound golf stroke, but he has not learned to play until he has taken a club in his hands and put his knowledge into practice.

Skill in selling cannot be learned from books, by listening to lectures, taking part in discussions, or even by watching a good salesman in action; the first step in acquiring this skill is to analyze a selling job or break it down into specific problems.

Having chosen for study a problem or segment of the sale, the next step is to *organize the knowledge* bearing on that problem so that it may be readily put into use. The simplest, most practicable method of translating selling knowledge into practice is by means of *routines* based on the practices of successful salesmen. Webster defines "routine" as "regular procedure adhered to through habit." When confronted with a sales problem, a good salesman has a habitual manner of attacking it. After acquiring an effective habit of solving his difficulties, a good salesman develops that habit by practice until he is proficient.

Outstanding salesmen habitually use their knowledge of company history, personnel, plants, finances, policies, distributing methods, research, organization, in the five following ways, which taken together form a routine for presenting the company.

#### *Routine for Presenting the Company*

1. Use company facts of significance to the buyer.
2. Relate company facts to buyer's motives.
3. Use company facts to support specific claims.
4. Use company facts to answer objections.
5. Use company facts to arouse general interest of prospects.
6. Use company facts to meet competition.

**1. Use Company Facts of Significance to the Buyer.**—Company facts and history in themselves means little to buyers. They must be related to the needs, wants, or motives of purchasers. If company information is interpreted or explained by a salesman in terms of a prospect's desire for safety, style, comfort, or profit, dull facts then become effective sales arguments.

**2. Relate Company Facts to Buyer's Motives.**—In order that company information may be readily related by a salesman to the

*Automobile Buyer's Motives:  
Style, Beauty, Smartness*

*Company Facts Relating to  
Style Motive*

Company has new department known as Designing Section manned by experienced artists and craftsmen. It designs, not only bodies, but interior trimmings, upholstery, fittings, panels, etc.

Company conducts surveys of motorists to determine preferences on style features.

Company makes annual investment of a half-million dollars in styling.

Fifty clay models made annually by company for use in selecting styles for new models.

Mr. A., world-famous designer who has created streamline trains and ocean liners, heads the company's Designing Section.

*Automobile Buyer's Motive:  
Safety*

*Company Facts Relating to  
Safety Motive*

A special group of company research engineers devote their efforts exclusively to the safety problem.

The company makes exhaustive tests for safety at a million-dollar proving ground.

The company made the first all-steel body. It was first to use safety glass.

The company cooperates with the national highway safety movement and has been active in promoting highway safety through the sponsorship of safe driving organizations.

specific motives of a prospect, it is necessary for him to collect and group his facts under the heading of the common motives for his product or service. For example, the principal motives or desires that induce people to buy automobiles are comfort, performance, reputation, style, safety, economy, and service. Some buyers may be interested in style, others in economy, still others in performance. The job of a salesman is to discover the motives or desires of his prospect and to discuss such company information as applies to those desires or interests. To do this, a salesman must organize his company facts by motives. .

Selecting two of the above motives, style and safety, as examples, an automobile salesman may collect under these headings such typical facts relating to each motive as shown on page 79.

Company facts should be collected under the various buying motives as just illustrated and the salesman should memorize or become so familiar with each group of facts that he can use them as though his mind were a slot machine. If a prospect pushes one particular motive lever, he gets from the salesman the corresponding answer or group of company facts. If a prospect happens to have another motive, he figuratively pushes another motive lever and the salesman gives him another set of company facts.

If a prospect does not volunteer a motive to which a salesman can relate company facts, the salesman should seek to discover the prospect's needs or motives by tactful questioning, by observation during the interview, or by securing permission to make a detailed analysis of the prospect's situation.

**3. Use Company Facts to Support Specific Claims.**—In presenting facts to support a claim for fair price, good quality, demand, service, performance, etc., a salesman should use pertinent details of his company's history, organization, and policies in his presentation.

The principal advantages of the product or service, from the standpoint of a purchaser, should be listed by the salesman. Then company facts supporting each of these advantages should be grouped under each advantage. For example, salesmen selling a popular make of fountain pen to dealers find that one of their chief selling points is the strong consumer demand for this pen. Accordingly, company facts are collected to support the claim of strong consumer demand, as follows:



1. Increasing sales volume of company over period of years by units and dollars.
2. Number of company pens in use.
3. Extent of distribution, number, and increase in distributors.
4. National advertising policy.
5. Company in business quarter of a century.
6. Competitive position; sales compared with competitors.

Another example of relating company facts to product qualities will illustrate how this should be done. An automobile-tire manufacturer claims a superior quality product. The following company facts support the salesman's argument for quality:

1. For past twenty-five years more people have ridden on these tires than on any other kind.
2. Company is world's largest tire maker.
3. Company owns and operates its own rubber and cotton plantations.
4. Company operates eight complete tire factories.
5. Company guarantee and adjustment policy.
6. List of satisfied customers.

**4. Use Company Facts to Answer Objections.**—As company facts may be organized and used effectively to support claims, they may be employed equally well in meeting objections of prospects. The principal objections met by the salesmen should be listed and company information collected to serve as an answer to each.

Salesmen of a shoe manufacturer, for example, meet the following objections from shoe retailer prospects: "Why should I disturb my present line"; "I'm satisfied with the company supplying me." Company facts may be marshaled to meet such an objection, as follows:

1. The size of the company, a daily capacity of 20,000 pairs, insures a low overhead and lowest prices.
2. The buying power of the company, over two million skins and a million yards of cloth lining annually. Dealers benefit through low prices.
3. The company is represented in over 102 countries.
4. More than 6,000 dealers carry the line.
5. Company policy of exclusive agency protects distributors.
6. Founder was first shoe manufacturer to sell direct to the retailer.

Although the objections encountered by salesmen are numerous, some type of company information may be found to refute effectively nearly every argument of prospects.

**5. Use Company Facts to Arouse General Interest of Prospects.**

Some dramatic event in a company's history, a piece of original research, unusual growth, or outstanding accomplishments of executives, described by a salesman, will "break the ice," secure the attention of prospects, or arouse the interest of customers. If a company or its products participate in a current event of national interest, if it constructs a new plant or guarantees 300 days of employment a year to its workers, there is a wealth of sales material for a skillful salesman in each of these events.

The transatlantic flight of the largest commercial passenger-carrying aircraft ever conceived is a salesworthy event for the manufacturers of the products used in its construction and operation.

The construction of the 200-inch Palomar mirror, the largest single piece of glass ever made, which will increase thirty-fold the present volume of the stellar universe, is an accomplishment to stir the interest of the dullest prospect of the glass manufacturer.

Large and small companies are daily making commercial history which is brimful of sales arguments for salesmen with the imagination and skill to employ them in sales presentation.

**6. Use Company Facts to Meet Competition.**—When a prospect or customer shows preference for the resources, policies, or personnel of a competing company, the salesman should introduce his company facts to refute the claims of a competitor. A sound knowledge of competitive position is necessary in such a situation. Direct reference to the resources or policies of competitors should be avoided, but full company facts should be used to dispose of arguments of competitors for greater size, resources, or better policies.

For example, a prospect says that he prefers to buy from a competing company because of its financial stability. In this case, the salesman should present his company's financial facts to prove the soundness of its monetary position. No mention need be made of the finances of the competing company. Such facts as the company's cash on hand, inventory, accounts receivable, and property owned should be known and used by the salesman in meeting competition.

This six-point routine for presenting company information gives a salesman an organized standard procedure for utilizing his data. However, this must be supported with complete

knowledge of buyer's motives, sales features, and objections related to a specific product, service, and company.

### Problem I

Alfred Martin, representing the Walker-Rand Company

Alfred Martin is one of eighteen salesmen representing the Walker-Rand Company, advertising printers of New York City. This company specializes in the creation and production of all forms of direct advertising including catalogues, booklets, house organs, folders, illustrated four-page letters, posters, window displays, and blotters. Their salesmen contact large users of direct advertising in New York City, seeking to interest them in the advertising research, planning, production, and distributing services of the company. This company is equipped to handle an entire direct advertising campaign costing several thousand dollars or a single piece of printing.

One of the principal problems of the Walker-Rand salesmen is to obtain the confidence of advertising managers in the ability of the organization to render a confidential and highly specialized service to users of direct advertising. The company must become acquainted with the sales plans and policies of its clients and work in close personal relationship with them in the creation of direct advertising.

The advertising manager of a large manufacturer of boilers, radiators, and heating equipment, located in New York City, has secured stenographic records of the sales presentations of several salesmen calling at his office. Alfred Martin was one of those whose interviews were recorded. The following is the stenographic record of his conversation with the advertising manager:

1. SALESMAN: Good afternoon, sir. Martin is my name—Alfred Martin with the Walker-Rand Company, advertising printers. This is an exceedingly unconventional way to solicit advertising by just walking in cold, but we had a little meeting yesterday and we decided to take the names of companies and just go in and see them. We are a moderate size concern. We have no experience whatsoever in your particular field to date. The nearest we came to it was the Blank Heater Company. That is about the nearest we came. But I wanted to know if there was any chance in your mind.

2. BUYER: The Brown Company has handled our account since 1924, in good years and in bad. They know our problems, and for that reason we would not contemplate any change.
3. SALESMAN: Yes, it would be very doubtful if you did. But, I just walked in here cold. I don't know a damn thing; the chances were in my mind (a) if you were thinking of making a change, and (b) if you would give us an opportunity.
4. BUYER: Boy, I wish we could get business on that basis.
5. SALESMAN: Oh, I told you when I came in what prompted the call, but I imagine my batting average will be about zero over a period of a month. I just wanted to prove to myself that it wouldn't work. Well, anyway, that's that. Good day, sir.

### Questions

1. Did the salesman, in this case, present his company effectively to the advertising manager? State specific weaknesses or strengths in the presentation of the company by the salesman.
2. What information should the salesman have given the prospect about the Walker-Rand Company?
3. How should the salesman have obtained company information to present to the advertising manager?
4. How would you apply the routine for presenting company facts to this case? Assuming company facts, apply them to each of the four steps of the routine for presenting the company.

### Problem II

Peter G. Goodman, representing the Carson Stationery  
Company

The Carson Stationery Company, established in 1905 in Bridgeport, Conn., produces fine copperplate engraving and makes high-grade invitations, wedding announcements, and calling cards. In addition, the company lithographs commercial stationery. Two separate sales organizations are maintained: one group engaged exclusively in selling copperplate engraving to individuals, schools, and social organizations; the other selling letterheads and envelopes to commercial organizations. Plants are located in Bridgeport, New Haven, and Hartford, Conn.

Peter G. Goodman is one of 20 salesmen selling the commercial stationery to banks and purchasing agents in Connecticut, Pennsylvania, and New York state. His headquarters are in New York City.

The following interview took place in the office of the purchasing agent of a large chemical-products manufacturer located in New York City. Salesman Goodman is interviewing Mr. King, the buyer, with the intention of selling him business stationery:

1. SALESMAN: I'm with the Carson Company.
2. BUYER: I've heard of your company, but I thought they did copperplate engraving work.
3. SALESMAN: Our work is with the supply departments of companies. Frankly, this is a cold call. I should have sent you a letter.
4. BUYER: Someone has been in from your company. Is your plant in Connecticut?
5. SALESMAN: Yes, in Bridgeport. I don't know of anyone else who could have seen you. The copperplate engraving is only a part of our business—about one-fifth. The other is the commercial stationery production. Was the man's name Jones?
6. BUYER (looking through business cards): I can't tell you his name.
7. SALESMAN: We have three plants—Bridgeport, New Haven, Hartford. One thing, Mr. King, we have a separate sales force. One man handles only copperplate engraving and he isn't at all interested in the commercial stationery.
8. BUYER: We do all of our own stationery buying on a competitive basis.
9. SALESMAN: Let me show you something which we did for the textile field—The Blank Company. (A discussion of stationery samples follows.)
10. BUYER: I am interested in the paper they use in their letterhead. I see that their plant is located in Tennessee.
11. SALESMAN: I haven't seen the plant, but I understand it is very modern. That was printed by us in Bridgeport. That is the deep-etched offset process and the Bridgeport plant is the only one where that type of work can be done. The only adverse criticism of the letterhead came from New England. They thought the job should have cost less and the difference in cost be passed along as a longer discount. Here is a series in the publishing field which has attracted considerable comment. These are the first three and there will be a series of twenty-four.
12. BUYER: Did you design these?
13. SALESMAN: We planned some of the designs, but most firms design their own.
14. BUYER: Who designed these?
15. SALESMAN: They did. They paid us the compliment that this series is better than anything that they had ever seen. Each

manufacturer, of course, has his own problems. All that we can do on the first call is to tell you what we can do and you have to do the rest. (Smiling.)

16. BUYER: As I told you, we buy our stationery on a competitive basis and it doesn't leave much room for designing organizations. It takes more time to tell an outsider what you need than it does to go ahead and do the job from here. There's no saving; there is a loss of time.
17. SALESMAN: We have a plant of our own that we would like to keep busy and our prices are certainly in line.
18. BUYER (pointing to samples): There is some of the work we turn out. We stick to the style which we have established.
19. SALESMAN: A man who is doing the same thing day in and day out is apt to get stale. An outsider who has a fresh point of view can oftentimes be of real assistance.
20. BUYER: My criticism is that I haven't the money to put into all the things I'd like to.
21. SALESMAN: Well, maybe things will change. Maybe we can go over it sometime again and you can give me some of the details of your problem. I will see you again.

### Questions

1. Did salesman Goodman present his company effectively to the purchasing agent in this case? State specific weaknesses or strengths in his presentation.
2. What information should he have given to the buyer about the Carson Stationery Company?
3. Should this buyer be concerned with the reputation of the salesman's company? Why?
4. Apply the four-point procedure or routine for presenting company information to this situation. Assume company facts.
5. What was the buyer's principal motive in this case? What company facts might be related to that motive?

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## CHAPTER IV

### PRESENTING THE PRODUCT OR SERVICE

If a salesman is not thoroughly familiar with his products or services, if he does not know what they are and what they will do for buyers, he has no foundation for success in his work. It is sometimes said that salesmen should not know too much about what they are selling. If they know too many product facts, they will bore buyers with confusing technicalities, annoy prospects by attempting to impress them with a display of information, or fail to concentrate on the essentials. On the contrary, salesmen cannot know too much about their products and services, provided they emphasize the really important facts and know how to use them effectively in their presentations. Properly used, the more information a salesman possesses, the better able he is to close sales.

A salesman needs this knowledge in order to describe product features or service advantages, to overcome objections, to answer questions, and to acquire confidence in the merit of his offerings.

The importance of this knowledge, in the success of a salesman, depends first upon the nature of the product or service, its simplicity or complexity. The knowledge required by a salesman of life insurance is obviously much more extensive than that needed by a wholesale salesman of condensed milk. The number and variety of products represented by a salesman have a bearing on the amount of product information he can retain or use. No salesman can carry in his mind every fact about every one of a long line of items. He must concentrate and know the outstanding facts about his most important products. The type of buyer with whom a salesman has to deal determines also the amount and character of his information. Buyers as a whole are becoming better informed about commodity values. This places a greater knowledge requirement on salesmen. Salesmen of technical products, bought by professional purchasing agents, are called upon for much information about their goods and applications.



### WHAT A SALESMAN SHOULD KNOW ABOUT HIS PRODUCT OR SERVICE

In considering what specific product or service information a salesman should have, it must be recognized that thousands of facts might be learned about even the simplest product, most of which would have no significance in making a sale and would merely confuse the salesman. Few salesmen could keep so many facts in mind, much less use them effectively in a presentation. Accordingly, instead of learning a large number of product facts, a selection must be made, by the salesman or the management, of the major sales points for each product and these must be firmly fixed in the salesmen's minds. The principal selling points of a product will be found in the following classifications: (1) product-buying motives and applications; (2) distinctive-product characteristics; (3) raw materials; (4) processes of manufacture; (5) development of product or service; (6) competitive position; (7) supply of product; (8) name of product; (9) container of product; (10) relation to other products in the line; (11) production policies.

**1. Product-buying Motives and Applications.**—The various ways in which a product or service may satisfy needs and give profit and satisfaction to purchasers should be known by the salesmen. Knowledge of uses and applications is usually of greater importance to a salesman than information about product construction since purchases are made to satisfy needs rather than to acquire things.

Consumer commodities and services are bought to satisfy one or more of the emotions or instincts that influence human action. Many products are bought to provide the necessities of life, food, clothing, and shelter. Other purchases are made to satisfy desires for comfort, beauty, safety, love, pride, sociability, economy, health. These incentives to purchase, called "buying motives," vary with each buyer and each type of product or service sold.

Salesmen must know these motives to discover which ones induce consumers to purchase. For example, a manufacturer of high- and low-priced automobiles found that the following motives cause buyers to purchase low-priced cars: (1) operating economy, 75.5 per cent; (2) dependability, 72.3 per cent; (3)

safety, 66.1 per cent; (4) comfort, 43.6 per cent; (5) appearance, 40.4 per cent; (6) ease of control, 33 per cent; (7) smoothness, 32 per cent; (8) pickup, 14.1 per cent; (9) speed, 8.2 per cent.

The motives for buying high-priced cars, on the other hand, are somewhat different, as follows: (1) dependability, 74.9 per cent; (2) safety, 64.8 per cent; (3) appearance, 60.2 per cent; (4) comfort, 57.2 per cent; (5) ease of control, 49.1 per cent; (6) smoothness, 34.5 per cent; (7) operating economy, 33.5 per cent; (8) pick-up, 13.3 per cent; (9) speed, 12.8 per cent.

The buying motives for life insurance are protection, love of family, accumulation, fear, play, comfort. The motives involved in the purchase of an automobile tire are safety, durability, economy, dependability.

Salesmen should list the buying motives or needs for their product and under each heading describe the product or service features that satisfy each need.

In addition to knowing buying motives, full information concerning the various uses or applications of a product or service is a fundamental part of a salesman's knowledge. The number and nature of the uses of some products are limited and obvious, as in the case of a watch or a collar button. Yet, other simple commodities such as salt, wire, and safety pins have hundreds of uses. The greater the number of uses for product or service, the broader the sales opportunity. An imaginative brush salesman conceived such a wide variety of special uses for his wares that he built up the largest brush business in the world.

The uses or applications for some types of products, such as accounting machines, are not only numerous but complex. The electric bookkeeping machines are used for preparing sales analyses, payroll records, cash records, factory costs, income statements, preliminary general ledgers, balance sheets, general journal, and interdepartmental transfers.

There are some 30 different applications for life insurance including personal uses, family uses, business uses, and social uses.

Salesmen should have lists of such applications and know the various uses for each of the products that they sell and how each product may be applied to each use.

**2. Distinctive-product Characteristics.**—Salesmen should be fully posted on the distinctive characteristics of their products,

including such factors as style, workmanship, design, construction, finish, appearance, or, in the case of an intangible service, the features of the contract, policy, or certificate. Since merchandise or services are being constantly improved, study of their distinctive features must be continuous if a salesman is to be well informed.

To acquire a knowledge of the hundreds of different points of design and construction of even a single product is obviously impracticable. The natural course, for a salesman confronted with a large number of product facts, is to select and use a few of the outstanding distinctive features. It is not difficult for him to assemble 30 or 40 facts about a single product. From this number he should select a few outstanding points worthy of discussion and obtain additional facts on these.

A large manufacturer of floor coverings follows this method of assembling and selecting product facts for his salesmen. From an original list of sales points compiled for each product, the five or six basic features are selected. These major points are expanded with interesting side lights, examples, and experiences. Sales outlines are prepared in this way for each product in the line.

The six distinctive points of a well-known brand of automobile tube have been selected from hundreds of facts about workmanship, construction, design, as follows: (1) inner-sealed to hold air longer; (2) rim side extra heavy, extra tough; (3) black and red rubber welded inseparably; (4) extra heavy, extra thick on road side; (5) electric weld splice; (6) water-tested.

Sales-point outlines of distinctive features should be memorized by a salesman until they become such a part of his mental processes that they can be used automatically in sales interviews. Distinctive-product sales points are basic sales material as every feature of a good sales presentation relates to one or more product or service facts. Unique product points have been the basis of outstanding sales campaigns in a score of industries, as in the case of the balloon tire, the four-wheel brake, safety glass, stainless steel, latex foam sponge, and glass building blocks. Salesmen who know distinctive-product features have taken the first step toward individual success.

**3. Raw Materials.**—Raw materials used in the construction of a commodity determine the quality of the finished product.

Salesmen will find many quality selling points in information about the source, grade, inspection, testing, unique characteristics, method of production, transportation, and supply of the raw materials of manufacture.

In acquiring a knowledge of raw materials, the number of facts available again makes it necessary for a salesman to concentrate on the key points. If a salesman of linoleum rugs, for example, attempted to acquire complete knowledge of any one of the three basic raw materials—felt, asphalt, and paint—used in manufacturing that product, his studies would be endless and largely a waste of time. However, if he selected the major features of each of the raw materials and fixed these points firmly in his mind, he would be adequately informed about raw materials.

A good example of the character and variety of facts about raw materials which should be in the possession of a salesman is the following information, given to the salesmen of a large brush manufacturer, about Siberian bristles, the raw material used in the product:

The best white bristle is secured from wild boars inhabiting the cold climate of Russia, Siberia, and Manchuria. The Siberian hog is a long, thin animal; the thinner and older the hog, the longer and stiffer the bristles. White bristle is very scarce and costly as probably only 1 per cent of the wild boars are white. In the spring, these wild hogs shed their bristles by rubbing their bodies against the bark of trees. The natives collect these bristles and trade them for merchandise to traders who sell the bristles to exporters in Russia, England, and Japan.

A selling-point outline describing features of the raw material should be prepared for each product. An example of the raw-material sales points for a hairbrush follows: (1) We use only the best grade of Siberian white bristle. (2) The butt end of the white bristle is strong and has a spring and resilience that untangle snarly hair without breaking it. (3) The longer the bristles, the stiffer the butt ends become. (4) We use the long white bristles ranging in length from 2 to 6 inches. (5) The longer lengths must be secured from rare white boars that are from five to seven years old. (6) The price of white bristle is much higher than that of black bristle owing to its scarcity.

Salesmen representing a manufacturer of silver plated ware are informed about the composition and production of nickel silver

from the time it was discovered in China and brought to Europe in the seventeenth century to the present.

Facts about raw materials may be used effectively by salesmen to stimulate the interest of prospects, support claims for quality, and answer objections.

**4. Processes of Manufacture.**—The various steps in the process of manufacturing a product, including the preparation of the raw material, special or exclusive processes used, routing of product through the plant, character of workmanship, special equipment, inspections, laboratory tests, and production control should be known by the salesmen. This information is best obtained by direct observation; for this reason many companies assign new salesmen to work in various departments of the factory. However, in lieu of actual experience, salesmen can learn much about manufacturing methods from company publications, motion pictures, and by discussions with factory executives. Not only does this knowledge give a salesman valuable sales points, but it also increases his confidence in his product.

In acquiring information about production methods, as in the case of other product facts, it is necessary for a salesman to concentrate on the fundamentals. He need not be an expert on manufacturing, but he should know the distinctive features of his plant operations. A list of significant production features should be prepared and committed to memory by him.

A shoe manufacturer gave his salesmen many fine selling arguments by the simple expedient of painting factory machinery in distinctive colors. Stapling machines were painted orchid; heel-ing machines, orange; edge trimmers, ivory; and so on through every department of the factory. The following production benefits were experienced: (1) Eyestrain was relieved through color-contrasting the product against the machine with the result that finer, more uniform work was produced. (2) Fatigue and nervous tension were eliminated. (3) The accident rate was reduced. (4) The morale of workers was improved. (5) Production was increased. This unique factory improvement resulted in better quality in the product and revealed numerous sales advantages.

Prompt shipments are a potent selling argument in many lines. A large metal-products manufacturer has an unusually efficient method of scheduling orders for production and shipment. The

salesmen of this concern are fully informed about this method so that they are able to tell customers in advance when orders will be produced and shipments made. Knowledge of production-scheduling methods enables them to make more sales because they can support their delivery promises with production facts.

Salesmen representing a manufacturer of food products have an effective sales point in a special process of homogenization that breaks up and emulsifies the fat globules in the ingredients and facilitates the digestion of the product.

Production tests are a major selling argument used by salesmen of an automobile manufacturer. The salesmen of this company know and discuss the fact that there is one inspector to every 13 workmen in the company's plants. They feature the facts that one battery of devices for testing crankshafts alone cost \$51,000 and that gears are tested for quietness in a sound-proofed room.

**5. Development of Product or Service.**—Salesmen should be informed about the origin and invention of the product, together with any changes and improvements that have been made in its construction or design. This information is not only of general interest to many prospects and customers, but may be used to support arguments for quality, service, or performance of the product, as well as the progressiveness of the company.

An example of interesting facts about a product, typical of those which should be known by salesmen, is the development of Celastic by a shoe manufacturer:

The company was having difficulty with shoes shipped to foreign countries. The box toes, though in fine condition when packed, arrived broken down and distorted. The hot, humid atmosphere in the hold of a vessel was ruining the finest of leather boxes. Every likely compound or substance was given rigorous tests that the best of leather failed to pass. A material was sought that could be boiled in water and would be proof against uric acid, urea, alkalis, and ordinary acids. It must have great strength, coupled with light weight, and a pressure of 200 pounds must be withstood without injury to the box toe.

After a series of tests the company produced a fabric treated with celluloid and called "Celastic," tough yet flexible, very thin and very strong. It stands perspiration, urea, alkalis, and 500 pounds per square inch pressure. This material is used for box toes and counters and is strong yet light.

Similar examples of the creation of new products may be found in the experience of every progressive company and may be used effectively by salesmen.

**6. Competitive Position.**—Not only is it necessary for a salesman to be thoroughly familiar with his own product, but he should also be fully informed about the following features of competing products or services: (1) distinctive characteristics, (2) applications, (3) construction, (4) grades, sizes, patterns, finishes, etc., (5) prices and profit, (6) materials used in construction, (7) comparative operating costs.

Such facts are sometimes collected by the sales management and made available to salesmen in the form of comparison books which list the specifications of competing products and show how they check with the company's product on each item. In the absence of such books, salesmen should write their own product comparisons, using competitive catalogues and advertisements as the principal sources of their information.

A salesman's objective in securing information about competing products or services should not be for the purpose of disparaging competitive products, but rather for forestalling competitive claims.

A complete knowledge of the features of competing products enables a salesman to anticipate claims of other sellers. Low operating costs, for example, are claimed by several manufacturers of mechanical refrigerators. Many buyers compare the various makes on this feature. A refrigerator salesman who knows the operating costs of his own product compared with those of competing makes can forestall competition by discussing his low operating costs before a prospect has had a chance to voice claims for other makes.

Sometimes buyers demand that salesmen make direct comparisons with competing products. In such cases, it is necessary for salesmen to know the characteristics of those products. When they have such knowledge, they have greater confidence in their product and are better able to meet rival claims.

Rather than ignore competition as being unworthy of consideration, salesmen should make it a practice to acquire regularly current information about the outstanding features of rival products and services. As new ones are introduced, full details of their features should be secured and analyzed.

**7. Supply of Product.**—Salesmen should know the available supply of their products so as to be able to assure customers of regular delivery and of the ability of the company to meet the buyer's requirements. When a product is an industrial operating supply such as coal or oil, or a material used in manufacture such as steel, regularity of supply is an important consideration to purchasers.

Salesmen should be posted on conditions that may interrupt supply, such as strikes, floods, fires, war, or bankruptcy. If competitors are suffering from these interruptions, salesmen should know the situation.

The amount of time necessary to make delivery to customers in various locations should be known by salesmen. This is often an important selling argument to buyers located at long distances from the factory.

Wholesalers and retailers are especially concerned with the regularity of supply of products for which there is a regular demand from their trade.

**8. Name of Product.**—The name of a product may be so well known that salesmen should be familiar with its origin and meaning. In an extensive line of products the family or individual product brands or private brands sold should be thoroughly familiar to the salesmen.

Interesting anecdotes may be told about the names of many of America's famous products. These stories should be known by salesmen and related to customers and prospects. An example is the account of the origin of the Walk-Over shoe, made by the George E. Keith Co. This shoe was named by Mr Keith in the summer of 1898 when the International Yacht Races were being run. Going home from the office, Mr. Keith told his wife of his difficulty in selecting a name for his product. His wife happened to be reading the daily newspaper and staring at her was the headline, "American Boat Has a Walk-over," so she suggested that the new shoe be called the "Walk-Over."

**9. Container of Product.**—The present importance of packaging from the standpoint of display value, as well as utility, makes it necessary that salesmen know the numerous values of the package in which a product is packed and shipped.

In selling to wholesale and retail distributors, salesmen can find many telling points in a package which lessens sales resistance and effects economies in handling and storing.



In selling to consumers, salesmen can feature package appearance, convenience in handling, utility, keeping qualities, correct quantity, and many other factors depending upon the individual case.

Many merchandising opportunities are opened to salesmen through the introduction of a new and unique package, provided they are fully informed concerning the sales features of the container.

**10. Relation to Other Products in the Line.**—When a salesman sells a number of products, he should be familiar with the relation of each product to the others in the line. In some cases, a manufacturer may make two lines that are in more or less direct competition with each other. If a salesman is carrying both lines, he must know why one line should receive the major share of his attention.

Sometimes a manufacturer of several products may wish to focus selling efforts on one item in the line. Salesmen should know the reasons why this product has been selected as a leader. If it has special features, unique quality, appearance, or uses that distinguish it from other items, these points should be expanded and information about them given to the salesmen.

Leftovers and by-products create a special sales problem; salesmen should know the company's policy of disposing of such irregular items without interfering with the brand identity, price, and quality reputation of the main line.

**11. Production Policies.**—Salesmen should be acquainted with the basic production policies of their plants, especially those concerning balancing production, simplification and standardization, specialization, quality, or quantity production.

A factory that works overtime a part of the year and shuts down the balance of the time suffers from high costs, idle equipment, and labor turnover. A plant that can operate 300 days a year effects economies and secures efficiencies that are excellent sales ammunition. A production policy that provides plant employees with 48 weeks of work every year reveals not only the social responsibility of the company but also production efficiency, both of which are significant facts for salesmen.

A plant that operates on a policy of simplification and standardization of output enjoys lower production costs, lower inventories, prompt deliveries, and increased turnover, all of which facts should be included in sales presentations.

Specialization in manufacture on one or two products, as contrasted with the production of an extensive, unrelated line, creates advantages that should be familiar to the salesmen.

A factory that adopts either a quality or a quantity production policy secures numerous advantages from such a course, depending upon the market that is sought. Salesmen should recognize the economies of mass production resulting in lower prices as well as the values of restricted output of a quality product.

### WHAT A SALESMAN SHOULD KNOW ABOUT AN INTANGIBLE SERVICE

While the knowledge required by a salesman of a tangible commodity is similar in many respects to the information needed by a salesman of an intangible service, there are numerous other types of information vital to sound selling of services which should be familiar to service salesmen.

A life insurance salesman, for example, should know the following features of his service: (1) use of life insurance; (2) different kinds of policies and their uses; (3) annuities and their uses; (4) provisions of policies; (5) settlement options; (6) riders and endorsements; (7) computation of premiums; (8) investment features of life insurance; (9) reserves and valuations; (10) surplus and dividends; (11) disability and indemnity features; (12) annual statements; (13) regulation and supervision of life companies; (14) life insurance trusts; (15) business life insurance; (16) legal aspects of life insurance; (17) special types of life insurance; (18) selection of risks; (19) services to policyholders. In addition, the American College of Life Underwriters requires that Chartered Life Underwriters be acquainted with the following broad fields of knowledge: (1) life insurance fundamentals, including economics of life insurance, principles and practices; (2) life insurance salesmanship, principles, and psychology; (3) general education, including economic problems, government, sociology; (4) law, trusts, and taxes, including general commercial law, wills, trusts, estates, taxation, and business insurance; (5) finance, including corporation finance, banking and credit, investments.

A general security salesman must know the following features of his job: (1) general nature and features of stocks, classes of stocks; (2) history and nature of bonds, types of bond issues; (3) yield on securities; (4) how to judge security values; (5) amortiza-

tion; (6) real estate securities, private mortgages, real estate mortgage bonds; (7) short-term securities, notes, commercial paper, acceptances; (8) analysis of corporation reports; (9) railroad securities; (10) public utilities; (11) the stock exchange and money market; (12) industrial securities; (13) U.S. banking system; (14) distribution of securities; (15) failures and reorganizations; (16) exchange; (17) income taxes.

From these examples of knowledge needed by salesmen of intangible services, it is evident that service knowledge is very extensive, complex, and often much more involved than information required by salesmen of tangible goods.

### **SOURCES OF PRODUCT AND SERVICE KNOWLEDGE**

Salesmen may obtain information about product service and applications, characteristics, and other features previously described, through personal conferences with company factory executives; through group discussions in sales meetings; by reading company and competitive publications, advertising, catalogues, direct advertising, and company magazines; by observation of manufacturing processes; by experience from working in company production departments; by reading trade or technical magazines published for the industry; by questioning other company salesmen or competitive salesmen; by studying sales and service manuals, portfolios, and comparison books published by the company; by personal use of the product or service; and by attending company sales courses.

The acquisition of knowledge is a pleasure and comes easily to a salesman who is really interested in his work. Such a man is always asking questions and seeking information. He does not learn by slow, laborious memorizing of insignificant details, but rather by enthusiastic interest and curiosity.

### **HOW A SALESMAN SHOULD USE HIS KNOWLEDGE ABOUT HIS PRODUCT OR SERVICE**

Knowledge of product or service features alone is insufficient for success in selling. The skill or ability of a salesman in putting product facts to practical use is just as important as is the acquisition of information. A man might figuratively be a walking encyclopedia of information about a product or service yet be a failure as a salesman if he did not know how to use his knowledge

in interesting prospects, in meeting objections, or in presenting effective sales arguments.

Salesmen can learn to use such knowledge effectively by practicing an established routine for presenting product and service features. This routine is based on the practices of successful salesmen. If a salesman will memorize the following routine and practice it until it becomes so much a part of his technique that it is second nature to him, product and service characteristics, applications, and other facts discussed in this chapter will have a new meaning to him and bring an added effectiveness to his presentations.

### *Routine for Presenting the Product or Service*

1. Use product and service facts of significance to the buyer.
2. Relate product facts to buyer's motives.
3. Use exclusive or competitive product or service facts.
4. Describe product or service features in nontechnical terms.
5. Use specific, concrete terms in describing product or service features.
6. Restate important product and service facts in different words.

**1. Use Product and Service Facts of Significance to the Buyer.** The recitation by a salesman of a long series of facts about a product or service simply serves to bore buyers and magnify the indifference with which most prospects greet salesmen. But when a salesman selects, from his collection of 50 or more product facts, those few points of special interest to a prospect, he gets the buyer's attention and interest. By using significant facts a salesman also saves valuable time in withholding product information which may be of no interest to the buyer and which contributes nothing to closing a sale.

**2. Relate Product Facts to Buyer's Motives.**—Product facts that are of greatest significance to prospects are those which relate most directly to buyers' needs, wants, or motives. To tie up product or service facts to a prospect's needs or motives, the facts should be collected and listed under the headings of the principal buying motives. For example, the principal motives that induce a housekeeper to purchase a dry mop are convenience in use, need, economy, labor saving, and durability. A thrifty housekeeper may have one outstanding motive for buying—

economy or low cost; a lazy housekeeper may buy because the mop will save her labor. A salesman must discover by inquiring, listening, or observing which of these motives dominates a prospect and give her information about the product directly related to that motive. Unless product or service facts are organized by motives, a salesman cannot readily supply information significant to the prospect.

To illustrate how such facts may be organized and related to motives, eight features of a simple product, a well-known brand of dry mop, have been listed under the motive of "convenience," or "labor saving," in the following outline:

*Housekeeper's Motive for  
Buying a Dry Mop*  
Convenience; labor saving.

- Product Facts Relating to Prospect's  
Convenience or Labor-saving Motive*
1. Twice size of ordinary mop; does work in half time.
  2. Gets under low furniture, behind radiators without user bending or stooping.
  3. Square shape is made to fit square corners easily.
  4. Easy to wash in soap and water; may be run through wringer.
  5. Maple handle shaped to fit hand.
  6. Cord, to hang up conveniently.
  7. Easy to push as it lies flat on floor at all times.
  8. Right weight makes it easy to handle.

Another housekeeper may be chiefly interested in the economical features of the mop. The following collection of economy facts could be presented to this prospect:

*Housekeeper's Motive for  
Buying a Dry Mop*  
Economy; durability.

- Product Facts Relating to Economy  
Motive*
1. Reversible feature brings both sides of mop into use.
  2. Long-staple, long-wearing yarn creates long life.
  3. Chemical treatment saves cost of oil.
  4. Detachable handle will outlast several mops.
  5. Low initial cost.
  6. Saves cost of replacing yarn.

By collecting and listing product and service facts in this way, then committing them to memory and practicing the use of them until they can be called up at will to relate to the specific motives of a prospect, a salesman soon secures mastery in using them in meeting the motives of a buyer.

**3. Use Exclusive or Competitive Product or Service Facts.**— Little advantage is to be gained by a salesman's discussing features of his product or service which are identical to those of competitors. One product is bought in preference to another because it possesses features that are different or more desirable. The chief differences between one product and another reveal the important selling points of each.

Salesmen should check off on their lists of product facts those features which are competitive or exclusive to their product. Specifications of competitive products may be checked to discover features which are similar to those found in the product of the salesman. After a salesman has compared the features of his product with those of competitors, a number of distinctive ones will probably remain. These exclusive features should be memorized and additional facts about them collected, listed, and used in sales presentations.

To illustrate how exclusive points may be selected from a general list of product features, a list of the construction features of a well-known vacuum cleaner is used as an example. Twenty-two features of the X vacuum cleaner are:

Light weight.	Patented trap bag.
Made of steel, chromium plated.	Tilting device to protect edges of rug.
Insulated completely.	Free-rolling casters.
Pistol handle grip, trigger switch.	Two-speed motor.
Streamline design.	Vibrationless motor.
Searchlight.	Three-adjustment brush.
Nonkinkable rubber cord.	Two rows of bristles in brush.
Nonoiling ball bearings.	Accordion bag top.
Air-cooled motor.	Collapsible throat.
Ball-bearing brush.	Two sizes of sprayer nozzles.
Dust escape-proof bag.	Nozzle-spray control.

Of all these features, the manufacturer claims three exclusive points of superiority: a two-speed motor, two rows of bristles in brush, and a dustproof bag. These are described in detail by salesmen in demonstrations.

Some exclusive features are obviously more important than others, but enough material should be assembled on each point to present it completely to buyers.

**4. Describe Product or Service Features in Nontechnical Terms.**—Because a salesman is familiar with the terminology of his business, he often wrongfully assumes that a prospect is equally conversant with its technicalities. An insurance salesman refers glibly to dividend options, double indemnities, attestation clauses, or participating nonforfeiture additions, all of which mean little to the average layman. When an automobile salesman speaks of counterweighted crankshafts, semiautomatic spark advance, dry plate clutch, or piston displacement, few persons except automotive engineers understand him. Sometimes salesmen use technical terms to satisfy their egos and exhibit their knowledge; more often they use technicalities thoughtlessly, but the consequences are the same. Prospects become bored and disinterested because the conversation is unintelligible to them.

Salesmen must translate their technical terminology into layman's language for the majority of buyers, and reserve technicalities for the few experts familiar with mechanics. The problem of explaining, in simple terms, an involved mechanical process is difficult but may be facilitated by similes, as has been effectively done in the case of independent front-wheel suspension in automobiles which an automobile manufacturer has referred to as "knee action." Everyone can understand the meaning of "knee action," but independent front-wheel suspension is figuratively Greek to millions of American motor-car buyers.

Successful sellers not only simplify but dramatize technicalities. "Unisteel body construction" is not only abstruse but commonplace. General Motors salesmen refer to it as a "turret top," a simple, understandable term which pictures strength and protection. The compressor on a popular make of electrical refrigerator is called a "meter miser" to describe its economical operation.

Salesmen of one automobile manufacturer simplify their discussion of the advantages of an all-steel body by taking a shoe box, removing the top and bottom, and easily twisting it out of shape to illustrate the fragile construction of motor-car bodies with old style wood and wire tops. Putting the top and bottom of the box securely in place, the salesman illustrates the strength of the new all-steel body by showing that it is difficult to distort the box.

“Technicalitis” is an ailment not only of many salesmen of mechanical products but also of insurance salesmen, who sometimes discuss the intricacies of an insurance contract to the perplexity of their prospects. Even a complicated service such as life insurance may be described in simple, understandable terms.

**5. Use Specific, Concrete Terms in Describing Product or Service Features.**—One of the surest ways for a salesman to make complex facts clear to prospects is to state them concretely rather than in vague, general, or abstract words. Not only are specific terms and examples more clear, they are more interesting, impressive, and convincing.

For example, a fuel-oil salesman, discussing the savings effected by users of his product, said, “We have customers using our oil who achieve very large savings.” This statement is not clear because it means one thing to some prospects and something else to others. A small individual consumer may be thinking of saving a few dollars; a big industrial user may think about economies of several hundred dollars.

By giving a few specific details to indicate the type of customer referred to and what is meant by “very large savings,” the salesman can make his meaning clear as follows: “Last year forty of our customers who use less than \$500 worth of our oil annually reported savings running from \$15 to \$50 a year in their fuel costs.”

Salesmen of a famous brand of soap do not claim that it is pure soap, but they state specifically that their soap is 99 and  $\frac{44}{100}$  per cent pure. And the salesmen of a well-known make of coffee do not say that it is economical, but they say you get from 45 to 55 cups from each pound.

Prospects like specific examples, if they are important and interesting, but nothing can be more obscure than dull statistics. A salesman, discussing his product, said that his company produced 64,356 units during 1939. Not one prospect in twenty would remember the production figures for one minute. However, if the salesman should say that the output of his company for 1939 would make a pile of units as high as the Empire State building, every prospect would understand and remember.

**6. Restate Important Product and Service Facts in Different Words.**—An important product fact is always worth repeating. An idea that may be clear to a salesman is not always grasped by



the prospect. It takes time for buyers to comprehend new ideas, particularly those which are involved, and it is necessary to keep a prospect's mind focused on them.

However, prospects resent repetition of ideas in exactly the same language. For example, a refrigerator salesman who kept repeating the phrase, "It uses less electricity; it uses less electricity; it uses less electricity," would make his thought clear but would irritate his prospects. If the repetition is phrased in different words, such as, "It uses no more current than a 40-watt electric lamp," prospects will never consider that a repetition. The sales point has been made clearer.

Fasten product points in the memory of your prospect more firmly with *repetition*. It is the rhythm in a good piece of music which makes it easily remembered, just as it is the restatements of a good public speaker that drive home his message.

## Problem I

### PRESENTING A PRODUCT

Walter T. Rockland, representing the Eastern Oil Company

The Eastern Oil Company, refiners and distributors of lubricating oil and gasoline, with headquarters in New York City, operates 1,500 company-owned service stations located in the states of New York, Connecticut, Rhode Island, and Massachusetts. These stations distribute not only the petroleum products of the company but also a complete line of automobile accessories including antifreeze solution, batteries, polish, electric lamps, tire chains, and tires.

Walter T. Rockland is manager of one of the company's stations located in one of the better residential districts suburban to Boston. The following interview took place in the driveway of the station between manager Rockland and a resident of the neighborhood who occasionally buys his oil and gasoline at the station:

1. SALESMAN: Hello, Mr. Jones (salesman knew buyer by name), is there anything we can help you with? You seem to be going home early today.
2. BUYER: Yes, I need a little water. I've just taken the afternoon off. (Salesman filled radiator with water. Buyer alights and begins to crank car.)

3. SALESMAN: What's the matter? Have you got a low battery?
4. BUYER: Yes, the blamed thing has gone down and I've had to crank it for about two weeks now. You know I'm getting sick and tired of this automobile. I think the best thing to do is to trade it in.
5. SALESMAN: Why don't you let me fix you up with a low-price Spark (private brand of oil company) battery?
6. BUYER: Oh, I just hate to spend the money on this old car, and then, too, I guess I can get along without it. I can have it charged occasionally and it will come back up enough to run me for a while.
7. SALESMAN: Yes, that's true, but after you have paid for several rechargings, you will have more than paid for a new battery which needs no recharging.
8. BUYER: What is the cheapest battery you have?
9. SALESMAN (pointing to battery on stand): This little 15 Spark special here on the stand should be just about what you want.
10. BUYER: How much is it?
11. SALESMAN: The price is \$7.85, with 50 cents allowed you on your old battery, making it cost you \$7.35. That is about as cheap or cheaper than you can get anywhere else, so why not let me go on and put it in right now?
12. BUYER: Well, I don't know. Just what does that 15 mean anyhow?
13. SALESMAN: Why, that means that it has 15 plates. The standard battery for your car has 17, but for the use to which you will put this battery and the time you are going to keep your car, you will not need anything more than this. This battery has Port Orford Cedar separators. (Here the salesman gave a complete description of the battery's construction.)
14. BUYER: I guess you're right. That's a good battery, but I could go down to the mail-order house retail store and get one for \$7 and get an allowance of 50 cents there, too. I just don't see any reason why I should pay any more than that for a battery. Both of them will do the same thing and since I'm going to get rid of this car in a couple of months, why should I waste that extra dollar?
15. SALESMAN: Mr. Jones, you will not be wasting that extra dollar. There are many things that our company can give you that the mail-order house cannot. For instance, we have 15,000 retail filling stations throughout the country. They are available at all times, during day or night, to give you service on your battery. Now, there is not much chance of a new battery giving you any trouble in the next five months, but in case you get out at night and have a breakdown, you would want to be able to get instant service on your battery. The guarantee which goes with our

Spark battery will assure you instant adjustment from any of our stations. The mail-order store stays open only about eight hours a day and you will never be able to get service at night. We have a 13-plate battery selling for \$6.95 which we use to meet the lowest competitive prices. The mail-order house battery, selling for \$7, is probably a 13-plate model and, if that is the case, our battery is in the same class, sells for 5 cents less.

16. BUYER: Yes, that may be true, but any new battery would not give me any trouble in the next six months so why should I want service, or a guarantee, or anything like that?
17. SALESMAN: Mr. Jones, you will agree with me that the best policy is to play safe. (Buyer nods.) I thought you would, so why don't you let me go on and put the battery in now?
18. BUYER: My wife is waiting on me for lunch and I am just about due at home now. I'll see you later. (Buyer turns to go.)
19. SALESMAN: I can have the old one out and the new one in in less than five minutes. A new battery might keep you from being late, in fact, real late, at some other time. (Calling to another station man.) Johnny, come over here a minute.
20. BUYER: Well, I don't know. You know that it is pretty tough to go and spend a lot of money on an automobile and then trade it in and get no more for it than if you had not fixed it up in the first place.
21. SALESMAN: Do you mind if I differ with you on that point? Now, I do know how the automobile companies are appraising used cars around here. They are plenty tough. And you would be surprised at the amount of effort they go to in going over a car when you trade it in. I believe that you will find that such a small thing as a good or a bad battery will greatly influence the trade-in price on this old car. Since you are going to trade in this car in a couple of months, don't you think that it would be pretty good policy to have it in pretty fair shape when you go to trade it in?
22. BUYER: What makes you think that these used car appraisers go to so much trouble?
23. SALESMAN: Just take a look at this little book here. (Salesman shows buyer booklet describing the importance of proper care of an automobile in relation to trade-in value.) Here are some of the figures and statements made by one of the local firms in regard to trade-in values. Does that go to prove the point?
24. BUYER: Yes, I guess it does. So you might as well go on and put the new battery in. I do hate to doctor up the old bus, though.
25. SALESMAN: I am sure you'll not regret it, Mr. Jones. I honestly believe it will save you money and inconvenience this summer.

While you are here, is there anything else which I can do for you? Let's see (examines the gasoline supply), you haven't much gas. Shall I fill it up?

26. **BUYER:** Yes, put me in ten gallons of Ethyl, and you might check my tires while you're at it. The right front seems to be a little low. The oil is O.K. so don't bother with it.
27. **SALESMAN:** If you will just give me your courtesy card, I will fill out your ticket in order that you will not be late in getting home.

### Questions

1. Did salesman Rockland present the storage battery effectively in this interview? State specific weaknesses or strengths in his presentation.
2. What were the buyer's motives in this situation? Did the salesman discuss product facts relating to these motives? What?
3. What distinctive product features were discussed by the salesman? Were these described nontechnically and specifically?
4. Did raw materials enter into the salesman's presentation? What?

### Problem II

#### PRESENTING A SERVICE

Martin D. Wharton, representing the Assured Benefit Life Insurance Company

The Assured Benefit Life Insurance Company, established in 1860 in New York City, has more than a billion dollars' worth of life insurance in force. It is represented by 2,500 full and part-time agents operating out of forty general agencies in the principal cities of the country.

Martin D. Wharton has been associated with the company for five years and is now connected with the William de Mille Agency of New York City. He specializes in selling life insurance to nurses and school teachers for retirement income purposes.

The following interview took place in the home of Miss Roberta Jones, a registered nurse, thirty-five years of age, who is meeting Martin Wharton for the first time:

1. **SALESMAN:** Miss Jones, my name is Wharton of the Assured Benefit Life Insurance Company. For your consideration, I wish to present a series of ideas dealing with your financial independence.
2. **PROSPECT:** I'm really not interested in life insurance. I have enough now.
3. **SALESMAN:** Yes, I assumed that you were not interested in additional life insurance, but everyone has to be interested in her

own financial security and this, of course, means the acquisition of some kind of property.

4. PROSPECT: I have a small savings account.
5. SALESMAN: Yes, but regardless of the type of property you may have, whether it be savings, stocks, bonds, real estate, for each \$100 a month independence income at age sixty, it is necessary that you own at least \$40,000 worth of income-producing property? May I ask, do you own at least \$40,000 worth of property?
6. PROSPECT: No, I do not own anywhere near that much.
7. SALESMAN: Ownership of property means little. Only when it is income producing do we acquire financial independence. At 3 per cent it takes \$40,000 of income-producing property to produce \$100 a month income. You will not be satisfied to have less than \$100 a month when your retirement age is reached.
8. PROSPECT: I should like to have at least that much.
9. SALESMAN: Forty thousand dollars may be more than you could reasonably expect to accumulate from investing in safe property. There is an alternative, and that is the annuity. At age sixty it takes less than half of \$40,000 to guarantee an annuity of \$100 for life. The ideal situation is a fund of \$40,000 at age sixty; the alternative is \$16,500.
10. PROSPECT: How can I accumulate \$16,500?
11. SALESMAN: There are two ways. The first way is through the acquisition of general property stocks, bonds, savings. The other way is the life insurance way, the ownership of guaranteed property that requires no turnover when the need for income arises at age sixty. All through the years you are relieved of doubt as to whether general property values will hold up and provide the required fund at the time needed.
12. This modern provision for retirement is easy to acquire; easy to maintain; a high collateral value of approximately 70 per cent in two years, 78 per cent in five years, 85 per cent in ten years; absolute safety through diversification, you actually own a cross section of approximately six hundred million dollars in assets; ease of transfer, escaping court fees and delays; automatic trusteeship, providing money management for your beneficiary without cost and guaranteed yield.
13. PROSPECT: It sounds attractive.
14. SALESMAN: Compare this guaranteed property with the uncertainty of any other financial plan dependent on market values and changing conditions and you begin to appreciate the security guaranteed by a plan like this.
15. PROSPECT: I don't believe that I can afford it.

16. SALESMAN: I am assuming, Miss Jones, that the saving of \$15 to \$30 a month in some worth-while way is entirely within your possibilities. Am I correct in this?
17. PROSPECT: I might be able to save \$20 a month.
18. SALESMAN: Yes, \$20 a month would provide a fund of nearly one-half of the minimum of the \$16,500 you would require at age sixty. This would be through a \$5,000 contract which would provide your mother with an income of \$50 a month for more than nine years should anything happen to you. That would be splendid protection to her, wouldn't it?
19. PROSPECT: Yes, that would be fine.
20. SALESMAN: And you would be taking advantage of the trusteeship provision which provides the money management, often as important as the money itself. This \$5,000 contract will guarantee you a total at age sixty of \$8,240 or \$50 a month when you retire as long as the need lasts. This is an attractive plan. Don't you think so?
21. Yes, but I would like to think it over.
22. SALESMAN: After all what is there to think over? The Assured Benefit Life Insurance Company is eighty years old with assets in excess of a billion dollars. Here is a list of Assured Benefit property owners in this locality.
23. PROSPECT: I would like to consider it a little further.
24. SALESMAN: Yes, but while you are thinking this over we can find out whether or not the company would assume the obligation. We will arrange for Dr. Smith to see you tomorrow morning at ten o'clock. In the meantime, here is some descriptive information which will enable us to complete the details.

### Questions

1. Did salesman Wharton present life insurance effectively in this interview? State specific weaknesses or strengths in his presentation of the policy in this case.
2. What application of life insurance did the salesman discuss in this interview? Was the discussion clear and in nontechnical terms?
3. Did the salesman discuss features of significance to the prospect? What features?
4. Were specific terms used in describing insurance features? What terms?
5. Did the salesman restate important facts?

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## CHAPTER V

### QUOTING SELLING PRICES AND TERMS

#### IMPORTANCE OF PRICE IN SALES TRANSACTIONS

The question of price enters into every sales transaction. A knowledge of prices and the ability to quote them correctly is fundamental to the success of every salesman. Although most salesmen play no part in determining the prices of their products and services, they have a great deal to do in explaining, justifying, and quoting them to buyers.

The prominence of price in the work of a salesman depends first upon the price range of the product or service that he may be selling. If he is offering a luxury, his price problem is much different than if he were offering a necessity. Since necessities, normally low in price, are subject to keen competition, price is usually a major factor in a sales transaction. In selling luxuries, on the other hand, a salesman usually subordinates price and emphasizes quality and service.

The purpose for which goods are bought greatly determines the importance of price in the sales transaction. Merchandise or raw materials bought for manufacture are usually purchased on a price basis. Commodities, such as cotton or rubber, used in the manufacture of automobile tires, are of standard grade and quality and are sold on a price basis. Raw materials lose their identity in the finished product and have no particular attraction for the consumer other than price.

In selling merchandise for equipment, price is sometimes secondary to brand name or exclusive features, as in the case of advertised tires and well-known batteries installed as original equipment in an automobile. In the sale of merchandise for individual or home consumption, price is often a secondary consideration to the buyer, who is chiefly interested in features of design, reputation of maker, brand name, color, or style.

The type of buyer also determines the extent to which price enters into a sale. Professional purchasers are usually good



judges of intrinsic values and are price-conscious. Industrial buyers, representing large consumers, because of their great purchasing power are often seeking price concessions. Price is of primary importance to wholesale and retail distributors who are obliged to purchase at terms which enable them to meet competitive resale prices and at the same time cover their costs of doing business and provide a profit.

Numerous other factors make price a major consideration in a sales transaction. Unusual climatic conditions may make price a paramount problem to a salesman seeking to dispose of heavy overcoats in a mild winter. Business depression or sharp price movements may magnify price in buyers' minds. The extent of competition also exercises a great influence on price.

#### **WHAT A SALESMAN SHOULD KNOW ABOUT PRICES AND TERMS**

Salesmen must understand price policies and be able to interpret prices and terms when a question about them arises in sales negotiations. It is necessary for salesmen to know the following: (1) general company price policy; (2) price definitions; (3) types of price discounts; (4) price maintenance; (5) price guarantees or protection against price decline; (6) special prices; (7) price advances and reductions; (8) terms of payment; (9) computing selling prices; (10) competitive prices; (11) relation of price to product and service values.

The great amount of information available on any one of these topics makes it necessary for a salesman first to acquire information about those elements of pricing that apply specifically to the sale of his product or service. The price policy and structure of some companies are so simple that a salesman can learn very quickly all that it is necessary for him to know about them. In other concerns, however, these matters are so involved with numerous discounts and complex terms and prices change so frequently that salesmen must be continuously seeking information about prices and terms.

**1. General Company Price Policy.**—The general price policy of a company is of vital importance to its sales representatives. If the selling price of a concern is too high, the opportunities of its salesmen are narrowed, competition is invited, price cutting is probable, and sales resistance is increased. A company quoting low prices, on the other hand, may deprive its representatives of

the sales benefits of quality, superior service, good-will advertising, and other aids which naturally help them close sales.

Salesmen operate under one or more of these three types of general price policies: (1) pricing below the prevailing market, or at the market minus; (2) pricing at the prevailing market, or at the market par; (3) pricing above the prevailing market, or at the market plus.

If a salesman represents a company that pursues the policy of pricing below the market, he may make a large volume of sales provided his product is of standard quality. In a falling price market, a salesman selling below the market has a distinct advantage. On the other hand, he may find that low prices do not materially increase his sales volume; also, he may find that the reputation of his company may be affected so that he cannot sell to the better class of trade. Buyers who require special service, which low-price salesmen cannot offer, will deal with competitors. A salesman selling below the market must use different methods than a man selling at other price levels. A price salesman must contact prospects in low-income groups, emphasize economy and durability, subordinate service and quality, and seek large volume orders.

If a salesman is selling at the prevailing market price, he may enjoy the advantage over a low-price salesman of having more advertising to increase the demand for his goods. The seller at the market is usually able to give more service, more frequent deliveries, more personal attention, more liberal credit and guarantees than the low-price seller. On the other hand, a salesman without the advantage of a low price must work harder and employ superior salesmanship to secure business. Friendship, good will, and the salesman's personality play a more important part when prices of competing salesman are on a parity.

The reputation of a company for satisfactory service is one of the principal selling arguments of salesmen quoting prices at the market. When a small group of large companies dominate an industry and sell a product of standard quality, as in the case of gasoline and steel, competitors usually sell at the prevailing market price. Salesmen in such industries depend largely on good service, company reputation, and friendly relations with buyers to secure business.

Salesmen selling at prices above the market have an advantage over competitors in being able to discuss superior quality of product, improved processes of manufacture, extraordinary service, and market prestige. However, sales effort on high-priced goods must be aggressive and selling ability high. Volume of sales is limited, demand fluctuates, and the trade is highly selective. A large part of a salesman's market is automatically eliminated under a high-price policy, buyers are few and far apart, and a rapid rate of turnover cannot be expected. In periods of business depression, sales volume is sharply curtailed by reduced purchasing power. On the other hand, salesmen of high-priced goods derive benefit from the large volume of advertising which the greater margin of gross profit permits. The salesman's prestige is enhanced by representing a high-priced quality product.

**2. Price Definitions.**—Salesmen should be familiar with the expressions commonly used in quoting prices and terms, and in describing price policies. The reasons why the principal types of discounts and price policies have been adopted should also be understood. In quoting prices, salesmen should know the meaning of list price, net price, zone price, open price, basing-point price, sliding scale price, fair trade price minimum, suggested resale price, S.A.P. price, C.I.F. price, F.A.S. price, fixed trade price differentials, postage-stamp delivered price, price lining, F.O.B. price.

*List Price.*—A list price is a suggested resale price quoted by wholesalers and manufacturers to retailers and wholesale buyers. It is used in the sale of hardware, foods, drugs, and specialties. A list price is a catalogue or advertised price from which distributors are allowed discounts. A list price remains uniform while the amount and number of trade discounts are varied by sellers from time to time as prices are advanced or reduced. The use of list prices is declining.

The principal reasons why list prices are quoted by sellers are (1) to save distributors the work of figuring markups; (2) to protect consumers from overcharge by distributors; (3) to secure price uniformity among distributors; (4) to provide a definite schedule of prices to ensure a fair profit for manufacturer, wholesaler, or retailer; (5) to avoid the necessity of revising catalogues and price lists to conform with price changes.

On the other hand, some sellers do not quote list prices to the trade because various types of distributors operate on varying margins and prefer to establish their own resale prices; quotation of list prices often promotes price cutting; publication of a list price is said to overemphasize price in the sale of quality products.

*Net Price.*—The objections to quoting list prices just mentioned cause many manufacturers and wholesalers to quote net prices. When the price of a product is constantly changing, a net price quotation is often used. Net price is the amount paid by a purchaser after all discounts, rebates, or other allowances have been deducted.

Many buyers prefer to be quoted net prices because they are saved the work of figuring discounts, freight charges, and special allowances. It is much easier for a buyer to compare net prices quoted by several sellers than to compute discounts and allowances on a list price basis.

*Zone Price.*—Buyers who are located at long distances from the seller's shipping point are often quoted higher prices than are customers situated near by. Transportation charges are responsible for the higher prices to distant buyers. Some sellers, for convenience in quoting delivered prices, divide their markets into zones based on transportation costs and quote uniform delivered prices to buyers within each zone or geographical area. A manufacturer on the Atlantic seaboard may quote a low delivered price for shipment to the zone east of the Mississippi River and a high delivered price for shipments west of the Mississippi River. The delivered prices established for each zone are known as "zone prices."

*Open Price.*—Competing sellers are forbidden by law to fix current or future prices by agreement. However, sellers may file with a designated industry authority their current price lists and discount sheets. This information is distributed to all manufacturers in the industry cooperating in the open price plan. Sellers are not supposed to sell their products at a price lower or for discounts greater than those reported to the trade authority. In this way open prices may be established.

*Basing-point Price.*—A basing-point price is quoted in a limited number of industries and involves the establishment of a price for the product in a base city or cities, to which amount is added the

freight cost from the basing point to the purchaser, wherever he may be located. Sellers shipping from other than a base point quote delivered prices which include freight from the basing point, not from the shipping point.

*Sliding Scale Price.*—Prices of products are quoted for future delivery on the basis of a sliding-scale price contract. This method is used in the sale of products made of certain raw materials, the price of which fluctuates widely. Prices quoted by this method slide up or down automatically as the costs of the raw materials or labor involved in manufacture fluctuate. The risk to a seller is reduced by this method.

*Fair Trade Price.*—By authority of the Tydings-Miller Act and numerous state Fair Trade Acts, manufacturers of branded merchandise may contract with retailers and wholesalers to resell a branded commodity for not less than a minimum price stipulated by the seller. Such a minimum resale price established by a manufacturer in a fair trade contract is called a “fair trade minimum price” and is binding on all distributors in a state where a contract has been signed.

*Suggested Resale Price.*—Manufacturers of commodities sold through wholesale and retail distributors frequently suggest that their products be sold at certain maximum and minimum resale prices. These prices may be suggested in fair-trade resale price-maintenance contracts; where no such contracts are in effect, manufacturers may ask distributors to cooperate voluntarily in maintaining certain prices. Although manufacturers are powerless to enforce a suggested resale price, many of them attempt to curtail price cutting, stimulate dealer cooperation, aid dealers in obtaining greater margins, and save dealers the work of figuring prices by suggesting resale prices.

*S.A.P. Price.*—In some industries, orders are sought for future delivery on an S.A.P., or “subject to approval of price,” basis. Buyers are asked to order before the price is named by the seller who is uncertain of the future cost of raw materials or labor and prefers to wait until ready to begin manufacture before quoting a price. Buyers may cancel their orders if the prices quoted are unsatisfactory.

*C.I.F. Price.*—In export selling, prices are often quoted on a C.I.F. basis, meaning “cost, insurance, freight.” The cost of the goods to the buyer, the freight to the seaboard and drayage, and

the cost of marine insurance and ocean freight to port of destination are included in the price quoted.

*F.A.S. Price.*—In selling overseas, quotations are often made on an F.A.S. basis, meaning that the price includes the cost of delivery to the ship, or “free along side” the vessel.

*Fixed Trade Price Differentials.*—Some manufacturers establish differentials in prices quoted to various types of distributors. Individual retailers, for example, may be protected against cooperative store competition by quoting a relatively lower price to an individual retailer than to a cooperative organization. Wholesalers may similarly be protected against chain competition by being given a price differential in the shape of greater discounts.

*Postage-stamp Delivered Price.*—The term “postage-stamp delivered price” refers to a delivered price which is uniform for all purchasers regardless of their location from the shipping point of the seller and the amount of freight cost. This basis serves the opposite purpose of zone prices, which reflect the transportation cost involved in the distance of the buyer from the shipping point.

*Price Lining.*—Retail merchants often establish price levels or ranges at which certain kinds of merchandise sell most readily. Merchandise is purchased at prices that enable retailers to resell profitably at certain levels. The practice of offering goods at retail at established prices is known as “price lining.”

*F.O.B. Price.*—F.O.B., or “free on board,” terms mean that the seller agrees to place the shipment on board a carrier without charge and that the buyer pays all transportation charges from the point of shipment to destination.

*Delivered Price.*—A delivered price is the amount quoted by a seller who pays all delivery charges from point of shipment to the buyer’s location, or wherever the buyer wishes to take delivery.

**3. Types of Price Discounts.**—Manufacturers and wholesalers usually quote one or more discounts from list prices to reward buyers for prompt payment, to encourage quantity purchases, to compensate for advertising cooperation, or to protect one type of buyer against another. Salesmen should not only be familiar with the amount of such discounts but should know the reasons why they are offered. The principal types of discounts are: (1) quantity discounts; (2) financial discounts; (3) trade discounts; (4) territorial discounts; (5) advertising discounts; (6) miscellaneous discounts.

*Quantity Discounts.*—So that buyers may be induced to increase the size of their orders, sellers allow quantity discounts from the list price, which vary with the amount of merchandise purchased. There are two types of quantity discounts, the single order and the deferred or period type. A typical single-order discount is used by a manufacturer of counting machines, who allows 3 per cent off list price for the purchase of 12 machines, 5 per cent off for 25 machines, 10 per cent off for 50 machines, 15 per cent off for 100 machines.

A typical deferred or period quantity discount is used by a food-products manufacturer who allows grocery wholesalers and chains a discount of 5 per cent on total quantity purchases providing a minimum quantity of 100 cases is bought during each three-month period.

Salesmen quoting quantity discounts can offer buyers numerous sales advantages, such as lower prices and greater profits. The distributors have a competitive price advantage. Goods bought by wholesalers and retailers on a quantity discount are usually advertised, displayed, and turned over quickly. Perishable products are sold before they deteriorate.

Quantity discounts, on the other hand, have their disadvantages. Some salesmen use them to overload small distributors, to favor large against small buyers, and to encourage dealers to engage in price cutting. Distributors who buy in quantity may not push the resale of a large purchase, thereby slowing up their turnover and tying up their capital and a large amount of floor space. Unless a salesman foresees these disadvantages and solves these quantity discount problems, he may lose the good will and future business of his large as well as small customers.

*Financial Discounts.*—To strengthen a cash position, curtail credit losses, and stimulate collections, sellers offer cash discounts, time extensions, and post and forward datings. These allowances are discussed in greater detail in Chap. VIII. Cash discounts are commonly allowed by sellers as an inducement to buyers to pay their bills promptly. The rate varies in different industries from 0.5 to 5 per cent, although the usual rate is 2 per cent. A cash discount is allowed to buyers for payment of accounts in from 10 to 60 days from the date of invoice or shipment, with 10 days prevailing.

Some manufacturers of seasonal goods allow buyers forward datings or deferred datings which are, in effect, additional discounts since they allow buyers longer use of their money. Under deferred dating, a shipment made after November 1 may be invoiced as of April 1 of the following year. A salesman should show buyers the money gains possible under such an arrangement. Buyers frequently seek extra price concessions from salesmen in the form of deferred datings. Salesmen should adhere firmly to company policy in granting purchasers extension of time for payment of accounts.

Salesmen who offer cash discounts and time extensions to buyers should induce them to take advantage of these discounts to secure lower prices, improve credit standing, and obtain the benefit of lower interest rates than may be secured from a bank or other lending agency. Buyers who discount their bills are not only better credit risks but are also able to buy more merchandise. A buyer who takes a cash discount 18 times a year on terms of 2 per cent 10 days, net 30 days, is earning the equivalent of 36 per cent a year. A discount of 3 per cent 10 days, net 30 days, taken 18 times a year, will earn at the rate of 54 per cent per annum.

Salesmen who persuade buyers to take cash discounts multiply their sales opportunities. A buyer who settles his account every 60 days can be sold only six times a year; a buyer who pays his bills every 30 days can be sold as often as 12 times a year.

*Trade Discounts.*—Many manufacturers offer trade discounts from the list price to various types of distributors. Separate discounts may be established for individual retail, wholesale, chain, or department stores, or for cooperative and self-service stores. Discounts are established for each type of distributor to protect them against competition, secure their cooperation, and afford them sufficient margin to operate profitably.

Salesmen are often allowed to use their individual judgments in quoting trade discounts to various types of distributors. Sometime it is difficult, however, for salesmen to classify outlets by type and to determine the trade discount which they should give. A retailer, for example, may also be wholesaling a substantial portion of his volume. A salesman is confronted with the question, "Should this merchant be entitled to a retail or wholesale discount?" Many concerns define various types of distributors to aid salesmen in quoting trade discounts. A corporate chain,



for example, may be defined as a retail organization operating two or more stores and as such be entitled to a chain trade discount. A salesman quoting trade discounts should be able to classify each buyer according to his position in the trade, know the trade discounts that apply to each class, and how to quote net prices without resorting to subtraction.

*Territorial Discounts.*—To quote delivered prices in various parts of the country, sellers sometimes establish geographical, territorial, or zone prices, which include the cost of transportation from the seller's shipping point to the buyer. Salesmen should be familiar with the freight allowances or discounts that may be established for his buyer's territory. Sometimes buyers, located at long distances from the shipping point, are allowed additional time to pay for their purchases under R.O.G. terms which provide that the term for payment begins upon "receipt of goods" by the buyer rather than from the date when goods were shipped. This time extension is, in effect, a territorial discount.

*Advertising Discounts.*—Many manufacturers make advertising allowances to a retail distributor who is able to advertise their products. Advertising discounts are usually a fixed percentage of the purchase price, or they may be figured at so many cents per unit. Formerly advertising allowances were largely considered as price concessions and in many cases distributors did not attempt to advertise the products of manufacturers from whom they received allowances; also, some buyers were favored with advertising allowances which were not offered to other customers. However, the Robinson-Patman Act now requires sellers to make advertising allowances available on proportionately equal terms to all competing customers. Most manufacturers now require proof of insertion in recognized media before paying these discounts.

Salesmen who sell to retail distributors should know their company policy on such allowances, the amount of discount permitted, and the recognized media.

*Miscellaneous Discounts.*—Numerous other types of special discounts are offered by manufacturers to distributors. The free deal in which a definite amount of merchandise is given free with the purchase of a minimum quantity of goods for a specified time is one of the most common special discounts. Free goods to cover stocks in the hands of dealers are also frequently given to stimu-

late sales. Bonuses, prizes, and premiums are often given to distributors by manufacturers to stimulate sales. In some companies these special allowances to the trade are so numerous that salesmen have difficulty in keeping account of them. Since they are often one of the principal selling arguments used by salesmen calling on retailers and wholesalers, an effective method of presenting them should be developed.

**4. Price Maintenance.**—Salesmen, representing manufacturers of branded drug and food products sold through wholesale and retail outlets, have had much to do with resale price maintenance during recent years. Many manufacturers have signed fair-trade resale price maintenance contracts with wholesalers and retailers. In these agreements the manufacturer sets the minimum prices at which his products may be sold in states where such contracts are legal. Salesmen of drug and food specialties must know and be able to discuss the features of resale price maintenance. Salesmen selling branded, advertised merchandise, under price-maintenance fair-trade contracts, claim that controlled prices will eliminate price cutting, outlaw unfair competition, standardize prices, and protect distributor profits.

Manufacturers' salesmen who oppose price maintenance maintain that, under fair-trade price acts, wholesalers' profits are limited when prices are rising and that wholesalers' risks are increased in time of falling prices when manufacturers fail to make immediate price reductions in resale contracts.

Opponents of fair trade claim that retailers will lose their independence in determining their own resale prices; the good will of consumers may be jeopardized by higher prices; increased prices may curtail volume of sales; surplus stocks may be moved with difficulty; and a premium may be placed on dealer inefficiency.

Certain types of distributors are opposed to price maintenance, particularly chain stores, department stores, and wholesalers who operate under a low-price volume sales policy. On the other hand, salesmen selling to the retail drug trade find fair trade or price-maintenance contracts valuable aids in making sales and securing the cooperation of the trade. Salesmen of unbranded merchandise, industrial goods or commodities, and services sold direct to consumers are not concerned with price maintenance.

**5. Price Guarantees or Protection against Price Decline.**—Manufacturers of seasonal goods, selling to distributors or con-

tractors, sometimes guarantee purchasers, for a specified period of time, against decline in the purchase price before delivery. Price guarantees are usually offered by salesmen when price levels are declining or advance orders are being sought.

Salesmen operating under a price guarantee policy may use it as a strong selling argument in that it relieves the distributor of the risk of price declines and enables him to lower his resale prices and secure prompt delivery and an adequate supply.

On the other hand, salesmen who oppose a price guarantee policy say that overbuying is encouraged by such a liberal guarantee, with resulting top-heavy inventories and reduced turnover; merchandise may deteriorate or become shopworn; and price reductions may be retarded by sellers seeking to minimize their losses under price guarantees.

Sometimes, as protection to the seller, price guarantees are given only on the unshipped portion of orders. Distributors may ask that a price guarantee also cover their inventories or that they be given a rebate on previous purchases in the event of a price decline. Buyers may be given advance notice of price declines so that they may dispose of existing stocks before the new price is effective.

**6. Special Prices.**—Salesmen sometimes quote special prices for a seasonal clearance, to dispose of bankrupt stock, job lots, and outmoded or shopworn merchandise. Reduced prices are also quoted on combination offers when two units may be offered for the price of one or a premium may be given with the purchase of an article at the regular price.

Price leaders or merchandise specially priced to meet competition may be featured. A new brand may be introduced temporarily at a low price to undersell competition and obtain volume. In a period of low prices, a “fighting” brand is sometimes featured without sacrificing the prestige of an established high-priced quality brand.

Salesmen feature these special price offers to secure initial orders from new buyers and repeat sales from old customers.

**7. Price Advances and Reductions.**—Salesmen are frequently obliged to discuss price increases and reductions with customers and prospects. Wholesalers and retailers oppose reduced prices that cause them to suffer losses on stocks on hand and reduced profits. In meeting objections of the trade to lower prices, sales-

men use the argument that lower prices stimulate consumption and turnover, thereby increasing profits through volume sales. If advance notice of impending price reductions is given to buyers, salesmen obtain dealer good will and large advance orders. Sales advantage also may be gained by protecting buyers against price declines which may occur between the time of placing the order and the date of shipment.

Consumer salesmen, on the other hand, find that their clients welcome price reductions. Sales are usually stimulated by sharp price declines; gradual reductions cause consumers to postpone buying in expectation of further declines.

Price advances stimulate trade demand and, as greater profits are taken on inventories, salesmen enjoy larger sales, particularly when increased prices are announced in advance and dealers are given an opportunity to buy before prices change. Price speculation, by both consumers and dealers, on a rising market creates sales opportunities for aggressive salesmen.

**8. Terms of Payment.**—Terms of payment are often an important factor in closing sales. Liberal time payment terms make it possible for salesmen to sell buyers unable to purchase for cash. And low cash prices enable salesmen to induce prospects with ready funds to buy for cash and “save the difference.”

Salesmen are often given considerable authority in quoting terms. They must frequently decide whether a buyer should be sold for cash or extended credit. The liberality of the terms quoted may depend upon the salesman's estimate of a buyer's ability and willingness to pay for the merchandise ordered. Methods by which a salesman may judge a prospect's credit standing are described in Chap. VIII.

If a buyer's credit is questionable, a salesman quotes cash terms of which there are several types. A buyer of no standing may be quoted C.W.O. terms, or “cash with order.” If the buyer's credit position is somewhat stronger, the seller may stipulate C.B.D. terms, or “cash before delivery.” A still more liberal cash quotation, and the one most commonly used, is C.O.D., or “cash on delivery.” These three degrees of cash terms may be quoted by the salesman according to his judgment of the risk involved.

Many companies, however, allow their salesmen no latitude in extending terms to buyers, reserving this responsibility for the

credit department which informs salesmen of the terms that may be allowed specific customers. Buyers of good standing are offered various types of credit and variable lengths of time to pay for purchases according to their capacity, capital, and character.

Duration of credit terms offered by salesmen varies from 10 days to 18 months and longer in some cases, the length of time depending upon the nature of the product or service. Staples are usually sold on short terms of 10 to 60 days; luxuries and specialties may be sold to the trade on terms as long as six months.

The type of buyer sold affects the length of terms offered. Buyers of good credit standing may be offered more liberal terms than buyers of doubtful integrity and limited funds. Buyers with seasonal income, such as farmers or rural dealers, may not be required to pay for purchases until they receive their principal income. The amount of a purchase also may determine the length of the credit term.

The term of payment begins from the date of invoice or shipment, although buyers at a considerable distance from the point of shipment may be given R.O.G. terms, or "receipt of goods" dating.

Customers who buy several times during a month are usually quoted E.O.M., "end of month" or "proximo," terms. By these terms, a purchaser is billed once, at the end of the month, for all goods bought during the month rather than invoiced for each sale separately. The term of payment is limited to the tenth, fifteenth, or twentieth of the month following date of purchase, and cash discounts are sometimes allowed for payment by the date established by the seller.

Salesmen of seasonal goods frequently offer customers seasonal datings by which the term for payment does not begin until the selling period opens. Shipments are often made in advance of the season, but the merchandise is not invoiced to the buyer until a specified date during the selling period.

Installment terms are offered to both trade and consumer buyers through finance companies, commercial banks, or subsidiary finance companies of manufacturers. In installment sales, the buyer makes an initial payment with the order; the balance is spread over a period of months. In some industries as high as 90 per cent of all sales are consummated on such terms. Salesmen offering installment terms must be familiar with such

details as the amount of initial payment, the frequency and amount of succeeding payments, financing charges, installment sales contract, the method of making collections, and policy on repossessions.

Advantages to salesmen in quoting installment terms, according to a large automobile finance company, are low time price, strong retail selling point, terms to fit the need of purchaser, and continuous contact with customer for life of the installment contract.

In quoting terms, when closing installment sales, successful salesmen ask prospects, "How much can you pay down?" "How much can you pay per month?" rather than immediately quoting definite terms such as one-third down and 12 months to pay. When a salesman quotes definite terms, his natural inclination is to quote his most liberal ones. Then if his prospect cannot afford the terms quoted, the salesman is in a difficult position.

Terms of delivery are frequently involved in quoting prices. If the seller pays all delivery charges, prices are quoted as "delivered" or "prepaid delivery." If the seller delivers the merchandise to the carrier at point of origin F.O.B., or "free on board," terms are quoted. If shipment is made by water, F.A.S., "free along side," terms may be offered. In the export trade, C.I.F., or "cost, insurance, freight," terms are used.

Consignment terms are sometimes offered by sellers to secure broad distribution and to control conditions of resale. By this method, a seller supplies a distributor but retains title to the merchandise. The distributor reports sales and pays the seller monthly for the goods he has disposed of, receiving additional stock from the manufacturer to bring his inventory up to the original amount he is expected to carry.

Salesmen quoting consignment terms are expected to aid distributors in reselling consigned merchandise and to check distributor sales records, inventories, and resale prices.

In discussing terms of payment, salesmen must not only know the various types of terms offered but be able to cite the advantages of each from the buyer's standpoint. Buyers are constantly seeking exceptions to sellers' terms in the form of extra discounts, longer term periods, special delivery advantages, small initial installment payments, unearned cash discounts, and pre-

ferred datings. Salesmen are often confronted with the difficult problem of defending their terms against buyers who seek special concessions.

**9. Computing Selling Prices.**—Manufacturers' salesmen serving wholesalers and retailers often help merchants in determining resale prices. Some manufacturers, on the other hand, suggest resale prices to the wholesale and retail trade, thus obviating the necessity for salesmen or merchants to figure them.

Suppose a salesman is selling sweaters to retail men's furnishing stores. In dozen lots, the sweaters cost the merchant \$1.20 each, delivered. The merchant asks the salesman how much each sweater must be priced in order to cover his operating expenses such as clerk hire, rent, light, heat, and insurance, all amounting to 15 per cent of sales, and a net profit of 5 per cent of sales or a total gross profit or margin of sales of 20 per cent. What amount of markup must be added to the cost of each sweater to secure such a margin?

If the salesman takes 20 per cent of the cost price of \$1.20, or 24 cents, and adds that amount to the cost, he gets \$1.44 as the selling price. This amount is incorrect because the margin of 20 per cent is usually figured on selling price, not on cost price.

The correct way to determine the selling price is to let this unknown figure equal 100 per cent. If the margin is 20 per cent of sales, the cost of a sweater is the difference between the margin (20 per cent) and the selling price (100 per cent), which is 80 per cent. Eighty per cent equals \$1.20, or the cost. To get the selling price, or 100 per cent, first find 1 per cent by dividing the cost, \$1.20, by 80 per cent, which equals 1.5 cents. If 1.5 cents is 1 per cent, the selling price, or 100 per cent, is 100 times that amount, or \$1.50; this is the correct selling price for the sweater.

Short cuts have been devised to save time in figuring markups based on different rates of margin. One method of finding a 50 per cent markup is to divide the cost by five and move the decimal point one place to the right. For example, the markup desired on the sweater costing \$1.20 may be 50 per cent. By dividing \$1.20 by five and moving the decimal point place one point to the right, the selling price of \$2.40 is obtained. A 40 per cent markup may be obtained by dividing cost by six; 30 per cent by dividing cost by seven, and so on.

## SALESMANSHIP

Margin required by budget (per cent of sales)	Mark-up necessary to provide margin (per cent of cost)	Multiply invoice cost by
75.0	300.00	4.000
70.0	233.3	3.333
66.0	200.0	3.000
65.0	185.7	2.857
60.0	150.0	2.500
55.0	122.2	2.222
50.0	100.0	2.000
48.0	92.3	1.923
46.0	85.2	1.852
44.0	78.6	1.786
42.0	72.4	1.724
40.0	66.6	1.666
38.0	61.3	1.613
36.0	56.2	1.562
34.0	51.5	1.515
33.3	50.0	1.500
32.0	47.1	1.471
30.0	42.9	1.429
28.0	38.9	1.389
26.0	35.1	1.351
24.0	31.6	1.316
22.0	28.2	1.282
20.0	25.0	1.250
18.0	22.0	1.220
16.0	19.0	1.190
15.0	17.7	1.177
14.0	16.3	1.163
12.0	13.6	1.136
10.0	11.1	1.111
5.0	5.3	1.053

00.5601-49

This margin and mark-up table saves the time of a salesman in calculating mark-up and in determining resale prices for wholesale and retail merchants. It was published in "Hardware Distribution in the Gulf Southwest" by the U.S. Department of Commerce.



A much more convenient way of figuring is by means of a markup table. Some salesmen carry these tables to aid dealers in determining selling prices at differing rates of markup.

Since the same markup percentage cannot be used on all types of merchandise, it is sometimes necessary for a manufacturer's salesman to aid dealers in determining what it costs to resell the manufacturer's goods. The merchant should be advised to keep accurate records of his sales and operating expenses, including interest and net profit, and divide that amount by his net sales to secure the percentage of margin.

**10. Competitive Prices.**—Salesmen should keep thoroughly informed about prices and terms of competitors by reading their advertising and price-reporting services, by exchange of information with competitive salesmen, or through trade-association channels. When prices fluctuate over a wide range and change rapidly, as in the case of securities, salesmen must have daily, even hourly, market quotations to inform buyers of current prices. Price trends over periods of months or years should be understood by salesmen to enable them to discuss future prices and justify current price quotations.

**11. Relation of Price to Product and Service Values.**—Whether a salesman's price is high or low compared with competing prices, he should be able to justify it in his own mind and, when necessary, to prospects. If he is instructed to quote a comparatively high price, he should know why it is high. Perhaps the high price is due to scarcity of raw materials, high labor costs, and great demand. Maybe quality of materials, skill in manufacture, or care in packaging are largely responsible for the high price. Whichever of these or other factors contribute to the cost of a product or service, they should be known by the salesman as a part of his product or service knowledge.

If a product is priced below the prevailing market, the various reasons for this condition should be known by the salesman irrespective of whether or not they should be used in presentations to buyers.

Too often, the subject of price is clouded in mystery by the management and full price facts are withheld from salesmen, with the result that many of them are suspicious of the validity of the prices they quote. Accordingly, it is easy for them to lack

confidence in their prices and succumb to the objections of prospects.

There should be a legitimate reason for every price, barring monopoly and charging all the traffic will bear, and salesmen should be fortified with price justifications.

### HOW A SALESMAN SHOULD QUOTE PRICES AND TERMS

Outstanding salesmen employ a definite technique for discussing price and terms with prospects and customers. Not only do good salesmen know their prices and terms thoroughly but, more important, they have discovered simple, effective ways of putting their knowledge to the best use. These practical, proved principles for quoting prices and terms, taken from the experience of successful men selling various types of goods and services, have been combined into a five-step routine, which should be studied and practiced until it becomes second nature in price discussions.

#### *Routine for Quoting Price and Terms*

1. Do not discuss price until prospect mentions it.
2. Do not emphasize price unless it is a main attraction.
3. Minimize price quotations.
4. Make price quotation clearly understood.
5. Avoid price comparisons.

**1. Do Not Discuss Price Until Prospect Mentions It.**—In spite of the importance of price in a sales transaction, successful salesmen have found that it is not wise to open the subject with prospects. Not only are many prospects not interested in price, some are even offended at the mention of it, and others most conscious of price are often too proud to admit their concern about it.

When a prospect states frankly the amount he expects to pay or asks a question about price, there is no objection to a salesman's discussing the matter fully. Many salesmen assume that all prospects are price-conscious, that they know exactly before purchasing what they expect to pay, and that nothing else matters. On the contrary, most buyers give little previous thought to price, a majority make up their minds on the subject after they have seen the merchandise, and many are influenced by quality factors to the exclusion of price.

Even in the sale of low-priced merchandise, the buyer is looking for other values as well as economy and a salesman who ignores

price and discusses quality values often "trades up" the prospect to purchase a more expensive item.

It is never wise to ask a prospect bluntly, "What price do you expect to pay?" or "How high do you want to go in price?" In responding to such questions, many prospects are embarrassed or admit no decision. If they name a low price, it is difficult to interest them in higher priced merchandise.

It is often possible to discover a prospect's interest in price without directly opening up the subject. By asking him about the size, model, material, or use which he expects to make of a commodity in which he is interested, a salesman can get a definite indication of the price which the prospect expects to pay. A volunteered remark or the examination of a price tag will also reveal a prospect's interest in the subject.

### **2. Do Not Emphasize Price Unless It Is a Main Attraction.—**

When a product is offered at a special reduced price or was made to sell at a low figure, a salesman may be justified in featuring price in his sales presentation. When a prospect states frankly how much he expects to pay and price is apparently his primary consideration, a salesman is warranted in stressing price. In selling standard products or services which have no distinctive features and which are equal in quality and service to competing products of the same type, price may be the only argument of a salesman.

When prospects are chiefly interested in price, salesmen should discuss it frankly, telling how such a low figure is justified. With the price buyer, it is a mistake to avoid discussion of the subject. If a prospect openly complains that a commodity is too expensive, the salesman must either justify the cost or suggest a less expensive product.

### **3. Minimize Price Quotations.—**

When quoting price, successful salesmen often minimize the total purchase price by expressing it in small amounts. For example, a life insurance salesman does not quote a prospect an annual premium amounting to \$200; instead he discusses the cost as amounting to only a few cents a day or less than the price of two good cigars. Installment terms are quoted in small weekly or monthly payments which contrast favorably with a cash price.

When discussing the cost of running an electric refrigerator, the salesmen of one large manufacturer do not refer to operating

expense in terms of so many dollars a month but compare it with the small cost of current necessary to light a single electric lamp.

The price of a commodity or service may be minimized by comparing it with the greater cost of a similar product or service in the past. For example, a tire salesman may minimize the price of tires today by remarking that thirty years ago a tire would run 2,500 miles at a cost of \$25, or 1 cent a mile; today, a tire costing \$12 runs from 25,000 to 30,000 miles, or  $\frac{1}{25}$  cent a mile.

A salesman of rayon yarn may meet price objections by quoting the current price as in the neighborhood of 57 cents a pound as compared with a previous price of \$1.85.

**4. Make Price Quotations Clearly Understood.**—Serious misunderstandings may easily arise over a price quotation unless the salesman makes sure that all elements of the quotation are clearly understood and accepted by the purchaser. The necessity for a clear understanding as to price is greatest in the sale of custom-made commodities or special order goods which are produced exclusively for the buyer. Salesmen are usually required to obtain signed orders stipulating in writing the terms of the sales transaction.

To avoid misunderstandings, a good salesman reads the details of the order, including quantity, size, price, terms, color, weight, and any other specifications, to the buyer before he affixes his signature. In this way a buyer has a chance to learn the price and details and make an objection then, if he is going to make it at all, before production on the order begins.

Costly returns and adjustments sought by buyers may be avoided largely by care in reaching a clear understanding with customers concerning terms at the time orders are placed.

**5. Avoid Price Comparisons.**—Outstanding salesmen avoid direct price comparisons with previous prices on marked-down merchandise. A salesman who says that merchandise worth \$25 is now selling for \$12.70 creates a suspicion in the mind of the prospect that the goods were originally greatly overpriced. Direct price comparisons weaken the confidence of buyers in a salesman's price policy and invite requests for special concessions.

Direct price comparisons with competing products, unless invited by a prospect, involve the salesman in a discussion of competing products and should be avoided.

**Problem I**

Frank H. Leighton, representing Sanitary Biscuit Company

The Sanitary Biscuit Company, Chicago, Ill., manufactures and distributes direct to retail food outlets an extensive line of packaged and bulk crackers and cakes. Salesmen of the company operate company trucks, sell and deliver in one call, and contact each customer once a week. Store and counter advertising is furnished to dealers without charge.

Frank H. Leighton is one of 40 salesmen operating in Cook County, and the city of Chicago. The following interview took place in the office of the buyer of a chain of five high-grade grocery stores serving the wealthier suburban areas surrounding Chicago. The salesman has been selling the buyer "Delicious" and "Crunchy" crackers and wishes to introduce a new brand of graham crackers.

1. SALESMAN: Here is a good graham cracker (showing package) and your net on the list price, of course, is \$1 for six. You know your discounts. Getting them six for \$1 will make them cost right around 16 cents. Our terms are 2 per cent 10 days, net 30 days, delivered.
2. BUYER: What is the customary retail price? We're getting 19 cents for other brands.
3. SALESMAN: Of course, buying that way, if you want to run a special on them and give them a bang—and really increase them to the public, and get your girls to telephone behind them, I think you'll agree that's as good a brand as we have today. If it's sold at 17 cents you'll still be getting a profit out of it, underselling everybody in the country.
4. BUYER: What do you want to do that for?
5. SALESMAN (laughing): Well, no—but I'm telling you what you could do. Well, you could make a swell profit on it.
6. BUYER: There is no reason in the world why they shouldn't be sold for 19 cents; they are just as good as those other standard makes which never sell for less than 20 or 21 cents.
7. SALESMAN: Of course, this cracker is so different, you'd think people would accept it as equal in quality to the higher priced brands.
8. BUYER: Oh, well, we're selling it. We've been selling this brand for 19 cents.
9. SALESMAN: But you'll grant it's very different from the other brands.

10. BUYER: Well, yes, it's different. It's a little richer because it's flakier. I love it with milk.
11. SALESMAN: Yeah, well, of course, we're coming on to the season now when the women are going to be buying crackers and milk, graham crackers. Now is the time to start and sell them and build the business for the summer months.
12. BUYER: I'll tell you what you do. You leave a sample of your graham crackers here and between now and a week from next Monday, I'll take it up with our managers.
13. SALESMAN: Leave one here? All right.
14. BUYER: Do you get around in a week or two?
15. SALESMAN: Well, I'll bring you up one that isn't opened. Although we just got these samples the first of the week.
16. BUYER: When do you get around again?
17. SALESMAN: Next Monday, Tuesday, or Wednesday.
18. BUYER: Why don't you leave it when you come then.
19. SALESMAN: All right.

### Questions

1. Criticize the salesman's handling of price in this interview. State specific weaknesses and strengths of his presentation of the price.
2. How does the salesman handle competitive prices?
3. What is the retailer's markup on the product in cents, in per cent, on resale?
4. Is the resale price maintained by the seller? If so, why? If not, why?
5. What price is quoted the buyer? If the buyer's trade discounts are 10 per cent, 5 per cent, and 2 per cent for cash, what is the list price of six packages?

### Problem II

Paul K. Patrick, representing United Printing Company

The United Printing Company, Boston, Mass., specializes in the production of printed forms and stationery sold direct by 20 salesmen, located in the principal cities of the country, to leading industrial concerns. Much of the production of the company is railroad printing of all kinds and its salesmen concentrate their efforts on railroad purchasing agents. Orders taken by the salesmen are forwarded direct to Boston for printing. To aid them in securing business, salesmen analyze the form systems of transportation companies and present recommendations to buyers to effect savings in printing costs through the elimination of useless forms and the group production of others to save paper and presswork.

One of the five salesmen, working out of the New York City office of the company, is Paul K. Patrick, who has received a telephone inquiry from the purchasing agent of a large railroad system concerning a quotation recently made by him to their buyer. The railroad bought the majority of its printed forms during the previous year from the United Printing Company through salesman Patrick. The following interview between Patrick and the purchasing agent ensues:

1. BUYER: Good morning, Mr. Patrick. Thought we'd better have you drop in in connection with this quotation you made on these printed forms.
2. SALESMAN: Yes.
3. BUYER: The prices you have quoted us are slightly higher than last year.
4. SALESMAN: Yes, but not a great deal. Well, the thing is that costs have gone up.
5. BUYER: Prices on many things are not as high as they were last year.
6. SALESMAN: Is that so?
7. BUYER: Yes, so it throws you out of the running. You see what we are up against.
8. SALESMAN: One of our competitors, who lost the deal last year, swore that he was going to get it back regardless of cost.
9. BUYER: Well, we had no indication that any competitor was doing that. No one has talked to us.
10. SALESMAN: But I do know that they said that.
11. BUYER: Your chief competitor has not been getting any amount of business from us in the last seven years. I don't think we've done any business with them in two or three years. So this isn't the first year they've lost. Now maybe they've had a new lease on life or something. The situation is that they've got lower prices and right at the moment you're in a rather unfavorable situation. I wonder if you want to look your quotation over again.
12. SALESMAN: Yes, I'd be glad to.
13. BUYER: Or, recheck the thing to see whether there's been a mistake.
14. SALESMAN: Well, who are—what people will you figure with?
15. BUYER: We use the Blank Printing Company. They gave us very good service last year, so we gave them a little preference this year.
16. SALESMAN: I see. Well, I'd be happy to check those things over and see if we can't fix them a little.

17. BUYER: I wish you would. Prices are lower than last year.

18. SALESMAN: That's all right. Goodby.

### Questions

1. Criticize, favorably or otherwise, the salesman's handling of his price quotation in this interview. State specific strengths and weaknesses. Should the matter have been handled differently? How?

2. What general price policy is apparently followed by the United Printing Company? Is this sound? Why?

3. Can the buyer be criticized for his position on the quotation submitted by salesman Patrick? How?

4. Does Patrick know the relation of his price to his product values? Explain.

5. Is the salesman familiar with competitive prices? What is his attitude toward prices of competitors? Is this sound?

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## CHAPTER VI

### PRESENTING ADVERTISING

#### PERSONAL SELLING PLUS PRINTED SALESMANSHIP

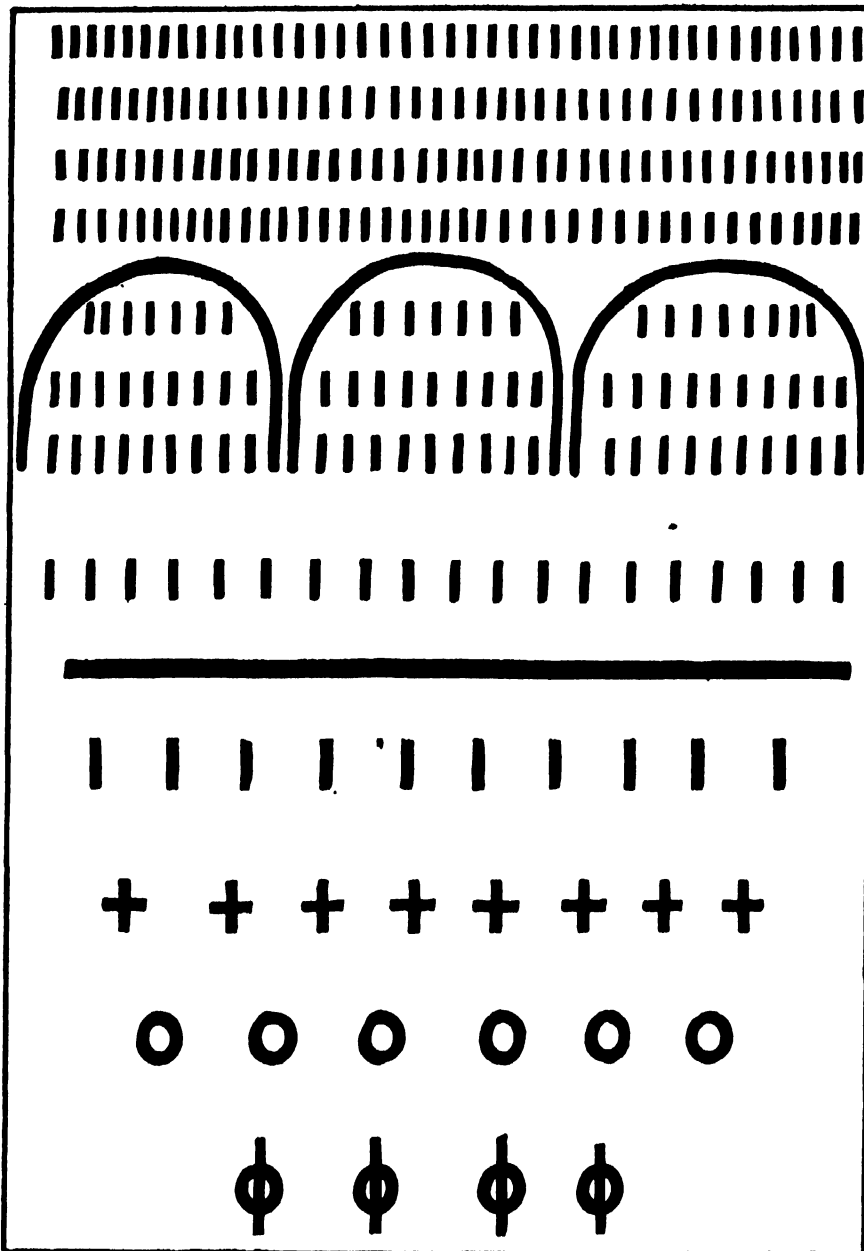
Advertising plays an important part in the work of salesmen representing products or services advertised to consumers and distributors. To help salesmen in their work, almost two billion dollars are invested annually in advertising in the United States by more than 200,000 manufacturers and more than 1,500,000 retail establishments.

Yet many salesmen fail to take advantage of this enormous investment because they look upon advertising as something apart, unrelated to their day-to-day job of securing orders. Others believe that advertising is a needless expense which only increases prices and that money invested in it would better be spent in increasing salesmen's commissions or in allowing greater discounts to dealers. Some salesmen are indifferent about the matter because they have never learned how it can make their efforts more productive. There are still others who look upon advertising as a competitor, reducing the need for their services.

Advertising, on the contrary, may be a salesman's most valuable assistant. It takes from his shoulders much of the energy-consuming, time-taking, discouraging work of cold canvassing, or locating logical prospects, and leaves him the important, profitable work of "closing." Salesmen put their products on dealers' shelves; advertising moves the products off the shelves and creates repeat orders from distributors. By creating a demand from consumers, advertising makes it easier for retailers to sell and in this way aids salesmen in interesting dealers.

Advertising works for a salesman during his absence, or between calls on customers, by keeping business friendships alive and making it possible for him to hold his trade more easily.

Doors that would otherwise be closed to an unknown salesman, are opened when advertising has established prestige for the company and product he represents, paving the way for his call.



This chart has been used by the General Electric Company to illustrate to salesmen the analogy between the operations of an army in action and the activities of salesmen supported by advertising.

The sales and advertising forces are shown at the bottom separated from their prospects, customers and the general public by a horizontal front line trench drawn through the center of the chart. The first figures at the bottom of the chart, represented by circles bisected with vertical lines, are the Big Berthas or long-range artillery representing institutional advertisements aimed at the general public, represented by the vertical lines at the top of the chart. In front of the Big Berthas, or long-range institutional advertisements, is the field artillery, represented by the circles. These stand for industrial advertisements in business magazines which are aimed at specific industries, the coal industry, steel industry, etc., represented by vertical lines surrounded by half circles. In front of the field artillery, or business magazines, are the machine guns or direct advertisements, booklets, folders, etc., represented by crosses on the chart. These concentrate on individual customers, indicated by vertical lines just above the heavy horizontal line on the chart. And in the front line trench are the individual salesmen whose activities are supported by the barrage of advertising artillery and machine guns laid down on prospects before and after sales calls.

A salesman's time and energy are conserved by advertising, which shortens the time of interviews by giving prospects advance information and relieving salesmen of much of the task of describing construction features, method of operation, and merits of the products or services. More calls may be made by salesmen when advertising helps to present products and provides the names of interested prospects.

Advertising aids salesmen in meeting competition effectively as it makes possible more frequent contacts with customers and helps in following up interviews when it is impossible for salesmen to give buyers the personal attention necessary to hold business.

In many other ways, such as in winning back inactive customers, driving home arguments, securing appointments, overcoming objections, and creating prestige, various forms of advertising can be invaluable aids to salesmen who consider printed salesmanship as a sales tool and use it consistently.

#### IMPORTANCE OF ADVERTISING IN A SALESMAN'S PRESENTATION

The importance of advertising in a presentation depends to a large extent upon the amount and character of current advertising as well as the amount of advertising done in the past by the firm which a salesman represents. Salesmen working without benefit of advertising obviously cannot call upon it to support their presentations; on the other hand, those who are supported by extensive national and local advertising make it an important part of their sales interviews.

Discussion of advertising is also affected by the type of buyer served.

#### ADVERTISING IN CONSUMER SELLING

Many salesmen of advertised products and services, sold direct to consumers, have yet to learn the value of discussing advertising in their presentations to ultimate consumers. Although consumers are not interested in advertising media, circulation costs, schedules, and other technical features of a salesman's advertising program, they are concerned with those social and economic benefits that advertising brings to them.

Consumer salesmen of advertised lines tell their customers how advertising benefits buyers, by (1) giving security in purchasing

from a known source; (2) reducing prices by creating demand; (3) imparting satisfaction through use of a popular brand; (4) improving quality without increasing cost; (5) stabilizing prices; (6) stimulating improved standards of living and the attainment of satisfactions which would otherwise be missed; (7) educating and informing.

Consumers should be shown the actual advertisements which make these benefits possible so that they will be impressed with the efforts of the advertiser. Salesmen are the interpreters of their company's advertising to consumers who, seeing one of the advertisements or hearing a radio program, will read and listen with keener interest.

Quotations from advertising are used by salesmen in selling to consumers and the same appeals that have been tested and found effective in advertisements should be used by a salesman in his presentations to buyers.

#### ADVERTISING IN TRADE SELLING

Advertising is of much greater concern to wholesalers and retailers than it is to consumers, because wise merchants consider it indispensable in turning over a capital investment in merchandise and creating greater profits.

In the past it was sufficient for a salesman to mention that his product was advertised to secure sizable orders from wholesalers and retailers. Today, national advertisers are so numerous that there is little distinction in saying, "This product is nationally advertised." Salesmen must "sell" a national advertising program to dealers by pointing out the media used, the coverage, and the schedules and by interpreting each of these features in terms of extra value to merchants.

Salesmen representing large advertisers are rated on their ability to secure the cooperation of their dealer customers in advertising. Advertising plays such a prominent part in dealer selling that salesmen sometimes significantly remark that they do not sell merchandise, but advertising.

Retail merchants now depend to a large extent upon the manufacturers, whose products they sell, for assistance in planning local advertising campaigns, in determining the amount to be invested in advertising, where and when advertising should be done, and in the preparation of advertisements.

## I. WHAT A SALESMAN SHOULD KNOW ABOUT HIS COMPANY'S NATIONAL ADVERTISING

The presentation of a salesman, selling a nationally advertised product, involves a knowledge of all the advertising done by his company. There are approximately 9,000 national advertisers investing from a few thousand to several million dollars annually in nationwide advertising. Salesmen representing these concerns explain the following features of their advertising programs to dealers in one or several interviews as the situation demands: (1) benefits of national advertising to distributors; (2) national advertising media and their values; (3) proofs of advertisements and their value; (4) schedule of national advertising; (5) coverage of advertising; (6) effectiveness of national advertising; (7) cost of national advertising.

**1. Benefits of National Advertising to Distributors.**—Salesmen whose firms are national advertisers must continuously educate wholesalers and retailers on the benefits of such a program. The salesman representing a consistent national advertiser has a great advantage in emphasizing the selling power which the cumulative effect of years and years of regular advertising gives to his products. The benefits derived by dealers who stock a nationally advertised line are

*a. Increased Turnover.*—The basic advantage of national advertising to dealers is its ability to increase stock turnover by bringing more customers into their stores. A merchant's annual profit is largely determined by the number of times he turns his stock during a year or, in other words, the earnings he makes on his capital invested in goods depends on how often he reinvests his capital or credit. If he reinvests it in nonadvertised items, on which he earns 6 per cent four times a year, his annual profit amounts to 24 per cent. However, if national advertising makes it possible for the merchant to get back his profit by selling out his stock eight times a year, he earns eight times 6 per cent, or 48 per cent—twice the amount earned before on the same margin of profit.

Merchants sometimes object to the narrow profit margins on nationally advertised goods. Granting, for example, that the profit on a nationally advertised brand is only 4 per cent, if it turns over eight times a year, contrasted with a turnover of four

times on a nonadvertised brand carrying a margin of 6 per cent, the advertised item earns 32 per cent and the unadvertised goods earn 24 per cent. This example illustrates that it is not the margin of profit carried by an item that is of primary interest to a merchant, but the number of times that he can earn that profit. Furthermore, a merchant's selling costs do not increase as his rate of turnover is accelerated by national advertising.

Salesmen illustrate to dealers the principle of turnover, as promoted by national advertising, by means of charts, graphs, illustrations, and sometimes demonstrations similar to one used by a nationally advertised soft drink. Sales representatives of this company placed before dealers four small wooden shapes—a cube, a ball, a pyramid, and a hexagon. The pyramid represented an unknown soft drink; the cube stood for a drink with a few friends; the hexagon, a well-known local beverage; and the ball, the nationally advertised drink under consideration. The dealer was asked to attempt to turn over with his forefinger each of the shapes in the order mentioned. Obviously the ball representing the salesman's product, when pushed by the dealer, turned over rapidly and made a new impression of quick turnover.

*b. Greater Prestige.*—Merchants who distribute nationally advertised wares share with the advertiser in the good will and confidence of consumers.

*c. Reduced Selling Expense.*—Retail and wholesale salespeople spend less time selling nationally advertised merchandise and lower selling costs result. An investigation of the amount of time consumed by retail salespersons in selling advertised and non-advertised merchandise showed that, when a customer asked for a nationally advertised article, it took the salesclerk 31 seconds to complete the transaction. To switch a customer from one advertised item to another, consumed 112 seconds, or four times as long. To switch a customer from an advertised to a private, unknown brand, took 199 seconds, or six times as long.

*d. Improved Knowledge of Merchant.*—National advertising brings merchants valuable information about construction features, new uses, and improvements which can be used profitably in reselling to consumers.

*e. Sales of Other Articles Stimulated.*—By bringing customers into retail stores and increasing store traffic, national advertising contributes to the sale of a much larger volume of profitable non-

advertised merchandise than would otherwise be sold. Sales of articles related in use to the advertised product are promoted by national advertising and the amounts purchased by customers are increased.

*f. More Stable Inventory Values.*—There is less depreciation in the value of a stock of well-known, nationally advertised merchandise than in an inventory of unbranded goods. At a forced liquidation, an established brand commands a higher value by reason of the quality reputation created by the advertising.

*g. Seasonal Fluctuations Overcome.*—National advertising tends to reduce seasonal fluctuations in demand, assuring to merchants a steady call for advertised merchandise and overcoming the irregular, spasmodic demand often experienced on unadvertised seasonal goods.

*h. A Quality Requirement on Dealers.*—Merchants who stock nationally advertised goods are looked upon as quality outlets and are more likely to carry superior merchandise and offer higher grade service than dealers who are not identified as distributors of articles of such recognized worth.

**2. National Advertising Media and Their Values.**—Salesmen should know not only the national publications, networks, outdoor, and car-card media in which their company's advertising appears, but also the reasons why these various media are used. A salesman, for example, should not only know that his advertising is running in *The Saturday Evening Post*, but be able to give dealers facts to prove that the *Post* is the logical medium for maximum effectiveness.

Media are selected by the advertiser's agency and advertising manager after careful consideration of the following factors: number of readers or listeners, reader or listener interest, costs, coverage of market, amount of advertising carried, methods of obtaining readers, duplication of circulation, mechanical make-up, merchandising assistance. It is not necessary for a salesman to have full information on each of these factors for each medium in which his company advertises, but he should at least know those outstanding features that lead to the selection of each medium.

Dealers have definite advertising likes and dislikes; some favor one form of advertising and discount the value of another. Salesmen must be able not only to justify each publication or radio

station used in their company's advertising, but also to defend the merit of each class of advertising used.

National magazines compared with other media have the advantages of a longer reading life, more thorough reading, attractive color reproduction, greater income of readers, and prestige. They have the disadvantages of infrequent appearance, lack of identification for the local dealer, inflexibility in coverage, waste in areas where no distribution exists, and no local appeal.

When newspapers are used on a national scale as in the case of large advertisers, they have the following advantages: frequent insertion, identification of local distributors, quick action, adaptability to changing conditions, intensive local market coverage. The disadvantages of newspaper advertising are poor reproduction, short reading life, no prestige, no class appeal, and no fine color work.

Radio advertising on national or regional networks has the advantages of personal appeal, high entertainment value, local dealer identification, flexibility in time, and coverage. On the other hand, it is short-lived, affords a minimum amount of advertising, and an indefinite number of listeners.

Outdoor advertising on a national scale has the merits of impressing with size and color, affording dealer identification, gaining power by frequent repetition, enjoying great numbers of readers, being elastic in coverage and universal in appeal. Its limitations are infrequent change of copy, public antagonism, limited copy, absence of educational features. Car cards, used in advertising products of low cost and wide distribution, have, in general, the same advantages and limitations as outdoor advertising.

**3. Proofs of Advertisements and Their Values.**—Proofs of actual advertisements serve to impress merchants not only with tangible evidence of the advertising program but also with sales appeals, product features, and information about the product. A salesman who carries proofs of national advertising with him on his calls is, in effect, taking along an assistant who is ready with new talking points and fresh angles on old ideas to contribute to the interview.

Salesmen should know and be able to discuss the specific objective of each advertisement with dealers. Such objectives may be to increase units of purchase, to increase frequency of use, to



increase length of the buying season, to increase the variety of the uses of a product, to reach specifiers who influence consumers to buy, such as architects, physicians, and dentists, to establish a trade name, and many others. Salesmen should study each of their advertisements and determine their objectives from the advertising manager.

The appeals used in a national advertisement and the reasons why these appeals are featured are talking points for a dealer salesman. These appeals, whether they are to beauty, safety, economy, or cleanliness, should be discussed by the salesmen to give dealers the inside story of the advertising. Salesmen may suggest that pertinent paragraphs in the copy be read by dealers. One large advertiser provides his salesmen with proofs, to show to dealers, with the important paragraphs circled or phrases underlined for emphasis.

Advertising illustrations are often worthy of discussion with dealers, particularly when they feature well-known persons or have been produced by famous illustrators. Many advertisers illustrate dealers in their national advertising and bring them into the copy, which is of particular interest to merchants.

The size of the space used and the number of colors in which an advertisement is run are often excellent sales material to be used to advantage by a salesman.

The prestige of the advertising agency which prepared the copy—its size, personnel, and successful work for other well-known advertisers—is another asset that can be used to advantage in discussions with dealers.

**4. Schedule of National Advertising.**—National advertising is planned to appear in publications, on billboards, or over the air at definite dates, determined by the sales strategy of the advertiser and the time of publication of the periodicals used or hours available on the air. Dealers should be informed of the times when advertisements are scheduled to appear so that they can tie up their local publicity with the national campaign and derive the benefits of the combined effort. Dealers will be more likely to listen to a radio program or read publications if they are told in advance when the advertising will be run. Salesmen can often obtain advance orders for specific models or patterns on the strength of advertising contemplated for appearance in the future.

Salesmen should show dealers charts diagramming the various media to be used in a national advertising program and the days of the week, hours of the day, or months of the year when it is scheduled.

**5. Coverage of Advertising.**—Dealers are interested in the size, location, and character of the audience reached with a national advertising program. Advertising circulation, or the number of people affected by the program, is difficult to determine accurately for some media such as radio broadcasting, outdoor and car cards. Publication circulation is more easily estimated on a basis of paid subscribers.

The total national circulation of all media used in a campaign is often an impressive figure, sometimes approximating the number of families in the country. A list of media in which the advertising appears and the circulation of each is a valuable sales tool.

Dealers, however, are not so much concerned with national circulation, as with the number of subscribers, listeners, or observers in their immediate neighborhood or local market. Accordingly, national circulation figures are broken down by cities, counties, states, and sections for each medium in which the advertising appears. With the aid of these breakdowns, which can be procured from media involved in the campaign, a salesman can tell a dealer the exact number of persons exposed to the national advertising program.

The coverage of an advertising campaign, or how completely it reaches the total number of individuals or families comprising a dealer's market, is of significance to distributors. Coverage can be expressed in percentage of the total market. For example, the number of families in a town totals 2,000 and the number of magazine subscribers totals 3,000; the advertising has 150 per cent coverage.

The character of the advertising audience according to purchasing power and standards of living is also of primary importance to dealers in considering the value of a national advertising program.

**6. Effectiveness of National Advertising.**—In the last analysis, the worth of any advertising effort is measured by the increased sales, good will, and prestige created. Definite sales increases resulting from the advertising, the volume of inquiries received, the amount of fan-mail response to a radio broadcast, and the

number of new distributors secured are all factual evidence of advertising productiveness which should be discussed with dealers.

**7. Cost of National Advertising.**—While an advertising expenditure amounting to several million dollars is impressive, dealers sometimes wonder whether such a large sum would be better spent in reducing prices or increasing trade discounts. Accordingly salesmen forestall such an objection by discussing advertising expenditures in terms of single units. A cigarette salesman tells dealers that his company, which invests \$5,000,000 annually in advertising, spends only  $\frac{1}{2}$  cent a package for advertising. A breakfast-food salesman says that national advertising on a 15-cent package amounts to only  $\frac{3}{10}$  cent.

The cost of a page of space in a national magazine is not described to dealers as \$8,000, but as  $3\frac{1}{2}$  cents a reader. On the other hand, some distributors are impressed with a large amount spent for advertising; total figures may be used wisely in discussing advertising costs with them.

## II. WHAT A SALESMAN SHOULD KNOW ABOUT LOCAL ADVERTISING

National advertisers frequently engage in local publicity at their own expense or in cooperation with local distributors. Many manufacturers encourage dealers to supplement national advertising with local publicity at the dealer's expense. Salesmen secure dealer cooperation in local advertising by discussing the following features: (1) reasons why dealers should tie up their local with the manufacturer's national advertising; (2) manufacturer's local advertising; (3) local advertising media and their values; (4) planning advertising for a retail dealer; (5) aiding dealers in carrying out advertising plans.

**1. Reasons Why Dealers Should Tie Up Their Local with the Manufacturer's National Advertising.**—Many dealers assume that since manufacturers advertise nationally, it is not necessary for them to advertise national brands locally. It is obviously impossible for a manufacturer to identify his numerous local outlets in the space afforded by national advertising. Therefore, it is necessary for retailers to inform their consumers of the local source of supply of the advertised article. By local advertising, merchants identify their stores with nationally advertised brands.

The prestige and reputation of a local dealer for quality merchandise are enhanced when he capitalizes on the good will created by national publicity and advertises the same articles locally.

Many consumers not affected by national advertising may be reached by local advertising sponsored by local merchants. National advertising coverage is not so intensive as good local advertising; to reach the majority of the consumers in a section, local advertising is also necessary.

When manufacturers offer to share the cost of local advertising with retailers, it is to the advantage of local merchants to avail themselves of this aid and thereby increase their advertising effort.

**2. Manufacturers' Local Advertising.**—Some manufacturers run local newspaper or radio advertising independent of the publicity of their local dealers. The name and address of each local merchant are usually carried in each advertisement or program and retailers benefit without cost.

Salesmen discuss all features of their local advertising programs including the media used, advertisements and their values, schedule of appearance, local coverage, costs, and effectiveness as in the case of the manufacturer's national advertising program.

Local newspapers and radio stations sometimes solicit local distributors for advertising to tie up with the advertising being run locally by the national advertiser. Manufacturers often place their local newspaper advertising through their dealers in order to secure a lower rate.

**3. Local Advertising Media and Their Values.**—Although there are numerous local advertising media such as newspapers, radio, direct advertising, sampling, premiums, novelties, and outdoor, store, counter, and window displays, manufacturers usually endorse a limited number of basic media for use by local dealers. Certain media have been found more resultful for advertising some types of products and salesmen advise dealers to use these tested methods. A manufacturer of home heating equipment endorses four local media: store displays, newspaper advertising, outdoor store signs, and direct-mail advertising. A salesman's effectiveness is judged partly on his ability to induce his dealers to use one or more of these various types of advertising.

The basic medium of advertising for dealers serving a wide local area is the local newspaper. The advantages of this for dealer advertising are low cost, intensive local coverage, mass audience, news attraction, dealer identification, flexibility in copy, and great reader interest. On the other hand, newspapers are short-lived, provide poor reproduction, are printed on cheap paper, and have no class appeal.

Manufacturers usually furnish, without cost, advertising copy for local newspapers in matrix or electrotype form. For dealers selling a high-priced product in a restricted area or to a limited market, local direct advertising is a basic advertising medium. It may consist of letterheads, folders, booklets, blotters, mailing cards, calendars, imprinted with the dealer's name, all of which may be furnished by the manufacturer at cost of production. The advantages of direct advertising are its flexibility, personal appeal, selectivity, rapid action, and adaptability. On the other hand, direct advertising is expensive, up-to-date lists of prospects are hard to maintain, and dealers are reluctant to carry out the numerous details of addressing, stamping, mailing, and following up direct-mail advertising.

Local dealers may tie up with a national radio broadcast by means of short announcements made over the local stations through which a national program is broadcast. Dealers may also be furnished with radio scripts by manufacturers for broadcasting over local radio stations that cover the market served by the merchant. Electrical transcriptions may also be furnished to dealers for spot broadcasts. The entertainment value and popularity of radio make it an excellent advertising medium for the sale of low-priced, repeat mass-consumption commodities.

Store advertising including window, counter, floor, and wall displays such as cutouts, hangers, baskets, easels, stands, dummy packages, and streamers are furnished to dealers gratis or at cost by most manufacturers of low-priced articles distributed through drug, grocery, and hardware retail outlets. Some manufacturers sell dealers monthly store display services; others sell single pieces at low cost. The advantages of store displays are: they remind customers of nationally advertised goods at the point of sale and sell by suggestion; sales clerks are reminded to push the article displayed; the actual merchandise is shown. Dealers sometimes object to store displays for the following reasons: they take up

valuable window or counter space; sales of a product may not justify giving space for display; small dealers do not have the time or assistance to erect and maintain large displays. Dealers should be supplied with the type of display material that they can use.

Local sampling campaigns are conducted by manufacturers of food and drug specialties to stimulate demand. In some cases, sample packages are supplied to merchants for distribution in the store or in outgoing orders. Occasionally, a manufacturer will distribute through his own crews of house-to-house distributors sample packages, or coupons which may be redeemed with local merchants. Merchants may provide manufacturers with lists of customers to whom samples are mailed direct from the manufacturer. Demonstrators, employed by manufacturers, are assigned to retail stores for preparation and distribution of samples to store customers. Many dealers favor sampling by manufacturers as a direct means of creating new customers and stimulating sales to old ones.

Many manufacturers supply local merchants with exterior hanging or wall signs, illuminated and unilluminated. Such signs carry the name of the manufacturer's product and sometimes the name of the dealer. Large signs are usually sold at cost by the manufacturer; small signs are supplied without charge. Twenty-four-sheet outdoor posters frequently carry the name and address of the nearest dealer and some manufacturers use three-sheet posters on panels erected on side walls of stores as a final suggestion to consumers near the point of purchase.

Numerous forms of novelty advertising including paper matches, ash trays, golf balls, playing cards, and mechanical pencils, imprinted with the brand of the manufacturer and the name and address of the local dealer, are made available to dealers at cost to secure prospects, to reward customers, or to feature special store events.

Publicity or short news stories describing the introduction of a new model are supplied to dealers by manufacturers for insertion in local newspapers. Such publicity is usually run without cost as a favor for dealers who advertise.

**4. Planning Advertising for a Retail Dealer.**—The extent to which salesmen participate in the development of dealer advertising programs depends to a large extent upon the importance of

the product to the merchant from a volume and profit standpoint. If the product is but one of several hundred stocked by a small merchant, the salesman obviously will have little to do with formulating the dealer's advertising program. However, if it is the principal item in a merchant's stock, the salesman often serves as an advertising counselor, advising the dealer in regard to the media to use, when and where the publicity should be run, and how much should be invested in local promotion.

Salesmen, representing products of primary importance to dealers, aid in the development of local advertising programs by first analyzing a dealer's publicity needs through a consideration of his current advertising and its effectiveness, the volume of his past and anticipated sales, the extent of his market, his competitor's advertising, the value of local advertising media, etc. This analysis is carried out with the permission and assistance of the dealer.

After making a survey of a merchant's advertising situation, the manufacturer's salesman formulates a definite plan for the program. The basic advertising media recommended by the manufacturer for local use are a fundamental part of the plan. The plan details the amount of advertising that should be done, the media to be used, the time to advertise, the objectives of the program, and the copy to be run. In preparing such a plan, a salesman may have the assistance of the manufacturer's advertising department which will advise on details unfamiliar to him.

In many cases, a salesman's initial advertising plan for a dealer will be very elementary. He may make the single recommendation that an advertising sign be placed on the front of the store or that a monthly window display service be purchased. In other cases, however, an extensive campaign including newspaper advertising, direct mail, outdoor posters, and window displays may be involved. Most such local advertising plans begin with a single form of publicity and expand as the sales and profits of a dealer increase.

Salesmen selling articles low in price and of little significance to merchants from a volume and profit standpoint also plan to secure a small share of the dealer's advertising program to the extent of a counter, floor, or window display at intervals, or the mention of the product in his newspaper advertisements or handbills.

After a salesman has developed an advertising plan or suggestion for a dealer, he must next present the idea to the dealer and secure his consent to carry it out. The objections of the dealer to features of the plan must be overcome and the advantages to the dealer discussed. An order for advertising aids supplied by the manufacturer should be taken on special forms provided.

**5. Aiding Dealers in Carrying Out Advertising Plans.**—When a manufacturer's salesman has sold a dealer on a local advertising program, he must next see that the plan is carried out. Many such promising plans wither and die for lack of interest and attention by the merchant; unless the salesman concerns himself in the execution of the dealer's advertising program, neither salesman, manufacturer, nor merchant benefits from the local advertising planned. Several million dollars' worth of excellent retail publicity material gathers dust in store basements annually because salesmen fail to see that their advertising is utilized.

Salesmen frequently help dealers to install window displays and exterior and interior store advertising, arrange for distribution of handbills, aid dealers in compiling mailing lists, interview printers and local newspapers, lay out and write newspaper advertisements, and obtain mats, plates, and other advertising aids.

Retail salespeople should be fully informed by the salesman about the various features of the manufacturer's advertising.

### III. SALESMAN'S ADVERTISING PORTFOLIO

So that a salesman may have his advertising material collected and arranged for ready reference in selling a national and local publicity program to dealers, advertising portfolios are widely used. In many cases, these are prepared by the advertising department of the manufacturer. Sometimes salesmen are obliged to collect the following material which should be included in such a portfolio: proofs of national advertisements, schedules of national advertising, charts and circulation figures showing coverage of national advertising, statistics showing the effectiveness of national advertising, proofs of local advertisements, cuts or electros provided by manufacturer, illustrations of display material, samples of direct-mail pieces, novelties.

When collected in a loose-leaf, leather binder, this material is impressive, attracts favorable attention, and saves the time of salesman and dealer in discussing advertising.



#### IV. WHAT A SALESMAN SHOULD KNOW ABOUT HIS COMPANY'S TRADE ADVERTISING

Many manufacturers aid their salesmen in their work by advertising in trade magazines or direct by mail to wholesalers and retailers. Trade advertising paves the way for salesmen by preceding their interviews, establishing prestige, following up calls, reaching prospects whom a salesman is unable to reach in person, saving selling time, securing inquiries from interested prospects, and keeping dealers and their assistants sold on the product in question.

Salesmen capitalize trade advertising by discussing the same selling points featured in it and show copies of advertisements to support their oral arguments. Copies of the trade publications in which advertising is running are also carried and shown to dealers.

Salesmen should know the various trade publications in which their company's advertising is appearing and the schedule of insertions. Copies of all letters, folders, or other pieces of direct-mail advertising sent to the trade should be in the possession of the salesmen.

#### V. HOW A SALESMAN SHOULD KEEP INFORMED ABOUT HIS COMPANY'S ADVERTISING

To use advertising effectively as a sales tool, salesmen must be continuously conscious not only of their company's advertising, but also of that of competitors. A salesman should read thoroughly every newspaper, magazine, or trade publication advertisement issued by his company as well as listen to all radio broadcasts. He should be observant of outdoor posters or painted bulletins, as well as car cards, in case these media are employed.

A salesman should know the advertising and sales-promotion managers of his company and should discuss with them frequently his experiences in presenting advertising and the objections he encounters. Competent advertising executives are cheerfully willing to aid salesmen in solving their advertising problems.

Salesmen can improve their knowledge of advertising by subscribing to one or two of the leading advertising publications such as *Advertising & Selling* and *Printers' Ink*, or study a good text on

the subject, such as "Advertising Procedure," by Kleppner, or "Principles of Advertising," by Nixon.

When seasonal or annual advertising programs are launched, a salesman should study every phase of his company's campaign, its objective, its theme, its method of presentation, and plan how he can present it effectively. Competitive advertising programs should be studied also.

Some salesmen assume a critical attitude toward their company's advertising. They think that it should appear in other media and believe that it is not being handled so well as it might be. It is easy to criticize advertising and there are many different opinions as to what constitutes effective advertising. Even though it is often difficult to point to definite results from advertising, it is no proof that a firm is wasting all or part of its advertising investment. Salesmen must have confidence in the experience and judgment of the executives and advertising agency responsible for their advertising program.

## VI. HOW A SALESMAN SHOULD DISCUSS ADVERTISING WITH DEALERS

Successful salesmen of advertised merchandise and services have found resultful ways to present their advertising programs to merchants. The tested practices of these outstanding men have been collected and combined into a four-step routine for presenting advertising to dealers, which can be followed with profit by any dealer salesman who has an advertising story to tell his distributors.

### *Routine for Discussing Advertising with Dealers*

1. Discover the dealer's attitude toward advertising and advertised brands.
2. Discuss the manufacturer's national and local advertising.
3. Describe the nature of the advertising.
4. Secure a tie-up between the dealer and the company advertising.

**1. Discover the Dealer's Attitude toward Advertising and Advertised Brands.**—Some merchants are antagonistic toward advertising and advertised products; others consider advertising one of the main inducements to stock an article. Until a salesman

determines a prospective dealer's attitude on the subject, he is unable to proceed intelligently in his discussion of the advertising behind his product. Accordingly, outstanding salesmen make a definite effort, early in the interview with a prospective dealer, to determine his views on the subject of advertising.

By tactful questions, by listening to voluntary remarks of the dealer, and by observation, an alert salesman soon discovers a dealer's advertising outlook. Observation of the merchandise stocked by a merchant will indicate whether advertised brands or unknown products are favored. If a dealer remarks, "Advertised brands are too expensive," the salesman knows the direction his discussion of the subject must take.

Before approaching a prospective dealer, able salesmen make inquiries about his advertising and attempt to secure as much information as possible about his attitude toward advertised brands.

If a dealer is receptive to advertising, smart salesmen emphasize their advertising program in their sales presentations. Should a dealer prove to be antagonistic to advertised brands, a salesman may avoid a discussion of the subject or attempt to overcome the merchant's objections.

## **2. Discuss the Manufacturer's National and Local Advertising.**

The scope of a manufacturer's current national and local advertising program behind a product and how it directly affects the merchant should be discussed by the salesman. Illustrations of the various media used and their values, full-sized proofs of individual advertisements and their merits, frequency of appearance of the advertising, the number of national and local readers or listeners, and specific examples of the productiveness of the advertising are features of the program that should be described to dealers, as outlined in the preceding pages, in as much detail as the opportunity affords.

The weight of previous advertising, as reflected by the number of years a manufacturer has been advertising and the amount invested in it over a long period, may be described to indicate the cumulative effect of past effort in creating a demand for the product.

Exhibits, charts, or graphs may be used to illustrate the growing advertising investment of the manufacturer and its effect in increasing turnover for dealers.

**3. Describe the Nature of the Advertising.**—The nature of the manufacturer's advertising should be interpreted to dealers so that they will understand that the particular type of appeal in use will bring increased turnover. The specific purposes of the advertising should be gone over in detail. The objectives of increasing the unit of sale from pints to quarts, increasing the variety of uses, meeting substitution, increasing the frequency of use, or other specific purposes should be explained.

The central theme or main idea of the advertising should be described. Every good advertising campaign has a key idea such as "pink toothbrush," or "halitosis," and dealers should be familiar with the theme of the program.

The specific action sought by the advertising from consumers, such as writing for a sample package, inquiring for a recipe booklet, or telephoning a dealer, should be described to dealers.

The type of copy used, such as story, drama, or reason-why, may be discussed. The appeals to taste, cleanliness, sex, comfort, or economy are important in the success of the advertising and consequently of interest to distributors.

Prepublication tests, which may have been made of the effectiveness of the advertising, are convincing proof of its resultfulness.

**4. Secure a Tie-up between the Dealer and the Company Advertising.**—A manufacturer's repeat orders depend upon the movement of merchandise from the dealers' shelves, and local advertising is the greatest accelerator of that movement. Therefore, the success of his salesmen depends largely upon their ability to induce dealers to tie up local publicity with the manufacturer's national advertising.

Outstanding salesmen are singularly successful in securing cooperation from dealers in planning their advertising efforts to take full advantage of a manufacturer's national and local program.

Starting with an analysis of a dealer's advertising needs and proceeding to a simple advertising plan involving the use of basic advertising media as described in the preceding pages, a salesman can step by step persuade distributors to adopt a program of local advertising which ties up national advertising at the point of purchase, the merchant's store.

The effectiveness of a local tie-up depends in a large measure on the follow-up of the salesman and his willingness to be responsible for some of the details that are incident to the production of the advertising.

## Problem I

### PRESENTING ADVERTISING TO DEALERS

Thomas P. Hanford, representing the Brilliant Lamp Corporation

The Brilliant Lamp Corporation, New York City, is a subsidiary of the Eastern Electric Company, manufacturers and distributors of a wide line of electrical appliances, motors, transformers, generators, turbines, with 15 factories and branches throughout the world. The corporation specializes in the production of electric lamps, sold direct to hardware, electrical, variety, drug, and grocery outlets through company salesmen operating out of branch offices in the principal cities.

To promote the sale of its lamps, the corporation advertises in national consumer magazines to the extent of \$500,000 annually and in addition supplies lithographed store window, counter, and floor displays and display racks to retailers. These displays are distributed by company salesmen to dealers who pay a small amount for a monthly display service. Some small displays are supplied to dealers without charge.

One of the Brilliant salesmen, Thomas P. Hanford, operating out of the Boston office, is calling in the following interview on the buyer of a Boston chain of grocery stores. He is attempting to interest the buyer in the display advertising supplied to retailers.

1. SALESMAN: We've got some nice displays I'd like to show you.
2. BUYER: Our only trouble is that one of your competitors has offered to install and service store displays for us. They feel they're in a position to service them if they need it. They get around to all the stores; these displays are new all the time.
3. SALESMAN: If they've got anything we haven't got or if they can do anything we can't do, we'd like to know what it is.
4. BUYER: Well, it sounds good. They think they can, anyhow.
5. SALESMAN: Well, that's their story. Here is our regular 1938 display service (showing picture of display). I think there's some story about it. I can't remember whether you decided or whether

your store managers decided that they had no place to use this material and didn't want it. I can't just remember. But I'll be glad to check on it.

6. BUYER: Well, I want some of them up, but we won't guarantee to leave them up.
7. SALESMAN: That's just the story on this stuff. It's got to—
8. BUYER: It's got to what?
9. SALESMAN: It's got to be up some time in order to get results from it.
10. BUYER: Well, we'll leave it up long enough to get results from it, and if we take it down we'll keep it—well—so that we can put it back.
11. SALESMAN: I was wondering if it wouldn't be—of course, at this time of year your sales aren't quite so good as they were in the early part of the year or the last part of the year. It's an off season. I was wondering why it wouldn't be a darn good idea—we've got another one now—darn good idea to have something like this (showing picture of display)—in fact, I think you and I've talked about this before. Here—now, I don't know—you like something, naturally, that doesn't take up too much space.
12. BUYER: That's true.
13. SALESMAN: That's 16 by 16 (pointing to dimensions of display). See? Now—think that would be better than something of this type (showing picture of another display), or that type (showing pictures of displays)—any of these three types?
14. BUYER: Oh, I'd say in the fall, maybe, if we were promoting something like this. Possibly now, our old displays should be replaced by this sign (pointing to picture of sign); do you think so—or don't you?
15. SALESMAN: No, I don't think so. For this reason: electric lamps are something different probably from any commodity you've got in this store. People buy those when they see them, and they're reminded of them when they see them. Probably hundreds of people have left the store and somebody would tell you when they come home that they forgot to buy lamps. If they happen to be going through your store at 5 o'clock tonight or buying something and saw them, why they'd buy them.
16. BUYER: Why don't we take this metal display rack and put it up in all our stores?
17. SALESMAN: I'd like to have a try at it.
18. BUYER: And see how it works.
19. SALESMAN: I'd like to have you try it.
20. BUYER: I'll be interested in watching it.

21. SALESMAN: That's just the idea. Now on this other stuff (showing pictures of lithographed displays), it's all paper. Just a minute now; this is all paper.
22. BUYER: These competing salesmen are sure after your scalp nowadays, aren't they?
23. SALESMAN: Well, they've all got some story to tell, as the fellow says, and it's better than anybody else's, and they can believe it or not. I don't know how they get by with competition the way it is today.
24. These little things here (showing examples of counter displays), you can only stick them somewhere near the cash register or on the counter.
25. BUYER: I know we use something like this—maybe not quite so often as other displays.
26. SALESMAN: Set one facing your store, Mr. Buyer. These little things are all small.
27. BUYER: Yes, and of course there is a limit to how much space we can give. Take a thing like that and I should think we'd sell more.
28. SALESMAN: Would you like the large rack or small one?
29. BUYER: Which one would sell the most bulbs?
30. SALESMAN: Well, if you want a display for all bulbs, I'd say that large rack would, but I don't think you want to devote so much space. Take something like this (shows picture of small rack).
31. BUYER: You charge for these, do you?
32. SALESMAN: They are charged to you but you get your money when we take them back.
33. BUYER: What do you mean—when you take them back?
34. SALESMAN: We don't take them back, as a rule. For some reason, the company doesn't want them or something of that sort.
35. BUYER: Well, that's not the story of your competitor. Why is he giving them away?
36. SALESMAN: He isn't giving them away. What's he giving away?
37. BUYER: Racks and displays.
38. SALESMAN: Well, we have some very small racks we can give away, but—
39. BUYER: Your competitors are giving away metal stands, and maybe they are doing it to get in, I don't know.
40. SALESMAN: There is a very small rack included in this service for a charge of \$1.25 a year.
41. BUYER: A year?
42. SALESMAN: A year.

43. **BUYER:** Is it the one shown on this paper here? (Looks at illustration of display.)
44. **SALESMAN:** Yep.
45. **BUYER:** Can you get twelve of these racks a year?
46. **SALESMAN:** You get enough. In the \$2.50 one, which is the—this is the \$2.50 one (showing picture of display service). This is good. This is a large steel rack. We charge \$2.50 for that service and the first year it includes the rack; the second year we give it to you for \$2.00.
47. **BUYER:** Well, we'll think it over. Come in and see me the next time you're around.

### Questions

1. Criticize favorably or otherwise the salesman's discussion of advertising in this interview? Cite specific strengths or weaknesses.
2. Did the salesman discover the buyer's attitude toward advertising? What was his attitude?
3. Did the salesman know the buyer's advertising situation? Explain.
4. Did the salesman describe the nature of the advertising satisfactorily?
5. Did the salesman convince the buyer of the value of a tie-up using the company's local advertising?
6. Did the salesman recommend the proper media to the buyer?

### Problem II

#### PRESENTING ADVERTISING TO DEALERS

Robert H. Cox, representing the Randolph Oil Company

The Randolph Oil Company, Cleveland, Ohio, refiners and national distributors of gasoline and lubricating oils, also produces and distributes a line of petroleum specialties including fly killer, household oil, window cleaner, and insecticide. A separate sales organization specializes in the sale of these articles, which are distributed direct to wholesalers and large chain stores.

The insecticide in pint and quart containers is advertised widely to the extent of \$200,000 annually in national magazines. In addition the company is initiating a network radio broadcast featuring a well-known woman singer. Attached to each 25-cent can of the insecticide is a coupon that entitles the buyer to a metal spray gun for 35 cents. The coupons are redeemed and the guns are shipped direct from the factory at Cleveland.

Robert H. Cox is one of ten salesmen selling Randolph specialties in greater New York City. In the following interview, he is



discussing the advertising program behind Randolph insecticide with the buyer of a small chain of stores located in the wealthier communities suburban to New York.

1. SALESMAN: Mr. Buyer, we're starting 16 weeks of Bertha Bayes (radio star) and what we would like to do is to get you listed on that Bertha Bayes program. This is on three days a week for 16 weeks. A great many people in Blanktown and Homeville (where buyer's stores are located) are familiar with our products.
2. We would like to tell it on the radio, get it in your *News* (weekly store circular) like what we have been doing with Jones Market in Linkville. They've already hooked up with us; Morton Provision in Lawrence—the better markets. It's going to help a lot.
3. Then we attach a coupon to each can. The customer mails the coupon back to us with 35 cents and gets the Randolph Insecticide Spray. (Shows spray.) It's a handy little gadget. It can be used for a spray in the garden and in the house.
4. It is advertised in *Collier's*, *Better Homes and Gardens*, and the *American Home*—good representative ads and good presentation. We figure that people know the name. They get the spray for 35 cents.
5. BUYER: It's quite a premium offer. How much did you pay for the sprays?
6. SALESMAN: Twenty-five cents.
7. BUYER: You make money on those, don't you?
8. SALESMAN: We do. We mail 'em out. The beauty of it is, it saves the hands from getting torn and scratched spraying rose bushes. This spray here (showing spray) is 35 cents with a 25-cent bottle of the liquid. The sprays were 69 cents last year.
9. This competitive combination is a special sale.
10. BUYER: Do you think it will sell?
11. SALESMAN: There is no question about it, with the coupon.
12. BUYER: The only thing I can say—you're too late. We will keep our ears to the ground and see what we will get on call. I haven't heard anything yet.
13. If they get so they'll knock down doors to try and get it, we'll have to see the results first; if it looks like it is working—
14. SALESMAN: Do you have calls for Randolph Insecticide?
15. BUYER: We've had calls in our main store here.
16. SALESMAN: Many stores stock just a small quantity.
17. BUYER: We operate a little different; we try to sell in large quantities and try to push out large quantities, but we do it on few items.
18. SALESMAN: Since you've put Blank Insecticide in, we'd like to be in too.

19. BUYER: The other's in and this isn't, and it's just absolutely impossible to change now. It's just impossible to change now. If there gets to be a demand, we'll carry it for demand.
20. SALESMAN: But, Mr. Buyer, you're not satisfied with Blank, are you? I mean, as buyer for an organization, you want the best price?
21. BUYER: We make a good profit on it.
22. SALESMAN: Well, you get an awful price, 70 cents. There's a good profit in Blank. Don't let anybody tell you there isn't. I mean, you're buying it, you know what you're buying.
23. BUYER: We buy it direct and they took care of our stock for last year. It shows, I don't know, 35 or 40 cents profit. I don't know what more you want.
24. SALESMAN: That's very good. Haven't you a lot of requests for our product?
25. BUYER: No. Well, of course, the stores are supposed to report the calls. They don't report isolated calls, but they do continuous calls. It's absolutely impossible for us to buy merchandise at this time. If there is enough demand we would perhaps stock it for the demand.
26. SALESMAN: We used to do business with you.
27. BUYER: Well, I don't know why you lost out—whether they weren't looking after their business, or what, I don't know, but it got away from you somehow. We have the same difficulty in our office. It's no fault of mine—just those things that happen. Good-by.

### Questions

1. Discuss the salesman's presentation of his advertising in this interview. Cite specific examples of good or bad technique.
2. Did the salesman sell the general benefits to the dealer of the national magazine advertising? The radio advertising? If not what should have been said?
3. Were the media used and their values discussed? Satisfactorily?
4. Was the schedule of advertising mentioned?
5. Was the national and local coverage of the advertising explained?

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## CHAPTER VII

### PRESENTING MECHANICAL SERVICE

#### I. IMPORTANCE OF MECHANICAL SERVICE IN SALES PRESENTATIONS

The machine age has not only created new methods in industry and changed modes of life but has also produced a new problem for salesmen—the presentation of mechanical service.

Whether they purchase locomotives, mercury-vapor turbines, or tabulators for industry, electric shavers, oil burners, or automobiles for individual or home use, buyers desire more than mechanisms. They are buying results which can only be obtained from service. Salesmen of machines must make a dual sale, the product and the service.

Purchasers of mechanical products are primarily buying comfort, economy, performance, and durability, values which are obtained not only through the merits of the product but also through the mechanical service rendered by the seller. The customer is interested in motors, gears, or horsepower only as a means to an end. The salesman of machines, who sells a constructive program of service and maintenance as well as a high-quality machine, is doing a well-rounded job.

As the quality of many mechanical products becomes more or less standardized and prices uniform, buyers have so little choice in their selection that the character of mechanical service provided by a seller is often the deciding factor in a transaction.

Although many mechanical articles are today highly perfected, the need for regular adjustments, lubrication, replacement of worn parts, cleaning, tightening, and realignments is still necessary, if a buyer is to secure the satisfactory operation in which he is primarily interested. While the amount of service required to maintain mechanical devices in good operating order varies with the perfection and complexity of the mechanism, salesmen of every technical product have a maintenance story of significance to buyers.

The numerous benefits to be derived by a salesman from constructive service presentations to prospects include repeat sales to customers, valuable word-of-mouth advertising and testimonials from owners, increased sales of accessories and related products, names of new prospects, satisfied users, fewer returns and repossessions, and increased service sales.

## II. WHAT A SALESMAN SHOULD KNOW ABOUT HIS MECHANICAL SERVICE

A salesman should have a comprehensive knowledge of each feature of his mechanical service, including (1) guaranty; (2) provisions of service policy; (3) service personnel; (4) accessibility of service; (5) maintenance requirements of product; (6) service equipment and facilities; (7) when service is available; (8) owner's experiences with service; (9) cost of service; (10) competitive service; (11) authorized service dealers.

**1. Guaranty.**—A manufacturer's guaranty, or warranty, is a formal statement defining the seller's liability for defects in material and workmanship and describing satisfactory service. A manufacturer's guaranty usually limits the time for which the seller is responsible to the buyer for service and includes instructions for proper maintenance of the article. A liberal guaranty, properly presented by a salesman, may be a strong selling tool to win the confidence of prospects and to protect a seller against the competition of cheaper substitutes. Wholesale and retail distributors obtain for their customers the benefits guaranteed under the manufacturer's warranty.

Some machine industries have adopted a standard warranty which is subscribed to by a majority of manufacturers in the business. Typical of such warranties is that of the National Automobile Chamber of Commerce, which reads as follows:

We warrant each new motor vehicle manufactured by us, whether passenger car or commercial vehicle, to be free from defects in material or workmanship under normal use and service, our obligation under this warranty being limited to making good at our factory any parts or part thereof which shall within ninety days after delivery of such vehicle to the original purchaser be returned to us with transportation charges prepaid, and which our examination shall disclose to our satisfaction to have been thus defective; this warranty being expressly in lieu of all other warranties, expressed or implied, and of all other obligations or

liabilities on our part, and we neither assume nor authorize any other person to assume for us any other liability in connection with the sale of our vehicles.

This warranty shall not apply to any vehicle which shall have been repaired or altered outside of our factory in any way so as, in our judgment, to affect its stability or reliability, nor which has been subject to misuse, negligence, or accident, nor to any commercial vehicle made by us which shall have been operated at a speed exceeding the factory rated speed, or loaded beyond the factory rated load capacity.

We make no warranty whatsoever in regard to tires, rims, ignition apparatus, horns or other signaling devices, starting devices, generators, batteries, speedometers, or other trade accessories, inasmuch as they are usually warranted separately by their respective manufacturers.

Salesmen should know all particulars of the warranties or guaranties covering their products and be able to discuss their features with prospects when the need arises. A straightforward guaranty is reassuring to a dubious buyer. It makes him feel that he is not taking a risk on mechanical quality in purchasing.

**2. Provisions of Service Policy.**—Manufacturers of mechanical products supplement their warranties with service policies describing gratuitous adjustments and inspections which the seller offers to customers to ensure satisfactory operation of the product.

To obtain service, manufacturers frequently require purchasers to register the serial number, date of purchase, name of dealer, and other information concerning the sales transaction. Separate registration by customers is often necessary on the principal mechanical accessories. In the case of automobiles, separate registration to obtain service from manufacturers is required on tires, batteries, radios, heaters, etc. To avoid misunderstandings, salesmen should be familiar with these special registration requirements and inform customers.

Manufacturers of mechanical goods issue a service certificate which is delivered to the purchaser by the maker's or distributor's salesman when the product is transferred from seller to buyer. These service certificates describe the responsibilities of the seller to render specific services at certain periods following the date of purchase. Passenger automobiles are usually serviced free for 90 days or before the vehicle has been driven 4,000 miles. Tires are serviced gratis for 12 months, except for commercial vehicles,

when the free service period expires in six months. Batteries are serviced for 90 days and in some cases for 18 months or 18,000 miles of use. Salesmen should know the duration of the free service period and use this as a selling point.

Some service certificates have coupons attached, entitling owners to specific free adjustments when the product has been in use for a certain time. The operations performed without charge are listed on each coupon which is detached by the buyer and presented to the seller to secure the service promised.

Service policies usually cover the following features: conditioning the product before delivery, necessary inspections and adjustments, warranty on parts and labor, transient service for change of user's residence during warranty period, inspection service after expiration of warranty period, regular maintenance, accessory replacements, and use of genuine parts. Salesmen must not only be acquainted with all features of their service policies, but be able to interpret them to prospects so clearly that there will be no cause for the misunderstandings that may easily arise in regard to such promises.

**3. Service Personnel.**—The experience and ability of service men may be a major selling argument. The efficiency of the mechanics who are available to service a product is an important consideration to the purchaser who wants to be sure that the adjustments promised in the service policy will be made satisfactorily. Successful salesmen discuss the competence of their service personnel.

The salesmen of one large motor-car manufacturer feature the "University of Service," where hundreds of mechanics take courses in service. The courses are one week to six months in duration and mechanics must demonstrate in service clinics their proficiency in every operation.

The salesmen of a milling-machine manufacturer talk of their service men who are trained mechanical engineers and university graduates, factory-schooled and experienced in technical problems.

Salesmen of an oil-burner producer discuss their traveling service schools, which are taught by expert instructors who keep dealers' service men up to date on correct methods. Customers are told how this instruction increases the efficiency of service men and cuts the cost of maintenance to owners.

The number of service men employed by the seller, the length of their experience, their training, specialized knowledge, background, and competence to make mechanical repairs are important selling points used by successful salesmen in personalizing their service.

Service department managers may be introduced by salesmen to prospects or may accompany them in making deliveries to new owners. In this way salesmen can establish valuable contacts between the service personnel and the customers.

**4. Accessibility of Service.**—A salesman whose mechanical service facilities are conveniently located and readily accessible to customers has a competitive sales advantage in this respect. If the owner of a mechanical product requiring service must lose its use and pay the cost of packing and shipping it to a service station, sales resistance is created. On the other hand, a salesman whose company can give overnight service in the neighborhood of the buyer has a selling advantage. Buyers expect convenient service and either demand that service be brought to them or made available in their vicinity.

A salesman of tires for a large oil company, with 14,000 service stations open 18 hours a day, has a distinct advantage over a competing mail-order house with no such facilities.

When a sale is made by a dealer who also gives service, the buyer should know where he can obtain service in the event that he moves out of the seller's area. In the case of service on automobiles, buyers who are touring should know where and how service may be obtained under their warranties.

Some sellers offer customers "call for" and "deliver" service; others list their authorized service stations in local telephone directories so that buyers may quickly summon service men by telephone. Salesmen whose firms make service easily accessible to customers capitalize this feature in their sales presentations.

**5. Maintenance Requirements of Product.**—If a product is manufactured so well that it requires practically no service, a salesman obviously needs spend little time discussing this matter. However, few mechanical articles have reached such a stage of perfection that they do not require occasional adjustment to provide for wear. None are proof against the abuse of human inquisitiveness which impels people to investigate "what makes the wheels go 'round."



Accordingly, a salesman should know the amount of mechanical maintenance necessary to keep his product performing satisfactorily. The salesmen of an automobile manufacturer, for example, know and explain to buyers that the following special operations are necessary in the proper care of a car: every 1,000 miles, chassis lubrication; every 2,000 miles, lubrication of transmission and rear axle, filling shock absorbers, cleaning air cleaner; every 5,000 miles, lubrication of speedometer cable, cleaning and adjusting carburetor, general tightening, front wheel alignment, engine tune-up, and cleaning cooling system; every 10,000 miles, lubrication of steering gear, rear springs, hand-brake cable conduits, and shock absorbers.

Education of customers in the proper use and care of mechanical merchandise is a salesman's responsibility. Many salesmen fail to recognize that service education pays big dividends in repeat sales and good will. New prospects are often suggested by satisfied owners who have been instructed by salesmen to obtain regular inspections and adjustments.

It is a salesman's major responsibility to sell customers a constructive program of necessary maintenance to ensure continued satisfaction with a product. Salesmen are often to blame for unsatisfactory operation of a mechanical product because they do not know the service requirements of their product and do not convince buyers that it is necessary for them to give attention to maintenance.

Some salesmen promote the idea of regular care and attention to their products by selling new customers a continuous lubrication and adjustment program. Salesmen of one motor-car manufacturer offer owners a low-cost service-saver plan for systematic lubrication and regular inspection which ensures economical, satisfactory operation.

Many companies aid their salesmen in informing customers regarding proper maintenance by the publication of users' guides, operation manuals, and instruction sheets which give specific advice on the care of their product. Salesmen distribute these books to new owners and refer to them in discussing necessary maintenance.

**6. Service Equipment and Facilities.**—The amount and character of a manufacturer's or dealer's service equipment and facilities may constitute a distinctive selling point to impress a prospective

purchaser with the ability of the seller to render satisfactory service. A mechanic's work can be no better than his tools; a service department equipped with the latest testing devices, specialized equipment, and facilities with which to handle service has a distinct competitive advantage.

Salesmen can create interesting sales presentations around unique pieces of service equipment. The high degree of accuracy or precision with which modern service machines make adjustments is convincing proof of superior service. The amount of capital invested in service equipment, the number and types of testing devices in use, and the recent purchase of modern efficient tools are all excellent material for sales service presentations.

Prospects and customers interested in economy are told how the use of improved service equipment saves time and reduces the expense of maintenance.

Service department equipment and facilities are demonstrated by showing prospects and customers actual operations carried out with the latest equipment. A trip through the service department is an important part of the presentation of many salesmen of mechanical products. When prospects are unable to visit the service department, salesmen show photographs of the station and its equipment.

**7. When Service Is Available.**—Buyers are often interested in knowing when or at what hours they can obtain mechanical service on a product. A salesman whose service department operates Sundays and holidays, as well as day and night, has a strong argument to convince prospects. Some types of mechanical product, particularly refrigeration, heating, and automotive devices, require 24-hour service. If they fail to operate, owners are seriously inconvenienced. Accordingly, salesmen of such equipment discuss the quick availability of their service.

Salesmen of mechanical products requiring regular lubrication and adjustments tell buyers when such maintenance operations are required. A salesman of electrical refrigerators failed to tell his customer when to oil the motor, with the result that the bearings burned out, the buyer was put to inconvenience and expense, and the salesman lost a satisfied customer. A personal or telephone call to remind a customer to secure a periodic mechanical checkup pays dividends in good will and repeat sales.

**8. Owners' Experience with Service.**—Customers' experiences with a seller's mechanical service are often excellent sales material. Salesmen question customers about their attitude toward the service rendered and ask them to write testimonial letters about their experience in this regard. These letters may be included in a salesman's portfolio and used in service discussions.

Every service department keeps records showing the character and cost of all service rendered to owners. Salesmen use these records as evidence of economical maintenance to show prospects the low cost of service furnished.

Salesmen make occasional visits to their service departments for the purposes of meeting customers who are being served and of verifying their satisfaction with the service rendered. Such contacts give a salesman greater confidence in the character of his company's service and supply him with facts about service experiences which can be used in discussing these matters.

**9. Cost of Service.**—Purchasers of mechanical articles are usually given a certain number of inspections and adjustments gratis. However, the cost of inspections after the expiration of the free-service period should be clearly understood and explained to prospects when necessary. Schedules of prices for replacement parts and labor rates are published by most service departments and should be in the hands of each salesman.

Continuous mechanical maintenance is provided by some companies on an annual or seasonal basis, whereby regular inspections and adjustments are included in a contract for a flat service charge. Salesmen who sell service contracts not only increase their market but secure customer satisfaction and good will.

Misunderstandings between buyers and sellers over service charges may arise unless salesmen make an effort to explain service costs clearly. Salesmen should leave no doubt in the minds of their customers regarding such charges.

A liberal amount of free service offered to purchasers is a strong selling point and is featured by the salesmen of a number of mechanical products. Low maintenance costs may be emphasized in service presentations.

**10. Competitive Service.**—A salesman should know the principal provisions of the service policies and warranties of leading competitors. He should also be familiar with the amount of free

service offered, the inspections and adjustments provided during and after the expiration of the warranty period, the places where service is rendered, and the amount of service equipment of competitors. This information may be obtained direct from competitors or by observation.

Familiarity with the character of competitor's mechanical service enables a salesman, when called upon, to make favorable comparisons between his service and that of other companies, and also strengthens his confidence in his own company.

**11. Authorized Service Dealers.**—Some manufacturers of mechanical products license certain dealers to service their products. A salesman should know the names and addresses of all such authorized stations in his territory. Authorized service stations are usually required to meet a manufacturer's standards for equipment, personnel, and workmanship. They often are supervised closely by his salesman and are trained by the salesman to give more efficient service than independent service companies.

The use of "gyp" unauthorized parts by service stations is a serious problem with some manufacturers of mechanical goods. Accordingly, wholesale salesmen are responsible for inducing such service stations to use bona fide parts and thereby ensure satisfactory operating results to customers.

By recommending that authorized service stations be patronized for adjustment and maintenance work, salesmen not only create good will with their customers and help them get the best service available, but they also cooperate with distributors in building up profitable service departments.

### III. SALESMEN'S SERVICE RELATIONS WITH DEALERS

Consumers who buy machines or apparatus of any kind usually go back to the dealer from whom they made the purchase, if the device does not operate satisfactorily. It is most important, therefore, for salesmen to create an efficient, loyal dealer organization to provide mechanical service to owners.

Wholesale salesmen are responsible for interpreting service policies to dealers, for assisting authorized dealers in successfully conducting service departments, for keeping distributors supplied with replacement parts, and for educating dealers on the value of offering superior service to their customers.

Manufacturers' salesmen who interest dealers in giving good service sell more replacement parts, develop more profitable outlets, and secure larger orders. Dealers who give good service sell more merchandise and secure larger orders through contacts of the dealers' service men with consumers. The salesman in turn increases his sales to service dealers.

Some manufacturers offer larger discounts and greater profit opportunities to dealers for maintaining their own service departments. Dealers are graded on their service facilities, and salesmen have the added inducement of lower prices to offer those who will operate their own service departments.

Some manufacturers give mechanical service through factory branches, where customers may obtain service direct. In other cases, dealers return machines direct to the manufacturer for service. Salesmen should know how mechanical service is obtained so that they can cooperate with dealers in providing it to customers.

#### IV. HOW A SALESMAN SHOULD DISCUSS SERVICE

Observation of the work of successful salesmen of mechanical products proves that an effective discussion of mechanical service is often a major factor in closing many sales. Service is an inseparable part of the value a user expects from a machine and a good salesman convincingly presents the service angle to prospects.

The methods used by successful salesmen in discussing this question with prospects may be organized into a simple four-point routine, a practical plan which can be used by any salesman of mechanical goods in presenting service.

##### *Routine for Discussing Mechanical Service with Prospects*

1. Discover the prospect's interest in mechanical service.
2. Minimize the need for service.
3. Discuss service features of interest to the prospect.
4. Show the service policy to the prospect.

**1. Discover the Prospect's Interest in Mechanical Service.**—It is a waste of both a salesman's and his prospect's time to engage in a long discussion of mechanical service, if this subject is of no interest to the customer. Therefore, a salesman should first seek to discover the prospect's attitude and his past service experiences before discussing the subject in a sales presentation.

Salesmen can readily determine whether or not a prospect is concerned with service by listening to his volunteered remarks or by asking tactful questions. If he is interested, he will often reveal it by a casual remark such as, "I've been disappointed with the service I've had on my present car," or "It took me more than a month to get repair parts for my press." Sometimes he may ask such a direct question as, "I'd like to know what repairs and maintenance will cost me." When a prospect reveals his interest or experience in these ways, he is inviting a discussion of service and an alert salesman will not miss the cue to tell his story.

If a prospect fails to indicate his interest in mechanical service, a salesman should seek to discover it by asking such tactful questions as, "Have you had good service on your present machine?" or, "Would you like to know what one of our customers thinks of our service?" The answers to these or similar leading questions will quickly reveal a buyer's viewpoint on the subject and indicate those features of particular interest which should be discussed by the salesman.

If a prospect shows no interest in service, a salesman should discuss other features of the product. After a salesman has told and shown how his product fits the needs of a prospect, he may also describe the service policy and facilities, particularly if they are unique or competitive.

**2. Minimize the Need for Service.**—When a prospect has indicated a desire to know about the character of service offered and the salesman has discussed the merits of his plan, the prospect should *not* be left with the belief that the product under discussion requires an unusual amount of service. A lengthy description of mechanical service by a salesman is likely to create the impression, in the minds of some prospects, that extensive and costly service may be required to maintain the product in good operating condition. To correct this mistaken impression, it is often necessary for a salesman to minimize the necessity for excessive service in his sales presentation.

Salesmen of quality mechanical products convince prospects that the merchandise has been purposely designed and constructed so that the amount of service necessary has been reduced to an absolute minimum. Greater precision in manufacture of many lines has made it possible to make machines that require almost no service. Working parts and controls of many machines

are now sealed against dust and dirt and supplied with lubricant for the life of the machine so that service is rarely necessary. Also, numerous machines are now so made that parts requiring attention are quickly and easily accessible and it is possible for users to lubricate and adjust them without professional assistance.

Salesmen know the construction features of their machines which minimize the need for service. They are able to discuss with prospects the processes of manufacture, quality of materials, and efficiency of design which combine to reduce the cost of repairs and ensure continuous operation of the equipment.

**3. Discuss Service Features of Interest to the Prospect.**—After a prospect has volunteered an interest in mechanical service or the salesman has discovered by questioning that the buyer wishes to know about it, those service features which are of interest should be described. With a knowledge of the various service features mentioned earlier in this chapter, a salesman can discuss with prospects, in as much detail as circumstances permit, the nature of his service.

As a salesman describes each phase of his service, he checks the buyer's reaction or gets his commitment on each feature to determine whether or not there is agreement on each point covered. If a buyer refuses to commit himself or indicates by his response that he does not clearly understand the service advantages enumerated by the salesman, further explanation of these features is necessary.

**4. Show the Service Policy to the Prospect.**—A salesman can support his oral discussion of mechanical service by exhibiting the printed service policy or warranty of the company. Specific clauses or paragraphs covering the points under discussion may be read by the prospect and the statements of the salesman verified.

A salesman who carries and refers to his service policy also has a convenient reminder of numerous features that might otherwise be overlooked in a service presentation. The policy is a full reservoir of service information which may be drawn upon by a salesman as required.

## V. A SALESMAN'S SERVICE RESPONSIBILITIES TO CUSTOMERS

A salesman is responsible not only for discussing service with prospects, but also for seeing that they secure the free mechanical service to which they are entitled after a sale has been closed.

Salesmen who "follow through" with customers on service, establish friendly relationships with them and secure repeat sales.

A successful salesman promotes service with a customer after closing a sale, in the following ways: (1) by delivering the service policy and going over its provisions with each new customer; (2) by convincing new customers of the need for regular inspections and good mechanical maintenance; (3) by seeing that each new customer secures the free service promised; (4) by instructing new owners in the operation and care of the machine.

**1. Delivering Service Policy.**—At the time a machine is delivered to a new customer or shortly thereafter, a salesman resells him on service and discusses the service policy, which may not have been described before the sale was closed. A salesman then goes over the provisions of the policy and warranty and leaves a copy of it, issued in the owner's name, with the new customer. The customer's attention is called to the free adjustments offered during the "breaking-in" period.

**2. Selling New Customers on Need for Maintenance.**—Many users of mechanical products are not aware of the necessity for regular maintenance, lubrication, and adjustments required to ensure economical, efficient operation of new machines. By convincing new owners of the need for reasonable care and attention to mechanical articles, salesmen not only create good will and satisfied customers but also pave the way for much valuable word-of-mouth advertising and repeat sales. If purchasers are advised by salesmen to go to authorized service stations for inspections according to a regular maintenance schedule, breakdowns may be avoided and good will will be secured.

Many manufacturers of mechanical goods publish instruction books or guides describing proper maintenance procedure. These may be distributed by salesmen to new customers and serve as an invaluable aid in their education.

**3. Seeing That New Customers Secure Service Promised.**—New customers often neglect to secure the inspections and adjustments to which they are entitled during a warranty period, with the result that the operation of their mechanical products is faulty and dissatisfaction results.

Alert salesmen make personal or telephone calls on new customers to ensure their taking advantage of the free inspections provided during the period of initial use. Also, after the expira-



on users to remind them of the necessity for periodic lubrications and adjustments.

**4. Instructing New Owners in the Operation and Care of the Machine.**—Improper operation of a mechanical device is often responsible for excessive service and dissatisfied customers. Salesmen who instruct new owners in the correct operation of a machine create satisfied customers by preventing unusual wear or damage to the mechanism. Operating instruction sheets or tags are sometimes fastened to a product and salesmen call the attention of new owners to these directions and urge their observance. Personal instruction of new owners by salesmen, at the time of delivery or shortly thereafter, creates not only a good will for the salesman but also repeat sales. When the operation of a product requires considerable skill, salesmen must know how to run the machine efficiently and be able to instruct new owners in its operation.

### Problem I

John Walton, representing Braley Motor Car Company

The Braley Motor Car Company, established in 1918 in Providence, R.I., retails the Benton, a popular make of passenger automobile and commercial car selling in the less than \$1,000 class. The company owns and operates a complete service station in connection with its salesroom, which is located on a traffic artery near the center of the city.

John Walton is one of 18 commission salesmen representing the company who sell in the city and surrounding trade territory. Each salesman is assigned to floor duty one day a week. The following interview took place in the Braley showroom on a day when salesman Walton was on duty:

1. SALESMAN: Good afternoon, sir, can I be of service to you?
2. PROSPECT: Yes, I believe you can. I dropped in to see the new Benton.
3. SALESMAN: Well, the Benton sure is a fine automobile this year.
4. PROSPECT: I live in Quebec, and when I'm home I have a car. However, now that I am living away, I am in need of a car, and I like a car that gives service. The car I have at home is in the same price range as the Benton, but I don't consider that it gave me good service at all.
5. SALESMAN: We hear this story quite often these days. Do you mind telling me what make the car is?

6. PROSPECT: No, it is the Medusa.
7. SALESMAN: Oh, the Medusa. I met a young fellow here just this morning with a Medusa convertible coupé he wants to trade. He also complained of service. Can you tell me some of the service troubles you found?
8. PROSPECT: Well, I often had to go back to my dealer for service, and his garage was so darned big that it was a big job just getting into the place for service. After fighting my way in, a group of super-salesmen would jump on my car and begin selling me their inspection plan, new seat covers, or a spring spray, even before they had asked what I wanted done to the car.
9. SALESMAN: Yes, many companies have adopted policies such as that. They build a huge garage and then rush the cars through. However, here we have a very thorough and efficient service crew. When you drive in, you can give your instructions to the shop-foreman and have any service man you prefer work on your car. We have been faced with the rapid expansion of our service trade and rather than find ourselves in the place of your Medusa dealer, we have divided our service station so that on one side of the street we have our mechanical service and repairs, while directly across the street we have our new modern lubritorium equipped with the very latest equipment to lubricate any car. Having these two units in separate buildings eliminates a traffic jam at our door.
10. PROSPECT: Yes, the Medusa dealer had fine equipment too, but they still took all day to do a grease job on my little car. I think they could have painted it in less time than they took to grease it.
11. SALESMAN: Our lubrication department gives very quick service. When you bring your car in, just say what time you would like to have it, and we'll make every effort to have it for you at the appointed time. Of course, we do get some very busy days, when it is impossible to give our customers their cars when they want them, but then we tell you when you come in that we are overcrowded, and in this way we don't tie you up like some places would by taking your car and then delaying you a half hour till it is ready.
12. PROSPECT: How much does service cost on the Benton? It sure costs plenty to keep my Medusa on the road.
13. SALESMAN: With the new Benton, we give you free inspections at 300 or 400 miles, and again at 1,100 miles. We lubricate your car at these times and change the oil. All the service is free, but we ask you to pay for the oil—since you have used it
14. PROSPECT: That sounds fair enough, but what happens if I am in Quebec city and need an inspection?

15. SALESMAN: Well, that is simple enough. Take your Benton to the Benton agency in Quebec city and they will service it for you. These inspections can be had at any Benton dealer. This is much more convenient for you than if we insisted that you return to us for your free inspections. You see the dealer in Quebec city takes our name from the car and bills us for the labor.
16. PROSPECT: Now how about defective parts?
17. SALESMAN: Well, you know that your Benton is guaranteed for three months or 4,000 miles, whichever comes first. During this period we replace any defective parts, but since a Benton gives you more car for dollar value on the road you needn't worry about defective parts.
18. PROSPECT: And what happens when the guarantee has expired?
19. SALESMAN: Another Benton service feature is that in all the Benton agencies throughout the country they have standard prices for their parts. To replace the air filter, for instance, costs \$3 all over the country. On other cars, this expense will range from \$3.50 to \$4.50.
20. PROSPECT: Well, those sound like good service features. I would like to have one of your catalogues and delivered prices of the Benton, and I shall drop in to see you again in a few days. Your name, sir, is?
21. SALESMAN: John Walton. Here is my card, and I wonder if I could have your name so I'll know you when you return?
22. PROSPECT: Certainly, Howard James, 18 Westwood Avenue. I thank you very much for your trouble. Good day.

### Questions

1. Criticize the salesman's service presentation, stating specific strengths and weaknesses in his discussion of service.
2. Did the salesman discover the prospect's interest in service? How? Was it effective?
3. Was the prospect's need for service minimized? How?
4. What features of mechanical service were emphasized? What others should have been mentioned?
5. Did the salesman refer to the manufacturer's warranty or service policy?

### Problem II

J. L. Kennison, representing the Long-Carter Motor Car Company

The Long-Carter Motor Car Company, Philadelphia, Pa., retails Dawson six- and eight-cylinder automobiles, selling in the

neighborhood of \$1,000, delivered in Philadelphia. A sales force of 12 men operate out of the Philadelphia salesroom and an additional five men operate from a branch showroom in Wilmington, Del. The company maintains a well-equipped service station in connection with both salesrooms.

J. L. Kennison, one of the men in the Philadelphia organization, has just returned from a demonstration drive with a prospect and his wife. When the following interview opens, the prospect, who is driving, has entered the company's service station adjoining the showroom:

1. PROSPECT: Shall I drive the car all the way in back or shall I leave it here?
2. SALESMAN: Just leave it here and they'll move it back for you.
3. PROSPECT: Very well. This is a mighty good-looking service station you have here.
4. SALESMAN: Yes, we have all first-class mechanics here who have studied the engineering of all of our new Dawsons and old Dawsons as well. They are very highly skilled in mechanical work.
5. PROSPECT: Are your service charges very expensive?
6. SALESMAN: No, sir, the service charges on the Dawson automobile are very economical. We have fewer places to lubricate on a Dawson than on most other automobiles, therefore this car requires less grease. It is only necessary to change the oil and lubricate the car every 2,000 miles. You save a great deal of money right there. That is a very good feature because it is hard to remember every 1,000 miles to bring the car in for service.
7. PROSPECT (looking at watch): It's getting quite late now and I guess we'll have to be getting along.
8. SALESMAN: Well, Mr. Prospect, what can we do for you to make you decide on a Dawson?
9. PROSPECT: Well, I don't know. We've looked over a number of cars and they all look good.
10. SALESMAN: Yes, there are a lot of good cars on the market today.
11. PROSPECT: I have decided that there is not much difference in cars in the same price range, but there is a lot of difference in the service you get.
12. SALESMAN: We do all kinds of repairs in our service department and you can be sure that they will be done right and at low cost to you.
13. PROSPECT: Well, we will think it over tonight and we'll let you know definitely tomorrow if we decide to buy.
14. SALESMAN: Thank you. Good-by.

### Questions

1. Did the salesman present his mechanical service satisfactorily? What were the good features of the service presentation? The objectionable features?
2. How did the salesman discover the prospect's interest in service?
3. Were the prospect's questions concerning service answered satisfactorily? If not, what should the salesman have said?
4. Should the salesman have discussed his service facilities and equipment? In what way?

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## CHAPTER VIII

### CREDIT SALES PRESENTATIONS

#### I. IMPORTANCE OF CREDIT IN SELLING

Credit is so closely related to selling that a knowledge of it, skill in presenting it to customers, and a desire to cooperate with the credit department are fundamental to the success of a salesman. Salesmen are vitally concerned with credit because sales are not actually completed until the merchandise sold has been paid for in full. In the last analysis, a salesman is judged not only by the volume he sells but by the net profits he earns; and profits depend on sound credits. Furthermore, the credit department decides whether the orders which a salesman secures are acceptable.

A salesman who does not know how to determine the credit standing of a prospect wastes valuable time in attempting to sell a person or concern with no credit responsibility. A commission salesman receives no compensation for orders rejected because of poor credit; his commissions may be withheld until payment has been made in full by the buyer.

A liberal or competitive credit policy may be a salesman's most effective selling argument, enabling him to increase his sales and meet competition. Credit customers usually concentrate their purchases and buy in larger quantities from salesmen who offer liberal credit terms. A salesman who knows this subject can secure larger orders by advising his customers how to use credit to increase their purchasing power.

Salesmen have been devoting more time to credit investigations in recent years because of the periodic business recessions and unstable economic conditions which have increased the danger of credit losses. Also, profit margins of manufacturers and distributors are narrower and sellers are no longer able to absorb large credit losses and show profits. If the net profit of a wholesale grocer is 1.1 per cent, a loss of \$100 is equivalent to the net profit on \$9,090 in sales. Restricted margins of wholesalers and retailers have made it necessary for them to turn over their capital

frequently. Salesmen, by educating distributors to reduce outstanding accounts, to curtail long-term credits, and to abolish special terms, can aid them in speeding up their capital turnover and in increasing their net profits. A customer who is making money buys larger orders and pays for them promptly.

Many companies, particularly those selling at wholesale and direct to consumers, depend upon their salesmen to make collections from customers. Through personal contact and friendliness, salesmen are often able to secure remittances which justify their credit departments in authorizing shipments to accounts which would otherwise be unsalable.

The increasing amount of installment or time-payment selling has given salesmen greater credit responsibilities and at the same time has made it possible for them to sell many prospects whose accumulated wants are greater than their current incomes.

## II. RELATION OF SALESMEN TO CREDIT DEPARTMENT

There is a traditional misunderstanding between salesmen and their credit departments which may be accounted for by the natural optimism of salesmen and the cultivated pessimism of credit men. This difference in point of view often creates friction between a salesman and his credit manager which is detrimental to the work of the salesman.

Some salesmen believe that the principal function of a credit department is to create ill will among customers by writing tactless collection letters and making arbitrary demands. This critical attitude may be due in a few cases to a lack of sales viewpoint on the part of a credit manager, but it usually arises from a salesman's misunderstanding about the problems and responsibilities of the credit man.

A salesman should make a sincere effort to obtain a knowledge of the work of that department and to develop a sympathetic understanding of the problems involved in extending credit to customers. Close cooperation between a salesman and his credit manager is vital to the success of both.

A credit manager can be of great assistance to a salesman in selling to prospects with irregular credit standing, if the salesman wins the confidence and good will of the credit executive. A customer may ask a salesman for unusually liberal terms or an extension of time for payment. The salesman who has cooper-

ated with his credit department in the past can usually secure the approval of special terms and close the sale.

A salesman who gives his credit department honest, unbiased facts about a customer's financial situation is more likely to obtain the assistance of his credit manager than a salesman who withholds such information or reports misleading facts.

A credit manager will often increase the limits of small accounts or reopen closed accounts for salesmen who cooperate with the department by obtaining credit information and explaining its policies to customers or, when necessary, by defending the position of the credit department.

A helpful credit manager can save a salesman much time and discouragement by supplying him with information concerning the credit position of present and prospective customers.

Good teamwork between salesmen and their credit department pays big dividends. Salesmen should have a sympathetic understanding of credit work and should cooperate closely with their managers.

### III. WHAT A SALESMAN SHOULD KNOW ABOUT CREDIT

It is unnecessary for the average salesman to be as fully informed about this subject as a professional credit man. However, he should be familiar with the important facts regarding credit procedure. Salesmen whose products are sold for cash obviously have little practical need for such information. However, since more than 90 per cent of the wholesale and retail business of the country is conducted on a credit basis, it is necessary for most salesmen to know credit and how to deal with it.

A salesman should know the following credit fundamentals: (1) nature and advantages of credit; (2) forms of credit; (3) what is a good credit risk? (4) sources of credit information; (5) determining credit standing of a new account; (6) credit terms; (7) discounts for prompt payment; (8) penalty for slow payment; (9) account guarantee; (10) installment credit; (11) collections by salesmen; (12) conserving a customer's credit; (13) credit and collection system; (14) competitors' credit policies.

**1. Nature and Advantages of Credit.**—Credit has been defined as the ability to obtain goods or services immediately by promising to pay for them at a definite time in the future. The word "credit" is derived from the Latin verb, *credo*, which means "I



believe.” Credit is an intangible power possessed by an individual or firm enabling him or it to buy without cash. However, the seller or creditor is the final judge of whether or not the buyer or debtor possesses the power to buy on credit. In exercising such judgment, the seller is said to be “extending credit” to the purchaser.

The function of a credit man, with the assistance of a salesman, is to determine that a prospect or customer has the power to buy without cash and in all probability will continue to have that power until payment is due. It is the duty of a credit man and salesman to observe and check the strength of a regular customer’s credit power from time to time to determine whether or not it is being properly used and if it is increasing or diminishing. Salesmen, because they are in frequent touch with customers, aid their credit departments in checking such power.

Salesmen who sell on credit enjoy the following advantages: credit secures customer good will by furnishing a convenient means of payment; it increases the amount of a sale; it creates repeat sales and steady customers; it simplifies adjustments; it creates a demand for quality merchandise; it overcomes price objections; it attracts a better class of trade and increases sales volume.

**2. Forms of Credit.**—Salesmen are concerned with two general forms of short-term credit: retail credit, which is extended to consumers, and mercantile credit, which is extended by a manufacturer to a distributor or by a wholesaler to a retailer.

Credit transactions are facilitated with credit instruments or legal documents recording the terms of indebtedness. Several types of credit are used in financing sales. The principal types of credit and credit instruments used are (a) open-account or book credit; (b) promissory notes; (c) commercial and bank drafts; (d) trade and bank acceptances; (e) letters of credit.

A salesman should be familiar with these various types of credit and credit instruments, particularly those which are used by his firm. Salesmen are instructed by their management as to the type of credit or credit instrument to be offered to customers. The type used varies according to the nature of the risk involved. For example, if a credit manager considers that a dealer’s position is satisfactory, he may instruct the salesman to sell on an open-account basis. On the other hand, if he considers the credit of a

dealer to be questionable, the salesman may be instructed to sell on a sight draft, attached to a bill of lading, basis. In some firms, salesmen are given authority to use their own judgment as to the type of credit or instrument to be used with various customers.

a. *Open-account or book credit* is the most common type of retail and mercantile credit. The amount of a buyer's indebtedness is simply recorded on the books of the seller. At the time of delivery of the goods bought, a statement of the amount due is sent to the buyer, who is expected to pay in full on or before the expiration of the credit term. The duration of open-account terms ranges from 30 to 90 days. This plan stimulates sales and facilitates credit arrangements by relieving customers of the details of making and handling credit papers.

b. A *promissory note* is the written promise of a buyer to pay the seller a certain sum of money at a definite future time. This instrument is used when the character of a risk does not justify extending the customer credit on open account. A promissory note protects a seller by being positive evidence of debt and affords a psychological advantage in bringing about payment through presentation at the buyer's bank. Promissory notes are not so generally used as book credit because they afford little more protection than an open account and involve more detail in handling, which slows up the extension of credit.

c. *Commercial and bank drafts*, commonly used in credit transactions, are very much like checks. They are issued by a seller's bank on the buyer's bank, ordering it to pay to the seller the amount written on the face of the bank draft. Bank drafts, payable at sight, are usually sent to a buyer's bank accompanied by the bill of lading or shipping receipt of the transportation company carrying the merchandise purchased. The buyer's bank secures the acceptance of the draft by the buyer, releases the bill of lading to the buyer, and remits the amount of the draft to the seller. The use of a sight draft is comparable to selling on a cash-on-delivery basis with the exception that the transaction is handled through a commercial bank.

A commercial draft is another credit instrument that is often used to collect a past-due account, when it is drawn on the buyer by the seller through a bank in the buyer's city.

Bank drafts are commonly used in extending credit because their presentation through a bank is a more insistent method of collection than a direct demand on a buyer by a seller.

*d. Trade and bank acceptances* are negotiable certificates of indebtedness representing a particular sale of goods and are payable on demand at sight, or at the end of a stated time. For example, a salesman sells merchandise on trade acceptance. When the goods are shipped, the seller sends a trade acceptance with the invoice to the buyer. When the certificate is received by the buyer, he writes his acceptance on the face, agreeing to pay the face amount at his bank on the date specified, and returns it to the seller. The seller may discount the acceptance at his bank, giving him the immediate use of the money invested in the merchandise sold, or he may present it to the buyer's bank for payment on the date due.

Trade acceptance terms improve the credit standing of customers and thus enable them to buy more goods. These terms make possible sales to customers whose credit standing would not permit them to buy on ordinary terms.

Bank acceptances are used largely in foreign trade. The buyer's bank agrees that it will pay a certain amount at a definite time and place to the seller on behalf of the purchaser.

*e. Commercial letters of credit* are used generally in export selling or in sales transactions when buyers and sellers are separated by long distances. Buyers arrange with their local banks to make available, by a letter of credit, a definite amount of money in a bank in the distant city where the seller is located. A copy of the letter of credit is sent to the seller who presents it to the bank in his city, which will honor his drafts covering shipments for a certain time up to the amount specified by the letter. For example, a merchant in San Francisco wishes to buy from a firm in Boston. The buyer goes to his San Francisco bank and arranges for a letter of credit on a Boston bank. A copy of the letter is sent to the Boston seller who presents it to his bank, which in turn makes payment to the seller for sales made to the buyer in San Francisco.

Commercial letters of credit establish a buyer's financial standing, facilitate payments, and aid salesmen in closing sales for larger amounts.

**3. What Is a Good Credit Risk?**—To be able to judge and report on the credit position of prospects and customers, a salesman must have a standard for determining the character of a credit risk. A firm or individual seeking credit recognition must have three basic qualities: (a) character; (b) capacity; (c) capital. Although all of these are important, credit is often extended on

character alone, or on a combination of character and capacity. A banker may emphasize the importance of capital in weighing a credit risk; a merchant may favor character. There are numerous other factors that may have a bearing on a credit risk, such as the seasonal character of the buyer's business, the type of product being sold, current business conditions, and the amount of the sale.

*a. Character*, or the reputation of a buyer for fair dealing, is revealed by his honesty, personal habits, ethics, social standing, and integrity. It is a very important factor in granting credit. Salesmen must be continuously on the alert to observe indications of character, or the lack thereof, in prospects who desire credit for the first time and also in regular credit customers. Salesmen report these observations to their credit managers.

Character is often disclosed by a buyer's attitude toward competitors, his advertising, court record, and moral conduct. It may also be determined through inquiries of other salesmen, competitors, and customers.

*b. The capacity* of an applicant for credit is determined by his personal aptitude, his business knowledge, training, and experience. A salesman can determine largely the capacity of a retail or wholesale merchant through observation of the dealer's store, location, arrangement, lighting, and appearance. The type and quantity of merchandise stocked, the attitude of salespersons, the character of display advertising, the class of customer served, all have a bearing on the capacity of the prospect or customer. The capacity of an individual may also be gauged by his education, length of business experience, positions held, promotions, etc.

The line of business in which a buyer is engaged affects his capacity to pay. Some businesses are seasonal, others deal in perishable products; in some, the unit of sale is large and the demand limited. All these conditions must be taken into consideration in granting credit.

Salesmen, by observation and through conversation with prospects and customers, can discover the capacity of buyers and assist their credit managers in determining the soundness of credit risks.

*c. The capital* of a buyer is the third important factor to be considered in reaching a decision to grant, expand, or curtail credit. It is the most tangible and easiest to measure of the fac-

tors involved in the "3-C" formula. The amount, source, and nature of the finances of an individual or a business must be considered to determine whether or not a buyer can be expected to pay for his purchase when payment is due. Capital includes (1) quick assets, such as cash in hand, cash in bank, accounts receivable, and stock on hand, (2) fixed assets, such as store fixtures, furniture, and real estate. A credit applicant must have sufficient liquid or quick assets to meet his current obligations.

The source of a buyer's capital has an important bearing on his credit standing. If he earned, through his own efforts, the money to finance his operations, he may be entitled to more recognition than if he obtained his capital by inheritance or by borrowing.

**4. Sources of Credit Information.**—There are several recognized sources of credit information usually consulted by salesmen and credit managers in making credit investigations. These sources are (a) credit or mercantile agencies; (b) other creditors; (c) credit interchange bureaus; (d) trade associations; (e) commercial banks; (f) business publications; (g) attorneys; and (h) salesmen.

a. *Credit or mercantile agencies*, such as Dun and Bradstreet, Inc., are professional credit investigators with numerous offices in the principal cities and large staffs of credit reporters. These agencies publish quarterly credit-rating books giving the financial standing of large and small business organizations. Small pocket-sized sectional volumes are also published for the convenience of salesmen. These rating books are supplemented by special credit reports which include changes in the financial status of a business since the rating was last published.

Salesmen find these ratings and special reports invaluable in determining the credit standing of prospective customers. However, they must recognize that, since mercantile agency ratings are based on information collected several months before actual publication, it is unwise to place sole dependence upon them in determining a firm's credit standing. For the purpose of defrauding sellers, unscrupulous buyers sometimes adopt names similar to those of concerns that have satisfactory credit ratings. It is often impossible to detect these dishonest firms without a special credit inspection report.

In addition to obtaining credit information from the general mercantile agencies, salesmen may get similar data from numer-

ous trade agencies which collect and report credit information for specific industries. Through close contact with buyers in their restricted fields, these agencies are often able to report more recent and reliable credit information than general agencies. Typical of trade agencies are the Credit Clearance Bureau of New England, serving the paper and allied trades, and the Shoe and Leather Mercantile Agency, Inc., serving the shoe and leather industry.

The financial responsibility of consumers is rated and reported by the Retail Credit Company, a national organization, and by retail merchants' credit associations in the principal cities of the country.

*b. Other creditors* are a recognized source of credit information. They are consulted by sellers to determine whether credit applicants are able and willing to pay their bills promptly and enjoy good credit standing. Such references usually provide quick, reliable, and up-to-date information on credit applicants.

Salesmen are usually expected to obtain references from new customers applying for credit. However, direct requests for references yield little more than the names of creditors who will recommend the applicant. Some applicants keep a few accounts paid in full to use as credit references. A dealer salesman may easily obtain references by observing a merchant's stock to discover the names of other suppliers who are extending credit accommodations. If a merchant is heavily stocked with the merchandise supplied by a manufacturer who enforces a strict credit policy, a salesman may infer that the merchant's credit is sound. Salesmen can usually obtain the most reliable references by observation. By questioning local attorneys, bankers, and competitors and by listening to their volunteered remarks, salesmen may also secure dependable credit information without resorting to direct inquiry.

*c. Credit interchange bureaus* for the exchange of information on the credit standings of firms and individuals have been established by creditors on local, sectional, and national bases. Creditors contribute their credit experience to a central bureau which makes this information available to other members. These bureaus, which have been established through the efforts of the National Association of Credit Men, maintain files showing payment habits, amounts owed, maximum credit allowed, and amounts overdue of many thousand debtors.

Salesmen, through their credit departments, may obtain much valuable information concerning the credit standing of prospects and customers from these interchange bureaus.

*d. Trade associations* in some industries have established credit interchange bureaus and salesmen may, through their credit departments, obtain reports on prospects and customers.

*e. Commercial banks* often possess valuable credit information about local merchants and manufacturers. However, credit information from banks should be obtained through the creditor's bank. Salesmen will meet with little success in securing credit information directly from banks, which are reluctant to reveal facts about their customers.

*f. Business publications* frequently publish news items or articles describing the financial condition of firms, changes in ownership or management, reorganizations, plant expansion, sales volume, and other information bearing directly on the credit standing of business organizations.

By reading business magazines, salesmen may secure valuable data about their prospects and customers.

*g. Attorneys* who specialize in collections may be of aid to salesmen and credit managers in obtaining information about the credit standing of firms and individuals.

*h. Salesmen* should be continuously on the alert for information about their customers and prospects. They are able to secure credit facts which cannot be obtained in any other manner. Several ways in which salesmen can obtain credit data have already been described. However, a salesman must guard against reporting biased information, colored by his optimism or sympathy for prospects or customers. The natural interest of a salesman in making sales must not influence him to magnify the favorable aspects and suppress the negative features of a prospect's or customer's credit standing. After a sale has been closed, a salesman must continue to keep his credit department informed regarding the financial status of the customer.

**5. Determining Credit Standing of a New Account.**—A salesman's credit responsibilities begin with his selection of prospects. Before approaching a prospective customer, a salesman should learn as much about his financial responsibility as the amount of the initial sale and future potential purchases justify. A few minutes spent by a salesman in observing and making inquiries

about a prospect may save hours of time, discouragement, and embarrassment later when the order is rejected by the credit

**SALESMAN'S REPORT FOR CREDIT APPROVAL**  
ON

Date \_\_\_\_\_

Name in Full \_\_\_\_\_

Trade Name \_\_\_\_\_

Address \_\_\_\_\_

Kind of Business \_\_\_\_\_

Form of Business

Single Ownership

Partnership

Corporation

If Partnership - Name of Partners

Name of Treasurer

If Corporation - Name of Treasurer

Years in business

Length of Time at Present Location

Own, Lease or Rent Place Occupied

If owned, Approx. Value

Any Mortgages - If so, how many and what amounts

If Leased - Length of time  
and yearly rent

If rented, cost per month

Is Location? Good Fair Poor

Is Store Appearance? Good Fair Poor

No. of Employees

What do you Estimate Yearly Sales Our Line?

Trade Discount

Terms

**REFERENCES:** Secure bank and at least five trade references with address  
(Trade references should cover different lines of Merchandise)

Name \_\_\_\_\_ Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Remarks: What is your opinion of this prospect?

Salesman \_\_\_\_\_

This credit report form is used by salesmen representing a large floor-covering manufacturer in reporting to their credit manager factors affecting the credit standing of a new retail customer.

department because the buyer is a poor credit risk. All convenient sources of credit information should be investigated in



advance of the first contact with a prospect: When a salesman has investigated and is satisfied that a prospect is able to pay for merchandise purchased, he can make his sales presentation without fear that the sale, if closed, will be rejected by his credit department. If, however, a salesman is unable to determine a prospect's credit rating in advance of a sales interview, it becomes necessary to obtain the information during the interview.

By asking tactful questions, a salesman can discover whether a prospect has the necessary capital, character, and capacity to pay his bills. Typical credit questions, which can be casually asked a prospect, are "How long has your business been established?" "Is this property owned or rented?" "Is your business operated on a cash or credit basis?" "Is your business growing?" "How often do you take inventory?"

By observing the condition of a buyer's property, its location, the number and type of employees, type of trade served, grade of merchandise carried, and other obvious conditions, a salesman can form very accurate conclusions on the character of a credit risk.

Salesmen are often required to complete a credit report on each new customer. These reports, which are studied by the credit department, call for answers to numerous questions concerning the financial status of a new customer. Some buyers are reluctant to answer questions concerning their financial situation and salesmen must use tact in obtaining this information. Careful observation will provide answers to many of the questions listed, without antagonizing a new customer by direct questioning. If a new customer understands that credit information sought by a salesman is customarily obtained as a routine matter from every new customer, he is usually willing to speak frankly about his business and finances.

Salesmen, who open new accounts for large amounts, are often required to obtain from each new customer a balance sheet showing his financial condition and an operating statement reporting his sales activity. When a dealer objects to furnishing a financial statement, a salesman may explain that this request is no reflection upon the integrity or business ability of the customer. Customers who cooperate with creditors by furnishing financial statements obtain a broader knowledge of their own business operations as well as a more favorable credit standing.

**STATEMENT OF FINANCIAL CONDITION OF** \_\_\_\_\_

At Close of Books on \_\_\_\_\_ 193\_\_

Kind of Business \_\_\_\_\_ Address \_\_\_\_\_  
(Corporation or Partnership)



TO \_\_\_\_\_ (Name of firm asking for statement)

(THIS FORM APPROVED AND PUBLISHED BY THE NATIONAL ASSOCIATION OF CREDIT MEN)

For the purpose of obtaining merchandise from you on credit, or for the extension of credit, we make the following statement in writing, intending that you should rely thereon respecting our exact financial condition.

(PLEASE ANSWER ALL QUESTIONS. WHEN NO FIGURES ARE INSERTED, WRITE WORD "NONE")

ASSETS	Dollars		Cents	LIABILITIES	Dollars		Cents
Cash (On Hand) _____ (In Bank) _____				Accounts Payable for Merchandise _____			
Accounts Receivable (Not Due) _____ (30 to 90 Days Past Due) _____ (Over 90 Days Past Due) _____				Notes and Acceptances Payable for Merchandise _____			
Notes and Acceptances (Not Sold or Discounted) _____				Notes to _____ Bank _____ When Due _____ (Secured) (Unsecured)			
Merchandise (Not on Consignment or Conditional Contract) (Valued at "Cost" <input type="checkbox"/> or "Market" <input type="checkbox"/> , whichever is Lower)				Taxes, Interest, Rentals, Payrolls (Accrued) _____			
Other Current Assets (Describe): _____				Notes Payable to Stockholders, Partners or Others _____			
<b>TOTAL CURRENT ASSETS</b> _____				Other Current Liabilities _____			
Land and Buildings (Present Depreciated Value) _____				<b>TOTAL CURRENT LIABILITIES</b> _____			
Machinery, Fixtures and Equipment (Present Depreciated Value) _____				Mortgage on Land or Buildings _____			
Due from Officers, Partners or Others not Customers _____				Chattel Mortgages on Merchandise or Equipment _____			
Other Assets (Describe): _____				Other Liabilities not Current _____			
<b>TOTAL ASSETS</b> _____				<b>TOTAL LIABILITIES</b> _____			
				Net Worth { Capital _____ Surplus _____			
				<b>TOTAL (NET WORTH AND LIABILITIES)</b> _____			

**STATEMENT OF PROFIT AND LOSS FOR PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

Sales for Period, cash _____ credit _____				Salaries—owners _____ employees _____			
<b>TOTAL SALES</b> _____				Rent, Heat, Light, Insurance, Taxes _____			
Inventory, Start of Period _____				Advertising _____			
Purchases for Period _____ Total _____				Delivery _____			
Less Inventory, end of period _____				Depreciation (Fixtures, Trucks) _____			
<b>COST OF GOODS SOLD</b> _____				Miscellaneous (other operation expense) _____			
<b>GROSS PROFIT</b> _____				<b>TOTAL OPERATION EXPENSE</b> _____			
Less Expense of Operation _____				If incorporated, amount of dividends paid _____			
<b>NET PROFIT FOR PERIOD</b> _____							

**BUY FROM THE FOLLOWING FIRMS:**

NAMES	ADDRESSES	AMOUNT OWING

The foregoing statement and the information given on the reverse side of this statement has been carefully read by the undersigned (both the printed and written matter), and is, to my knowledge, in all respects complete, accurate and truthful. It discloses to you the true state of my (our) financial condition on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_. Since that time there has been no material unfavorable change in my (our) financial condition, and if any such change takes place I (we) will give you notice. Until such notice is given, you are to regard this as a continuing statement.

Name of Individual or Firm \_\_\_\_\_

If Partnership, Name Partners { \_\_\_\_\_  
 " Corporation, " Officers { \_\_\_\_\_

How long established \_\_\_\_\_ Previous business experience \_\_\_\_\_  
 \_\_\_\_\_ Where \_\_\_\_\_

Date of Signing Statement \_\_\_\_\_ Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Witness \_\_\_\_\_ Signed by \_\_\_\_\_  
 Residence Address \_\_\_\_\_ Title \_\_\_\_\_  
 of Witness \_\_\_\_\_

Retail merchants often are required to complete this statement of financial condition. This is a typical form used by salesmen representing manufacturers in securing credit information from new accounts. The form is usually left with a merchant by a salesman. The dealer fills in the information requested and returns the statement to the creditor.

In some companies, prospects to be solicited by salesmen are predetermined by the credit department, and the salesmen have no responsibility for credit investigations or for reporting on new customers.

**6. Credit Terms.**—Salesmen must be familiar with the terms upon which credit is extended. The length of credit terms varies widely. In the case of open-account credit, purchasers are usually allowed 30 days in which to make payment. In selling seasonal merchandise, longer terms are often extended to customers to enable them to pay in the season when they receive their income. Shorter terms prevail in the sale of staple articles which are turned over quickly and in large volume. The terms of payment also vary with different types of credit instruments. Promissory notes may be paid in 30, 60, 90 days or longer; bank drafts are payable at sight or in 30 days or longer; trade acceptances are usually payable in 30 or 60 days. The term of sale dates from the day the merchandise is shipped by the seller although in special cases time extensions are granted to buyers.

The time when payment is due is sometimes extended by sellers who quote R.O.G. terms. By this arrangement, the term of payment dates from the time the goods are received by the buyer instead of the date of shipment by the seller. Similarly, E.O.M. terms are quoted whereby the term payment begins at the end of the month in which the purchase was made instead of from date of shipment.

Likewise, "prox terms" are quoted to buyers who make frequent purchases. For example, a customer who purchases ten items, each on a separate occasion during a month, ordinarily would receive as many separate invoices. If he paid for each purchase at the expiration of 10-day terms, to get a cash discount, he would be obliged to make ten separate payments. To save the buyer the inconvenience of writing so many checks and the seller the added bookkeeping, prox terms are quoted. By this arrangement, payment by one check may be made, before the tenth of the following month, for all purchases made during a current month. Cash discounts usually are allowed on prox terms for payment before the tenth of the following month.

Credit terms also are extended by allowing certain buyers forward datings or deferred datings. Under these special terms a buyer's invoice is dated as of 60 or 90 days after he has received

the merchandise purchased. Salesmen sometimes are permitted to quote these special terms to secure advance orders or to make sales in off seasons. Buyers sometimes abuse a forward-dating privilege, allowed on one occasion, by demanding that a similar time extension be regularly granted on all orders.

Other special terms are granted occasionally. C.B.D. terms require a buyer to pay cash before delivery and are similar to C.W.O. or "cash with order" terms.

**7. Discounts for Prompt Payment.**—To encourage customers to pay their bills promptly, sellers commonly offer discounts for settlement of credit accounts before the expiration of the term of payment. These discounts, called "cash discounts," usually are given for payment of an account within ten days from date of invoice or shipment by the seller. The amount of the discount varies from 0.5 to 5 per cent in various industries.

Salesmen should persuade buyers to take their cash discounts for two reasons: (1) a salesman's firm profits by decreased credit losses, more rapid turnover of capital, strong liquid position, and curtailed credit and collection expense; (2) customers profit by taking cash discounts through increased earnings. A buyer who takes a 2 per cent cash discount for payment in 10 days on 60-day net terms earns the equivalent of 14 per cent a year on his accounts payable. This high rate of return is based on the assumption that a buyer keeps his money continuously employed. Under the terms of 2 per cent ten days, net 60 days, a buyer receives 2 per cent for the use of his money for 50 days. And since there are more than seven 50-day periods in a year, a buyer receives seven times 2 or 14 per cent interest.

Customers who take cash discounts also benefit from superior credit ratings and by receiving special offers and allowances usually given only to preferred customers.

Salesmen occasionally must deal with customers who abuse the cash discount privilege by taking unearned discounts or deducting the amount of the cash discount when making payment after expiration of the cash discount period. To enforce a firm cash discount policy, salesmen may explain to customers who take unearned discounts that bills must be paid within the discount period to entitle the buyer to the discount. Abuse of the discount privilege may mean that cash discounts will be eliminated entirely.

Large customers sometimes demand unusually long terms or extra discounts, contrary to the credit policy of sellers. Salesmen should maintain a firm position on such demands for credit concessions. To accede to the demands of customers not only weakens a salesman's position with his employer, but buyers are quick to take advantage of a willingness to make special concessions.

**8. Penalty for Slow Payment.**—Some sellers exact a penalty for slow payment of credit accounts by charging interest to buyers on past-due accounts. When the term for payment expires, an account becomes automatically an interest account and 6 per cent is charged up to the time the account is fully paid. Salesmen operating under this policy should explain clearly this penalty charge to customers and avoid misunderstandings and loss of business.

A customer of questionable standing, who is slow in making payment, may be required to sign a promissory note. This is a written acknowledgment of indebtedness and may be discounted by the seller at his bank, giving him immediate use of the money. A creditor who holds a promissory note has less difficulty in collecting interest charges from the buyer for the time an account is overdue.

**9. Account Guarantee.**—When a buyer's credit standing does not justify an extension of credit on an open account, sellers sometimes require the buyer to give a guarantee of indebtedness signed by a financially responsible guarantor. Some sellers use a guarantee form, signed by the guarantor of the account, which permits the seller to make immediate collection from the guarantor if payment of the account is not made according to the terms of sale.

A salesman who obtains a guarantee of indebtedness from a customer should determine that the person guaranteeing the account is financially responsible and legally authorized to issue a guarantee.

**10. Installment Credit.**—Installment credit enables a buyer to borrow the full purchase price of an article and to liquidate the loan in successive fractions in the future. This form of credit is generally used in the sale of specialties to consumers and, to a more limited extent, in wholesale selling to distributors.

Installment, or time payment, credit enables a salesman to sell to customers whose wants cost more than their current income,

to increase the amount of the average sale, to discount the effectiveness of competitive price advertising, to maintain regular relations with customers, and to reduce sales resistance.

It makes little difference to a salesman whether his sales are financed by his own company, the government, banks, or professional finance companies. The same steps, in general, must be taken by him to arrange for credit extension. On consumer installment sales, he usually must

a. Have the customer fill out and sign Credit Application for Time Payment Terms giving information as to his residence address, occupation, references, etc.

b. Have customer sign Conditional Sales Contract or Chattel Mortgage. Conditional sales contracts vary according to the laws of the various states.

c. Advise customer when, where, and in what amounts payments on contract are due.

d. Collect initial payment.

When consumer installment credit papers have been executed by a retailer, they are assigned usually to a wholesaler, manufacturer, or finance company which credits the retailer with the principal of the unmatured installments, reserving the interest which is included in the face amount of the contract.

In some cases, salesmen make collections on installment contracts for the retailer as the agent of the wholesaler, manufacturer, or finance company, whichever happens to be carrying the paper. When a finance company buys consumer installment paper without recourse, retail salesmen are relieved of the responsibility of investigating an applicant's credit standing and of making collections from delinquent customers.

When a customer completes payments on a retail installment contract, it is returned by the finance company to the dealer who in turn gives it to the man who made the sale. The salesman delivers the paid-up contract to the customer. Having completed his payments, the customer is in an excellent position to purchase additional merchandise from the salesman.

Salesmen selling on installment terms usually carry a printed schedule showing monthly payments on principal and finance charges, including interest from date of purchase until maturity of the contract. Salesmen should know the minimum amount of initial payment required and the number of months in which the

unpaid balance must be paid. Copies of credit application forms and conditional sale contracts should be included in a salesman's equipment.

**11. Collections by Salesmen.**—In some organizations, salesmen are required to make collections, although in many others they are not permitted to collect overdue accounts. Wholesale grocery, drug, and hardware salesmen, calling on retailers, usually are required to collect from their delinquent customers. House-to-house salesmen of low-priced, staple merchandise deliver and collect from buyers. Salesmen of high-priced specialties and services rarely make collections. Some salesmen are required to collect large or long overdue accounts on which their credit departments have failed.

Responsibility for collections makes salesmen careful in investigating the credit standing of new accounts and accepting orders from old customers of questionable standing. Because a salesman meets his customers often and knows them well, he is in the best position to observe and report changes in their financial position. A salesman who is required to make collections is less likely to oversell his customers.

Salesmen sometimes object to making collections for fear of antagonizing customers by pressing them for payment of accounts. Or they may sympathize with buyers' misfortunes and hesitate to demand prompt settlement of overdue bills.

On the other hand, responsibility for collections gives a salesman an advantage. He is able to hold the good will of his customers by tactful collection methods rather than risk losing their business by impersonal collection letters or undiplomatic collectors. Furthermore, a salesman who collects his accounts becomes more familiar with his customers' business problems and is able to serve them more effectively.

A salesman who makes collections must retain the good will of his customers and at the same time obtain payments of past-due accounts. A salesman who is a good collector has a sympathetic understanding of each debtor's problem, the ability to point out the buyer's credit difficulties, and the opportunity to suggest how they may be solved. Tact, intelligence, and sound judgment are required.

A salesman should first classify his customers who fail to pay their accounts at maturity as one of the following types:

a. Customers who are negligent and inefficient.

b. Customers who disregard due dates because of the small amounts involved.

c. Customers who deliberately avoid payment.

d. Customers who are temporarily embarrassed financially.

e. Customers who are chronically slow payers.

Treatment of each of these types of debtors will depend upon the circumstances in each case. In some instances, a salesman should appeal to the honor of the customer; in others, to business pride, self-interest, or fairness.

A salesman should know the paying record of each of his customers. This information may be obtained from the credit department. In giving credit service, a salesman should consider his customer's expenses, sales volume, and local business conditions. Customers whose accounts are overdue should be asked to promise to pay before a certain date. Failure to pay on the date promised gives a salesman an advantage in collecting an account.

**12. Conserving a Customer's Credit.**—A salesman should be a credit counselor to his merchant customers. Timely credit advice may save a customer from bankruptcy. By giving such service to dealer customers, a salesman obtains their good will and increased purchases by reason of their improved credit position. If a customer fails, the salesman loses the account and future orders and his firm often loses money. Credit service to customers includes: (a) buying service; (b) credit policy service; (c) collection service.

a. *Buying Service.*—A merchant often weakens his credit position by poor buying. A salesman can help his dealer customers to maintain good credit standing by not overselling them.

By selling low-priced goods to merchants serving low-income markets, a salesman helps his customers to buy intelligently and conserves their credit. A salesman who sells reasonable quantities of salable, profitable merchandise obtains the respect, confidence, and business of merchant customers.

b. *Credit Policy Service.*—By advising dealer customers concerning their credit and collection policies, a salesman aids them in improving their credit standing. A merchant who collects his accounts and has few bad debts strengthens his credit position with banks and suppliers.



A salesman who counsels his merchant customers in selecting credit risks carefully, establishing definite credit limits, keeping accurate and complete credit records, securing adequate initial payments, and obtaining reliable credit information is building buyers into preferred risks and regular customers.

*c. Collection Service.*—The credit standing of a small merchant depends upon his ability to turn over his limited capital quickly so that he can have cash to buy more merchandise. If his capital is tied up in accounts receivable, he is a poor customer. A salesman who aids his dealer customers in collecting their outstanding accounts is building future business on a permanent foundation.

By advising customers to send statements to debtors regularly, to follow up overdue accounts systematically, to resort to legal aid when necessary, and to use collection letters consistently, a salesman can help dealers to improve their collections.

Salesmen should show customers that it is to their advantage to take cash discounts and comply with the credit terms of their suppliers. Customers in good standing buy larger orders and at more frequent intervals.

**13. Credit and Collection System.**—A salesman should be familiar with the credit and collection system operated by his credit department. He should know how credit applicants are investigated, how credit limits are established, how credit lines are revised and collections made. The various credit investigating and reporting forms used by a salesman's credit department should be in his possession. A salesman should know the collection-letter sequence, including the statements, formal notices, and form letters used by his company in dealing with overdue accounts. The use of collection agencies, personal collectors, attorneys should be understood.

Some credit managers in their correspondence with salesmen use special terms, the meaning of which should be clearly understood by salesmen. The credit department of a large shoe company uses the following terms and definitions in credit letters to salesmen: "refer" means that credit has not been established and the salesman is to get more information; "absolute cash" means that goods must be paid for in cash or shipped C.O.D.; "refer all" means that the customer will be sold on open account and his credit watched closely; "hold all orders" means that trouble has

arisen on payments; "O.K. credit" means that the buyer is good for all requirements.

**14. Competitors' Credit Policies.**—Salesmen should know the credit and collection policies of competitors, their terms of sale, special datings, and cash discounts allowed to customers. A knowledge of competitors' credit policies often gives a salesman more confidence in his terms of sale and enables him, when necessary, to compare favorably the credit policies of his company with those of competitors.

### HOW TO DISCUSS CREDIT WITH PROSPECTS

Successful salesmen have a definite plan for handling credit transactions with prospects and customers. Although it is important that a salesman know the credit policy and procedure of his company, it is equally necessary for him to attain skill in discussing the subjects effectively. Many salesmen who know credit completely do not present it well to prospects and customers because they cannot impart their knowledge. Practical methods of presenting credit to buyers, used by successful salesmen of various types of products, have been combined into the following three-step routine, by means of which any salesman can discuss credit more effectively:

#### *Routine for Discussing Credit with Prospects and Customers*

1. Ask tactful questions to discover character, capital, capacity of credit applicant.

2. Describe clearly terms of payment and credit policy

or

Ask applicant to name own terms (policy permitting).

3. Ask directly for credit information.

**1. Ask Tactful Questions to Discover Character, Capital, Capacity of Credit Applicant.**—During the course of a sales interview, a salesman can discover, by casual questioning, much worth-while information about the financial responsibility of a prospective customer, thus avoiding a lengthy and sometimes embarrassing process of direct interrogation.

A prospect is flattered by a salesman who shows a friendly interest in his business by asking such questions as, "Is your business done largely on cash or credit?" or "How long has your business been established?" or "How often do you take stock?"

ANSWERS to these and similar questions reveal much information about the character, capacity, and capital of a prospect.

Retail salesmen may determine the financial responsibility of consumers by asking such questions as, "Do you own your home?" or "Do you attend church regularly?" These queries help to reveal illuminating facts about the ability and willingness of a buyer to pay his debts promptly.

By questioning a prospect about his financial situation, a salesman obtains important credit information and at the same time determines the probable price that the buyer can afford to pay, the quantity that may be bought, and whether or not continued solicitation is warranted.

**2. Describe Clearly Terms of Payment and Credit Policy, or Ask Applicant to Name Own Terms (Policy Permitting).—**Misunderstandings between buyers and sellers over the payment of accounts are often caused by failure of salesmen to explain definitely the terms of sale. This should be done at the time a sale is closed. Good credit relations begin with the sale. Salesmen, selling on open account, should make clear to each customer when the net amount of an account is due.\* If deferred datings are allowed, they should explain the reason for these terms and emphasize the necessity for payment on or before the date specified.

A salesman whose firm uses various credit instruments, such as promissory notes, trade acceptances, letters of credit, and drafts, should describe these papers to customers and prospects if their use is not clearly understood.

In selling on installment credit, a salesman should describe clearly to buyers the amount of the initial payment, the amounts and dates on which succeeding payments are due, the penalties for delinquency in making payments, the date of maturity of the account, to whom payments shall be made, and the amount of finance charges.

*Applicant Names Own Terms.*—Some companies give salesmen authority to quote credit terms and adjust payments to suit the convenience of buyers. Particularly in installment selling, buyers are often permitted to name the amount of their periodic payments because experience has shown that the amounts which a customer will name are usually larger than the minimum amount acceptable to the seller. While a minimum initial payment is required in all installment contracts, this amount usually is not

revealed by the salesman unless a buyer names terms below it. A salesman should ask, "What initial payment would you prefer to make?" or "Would you prefer to complete payments in 12 or 18 months?" In many cases, installment terms have been liberalized to such an extent that sizable initial payments have been eliminated. Customers usually are flattered by being permitted to name their own terms and the installment credit transaction is facilitated.

**3. Ask Directly for Credit Information.**—When a salesman is unable to obtain facts about the financial responsibility of a prospect by asking casual questions, it may be necessary for him to make a direct request for credit information. Some creditors require applicants for credit to complete information blanks or submit financial statements.

Unless a salesman uses tact, some buyers may resent a request for credit information as a reflection on their financial standing. Salesmen should make it clear to new customers that such information is always requested as a part of the customary routine of credit extension. In this way, sensitive buyers will not feel that they are being singled out for special inquiry. A salesman, who is blunt, cold, and formal in seeking credit information, may antagonize buyers with his tactless questioning.

Credit information obtained by salesmen should be complete to enable their credit departments to appraise properly the financial position of applicants.

#### **HOW TO DISCUSS CREDIT WITH ESTABLISHED CUSTOMERS**

When calling upon regular customers, a salesman has an excellent opportunity to aid them in maintaining a sound credit standing. Successful salesmen serve their customers and their firms by carrying out the following three-step routine for giving credit service:

##### *Routine for Discussing Credit with Customers*

1. Inform customers on the business outlook and trade conditions.
2. Ask tactful questions concerning a customer's current financial position.
3. Discuss advantages of taking cash discounts and observing terms.

**1. Inform Customers on Business Outlook and Trade Conditions.**—Salesmen who are well acquainted with business conditions in general and have an intimate knowledge of trade trends, cycles, and governmental policies affecting individual industries should advise customers on the business outlook. By warning customers of impending bad trade conditions, salesmen can safeguard their credits and improve their purchasing power.

**2. Ask Tactful Questions Concerning a Customer's Current Financial Position.**—By asking tactful questions, a salesman can determine his customer's financial situation, pass this information along to his credit department, or offer suggestions to aid buyers in improving their credit positions. When a salesman has secured the confidence of a customer, he has an opportunity to obtain information about the buyer's sales and profits without being offensively curious.

**3. Discuss Advantages of Taking Cash Discounts and Observing Terms.**—Salesmen should discuss with their customers the benefits of taking cash discounts from the standpoint of increased profits and improved credit standing. Customers may be advised to borrow money from a bank so that they can discount their bills. A slow-paying account is often unprofitable. A salesman should see that his customers pay their bills promptly.

### Problem I

Ray H. Butterworth, representing Sinton Music Company

The Sinton Music Company, Los Angeles, Calif., established in 1901, retails high-grade musical instruments, radios, and sheet music from richly appointed showrooms located in the heart of the shopping district of the city. The company is the exclusive distributor in Los Angeles for famous makes of pianos, organs, and orchestral instruments.

Ray H. Butterworth has been associated with the company since 1915 and has a large following of musicians and music lovers who come to him for their music needs. He is one of a force of ten men who divide their time between the showroom and field work.

Butterworth is on duty on the floor when a young pianist enters the showroom and the following conversation ensues:

1. SALESMAN: Good afternoon. May I be of assistance?
2. PROSPECT: Why, yes. I'm looking for a piano.
3. SALESMAN: Is there any special make you're interested in?
4. PROSPECT: I was thinking of a Dayton. Do they have the small uprights, or only grands?
5. SALESMAN: We have a complete new line in small uprights to fit the modern home. If you'll step this way, I'll show you our line of Daytons. (They walk to rear of showroom.)  
This is our smallest upright, built to fit the small modern home. (Salesman plays this and two other models. Then the prospect sits down and plays.)
6. PROSPECT: They all have beautiful tone quality. What do these cost?
7. SALESMAN: The price of this piano in mahogany finish is \$560. The large one is \$585. The small one can be had in ebony finish for \$495.
8. PROSPECT: I see. What have you in grands?
9. SALESMAN: (Salesman motions prospect into next room.) Dayton makes six sizes of grands. This is the smallest. Only five feet one inch. (Prospect plays. They turn to another model and salesman plays it.)  
You can hear the difference in tone quality as the sounding board increases in size. The strings in these are arranged so as to give maximum tone quality and volume.
10. PROSPECT: Yes, they certainly are beautiful pianos. What are the prices on these?
11. SALESMAN: The five foot one in mahogany is \$1,035. The five foot seven one is \$1,250. Larger grands are impractical except in large homes.
12. PROSPECT: I like this one; it certainly has a beautiful tone. (Prospect plays again.) What terms do you offer?
13. SALESMAN: You can have any one of these at 10 per cent of the purchase price, and the balance in up to 24 months, two years.
14. PROSPECT: I have a Lauter right now. What can I get for that?
15. SALESMAN: What make?
16. PROSPECT: A Lauter, one of those upright pianos. We got it in 1922.
17. SALESMAN: Oh, yes, I know. I can send a man out to see what allowance we can make.
18. PROSPECT: Well—eh—what approximately can I get?
19. SALESMAN: Of course, it all depends on the piano. Old makes such as yours are worth very little. We have great difficulty in getting rid of them. Every once in a while the boss will give a few away to charitable institutions to get them off our hands.

But for yours, we may be able to offer \$10, \$20, or \$25. If it is in excellent condition, perhaps more. I'd have to see the piano to find out.

20. PROSPECT: On that basis—let me see—considering the price of this grand as \$1,250 less 10 per cent, is about \$1,125 and in 12 or 18 months—I'm not so good at dividing. H'm—I'm wondering what it'll cost a month. Then I imagine there is some interest charge.
21. SALESMAN: A financing charge? Just a minute, I'll give you some idea. (Salesman figures out charges.) The charge will be about \$5.40 a month.
22. PROSPECT: Over what period?
23. SALESMAN: Over any period, 12, 18, or 24 months, still \$5.40 a month.
24. PROSPECT: That seems unusual. (No answer.) Well, I guess it's the practice around here. Well—I'll get in touch with you after I think it over.
25. SALESMAN: If you want a piano of great quality and fine tone, I think the Dayton's the only thing. May I have your address? Here is my card. (Prospect and salesman walk to the door.) You can get in touch with me if you decide definitely on this.
26. PROSPECT: Thanks, I'll do that. (Prospect leaves.)

### Questions

1. Is the salesman's handling of credit in this sales interview satisfactory? Discuss the favorable and unfavorable features of the credit presentation.
2. Did the salesman describe the terms of credit clearly to the prospect? Name good or bad features of the discussion of terms.
3. Did the salesman determine the prospect's credit standing? Was this necessary?
4. What type of credit is used by the seller in this case?

## Problem II

### RETAIL CREDIT PRESENTATION

Kenneth G. Harvey, representing the Maxon Motor Sales  
Company

The Maxon Motor Sales Company, Lansing, Mich., is a retail dealer of a popular make of six cylinder automobile, the Dart, selling in the \$700 to \$900 price range in regular, special, and de luxe models in coupés, sedans, and convertibles. The company is the leading dealer in the city and is represented by ten

commission salesmen, one of whom, Kenneth G. Harvey, has been associated with the organization for the past five years.

Salesman Harvey was on showroom duty one afternoon when a man and a woman entered and the following conversation ensued:

1. SALESMAN: Good afternoon.
2. MAN: We'd like to see a sedan.
3. SALESMAN: Here's our latest model, just been out two weeks.  
(Opens rear door.) See, you've got plenty of room.
4. WOMAN: Safety glass all around?
5. SALESMAN: Yes, ma'am. That's a state law.
6. WOMAN: Oh, it went through, didn't it? (Examining sun visors.)  
Double sun visors?
7. SALESMAN: Yes.
8. WOMAN: (inspecting tail light.) A double tail light?
9. SALESMAN: What's that?
10. WOMAN: Double tail light?
11. SALESMAN: Well, that's on our de luxe.
12. WOMAN: This is the regular model?
13. SALESMAN: No, the de luxe.
14. MAN: Does it have hydraulic brakes?
15. SALESMAN: Yes, sir. That's a good feature.
16. WOMAN: Knee action?
17. SALESMAN: Knee action. They've improved the action. You've got shockproof steering, and there's an all-steel top. It is all insulated so that it keeps out the heat of the sun.
18. MAN: (To woman) You get into the driver's seat. (To salesman)  
Will you shut that door?
19. SALESMAN: Sure thing. You will notice there is a foot rest in the back seat now, too. It is built right in there. It gives you more leg room.
20. MAN: Your hand brake is mechanical, isn't it?
21. WOMAN: How will I ever use a right-hand brake?
22. SALESMAN: You are used to a left-hand brake?
23. MAN: I have a left-hand brake on the Blank.
24. SALESMAN: You use it so seldom. (To woman) Try the back seat. There is a foot rest back there. Doesn't that make it nice?
25. WOMAN: Yes.
26. SALESMAN: They've got a new grade of mohair in this year. It is a lot cooler than the ordinary type. It allows the air to circulate through it while you are sitting down.
27. There is an all-steel top. It is very well insulated so that you don't get the heat of the sun, and it holds the heat in in the wintertime.



It also has knee action, of course, and no-draft ventilation. You have plenty of room in here. The seats are a little bit wider.

28. MAN: How much does this cost?
29. SALESMAN: \$715 as it stands right now. This is set up in the payment plan, \$231 down payment, \$30.02 per month for 18 months. That includes insurance, complete coverage; \$50 deductible collision insurance.
30. MAN: \$700 and—did you say, \$15?
31. SALESMAN: Well, it's \$715.
32. MAN: All complete?
33. SALESMAN: That's complete.
34. MAN: Insurance and everything?
35. SALESMAN: Well, no. This is the delivered price if you were to pay cash for it.
36. MAN: \$715?
37. SALESMAN: Yes. Your financing costs you about 6 per cent. Not interest, just 6 per cent more.
38. MAN: If I decided to pay cash for one of these cars it would be \$715, complete?
39. SALESMAN: That's right.
40. MAN: That includes everything?
41. SALESMAN: That's right.
42. MAN: Well, I'll think it over and see you again.
43. SALESMAN: Come in again. Good-by.

### Questions

1. Is the salesman's handling of credit in this sales interview satisfactory? Discuss the favorable and unfavorable features of the credit discussion in this interview?
2. Did the salesman describe the credit terms clearly? What should have been said by the salesman?
3. Did the salesman determine the prospect's credit standing? Was this necessary? How could the salesman have discovered that the prospect was a good credit risk?

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## CHAPTER IX

### ADJUSTING CLAIMS

#### CLAIM ADJUSTMENTS ARE SALES OPPORTUNITIES

Salesmen who have responsibility for settling claims of customers enjoy many opportunities to retain their patronage, create good will, and increase sales. By making adjustments promptly, cheerfully, and tactfully, a salesman establishes close relations with his customers and impresses them with his spirit of service and fair dealing. Claims give a salesman a chance not only to make friends for his firm, but also to discover, through criticisms, possible improvements in the quality of his product and the character of his service. A claimant who receives prompt, satisfactory adjustment service from a salesman is a source of advertising and prospects. The adjustment of a claim gives a salesman an opportunity to prove that the customer actually receives the promised satisfaction.

A salesman's attitude toward claims, in a large measure, determines his success in converting complaints into sales opportunities. If a salesman considers that claim adjusting is an objectionable duty, if he thinks that complaints prove the inferiority of his product or service and that all claimants are unreasonable, he is unlikely to succeed in this phase of his job. Salesmen should remember that it is easier to hold an old customer than to obtain a new one, and satisfactory adjustments are an important factor in keeping customers. A salesman should consider claims calmly, courteously, and cheerfully with a spirit of kindness. No doubt should remain in a customer's mind that a salesman is anxious to please even though he cannot fully comply with all wishes in all cases. Claims are actually welcomed by successful salesmen, who believe that a dissatisfaction openly stated is much easier to correct than an unexpressed grievance which causes lost customers and ill will.

In his anxiety to please, a salesman must guard against a meek, excessively apologetic, and weak attitude in making adjustments. By firm, frank, sincere adherence to company

adjustment policies, a salesman commands the respect of his customers and obtains adjustments that are fair to the seller and the buyer. Occasionally, claimants attempt to abuse adjustment policies by presenting unwarranted claims. When dealing with unfair complaints, salesmen must adhere courteously but firmly to their company's adjustment policies. Many claims may be forestalled by salesmen whose fairness and firmness discourage unjustified complaints by customers.

### WHO SHOULD SETTLE CLAIMS?

Claims are considered so important that in many companies they are handled personally by the president or other executive heads. In some firms, claim adjustors are employed who are engaged exclusively in handling claims and making settlements. Frequently these men are assisted by a staff of correspondents, tracers, file clerks, and interviewers. Adjustment specialists, however, often lack a sales viewpoint. They are frequently not familiar with the background of a claim, the problems of the claimant, the way the product is used, and the human factors that give rise to a complaint. Adjustors do not know the difficulties of overcoming sales resistance, meeting competition, answering objections, and securing signed orders, and accordingly often fail to recognize the value of a customer. For this reason, claim adjustors and correspondents are sometimes indifferent to the importance of keeping customers satisfied.

Salesmen who have the proper attitude toward adjustments are better able to settle claims because they are acquainted with the customer, know his individual needs, problems, and attitude; they are able to give prompt attention to claims through frequent field contacts; they appreciate the importance of keeping customers; they have the right temperament, the courtesy, consideration, and cheerfulness to pacify claimants; they can render better service to customers and are in a position to make an additional sale or exchange rather than a refund. Customers believe that claims will be more intelligently handled by a salesman whom they know than by an adjustor or correspondent whom they have never seen. Salesmen who handle adjustments are made conscious of their errors and are less liable to make mistakes. Claims may be settled more economically when salesmen make adjustments in conjunction with their regular sales work.

## COST OF CLAIMS

Few salesmen appreciate the loss involved in returned goods and the necessity of giving more attention to preventing claims and making satisfactory adjustments. A silverware manufacturer analyzed his loss on a \$100 shipment returned by a customer, as follows:

Selling cost.....	\$10
Packing cost.....	2
Accounting cost.....	1
Transportation cost.....	1
Damage in shipping.....	2
Obsolescence.....	2
Rewrapping and placing in stock.....	2
Profit.....	<u>30</u>
Total loss.....	\$50

In this case, one-half of the gross amount of the selling price of the goods is a definite loss to the manufacturer. The National Retail Dry Goods Association estimates that 14 per cent of all goods sold at retail are returned by buyers at an estimated loss of 20 per cent.

## CHARACTER OF CLAIMS

Claims are inevitable in any business. The finest manufacturing methods and the most rigorous inspections sometimes fail to produce perfect products, and the most completely supervised service occasionally breaks down. The principal causes of complaints encountered by salesmen are as follows:

1. *Delivery complaints*, including late delivery, nondelivery, partial delivery, wrong goods delivered, excess delivery, substitutions, refusal to accept.

2. *Merchandise complaints*, including damage in shipment, damage in packing, damage before delivery, inferior workmanship, defective materials, faulty construction, shopworn.

3. *Charge complaints*, including overcharges, errors in invoice, wrong change, misunderstandings as to price, charges to wrong account.

4. *Returned goods complaints*, including disagreement over return policy of seller, wrong exchanges, no refunds or wrong refunds, and abuse of return privilege.

5. *Credit and accounting claims*, including unearned discounts, errors in bookkeeping, collection procedure, curtailment of credit.
6. *Service complaints*, including lack of attention, discourtesy, broken promises, clerical errors, and carelessness.

### RESPONSIBILITY FOR CLAIMS

To determine the cause of a claim is the first duty of a salesman in making adjustments. It is important to discover who is at fault since the nature of the adjustment will vary according to the one responsible for the difficulty. The real causes of complaints are often not obvious to a casual observer. A salesman is sometimes obliged to investigate, ask questions, and listen to the explanations of several people before he can determine the real cause. For example, a case of canned milk is water-soaked, the labels on the cans are discolored, and the product is unsalable. The retail merchant who bought the milk protests to the manufacturer's salesman and demands an adjustment. Who is at fault in this instance? The situation demands that the salesman fix the blame and be guided accordingly in his adjustment of the claim.

In exceptional cases, it may be impossible for a salesman to determine who is at fault; usually responsibility may be fixed on (1) the buyer; (2) the seller; (3) a third party to the sales transaction; (4) joint responsibility.

**1. Buyer's Responsibility for Claims.**—Mistakes made by customers are frequently responsible for claims. Some of the most common errors on the part of buyers are mistakes in ordering, misunderstandings as to price and terms, improper use of merchandise, wrong storage of stock, taking unearned discounts, and claims in violation of a guarantee.

Excessive returns by dealer customers form one of the most common difficulties that salesmen have to adjust. Dealers often return goods to manufacturers for the following reasons: the same goods can be bought for lower prices elsewhere; goods have been overbought; the buyer has changed his mind; the merchandise is out of season; the buyer is unable to resell the goods; the style has changed; the goods are shopworn; stocks are unbalanced in sizes, colors, prices, and models.

An analysis of 66,000 items, returned by customers to retail stores, showed that in 57 per cent of the cases the buyer was at

fault. Returns, admittedly the fault of buyers, were attributed to wrong size ordered, change of mind, several items ordered on approval and returned, and wrong color ordered.

More than 90 per cent of the claims of customers are honestly made, but in many cases they are not conscious of their responsibility for mistakes. Before conceding that a customer is right, a salesman should consider the possibility that a buyer may be at fault and be guided accordingly in settling the difficulty.

**2. Seller's Responsibility for Claims.**—A salesman or his firm is often responsible for complaints made by customers. Salesmen are sometimes at fault in selling merchandise unsuited to the needs of the buyer, in overselling, and in making impossible promises or concessions that cannot be approved by their sales or credit departments. Salesmen make mistakes in writing orders, stating wrong quantities, colors, sizes, and other details which result in improper order filling and shipments. It is difficult for salesmen to recognize their own errors and harder still for many to admit their mistakes. However, a frank acknowledgment of an error, on the part of a salesman, and a prompt adjustment are the surest way to win the good will and further orders of the customers.

Customer complaints may be the fault of a seller's shipping department. Common shipping mistakes are wrong goods shipped; shipment incomplete; wrong address; improper packing; wrong carrier used for shipment; and substitutions without buyer's authorization.

Bookkeeping mistakes account for many claims by buyers. Improper billing, wrong prices, excessive transportation charges, credit to wrong account, discounts not allowed, and numerous other errors are responsible for complaints.

Credit departments are sometimes at fault in antagonizing customers by curtailing credit, by writing tactless collection letters, or by injuring a buyer's pride through offensive credit investigating methods.

Defects in a product caused by poor materials, workmanship, or design are a factory responsibility and a source of many customer complaints.

A salesman should recognize the small, but often important, shortcomings of the various departments in his organization and admit their responsibility.

**3. Third Party Responsibility for Claims.**—Sometimes a third party, usually a transportation company, is responsible for claims made by buyers. Carriers are principally at fault in damaging, delaying, and overcharging for shipments. If damaged goods are delivered in good condition to a carrier by a seller, as indicated by the original bill of lading, and the buyer claims that the goods arrived in damaged condition, the responsibility of the carrier is clear. As shipments are well documented, it is not difficult to determine data of shipment, transportation charges, value, and condition of goods at time of shipment, thus fixing the blame for delays and damage.

**4. Joint Responsibility for Claims.**—Sometimes more than one party is at fault when a claim is involved. A salesman may find, upon investigation of a claim, that the seller and buyer are both to blame. For example, an oil burner is sold to a homeowner. Three weeks later the customer claims that the burner is not working properly, that it is smoking badly. The salesman investigates, examines the burner, questions the customer, and finds that the burner was not regulated properly when installed and also that the owner is not burning the grade of oil recommended. Both conditions are responsible for the smoking and both buyer and seller are at fault.

Salesmen should recognize that sometimes several parties may be more or less responsible for a complaint and be guided accordingly in making an adjustment.

#### THE SALESMAN'S RESPONSIBILITY FOR CLAIMS

While a salesman cannot control mistakes made by the factory, shipping, credit, or accounting departments of his company, he can avoid many errors that lead to complaints, returns, and customer dissatisfaction. When a salesman oversells a dealer whose capital and demand do not warrant large purchases, he is inviting excessive returns of shopworn, outmoded, or unseasonable merchandise. A dealer, who has been oversold and cannot dispose of his purchases, returns the goods and claims a refund or asks for a credit. The surplus merchandise returned to the seller is frequently in unsalable condition.

A salesman who fails to explain clearly the terms, prices, delivery charges, discounts, allowances, and rebates to customers is frequently responsible for misunderstandings and complaints.



Salesmen can avoid claims by explicit explanations of all charges when sales are closed.

Sales of merchandise unsuited to the trade or the individual requirements of customers are responsible for many claims. Luxury goods sold to a merchant serving a low-income market are likely to be returned by the buyer; an expensive automobile sold to a man who cannot afford it will probably have to be repossessed.

Sales on approval, by which a customer is given the privilege of returning merchandise which he does not want to keep, are responsible for numerous returns and adjustments. Salesmen who promise, "We shall be glad to take back the goods if you do not want to keep them," or "I'll send out several models and you can take your choice," are inviting excessive returns.

Carelessness of salesmen in booking orders, by writing wrong quantities, sizes, colors, styles, prices, or terms, is a common cause of complaints which salesmen can easily correct. A salesman who makes promises which are not in conformity with the policies of his firm creates customer claims.

Salesmen can also reduce the number of complaints by instructing customers in the proper use and care of the product sold, to ensure its satisfactory operation. Dealers who are sold perishable merchandise should be advised how to store, refrigerate, and maintain the goods in sound condition for resale.

### ADJUSTMENT POLICIES

The adjustment policy of the company represented by a salesman is the basis of his service to customers in adjusting complaints and settling claims. The aim of every adjustment policy is to satisfy the buyer and at the same time protect the interests of the seller. Policies range in liberality from "the customer is always right" to "protect the company first and satisfy the customer last." The degree of liberality depends largely upon the policies of competitors, the amount of the sale, the resources of the seller, and the type of customer served. Some companies adhere firmly to a written adjustment policy which is distributed to buyers for their information; other concerns believe that it is practically impossible to follow a definite policy, so leave final interpretation in the hands of company executives.

Most adjustment policies are liberal on the assumption that most customers are honest and that their complaints are genuine

and represent a sincere grievance. They assume that the buyer is right until he is proved to be wrong. Although a small minority may attempt to take advantage of a liberal policy, the good will and advertising obtained thereby compensate the seller for his liberality.

A definite adjustment policy is necessary to guide salesmen in dealing uniformly with claims. The interpretation of an adjustment policy will vary, however, in every case according to its individual merit; it is here that the fairness and judgment of a salesman are tested. He must not let severity or lenience dominate his viewpoint. A buyer who is always fair in his complaints should be handled differently from a customer who seeks to take advantage of every opportunity to make unjustifiable claims.

A salesman should be familiar with every detail of the adjustment policies of his company. He should be aware also of the common abuses leading to customer complaints. The largest manufacturer and distributor of brushes in the world has a definite adjustment plan which leaves no doubt in a salesman's mind as the company's policy on claims. This manufacturer's simple but clear policy is amplified to explain to salesmen the causes of common complaints and how to handle them, as follows:

What we will do:

1. If the bristles or hair fall out of a Blank brush under ordinary use, we will replace it free of charge.

Note to salesman: If the wire has been bent back or forth in some manner, or the brush has been crushed or abused, the bristles will fall out as the wire has been crushed or to some degree untwisted. This is through no fault of material or workmanship and the company should not be asked to replace the brush. Sell the customer a new one.

2. If the wire rusts, we will replace the brush free of charge.

Note to salesman: The water used in many localities, because of its chemical qualities, particularly iron, will put a coating on the best wire made. The coating looks brown like rust. Examine the coating carefully. Scrape the wire between the bristles with a knife and you will note that the coating comes off. Rust has a tendency to scale off, this coating does not. In such cases, an explanation should be made to the customer and the brush should not be returned for replacement.

3. If the wire of a Blank brush, under ordinary use, breaks, we will repair or replace the brush free of charge.

Note to salesman: Caution the customer against pounding the mop head against any solid material. Wire broken in this manner is due to abuse and not to defect in material and workmanship.

4. If the handle pulls off, we will recement it free of charge.

What we will not do:

1. Articles returned for adjustment which are found not to be our brushes will not be repaired or replaced, but returned to the customer.

2. Articles which have been worn out in service will not be replaced.

3. Articles which have been worn out or destroyed by abuse will not be replaced.

### GUARANTEE

The basis of every adjustment policy is a written guarantee to the buyer promising satisfactory performance of the product or service for a specified time. Claims frequently are made by customers to obtain the service promised in the written guarantee.

Guarantees are usually given to purchasers of new types of merchandise, of goods that a buyer cannot inspect before purchasing, and of all mechanical goods. Some guarantees are very broad, as the warranty of one manufacturer which states, "All products of the Blank Company are guaranteed as to materials and workmanship." Other guarantees are very specific, describing when, where, and what is warranted and the conditions whereby goods may be returned for adjustment.

Salesmen sometimes are called upon to interpret guarantees to customers. Many claims can be avoided if a salesman will interpret clearly a guarantee when closing a sale. If a buyer thinks that he has an inclusive guarantee and discovers later that it does not cover certain defects in materials or workmanship, he is dissatisfied. When a customer makes a claim covered by a guarantee, a salesman must decide whether the buyer is abusing the guarantee or is making a just complaint. In making the adjustment, he must retain the good will of the customer and at the same time protect his firm.

Salesmen should be familiar with all specific stipulations of the guarantees of the products or services which they are selling. Guarantees of competitors should be understood thoroughly by a salesman.

Wholesale and retail distributors often are called upon to adjust complaints on merchandise sold by them. The guarantees

issued by manufacturers are the usual basis for distributors' adjustments.

Salesmen who represent manufacturers should discuss product and service guarantees with distributors so that they can interpret them correctly to their customers.

### COMPLAINT ADJUSTMENT SYSTEM

A salesman should know the routine established by his firm for handling complaints and making adjustments so that he can settle claims and report adjustments systematically. When a salesman is given authority to make adjustments on his own responsibility in conformity with company policies, he is usually required to follow an established method in clearing the adjustment with his office. The adjustment system of a large canner of condensed and evaporated milk requires salesmen who make adjustments on spoiled milk to conform to the following system:

On small adjustments the salesman should:

1. Pay customer for cans not in good condition.
2. Take his receipt for payment.
3. Strip labels from all cans.
4. Forward cash receipt and labels from cans to home office with batch number which appeared on the cans in question.

On large adjustments, the salesman should:

1. Arrange with distributor delivering the damaged cans to pick up the stock and replace it with fresh goods.
2. Notify the broker in the territory.
3. Follow back defective goods to their source and see that additional quantities are set aside and further distribution is prevented.
4. Secure date of shipment and batch numbers and forward to broker with carbon copy of report to home office.

In some companies, salesmen are required to make a written report of each complaint received and the nature of the adjustment. Incomplete adjustments requiring further investigation are also reported. These reports are reviewed by the sales manager who passes on the decision made by the salesman and turns the report over to correspondents for writing the claimant a confirmation on the adjustment. Action is taken by the traffic department in the case of a transportation claim. If a product is defective, the difficulty is reported to the factory to prevent its recurrence.

When salesmen are not given authority to make adjustments, they usually are required to refer claims to the company's adjustment department, which assumes full responsibility for settlement. It decides what adjustment, if any, should be made according to the product guarantee and the company policy.

A large company which follows this policy requires customers to return damaged goods direct to the factory adjustment department accompanied by an adjustment request card which is filled out by the salesman and signed by the customer. In addition, the salesman fills out a Customer Service Record card, reporting the adjustment, and mails it with his daily reports to his branch manager. The company adjustment department makes the settlement and returns the new or repaired article direct to the customer.

In some companies, responsibility for making adjustments is shared by the salesman in the field and the sales supervisor or adjustment department at the factory. Claims of a certain type or size are handled by a salesman exclusively; other complaints are referred by a salesman to his supervisor or to the factory for adjustment. The salesman must understand clearly his part in this routine to avoid confusion in handling claims and prevent customer dissatisfaction.

### FORESTALLING CLAIMS

Salesmen can prevent many claims by educating customers in the proper use and care of their purchases. Instruction of buyers in the proper maintenance and service of mechanical products is particularly important. Salesmen of home appliances explain the necessity for cleaning and oiling; salesmen of tennis rackets tell how to take care of them in winter to prevent warping. There are few articles that do not need some attention if claims are to be avoided.

If customers are properly advised by salesmen concerning the merchandise best suited to their requirements, less merchandise will be returned. Assistance to customers and cooperation in determining the proper grade, quality, model, color, and price of an article will help to forestall adjustments and claims.

Many claims arise from extravagant promises made by salesmen to customers. Special delivery, price concessions, and extra allowances are often promised to overcome sales resistance and

meet competition. Salesmen should avoid making impossible promises, which only lead to customer dissatisfaction and complaints.

Customers should be told how to seek adjustments in the event they have complaints about a product or service. Delays and dissatisfaction are often caused when customers are unfamiliar with a seller's method of handling claims. Salesmen should explain to customers how they can obtain prompt adjustments on complaints.

Buyers who habitually return goods and make complaints secure a reputation for fault-finding which injures their standing. Salesmen should show customers who make unwarranted claims that abuse of adjustment privileges deprives them of the extra services and special concessions enjoyed by those who make few complaints.

#### HOW TO SETTLE CLAIMS OF CUSTOMERS

Observation of the work of salesmen of various types of products in settling claims and making adjustments shows that they follow similar methods. To aid salesmen in putting into practice the principles discussed in the preceding pages, the following seven-step routine, incorporating the best practices of good salesmen, is suggested. This procedure will obviously have to be varied according to the circumstances surrounding each claim, but it can be profitably followed in most cases.

##### *Routine for Settling Claims of Customers*

1. Listen courteously, attentively, and get in step with the claimant.
2. Examine and verify the damage when possible.
3. Determine who is at fault and explain the facts.
4. Take action on the claim.
5. Resell the customer.
6. Educate the customer to prevent future claims.
7. Report claim to company.

**1. Listen Courteously, Attentively, and Get in Step with the Claimant.**—Claim adjusting begins when a customer first presents his complaint to a salesman. Then a salesman reveals his attitude toward claims and either puts the customer in a receptive

frame of mind or creates irritation which makes a settlement more difficult. A salesman who is antagonistic, crude, and curt in dealing with claimants and handles claims in a routine, perfunctory manner is unlikely to have much success in making adjustments. A salesman, on the other hand, who is courteous, friendly, and sympathetic, who shows that he is interested in a customer's difficulties, can create good will even when refusing adjustments.

When a customer presents a claim, a salesman should permit the buyer to do most of the talking irrespective of the justice of the complaint. He should avoid interrupting the buyer until the story has been completely told. While listening to a claimant, a salesman should think of the first six steps in this adjustment outline so that he can use this plan for handling the complaint. An attentive manner flatters a buyer and enables a salesman to get clearly full particulars of the difficulty.

After a claimant has told fully his version of the difficulty, the salesman should immediately "get in step" with the claimant by either (a) thanking him for bringing the claim to the attention of the salesman, (b) regretting that the customer has been inconvenienced by the difficulty, or (c) appreciating the customer's position.

A salesman should first discuss with a claimant those obvious points on which he and the customer are in complete agreement, thus disarming the buyer and putting him in a receptive mood.

**2. Examine and Verify the Damage When Possible.**—If the defective or damaged merchandise is at hand, the salesman should ask the customer's permission to examine the difficulty so that he may determine the extent of the claim and ascertain for his own information who is at fault. Examination of the goods in question should be made, when possible, in the presence of the customer. The salesman may explain that his inspection of the merchandise is not occasioned by any doubts as to the validity of the claim or the motives of the customer. However, a salesman should not accept a claimant's description of a difficulty without making a first-hand inspection of the damage.

Inspections will often reveal the circumstances responsible for a claim and indicate conditions which may be rectified by the salesman to prevent similar complaints in the future. If goods are stored improperly, a salesman can point this out and show a

claimant his responsibility for the difficulty. If the merchandise was not shipped according to order, examination by a salesman can detect the extent of the error.

During the course of an examination a salesman should explain to his customer that he is not attempting to avoid or delay a settlement but is trying to inform himself more fully about the difficulty so as to be able to make a fair adjustment.

**3. Determine Who Is at Fault and Explain the Facts.**—During the course of his inspection of a claim, a salesman will determine whether the fault lies with the seller, the buyer, a third party, or if there is joint responsibility. The examination also will reveal the necessity for further investigation to fix the blame. A salesman must be familiar with the various causes of complaints and how the parties to the sales transaction may be responsible for errors in delivery, service, charges, accounting, or merchandise. The numerous causes of claims are described in detail in the preceding pages of this chapter.

When a salesman knows who is at fault, he should explain his conclusions to the customer. He may admit that his firm shipped the wrong goods or billed them improperly, or he may tactfully explain how the customer failed to use the article properly and thus caused the difficulty. He may charge the transportation company with negligence. Whoever was at fault, the salesman should explain the causes of the claim clearly and fully so that the customer will understand the adjustment.

**4. Take Action on the Claim.**—Customers appreciate prompt action on their claims. Delays in making adjustments give them the impression that the seller is attempting to avoid settlement and magnify the difficulty in the mind of the customer. Promptness in making an adjustment is fundamental to keeping a customer's good will.

However, in some cases, the responsibility for a difficulty may not be apparent. A salesman may be unable to fix the blame for a claim without further investigation. If an adjustment cannot be made immediately or if reference must be made to a sales executive or the home office adjustment department, the salesman should explain to the customer why settlement must be postponed. The customer should be assured that the claim is being investigated and that he will be informed promptly as soon as the adjustment is completed.



In most cases, however, a salesman can arrange immediate settlement. The method of making an adjustment will vary according to who is at fault and whether or not the claim is granted or rejected. Successful salesmen use the following methods in settling claims when (a) the buyer is at fault; (b) the seller is at fault; (c) a third party is at fault; (d) several parties are at fault.

*a. Buyer at Fault.*—When a buyer is at fault and a salesman's investigation shows that the claim should not be allowed, the salesman has a choice of two courses: to grant the claim or refuse it. Which course the salesman should follow will be dictated by the adjustment policy of his firm, the importance of the customer, and other circumstances.

If a claim is refused, the salesman should explain to the buyer, in a straightforward, sincere manner, how the mistake was made, so that the decision will seem fair and reasonable. The salesman should appeal to the customer's sense of fairness and avoid blaming him for the error. The refusal should be tactful; it may be implied and still be definite. The salesman should clear his firm of responsibility for the mistake rather than accuse the customer of error.

Sometimes, a salesman in refusing a claim may make an alternative settlement by offering to repair the damage or pay a portion of the sum in controversy. By such a partial settlement, the good will of a customer may be retained and the rights of the seller protected.

When a customer is at fault and the salesman decides that circumstances justify granting the claim, the salesman should tactfully explain that, even though the seller is not responsible, he is settling the claim to retain the good will of the buyer. The concession should not be made reluctantly to secure the maximum good will of the customer.

*b. Seller at Fault.*—If a salesman decides that his firm is at fault, the claim should be settled promptly and the good will of the buyer obtained by emphasizing the desire to assure complete satisfaction. Lengthy apologies and a detailed explanation of how the mistake occurred are of no interest to the customer, who should, however, be assured that steps will be taken to avoid a repetition of the error. A salesman should not attempt to defend his firm's shortcomings by remarking that "Mistakes are bound

to occur" or "This will never happen again," as these apologies are weak and unconvincing. Any suggestion that a customer might experience future difficulties or dissatisfaction should be avoided.

*c. Third Party at Fault.*—If a third party, usually the transportation company, is to blame for a difficulty, a salesman will settle the claim according to the adjustment policy of his firm. Although a shipper's responsibility legally ceases when he delivers merchandise to a carrier for shipment to the customer, many companies offer to get a settlement for a buyer from a transportation company.

To aid his company in presenting a customer's claim to a carrier, a salesman should obtain from the buyer a bill for damage showing the amount of the claim. This bill should be presented to the carrier along with the original bill of lading showing that the goods were received by the carrier in good condition, the original invoice showing the value of the merchandise shipped, and the expense receipt from the carrier showing the amount paid for transportation.

Other companies require a customer to seek redress from carriers without their assistance. In such cases, a salesman should tell his customer how to secure settlement.

Some concerns permit their salesmen to offer allowances to customers on goods damaged in shipment, provided buyers retain the defective merchandise. Or minor repairs may be made by a salesman to put damaged goods in good usable or salable condition. A duplicate shipment may also be forwarded to a customer to avoid delay while redress is being sought from a carrier.

*d. Several Parties at Fault.*—When investigation by a salesman shows that two or more parties are responsible for a claim, the salesman should decide promptly whether or not the buyer is to be relieved of responsibility for the difficulty. If the customer is not to be held accountable, the salesman should immediately grant the claim and seek redress from the other parties involved. A prompt settlement will create good will and assure the customer of the desire of the seller to give satisfaction.

When a salesman is unable to make settlement of a claim at once, because the cause of the difficulty must be investigated further to discover who is responsible for the mistake, the customer must be assured that the claim will be investigated

promptly and the buyer notified of the seller's decision. Postponements of settlements should be avoided whenever possible as claimants are annoyed by delays and the difficulty of making settlement is magnified.

**5. Resell the Customer.**—When a claim has been settled in favor of a customer, the salesman should capitalize the buyer's satisfaction resulting from the favorable adjustment by reselling him on the company's product or service. If a customer's confidence in the merchandise or service has been shaken by an unfavorable experience, a salesman should attempt to restore the faith of the buyer by describing the quality of the goods or service.

The quality of raw materials used, the improved processes of manufacture, the skilled labor employed, the frequent inspections, and technical research should be discussed with customers who have made claims for defective goods. Buyers who have found fault with service should be told of the supervision and care exercised in giving service to customers. If the policies of a seller are the cause of a claim, the fairness of the firm's policies should be discussed.

When a delayed or damaged shipment leaves a customer short of merchandise, the salesman making the adjustment should seek another order.

**6. Educate the Customer to Prevent Future Claims.**—When a claim has been settled, a salesman has an excellent opportunity to instruct the customer in the proper care and use of an article to avoid future complaints. In the preceding pages, methods for forestalling claims have been described. A few words of tactful suggestion will often prevent recurrence of a complaint and retain the good will of a customer. Particularly when a buyer has been at fault and the consequences of his error are fresh in his mind, he is more receptive to suggestions.

**7. Report Claim to Company.**—After a salesman has settled a claim, he should promptly report the adjustment to his company in conformity with the procedure established for handling complaints. A complete report on a claim enables the firm to carry out the promises of the salesman to the customer in regard to replacements, allowances, sales help, or an extension of time for payment. If the seller has been at fault, steps may be taken by the firm to prevent a recurrence of the difficulty. If a claim requires further investigation, a settlement can be expedited by

promptly reporting the difficulty to the departments or individuals concerned.

### Problem I

#### George H. Rice, representing the Braecox Tire and Battery Company

The Braecox Tire and Battery Company, Cleveland, Ohio, operates a chain of six service stations located in Cleveland, all retailing gasoline, oil, tires, batteries, and a complete line of automobile accessories. The company started in 1931 with a small capital and operated one station until 1935, when additional capital was obtained and five additional stations were established. The company sells only well-known, advertised products and features them in direct-mail advertising to car owners in the vicinity of each of its stations.

The company is the largest distributor of Butler batteries in the city. This is a well-known make of automobile storage battery which is sold, serviced, and charged at each of the company's stations.

George H. Rice is one of four salesmen employed at a Braecox station near the center of the city. On an early fall morning he greets a motorist who drives into the station and the following interview ensues:

1. SALESMAN: Good morning, sir. Can I help you?
2. BUYER: Good morning. This is the Butler battery station, isn't it?
3. SALESMAN: Yes, sir, it is. What can I do for you?
4. BUYER: Well, I want to know something. I've got a Butler battery in my car now which I bought in Toledo three or four months ago and it's gone bad on me. I went to a Butler battery dealer in my neighborhood and he told me that I would have to go back to Toledo, to the dealer who sold me the battery. Now I thought this battery was guaranteed at any Butler station.
5. SALESMAN: You're right. Your guarantee is good here. Let me see your guarantee. According to this policy, you bought this battery a little over six months ago. Your speedometer reading shows you've driven it 8,000 miles. Is that right?
6. BUYER: Why—I guess so. I didn't think I'd gone that far. I still have something coming though, haven't I?
7. SALESMAN: Yes, sir, you have. Your Butler battery carries an adjustment policy for 12 months or 12,000 miles. This battery

went only two-thirds that far, so you have a new one coming at two-thirds the regular price.

8. BUYER: Well, that's more like it. What is the regular price?
9. SALESMAN: Let's just step over to this battery display, and I'll show you another battery like yours—it sells for \$8.95. One-third off is \$3 and that makes it \$5.95 to you.
10. BUYER: I see. Uh-huh.
11. SALESMAN: Yes, sir, your car is a Martin so any one of these batteries will fit your car. You're driving 8,000 miles in six months, that is 16,000 miles a year. Do you have any extra electrical equipment on your car?
12. BUYER: What do you mean?
13. SALESMAN: Heater, radio, fog lights, anything like that?
14. BUYER: No, I haven't.
15. SALESMAN: O.K. Then the battery you need is this Heavy Duty Butler with special insulation. This is the one you ought to have. (Pointing to battery on stand.)
16. BUYER: What's the price of this one?
17. SALESMAN: Only \$12.95.
18. BUYER: Say, hold on. You were going to sell me a battery for \$5.95. Now you're talking \$12.95.
19. SALESMAN: Yes, sir, that's what I said, and that's what I'll do. If you want to buy another one like the one you had, I'll sell it to you for \$8.95 less \$3 adjustment on your old battery which would make it \$5.95 and I'll be glad to do it. But remember, you're driving 16,000 miles a year. You really need a bigger battery. The one you have is a 13-plate, 80-ampere-hour job. This one is a 17-plate, 100-ampere-hour battery. It's really the one you ought to have.
20. BUYER: Yeh, and it costs \$12.95.
21. SALESMAN: You've got \$3 coming to you on another battery like your old one. I'll allow you \$3 on this battery, too.
22. BUYER: That makes it \$9.95. But that's more than I paid for my old one, in the first place.
23. SALESMAN: Yes, I know, but you ought to have a bigger battery, because of the miles you drive. A man usually drives about 12,000 miles a year. You're driving considerably more than that and therefore need at least a 100-ampere-hour battery. This model 100 does cost more than your old battery but it will give you a lot better service and last a lot longer, too.
24. BUYER: \$9.95. That's a fair price on a \$12.95 battery—but it sure shoots a \$10 bill.
25. SALESMAN: Yes, it sure does. But it's better to pay \$10 and get the battery you need. You can see by this chart that Butler 100's

average more than thirty months of service—that's an average of better than two and one-half years. If you keep on buying batteries like your present one, you'll wear them out in about eight months. That means you'll be buying three or four in the next two and one-half years. That way, you'll spend \$18 to \$24 instead of \$10 and have all the trouble besides.

26. You'll be saving yourself money, if you let me put this in your car now. It will take only a couple of minutes and you'll be on your way.
27. BUYER: O.K., put her in. It ought to wear longer than the old one.

### Questions

1. Criticize favorably or otherwise the salesman's methods in handling the claim of the customer. Did the salesman follow the routine for adjusting claims as suggested in the text?
2. Did the salesman "get in step" with the claimant? How?
3. Did the salesman examine the difficulty? Explain the salesman's action on this point.
4. Who was at fault in this case? Was this determined?
5. Was action taken on the claim? What? Was this satisfactory?
6. Did the salesman resell the customer?
7. What other action should have been taken by the salesman in this case?

### Problem II

Lawrence J. Grable, representing the Henderson-Cook  
Motors Company

The Henderson-Cook Motors Company, Indianapolis, Ind., is one of 15,000 retail dealers of a well-known six- and eight-cylinder passenger automobile selling for less than \$1,000. The company was established in 1924 and sells an annual average of 580 units. A complete service station adjoins the salesroom which is located on a main traffic artery of the city.

Lawrence J. Grable, one of the company salesmen, has recently sold a new two-door sedan to an Indianapolis business man, L. O. Kane. Salesman Grable, in calling on his new customer to see if the owner is receiving satisfactory service, engages in the following interview:

1. SALESMAN: Good morning, Mr. Kane. I thought I would drop around and see if the new car was O.K.
2. CUSTOMER: It's all right but the upholstery and that's all full of holes. The back of the front seat has five holes in it. They look like moth holes.
3. SALESMAN: I don't think it's old enough to have moths in it.

4. CUSTOMER: Then the back seat has a tear in the upholstery that looks like someone cut it with a knife.
5. SALESMAN: Oh, don't worry about that. Don't let it bother you. The factory stands back of anything like that and they'll probably give you a new seat.
6. CUSTOMER: Well, I thought I'd better report it to you so that you would know that it was in that condition when I bought the car. I didn't want you to think that I was responsible for the holes.
7. SALESMAN: I'll see our service man, Mr. Jordan, and tell him about the holes, or better still, drive the car into our service station and let our service manager look it over.
8. CUSTOMER: I'm pretty busy and I don't think I can take it in for a few days.
9. SALESMAN: Oh, that's all right, so long as you've reported it. Bring it in when you get ready. Let me know if they don't fix it up to your satisfaction.
10. CUSTOMER (five days later, entering service station): Is Mr. Jordan here?
11. SERVICE MGR.: I'm Mr. Jordan. What can I do for you?
12. CUSTOMER: Your salesman, Mr. Grable, asked me to bring in this car and show you the holes in the upholstery. They look like moth holes to me.
13. SERVICE MGR.: Let me see them.
14. CUSTOMER: The salesman laughed when I told him they were moth holes.
15. SERVICE MGR.: They might be at that if the material had been in stock for a long time before it was made up. I'll just take the body number and report it to the factory. They'll take care of it all right. I'll call you when I hear from them and ask you to bring the car in again.
16. CUSTOMER: Thank you. I'll be expecting to hear from you soon.

### Questions

1. Criticize favorably or otherwise the salesman's handling of the customer's claim in this interview? Did he follow the routine suggested in the text for adjusting claims?
2. Did the salesman get in step with the claimant? How? Was it well done?
3. Who was at fault in this case? How did the salesman determine this?
4. Did the salesman take any action on the claim? Was it satisfactory?
5. Did the salesman resell the customer? Prevent future claims?

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## CHAPTER X

### QUALIFYING PROSPECTS

#### WHAT IS A PROSPECT?

Salesmen commonly refer to individuals or concerns to whom they believe they can sell as "prospects" and their search for potential customers as "prospecting." Once a salesman has acquired a thorough knowledge of his company, product, and policies, his next problem is to locate potential customers and acquaint them with this information.

"Who are the people and concerns I should try to sell?" is one of the first questions which a new salesman asks his manager. Upon the correct answer to this simple question depends, in a large measure, his success.

Some salesmen have little difficulty in discovering the characteristics of their logical prospects. Store reputation, prices, and policies attract a certain type of prospect to salesmen in retail, specialty, and department stores. Salesmen, representing wholesale houses, and some manufacturers, selling standard goods to established dealers, have little difficulty in identifying the type of merchant likely to buy their merchandise. Salesmen of heavy industrial goods have no problem in finding out what concerns should buy their products.

Many salesmen of consumer goods and services, however, have considerable difficulty in determining the qualities or characteristics of those persons who are their best prospects. Salesmen often wrongfully assume that everyone is a prospect for their commodities or services. The almost universal need for life insurance does not cause a qualified life insurance salesman to assume that everyone is a prospect. One significant difference between a successful and a poor salesman is that the able man sees the right people; the failure sees just anybody.

Like the gold miner who washes tons of sand and gravel in his search for nuggets, a specialty salesman must sift the qualifications of numerous persons in his search for genuine prospects.

The process that a salesman follows in eliminating "suspects," or unlikely prospects, in a search for possible buyers is the important work of qualifying prospects.

The practical experience of many successful salesmen has produced a standard or measuring stick which can be applied to the qualifications of persons and firms by salesmen of specialty products or services. This gauge for evaluating a prospect has five points, as follows: (1) a need; (2) ability to pay; (3) authority to buy; (4) accessibility; (5) right type for the salesman. A suspect who has all or most of these qualities may be classed as a prospect worthy of a salesman's time and effort.

Using this measuring stick in qualifying persons and firms, a salesman is making, in effect, an analysis comparable to the market research carried on by all progressive sales organizations to determine the group characteristics of a market.

Each of these five qualities is an important factor in gauging the worth of a firm or an individual as a potential customer.

**1. A Need.**—The first qualification of a good prospect is that the person or organization have a definite need for the salesman's product or service. A prospect's need may be physical, *i.e.*, for food, clothing, shelter, transportation, funds, etc. His need may be emotional, as a desire for sociability, exclusiveness, beauty, love, protection, enjoyment, acquisitiveness, and ease—all motives that impel individuals to make purchases.

A prospect may recognize his need, but more often he may not be conscious of his requirements. The best work of a salesman is the creation of a legitimate need in the mind of a prospect. If a prospect recognizes his need, the task is to persuade him to satisfy it with the product or service that the salesman is offering.

Some prospects have very definite knowledge of their needs. When the United States government buys supplies or equipment, sellers must comply with rigid specifications detailing the exact qualities of the commodity wanted. Many prospects, however, do not have such exact requirements as do government agencies. The specifications of consumers are not scientific but are expressed in the buying motives of economy, comfort, convenience, and beauty.

Sales transactions that fail to satisfy definite physical or mental needs of consumers are not economic and cannot prove ultimately profitable to either a salesman or his employer. A salesman who

persuades a person to buy an article for which he has no real need may make a sale but often may lose that which is more important, the good will and continued patronage of the buyer. Successful salesmen attempt to sell only those persons or concerns having genuine needs for their products or services.

Every worth-while product or service satisfies primarily certain physical needs with which a salesman should be familiar. The general physical need for an automobile is transportation; its specific need may be transporting children back and forth to school, shopping, touring, use in business, etc. In addition, there are the mental needs or motives such as exclusiveness, beauty, security, ease, sociability, or imitation.

There are four primary needs for life insurance: personal, family, business, and social. The physical needs for life insurance are to protect dependents, to defray expenses of a last illness and death, to provide collateral for loans, to afford safe investment for earnings. The mental needs for life insurance are affection, desire for ease, security, and acquisitiveness.

The primary physical need for shoes is protection for the feet; specifically they are needed for dancing, sports, work, or lounging. The principal mental needs or motives for buying shoes are comfort, style, beauty, and imitation.

Some prospects have urgent needs for a salesman's product or service; others have little need. The degree of need is an important consideration in qualifying prospects. A wealthy man without dependents has less need for life insurance than a poor married man with children. A merchant who has just bought a heavy stock of merchandise obviously has less need than a dealer whose stock is depleted. The requirements of a Kentucky mountaineer cannot be compared with those of a Newport socialite.

The urgency of a prospect's needs is determined by his standards of living, environment, wealth, and other factors, all of which must be considered by a salesman in qualifying a suspect.

The more a salesman knows about the needs of people and firms for the merchandise or service which he sells, the better able he is to increase the number of his prospects. He should have more than a superficial knowledge about needs and be able to describe and expand upon them.

Most salesmen are product- rather than need-conscious. They think and talk about the design, materials, or construction of

their products and ignore the needs of their prospects. The mechanical features or intrinsic values of a product are of interest to a prospect only in so far as they satisfy a mental or physical need. Customers are interested in results, not things. A salesman must train himself primarily to think and discuss the needs of his prospects and to describe the features of his product or service only in so far as they contribute to a satisfaction of specific needs.

Before calling on a prospect, a salesman should ask himself the question, "Why should this prospect buy?" To answer this question he must recognize the various needs of his prospect and automatically take the first step in qualifying him as a potential customer or a worthless suspect.

**2. Ability to Pay.**—The second qualification of a good prospect is that he have the ability to pay for the product or service that the salesman is offering. A suspect may have the urgent need but he is not a prospect unless he can pay for his purchase. Salesmen of expensive articles often find that a large number of their suspects are worthless because they do not have the necessary money.

Many prospects habitually resist salesmen by pleading their inability to pay, with such remarks as, "I can't afford it," or "I haven't the money," because they have not been convinced of their need. A salesman must be able to judge whether or not such a suspect is making excuses or is financially unable to make a purchase.

The selling price of a product or service determines the number of prospects a salesman can secure. A salesman of used automobiles can secure many more prospects than one of new cars. Lack of purchasing power limits the prospects of aircraft salesmen.

As a guide in qualifying prospects, a salesman should determine the income range of the persons or concerns that can afford to purchase his product or service. By classifying them into income groups, it is possible to eliminate many whose purchasing power is insufficient to make them likely buyers. For instance, a salesman of oil burners may decide that persons with annual incomes of \$2,500 and above are qualified in this respect. Many products formerly sold to wealthy prospects have been reduced in price to such an extent that millions of persons once considered as suspects are now actual prospects for the lower priced goods.

A popular make of household brush, once sold largely to well-to-do consumers, has been reduced in price so that it is now sold to practically all homemakers irrespective of income. Most electric refrigerators, formerly bought by consumers with annual incomes in excess of \$3,500, are sold now to families in the \$1,500 income class. Salesmen who offer articles that have been reduced in price can tap the lower levels of purchasing power and increase their prospects.

Insurance salesmen have a formula for determining a prospect's ability to buy. If a man's annual earnings equal 100 times his age, he is considered an excellent prospect; if his earnings are from 75 to 100 times his age, he is a good prospect; but if his earnings are 50 to 75 times his age, he is only a fair prospect.

Installment buying has made it possible for many persons, formerly unable to afford many products or services, to purchase them out of income. A suspect who cannot qualify as a prospect on a cash basis may have no difficulty in paying on installment terms.

Closely related to a suspect's ability to pay, is his willingness to settle for his purchases. A miser may have the ability to pay his obligations but he would hardly be called a willing buyer. Many persons of lower purchasing power are more willing buyers and accordingly better prospects than some wealthier individuals. A salesman must be able to recognize a suspect who is financially able but by nature too "close" to be a qualified prospect.

**3. Authority to Buy.**—The third important qualification of a prospect is that he have authority to buy. A person may have a definite need and the ability to pay and still lack moral or legal authority to enter into a sales contract. When two or more persons share in the purchase of an article or service, the problem of the salesman is to discover which individual is the responsible one.

For example, a young man whose income is held in trust by a guardian may need an automobile. He has a definite need and the ability to pay, but the authority to buy rests with his guardian, who must be sold to the extent of giving his permission for the purchase. In this case, the young man lacks one of the qualifications of a prospect, the legal authority to buy.

Frequently a person has legal authority to buy but is morally obligated to consult another member of his family or a business

associate before making a purchase. A housewife, for example, may need an electric range; her household budget can afford it but she is morally obligated to consult her husband, who makes the final decision in the matter. In this case, the housewife lacks the third qualification of a prospect, the moral authority to buy.

In an industrial concern, the sales manager needs a wall map of the country. He has a definite need for the map and the firm has the money to pay for it, but all office equipment is bought by the office manager, who in this case holds the authority to buy and is the person to be sold.

Every salesman selling to families and business organizations is frequently confronted with the problem of determining who influences the final decision to buy. Sometimes several persons must be interviewed before a sale can be made. Some buyers, in order to save their time, make it a practice to refer salesmen to subordinates who have no authority to buy. A salesman must single out the person or persons in authority and focus his selling effort on this individual or these individuals.

Ability to judge whether or not a suspect has sufficient authority can be gained by experience and by following the methods of outstanding salesmen described later in this chapter.

**4. Accessibility.**—A person or corporation may need a product, have money to pay for it, and the authority to buy it but, at the same time, be so unapproachable or far removed that a salesman is not warranted in taking the time or making the effort to attempt a sale. Many major executives of large corporations who must conserve their time rarely see salesmen. They surround themselves with secretaries, clerks, and barriers to keep salesmen away. Even though a busy executive possesses all the other qualifications of a good prospect, the difficulty experienced by a salesman in gaining access to him may make him a poor prospect.

Persons or firms located at long distances from a salesman, even though they possess all the other qualifications of good prospects, may not be qualified. The time, effort, and expense necessary to reach such prospects are often out of proportion to the sales and profits secured by the salesman.

Some individuals are difficult to reach, not because they want to avoid salesmen but because their comings and goings are

uncertain, their hours irregular, and their work so variable that they are rarely in their offices. Such men are often not qualified from the standpoint of accessibility.

Salesmen should consider the accessibility of suspects in deciding whether they are worthy of cultivation as prospects. In many instances the difficulty of getting face to face with a prospect can be estimated before a salesman wastes time seeking interviews.

**5. Right Type for the Salesman.**—The fifth qualification of a good prospect is that he be the type whom the salesman can meet and deal with agreeably. Buyers prefer to deal with salesmen who are familiar with their problems, understand their needs, and appreciate their viewpoints. Similarity of interests, age, education, and experiences creates mutual understanding and confidence between them because they enable a salesman to put himself in the place of his customer, to understand his difficulties, and to recognize his requirements. For this reason, a wise salesman selects only those prospects whose standards of living, social, religious, and racial viewpoints are similar to his own. When a salesman has experienced the same disappointments and satisfactions as his prospect, he appreciates the viewpoint of the buyer and is able to approach him more confidently and to deal more effectively with his needs.

This does not mean that a salesman should call only on men of his own age, education, and financial position, that Catholics should interview only Catholics or Democrats solicit Democrats. It is often necessary for a salesman to solicit persons whom he may not like and whose backgrounds do not correspond with his own. However, such persons should qualify in all other respects as genuine prospects with a need, ability to buy, authority to buy, and accessibility.

A salesman can determine for himself the type of prospect with whom he is most effective, by analyzing the characteristics of those prospects whom he succeeds in selling. Also, a salesman may analyze the relationship between his own characteristics and those of his customers. He should ask himself to what extent his own personal history, age, education, and income correspond with the characteristics of those to whom he sells.

**Other Qualifications.**—There are other important qualities which prospects should possess depending upon the nature of the

product or service being sold. Prospects for life insurance must be able to pass physical, occupational, and moral tests of acceptability. A man with a chronic heart ailment is not a prospect for life insurance irrespective of the fact that he needs insurance protection, can afford to pay for it, is accessible, has the authority to buy, and is the right type for the salesman.

Salesmen of electrical appliances operating exclusively on alternating current must reject as prospects those firms and individuals served entirely by direct current, even though they may possess all the other qualifications of a prospect.

Legal restrictions disqualify many persons residing in certain states as prospects for alcoholic beverages. Legal restrictions on the sale of certain drugs, drug sundries, gaming devices, foods, and other products eliminate numerous other individuals.

Various other factors including age, sex, skill, and occupation eliminate many persons as prospects for certain products.

#### **“SPECIFIER” PROSPECTS**

Some products or services are sold largely on the advice of professional “specifiers” including architects, engineers, and physicians who determine the need and create a desire on the part of the person or concern using and paying for the goods recommended by them. These specifier prospects cannot be qualified by the same standard that apply to buyers and users. They do not require ability to buy nor an individual need, but they should represent qualified clients and have the authority to specify what shall be purchased by their clients.

The problem of qualifying good specifiers and eliminating the worthless is just as important as qualifying buyers. Specifiers are often the most important factors in the sale of drugs, building materials, technical equipment, and industrial supplies.

In a situation similar to specifiers are persons who buy but do not use or need the article or service purchased. Parents who buy for their children, husbands who buy for their wives, and women who purchase wearing apparel for men are in this classification. These persons qualify as prospects on all points except that of need.

#### **WHY QUALIFY A PROSPECT?**

Salesmen want action; they are impatient to be going places and seeing people. They often fail to stop and consider the kind of person or concern to whom they are most likely to sell.



By blindly assuming that everyone is a prospect for their goods or services, they lose selling power.

By qualifying prospects, a salesman saves time calling on suspects. Time is a salesman's capital and his most important commodity. The way he uses his time determines in a large measure his success. If he spends valuable hours calling on worthless prospects, he has less time to devote to good prospects and customers.

A salesman who does not qualify his prospects wastes not only his own time but likewise the time of persons who have no need, ability to buy, or authority to purchase. Much of the indifference or antagonism of some buyers is caused by unfortunate experiences with salesmen who attempted to sell them something for which they had little need and no money to buy.

A salesman who eliminates suspects saves himself or his firm considerable expense in traveling to see people who are not prospects. In addition, the loss of time involved is costly. A salesman who earns \$3,000 annually and averages an hour a day traveling to see worthless prospects is losing \$380 a year in income.

Failure to qualify a prospect often causes numerous expensive repeat calls. Many salesmen continue to call on a person who shows some interest in their proposition regardless of the fact that the suspect has none of the qualities of a real prospect.

There is no more discouraging experience for a salesman than to spend much time and effort in attempting to sell a person who eventually proves to have a remote need, little purchasing power, or no authority to buy. Failure to qualify prospects weakens a salesman's confidence and robs him of the enthusiasm which is the motive power of his work. Calls made on suspects who cannot buy dampen the ardor of a salesman and lead to an expectation of failure which is fatal to success. Much of the high turnover among salesmen is undoubtedly caused by their discouragement and nonproductiveness resulting from attempts to sell persons or firms who are not prospects. It is impossible to estimate the breaking effect on a salesman's momentum of repeated turndowns from persons who have little need, limited funds, and no authority to buy.

By selecting prospects who are qualified, a salesman takes the first step toward larger and more profitable orders, better collections, and greater income.

One of the most important reasons why salesmen should qualify prospects is to enable them to deal effectively with buyers. Unless a salesman knows the needs of his prospect, he cannot tell and show how his product or service will meet the buyer's needs or solve his problem. The best sales presentation is fitted to the exact physical and mental needs of a prospect. Without a knowledge of the prospect's needs, a salesman can speak only in unconvincing generalities or lapse into a recitation of the specifications of his product. The prospect is forced to select from the salesman's conversation those facts and reasons which he considers apply to his problem.

Frequently a prospect may have several needs or uses for an article. However, one of these is likely to be more important and pressing than the others. A salesman who fails to discover a buyer's particular needs or interests by-passes the essential buying motives of the prospect.

A salesman cannot intelligently aid a prospect in reaching a wise buying decision unless he understands the real needs. A knowledge of a prospect's requirements is fundamental to a salesman's decision as to what type or model and how much to sell.

#### HOW TO QUALIFY A PROSPECT

Before a salesman can effectively use the five-point measuring stick in qualifying or determining whether a suspect has a need, financial responsibility, authority, accessibility, or agreeability, he must know how to recognize these qualities in a firm or individual. If a salesman were a mind reader, he would obviously have no difficulty in discovering these qualities in suspects. A salesman cannot afford to spend any considerable amount of time in probing the situation of suspects unless the amount of the contemplated sale is large or offers repeat possibilities. Accordingly, some more or less obvious indicators of the characteristics of a prospect must be used by salesmen in qualifying suspects. Different characteristics must necessarily be considered by a salesman in qualifying prospects according to the type of product or service which he is selling.

#### CHARACTERISTICS OF NEED

The needs of individual consumers are, to a large extent, determined by the following personal factors:

*Age.*—A young man or woman has many more and diverse needs than an older person. The age of a prospect has a great bearing on the number and variety of his needs.

*Sex.*—Women have many needs, both mental and physical, not common to men. Feminine needs for adornment, social prestige, and culture are characteristic. Not only in apparel but in recreations, food, and in many other ways are the needs of women distinctive.

*Religion.*—Religious beliefs create needs for special foods, apparel, religious supplies, statuary, books, etc.

*Dependents.*—Family responsibilities, including number and age of dependent children and number of relatives who must be supported by a prospect, create needs for housing, insurance, and many other articles.

*Occupation.*—An individual's profession or business affects his needs for clothing, housing, food, books, transportation, and numerous other articles and services.

*Disabilities.*—The physical disabilities of individuals determine their needs for eyeglasses, shoes, wheel chairs, artificial limbs, and similar goods as well as for medical services.

*Finances.*—An individual's financial status determines whether he needs numerous luxuries such as oriental rugs, airplanes, or pleasure boats, or whether his needs must be confined to necessities.

*Recreations.*—A person's interests in sports create needs for golf clubs, polo mallets, bathing suits, baseball bats, and other recreational equipment.

*Home Ownership.*—A person who owns or plans to own his own home has many needs for home equipment and supplies such as coal, wallpaper, paint, etc.

*Present Ownership of a Similar Product or Service.*—If an individual owns a product, similar to the one offered by the salesman, which is giving adequate service, the need is minimized. No previous ownership creates a sales opportunity. Possession of an outmoded article creates an opportunity for a replacement sale.

The needs of industrial prospects are determined principally by the type, quantity, and quality of goods or services produced, as well as by the age, financial resources, and size of the company.

**CHARACTERISTICS OF ABILITY TO PAY**

The characteristics of an individual that have an important bearing on his ability to pay for his purchases are as follows:

*Capacity.*—The knowledge, training, and experience of a prospect indicate, to a considerable extent, whether or not he has the ability to pay his bills. Although an able man may be lacking in capital, he is more likely to have accumulated funds than a man who is incompetent.

*Personal Habits.*—If an individual does not gamble, drink, or run heavily into debt, he is more likely to be able to pay for his purchases than one who is extravagant and improvident.

*Family Relations.*—The person who has an extravagant wife, a large family, or numerous relatives dependent upon him for support is often limited in buying power and not a good prospect.

*Property Ownership.*—Ownership of a home, a business, real estate, and an automobile is evidence that a person has financial responsibility and probable ability to pay for his purchases.

*Occupation.*—A person's position in business or a profession indicates his approximate income. The relative earnings of a laborer, a clerk, or manager indicate their respective abilities to buy.

*Social Position.*—The social strata in which a person moves reveal to some extent his financial standing. Membership in exclusive clubs or expensive societies is a clue to purchasing power.

*Personal Appearance.*—While it is an axiom that "Clothes do not make the man," the dress of a person is often an indicator of his ability to buy in reasonable amounts.

*Credit Standing.*—The retail credit rating of an individual, the type of merchants from whom he buys on credit, and his reputation for meeting his obligations are all evidence of buying power.

The ability of a business concern to pay its bills may be determined by its financial rating, progressive management, physical resources, and demand for its product.

**CHARACTERISTICS OF AUTHORITY TO BUY**

A prospect's authority to buy may be estimated by one or more of the following characteristics:

*Responsibilities.*—The amount of responsibility which an individual carries in home, business, or professional life is one indica-

tion of his authority to buy. Housewives who are responsible for home operation usually have the authority to buy all household equipment and supplies.

*Business or Professional Position.*—In business and the professions, authority is usually designated by titles or ranks such as president, general manager, assistant foreman, or surgeon in chief according to the amount of authority commanded by each position.

*Influence.*—Frequently a person may hold neither rank nor title nor carry large responsibilities, but may possess great personal influence by reason of his or her character, intelligence, charm, or beauty. These factors should be carefully considered in determining whether a suspect has authority to buy or to influence the purchase of others.

*Wealth.*—A person of wealth often commands authority through control of purchasing power and can influence buying decisions.

*Age.*—The amount of authority possessed by an individual usually increases with his age, within the sphere of his influence and responsibility. An older man is more likely to have authority to buy than a younger man with few responsibilities.

#### CHARACTERISTICS OF ACCESSIBILITY

Whether an individual may be approached with a minimum of time and effort can be determined to a large extent by qualifying him according to one or more of the following factors:

*Physical Location.*—A person located in the same city with a salesman is a better prospect, all other qualifications being equal, than an individual living in another place. The distance which must be covered to reach a prospect is an important consideration in evaluating him.

*Responsibilities.*—Numerous responsibilities of a home, social, business, or professional nature make persons inaccessible. Busy executives, society women, or physicians, hedged about by secretaries and maids, are not as desirable prospects from the standpoint of accessibility as others with few responsibilities.

*Sociability.*—A person of a sociable nature may be approached by a salesman with less difficulty than an individual who lives in seclusion and avoids contact with others.

*Occupation.*—Persons in some occupations cannot be seen during business hours, such as office workers and mill hands;

in other vocations, such as farming and selling, workers may be easily reached. Night workers, including watchmen and hotel clerks, can usually be visited at night without interruption.

### CHARACTERISTICS OF RIGHT TYPE FOR SALESMAN

In determining whether a suspect is the right type, a salesman should find out if the suspect's situation is similar to his own in one or more of the following respects:

*Standard of Living.*—If a suspect enjoys the same living comforts and conveniences as the salesman, he is a better prospect than a man who has a lower standard of living.

*Education.*—If the salesman and prospect have had similar educational advantages, if both have graduated from college or traveled widely, they have like interests and a closer understanding.

*Responsibilities.*—Similar family and business responsibilities give a salesman and a prospect mutual interests and enable them to meet under the most favorable circumstances. An executive may be more successful in selling another executive with similar responsibilities because he understands and appreciates the prospect's problems.

*Religious and Political Beliefs.*—A salesman who seeks prospects with the same religious and political beliefs can meet them on a common ground without arousing the prejudices that sometimes stand in the way of making a sale.

*Age.*—Similarity of age promotes mutual understanding and enables a salesman to win a prospect's confidence.

### CHARACTERISTICS OF PROSPECTS FOR SPECIFIC ARTICLES OR SERVICES

Obviously, each type of product or service is bought by a distinct type of prospect with certain definite characteristics of need, ability to pay, authority, accessibility, and type. A salesman should select from the numerous characteristics, just described, those qualities which apply particularly to prospects for his commodity. A written word picture of the ideal prospect should be prepared so that the salesman will have clearly and definitely before him at all times the type of individual or concern he is seeking.

A young life insurance salesman, for example, might prepare the following word picture of his ideal prospect: male; age thirty-

three; married; with two children; annual income of \$10,000; buying his home; good health; manager of small, prosperous business in same city with same education and standards of living as the salesman.

A middle-aged salesman of grand pianos, on the other hand, might describe the characteristics of his ideal prospect as follows: woman; age, forty; single; annual income of \$15,000; music teacher; president of music society; similar education and standards of living as the salesman.

Industrial prospects, naturally, have other characteristics. The ideal corporation prospect for a typewriter salesman would possess such characteristics as: mail-order house; 300 correspondents; owner of 100 machines, ten years old; capital, \$10,000,000; highest credit rating; located in same city as salesman.

Although a salesman will rarely find clients who can fit his picture perfectly, better prospects will be obtained as the result of establishing a standard of qualifications by which to measure each suspect.

#### HOW TO RECOGNIZE THE CHARACTERISTICS OF A PROSPECT

The characteristics of need, ability to buy, authority, accessibility, and right type, as previously described, must be recognized by salesmen in qualifying prospects. If a salesman knew something about every suspect in his city or territory, qualifying would be easy. However, a salesman's knowledge of people is usually limited and he is faced with the important problem of discovering information about suspects.

Three general methods may be used by a salesman in determining whether his suspects possess the characteristics of prospects: (1) personal observation; (2) personal inquiry; (3) advertising inquiry.

**1. Personal Observation.**—Many desirable characteristics may be readily recognized in suspects in the course of a salesman's daily field work, provided he has a definite picture in mind of the type he seeks. By making a conscious effort to keep his eyes and ears open for characteristics of prospects, a salesman can soon learn to recognize good ones.

By observing people, their appearance, place of residence, automobile ownership, and other evidences of need and ability to buy, a salesman can quickly qualify many prospects. By listen-

ing to conversations at clubs and on trains, many clues to the qualifications of suspects will be secured. By reading newspapers and consulting public records, much valuable information of this kind may be obtained.

Many automobile, truck, tire, and battery salesmen make it a practice to observe the age, make, and condition of automobiles passed on the road and to record their license numbers and qualify their owners. Salesmen of many other types of products and services also observe automobiles that indicate the standards of living and buying power of suspects.

By observing the inventory, store appearance, and personnel of a prospective dealer, a salesman can determine whether a merchant has a need and the ability to pay for his purchases.

Salesmen selling to homeowners qualify their prospects for appliances, improvements, and building materials by observing the exteriors and interiors of houses for evidence of need and ability to buy.

Inspection of the existing equipment of individuals and firms enables salesmen of specialties and high-priced consumer and industrial equipment to qualify suspects. Salesmen of heating and ventilating equipment obtain permission from owners to survey the present equipment of their buildings to discover if there is a need for boilers, oil burners, or air-conditioning equipment.

**2. Personal Inquiry.**—A salesman can qualify prospects by making direct personal inquiries or by indirectly questioning their friends, relatives, neighbors, or business associates. Ability to ask tactful questions is invaluable to a salesman in this matter.

Direct inquiry is often the most reliable and quickest method of determining the needs, finances, and authority of an individual. Many salesmen open interviews by asking leading questions for the purpose of qualifying a prospect. The prospect is flattered by the interest shown by the salesman and often volunteers a complete account of his needs. Typical qualifying questions used by salesmen are: "Do you own your own home?" "Have you a large family?" "Do you have a charge account with the X company?" or "Are you a college man?"

Direct inquiries should be made casually and tactfully. If a salesman is a good listener, he need do very little questioning; most prospects, if given an opportunity, will qualify themselves.



Attentive listening by an alert salesman to the remarks of a prospect during the course of an interview will enable him to determine the prospect's need, ability, and authority to buy.

Illustrations and charts picturing needs may be shown by a salesman to stimulate discussion and give the salesman a better understanding of the buyer's needs. A prospect may be asked to write his buying motives on paper. A printed list of questions may be submitted to him for answer.

The telephone is used by some salesmen in qualifying suspects. Automobile salesmen frequently follow up passenger-car registrations by telephone to obtain facts about ownership.

Tactful questions put to friends, neighbors, competitors, and associates of a suspect will give a salesman much valuable information about the needs and other qualifications of the person or firm upon whom he is planning to call.

A salesman who asks his friends, "Who is the president of your club?" "Do you know anyone in the neighborhood who is planning to build?" "Who of your friends have had children recently?" "Do you know anyone who has changed his job recently?" "With whom do you play golf or bridge?" obtains much significant information about prospects.

**3. Advertising Inquiry.**—Suspects are sometimes qualified by direct-mail advertising. Letters or questionnaires with return cards are mailed by salesmen to selected lists of suspects who qualify themselves by their answers. The responses provide salesmen with a knowledge of the qualifications of each prospect. National magazine advertising, carrying coupons, is sometimes used for the same purpose.

### WHEN TO QUALIFY PROSPECTS

Salesmen should qualify prospects before seeking an initial interview in order to save time and effort in calling on worthless suspects. Advance qualification enables a salesman to deal more effectively with prospects. Many salesmen try by observation and inquiry to get as much information as possible in advance of calls. In selling articles of universal need and low unit price, however, there is little necessity for spending time qualifying suspects before calling upon them.

In selling high-cost products and services, several weeks or months may be spent by salesmen, aided by company engineers

and technicians, in obtaining information about the needs of consumers or industrial prospects.

Salesmen of mechanical specialties such as stokers, oil burners, and air conditioners and intangible services such as life insurance, investments, and advertising frequently use a "two-call system" to qualify and secure information about prospects. By this method, a salesman makes an initial call exclusively for the purpose of inquiring and making observations of the prospect and his needs. No attempt is made to present the product or service in the first interview. Frequently, the interview is casual or in the nature of a get-acquainted or good-will call. -Permission to make a survey or analysis of the prospect's needs is sought by the salesman at this time.

On the basis of the information obtained in the initial interview, the salesman plans his presentation to suit the specific needs of the prospect and his ability to buy. A second interview is next sought to present the proposal of the salesman and secure the order of the prospect. This method is referred to as "programming" by insurance salesmen.

When the amount involved in a transaction does not warrant making advance inquiries and observations or seeking information in an initial interview, suspects must be qualified during a single sales interview. Direct inquiry by a salesman at the opening of an interview, as previously described, reveals the qualifications of the prospect and enables the salesman to present his product or service to meet the specific requirements of the prospect. Volunteered remarks by prospects during the course of an interview often give a salesman sufficient information to qualify his prospects and determine their needs.

The type of product or service sold and its unit sales price largely determines whether a prospect should be qualified in a separate analysis interview or during a single sales presentation.

#### MENTAL AND PHYSICAL TYPES OF PROSPECTS

Salesman often have been impractically advised by numerous writers on salesmanship to "size up" or theoretically classify prospects according to their physical or mental characteristics. A few of the various types of prospects which salesmen have been advised to identify are the "motive," "vital," "nervous," "phlegmatic," "good-natured," "curious," "careless," "patri-

otic," "know-it-all," "timid," "cynical," and "romantic." In addition, physical types based on a person's size, weight, facial characteristics, shape of the head, facial features, and color of hair should be detected and approached according to their characteristics, in the opinion of some writers.

There are so many exceptions to these types, persons with mixed emotional or physical characteristics, that it is practically impossible for the average salesman to distinguish the slight degree of difference or similarity in these types and to deal with them accordingly. Salesmen cannot subject their prospects to psychological laboratory conditions, to test their mental reactions and to theorize on the significance of physical features. Although it is obvious that a salesman's presentation will naturally be affected by the mental state of his prospect, it is impractical for him in the course of an interview to attempt to analyze and classify prospects as to these types. Experience in dealing with people of various kinds soon teaches a salesman how to present his product and service to them.

#### METHOD OF OBTAINING INFORMATION ABOUT PROSPECTS

Observation of the work of numerous salesmen in qualifying prospects reveals that all follow a very similar method in securing facts about the need, ability to buy, authority, accessibility, and type of each suspect. Four simple and practical steps followed by outstanding salesmen in qualifying prospects have been described in the preceding pages. They are summarized here in a four-step routine to aid salesmen in putting into practice these methods.

##### *Routine for Qualifying Prospects*

1. Ask tactful questions.
2. Listen to volunteered remarks by the prospect and others.
3. Use visual material to get information about a prospect.
4. Observe the prospect's situation.

**1. Ask Tactful Questions.**—Indirect inquiry by a salesman among a prospect's friends, associates, neighbors, and acquaintances preceding a call and direct questioning of a prospect during a sales interview are the most common and resultful methods of obtaining information about a prospect's needs, buying power, and authority to buy. Tactful questions flatter a prospect by

indicating the salesman's interest in his problems. A salesman may prepare in advance a list of questions to ask the prospect and his acquaintances which will bring out just the information needed to make an effective presentation and to qualify a prospect.

**2. Listen to Volunteered Remarks of Prospects and Others.**—Most persons like to talk about their problems and interests. If a salesman, by asking questions, can get a prospect and his friends to talk, he will secure much information helpful in deciding whether a prospect is the type who is likely to buy. A salesman who is a good listener is often able to identify prospects with little effort.

**3. Use Visual Material to Get Information about a Prospect.**—Illustrations depicting needs may be submitted by a salesman to a prospect. The response will reveal to the salesman the situation of the buyer. Photographs, charts, graphs, diagrams, newspaper clippings—all may be used by a salesman to discover needs. A life underwriter shows his prospects a series of illustrations depicting the various needs for life insurance and asks the prospect to point out the one illustration which is of greatest interest to him.

**4. Observe the Prospect's Situation.**—While driving to his office, riding on the train, walking on the street, at games or in church, a salesman who uses his eyes learns much about the needs, interests, hobbies, purchasing power, and authority of prospects. As he sits in a prospect's office, an alert salesman observes photographs, trophies, books, and furnishings which give him a clue as to the prospect's interests. In calling on one prospect, a salesman may notice several other persons in the same neighborhood who appear to be prospects. An automobile salesman sees a motorist having difficulty in starting his car, senses a need, and recognizes a prospect. Every hour of the day, a salesman who is observant identifies prospects encountered in his field work.

### Problem I

Thomas J. Nolan, representing the Karper-Vaughter Agency of the Universal Life Insurance Company

The Karper-Vaughter Agency of the Universal Life Insurance Company, home office at Hartford, Conn., is one of three agencies of the company located in New York City. Thirty-nine full-time

agents are under contract with the agency and operate in greater New York. One of these agents is Thomas J. Nolan, twenty-nine years of age, unmarried, in good health. His education consists of grammar and high school and one year of college.

When in his freshman year of college, he captained his class soccer team and managed the freshman crew, in addition to writing for the school paper. He is president of the young men's society at a Protestant church. He enjoys reading, tennis, and music. He has been in the insurance business for two years, having been previously connected with a brokerage house as auditing and billing clerk, with an annual salary of \$3,000.

Nolan carries \$2,000 straight life insurance and has saved \$350 which is invested in a local savings bank. His sales of insurance the past year totaled \$92,000. He was born in Brooklyn, N.Y., and attended school there with the exception of one year spent in college in Connecticut.

Sus- pect	Occupation	Age	Health	Marital Status	Home Ownership	Ins. Carried	Hobby	Educa- tion
1	Lawyer	40	Excellent	Married; two boys, 6 and 9	Yes, \$15,000	\$ 60,000	Bridge	Law school
2	Doctor	28	Fair	Married; one child, 2 years	Yes, heavy mortgage	\$ 12,000	Sports	Medical school
3	Draftsman	35	Under- weight	Single	No	\$ 5,000	Cabinet- work	High school
4	Clerk	50	Kidney out 6 years ago	Married; boy, 23	Yes, small mortgage	\$ 18,000	Music	Prepara- tory school
5	Clothing Salesman	30	Over- weight	Single	No	\$ 10,000	Books	College
6	Banker	45	Nervous	Married; two boys, 15 and 18	Yes, no mortgage	\$100,000	Stamp col- lecting	College

One of Nolan's principal problems is locating and qualifying prospects. Most of them are obtained from old policyholders and friends. He attempts to secure a minimum of 30 new prospects each month, an average of one a day, in the course of his field work. In seeking prospects, Nolan asks for information about their age, income, occupation, and other items of personal history, prefacing his request for these facts by the following prospecting sales talk:

If you were a life insurance man you would be reminded constantly of the need to find prospects who are genuine fighters, men who are doing things, men, in other words, like yourself. You would need to know whether these men had any money which could be diverted to life insurance. With these facts in mind, if you had my job today, who are the first three men you would try to sell?

Nolan has obtained from several of his own policyholders information about six persons living in the vicinity of New York City, whom he considers as suspects. See the table on page 253.

### Questions

1. By what standard should salesman Nolan qualify the six suspects in this problem?
2. Qualify each of the six suspects by this standard of qualification and arrange them in order of value as prospects.
3. Describe an ideal prospect for this salesman, considering Nolan's background and experience.
4. Is salesman Nolan's method of prospecting likely to produce the type of prospect which would be most suitable for him?
5. How can salesman Nolan obtain more information about these prospects?

### Problem II

Marshall W. Hall, representing the Arkright Insulation Company

The Arkright Insulation Company, Providence, R.I., installs a nationally advertised brand of rock-wool insulation by hand and automatic blowing method in the side walls and over ceilings of old and new houses and commercial buildings. The company operates three mobile compressed air blowers and three three-man crews which cover Rhode Island, southern Massachusetts, and eastern Connecticut. Most of its installations are in houses over fifteen years old.

A sales organization of ten commission salesmen call on homeowners and owners of commercial properties, closing contracts for insulation ranging from \$150 to \$600 and averaging \$200. Insulation is installed principally for excluding cold air as it effects savings of 10 to 15 per cent in fuel costs. It also contributes to comfort by repelling hot air in summer. It deadens noise and promotes health by excluding drafts and dust.

Insulation usually is installed in connection with air-conditioning equipment, in buildings of frame and stucco construction, in

buildings in exposed locations vulnerable to cold and heat, in buildings with inadequate heating equipment, and in homes where children, aged, or sick make heating a problem.

Marshall W. Hall is one of the ten sales representatives of the company. He has averaged annual earnings of \$4,000 since he began work in 1937. He is thirty-eight years of age, a high-school graduate, and a former building material salesman. Hall owns his own insulated house in Pawtucket, R.I., which he occupies with his wife and three children.

Hall discovers many of his prospects by observing buildings likely to need insulation. He also cultivates old customers, neighbors, and friends who furnish him with the names and addresses of their friends and acquaintances who are likely to need insulation.

Salesman Hall has received the following information about five possible purchasers of insulation:

Suspect 1 has written the Arkright office asking a salesman to call. The inquirer gave the following information: Henry K. Lamson is general manager of a machine-tool company located in a town of 3,500, situated 40 miles from Providence. His house is of three-story frame construction, built in 1890, with 15 rooms, and valued at \$20,000. A new oil-heating system has just been installed but fails to heat the house comfortably. The house was inherited by the present owner from his father and is occupied by the owner, his wife, and a maiden daughter. The family spend five months of each winter in Florida with the exception of the father who lives at the local inn. A local insulation company has been asked to submit estimates.

Suspect 2 was referred to the salesman by a friend who gave the following information: Jacob Levy, fifty years old, a clothing salesman, owns jointly with his wife, a two-story, two-family frame house in Providence. The owner and his family of two girls and a boy, aged eighteen, twenty, twenty-two, respectively, live in six rooms on the first floor of the building, renting the second floor to tenants. The second floor has been vacant since the last tenants moved, complaining of the heat from the attic over the second-floor ceiling. Improvements must also be made in the bathroom and kitchen of the second-floor apartment before it can be rented. The house, which is 30 years old, is located in an old section of the city.

Suspect 3 was referred to the salesman by a customer who gave the following information: Mark L. Kane, forty-five years old, a printer, owns a two-story and attic frame house in a suburb of Providence. He is a widower and occupies a room on the second floor, renting the balance of the house to a family of three persons, a middle-aged man and wife and daughter of eighteen years. The owner is considering remodeling the unfinished third floor for his own occupation. Plumbing and heating must be installed, a dormer window cut in the roof for light and air, and the interior finished in wall board. Insulation would be used for the ceiling. The estimated cost of the remodeling, exclusive of the insulation, would be \$1,500. The house is valued at \$8,500 and is thirty years old.

Suspect 4 was referred to the salesman by a customer who gave the following information: L. O. Tucker is a retired accountant, aged seventy, who supports his wife of the same age through a small life insurance annuity. They live in a nine-room frame house, heated by steam, and complain of the cost of fuel which averages \$200 a winter. The house is owned by a local cooperative bank which leases the property to Mr. Tucker. The house is forty years old and is located in a medium-class residential neighborhood.

Suspect 5 was referred to the salesman by a customer who gave the following information: Burton Christian is a clerk, employed by a Providence public utility. He has recently purchased and remodeled a colonial farmhouse, 150 years old, 20 miles from the city, where he lives with his wife and fourteen-year-old son. The house has 14 rooms and was bought for \$8,500, of which amount a Providence bank holds a \$7,500 mortgage. The owner has just spent \$1,500 in improvements to the property, which amount was borrowed from Mr. Christian's father-in-law. Mrs. Christian is in poor health.

### Questions

1. By what standard should the salesman qualify the five suspects in this problem?
2. Qualify each of them on each of the factors in the standard established, and arrange them in the order of their value as prospects.
3. Describe an ideal prospect for this salesman, taking into consideration his background and experience.
4. Is the salesman's method of prospecting likely to produce the type of prospect most suitable to him? Explain.



5. Does the salesman have enough information about these suspects? How can he obtain more information about them?

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## CHAPTER XI

### LOCATING PROSPECTS

#### NECESSITY FOR LOCATING PROSPECTS

When a salesman has determined *what* persons or firms have the need, ability, and authority to buy his product or service, he must next find out *where* these individuals or concerns are located. He must first know exactly the type of prospect he wants before he can become successful in his search. He should write a complete description of the age, income, marital status, and other characteristics of the person who he believes will make a good prospect. With this picture before him, a salesman is ready to begin his search for prospects.

The problem of locating prospects varies with the type of selling and the nature of the product or service sold. Salespersons in retail stores usually are not concerned with this matter, as consumers voluntarily visit retail department, specialty, and convenience stores. In a few progressive retail specialty stores, salespersons do outside selling and are confronted with the problem of locating prospects. Salesmen who call on wholesale or retail merchants have little difficulty in discovering where possible customers are located. But salesmen selling specialties, luxuries, or intangible services to individuals or business concerns find that prospecting is one of their most important duties. A life insurance salesman's skill in locating prospects accounts for 80 per cent of his success in his work.

Competition compels specialty salesmen to search for prospects. Progressive business concerns can no longer wait for customers to seek them out. Buyers expect to be sought by salesmen, and salesmen are faced with the necessity of maintaining a full reservoir of prospects to ensure a regular flow of orders and commissions. Many potential customers are not aware of their needs for new or improved goods or services and it is necessary for a salesman to seek out these persons and sell them. If consumers recognized their need for specialties and services and had a defi-

nite desire to purchase them, salesmen would not have to search for customers.

### WHERE TO LOCATE PROSPECTS

“Where can I find customers?” is one of the first questions asked by a new specialty salesman and it never ceases to be a problem to many experienced persons. Optimistic sales executives often tell beginner salesmen, “Prospects are everywhere. They are all around you. Everyone is a prospect.” This well-meaning advice is often harmful since it causes a salesman to minimize the importance of qualifying and finding prospects. It leads him to discount the difficulties of prospecting and sometimes to slight this significant phase of his work.

Sources of prospects may be classified according to their importance to a salesman, as (1) primary and (2) secondary. These sources may be explored in one or more of three ways, personal inquiry, observation, and correspondence.

**Primary Sources of Prospects.**—A salesman is usually most successful in obtaining qualified prospects from those sources with which he is most familiar and which are most accessible to him. These primary sources, which a salesman should develop first, are as follows:

1. *Immediate Family.*—No source of prospects is so available, cooperative, and interested in aiding a salesman to locate prospects as his own immediate family. Every member of it—his wife, sisters, brothers, parents—has friends, connections, associates, or employees who may be potential customers for his product or service. If he will describe to adult members of his family the type of prospect in which he is interested, a salesman can enlist their cooperation in his search.

2. *Friends, Distant Relatives, and Acquaintances.*—Next to his own family, his friends and neighbors are most interested in helping him to succeed. A salesman should make a list of his closest friends, neighbors, and acquaintances, call on each personally, and tell him about the product or service that he is selling. They will provide him with information about their friends and relatives who may be prospects. Informants usually are not only willing but also in excellent position to acquaint a salesman with the needs, ability to buy, and authority of numerous persons.

A salesman who may be reluctant to sell his friends and neighbors can use this prospecting approach as an indirect and effective method of familiarizing his friends with his product. A salesman can not be accused of commercializing his friendships if he seeks cooperation in locating prospects at the proper time and place.

To make friends and acquaintances is necessary to successful prospecting. Competent specialty salesmen wisely participate in community affairs, religious, political, fraternal, and educational activities.

3. *Suppliers, Tradesmen, and Professional Men.*—The merchants from whom a salesman buys his food, clothing, and shelter are usually willing to reciprocate for his patronage by furnishing him with information about prospects. A salesman's grocer, baker, landlord, doctor, and dentist can help him locate prospects by giving him facts about their friends and acquaintances.

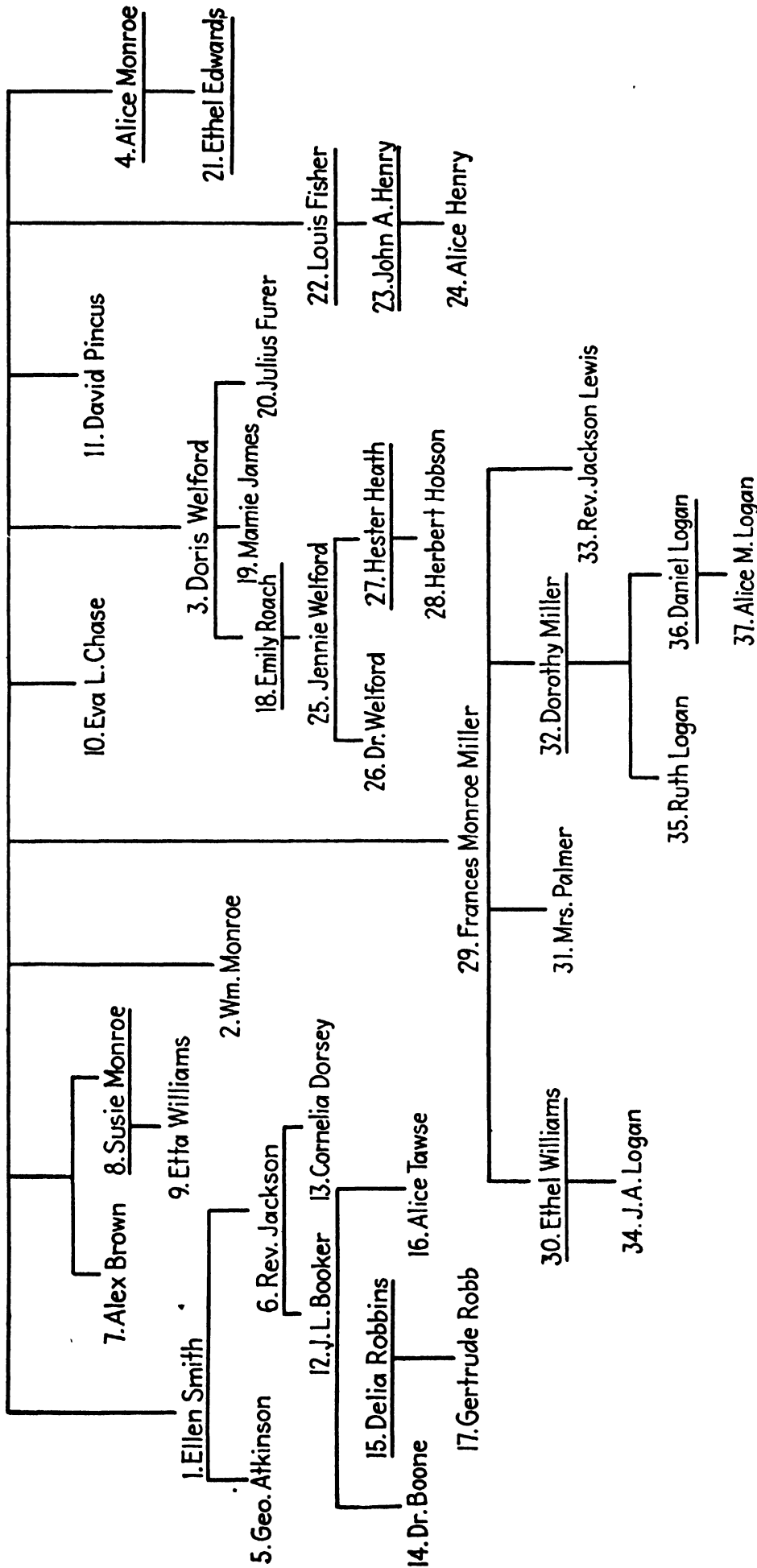
4. *Business Associates, Employees, Stockholders.*—A salesman's business associates, the employees and executives of his firm, are excellent sources of prospects. Many large companies reward nonselling employees who secure leads for salesmen. Stockholders can supply salesmen with names of prospects. Employees who meet the public such as deliverymen, service men, and inspectors are in an excellent position to aid a salesman in discovering potential customers.

5. *Customers.*—A salesman's customers are an excellent source of prospects for the reasons that they are familiar with the merits of the product and the quality of the service of the company. Customers like to show and discuss their purchases with friends, neighbors, and acquaintances. In this way, owners meet other persons who are interested in making similar purchases. A salesman who prospects among the friends and neighbors of his customers unearths many potential buyers.

In addition to his own customers, a salesman may obtain from his company a list of "orphan" users or owners who are not being actively cultivated by his fellow salesmen. These users should be followed up for names of prospects. Some companies furnish their salesmen with lists of customers arranged geographically so that they can be interviewed for prospects.

Organizations of owners are sponsored by several companies for the primary purpose of securing names of possible customers. Customers are supplied with mailing cards for reporting informa-

USER - IDA MONROE



This chart illustrates how one customer, well sold, can aid a salesman in securing prospects and increasing his sales. A Westinghouse Electric Refrigerator salesman of Washington, D.C., employing the "use the user" method of prospecting, followed up a sale made to Ida Monroe and secured thirty-seven additional sales. The first sale produced nine more sales, which in turn created twenty-eight additional orders. Customers influence their relatives as indicated by this chart showing sales to four Monroes, four Logans, three Welfords, two Millers, and two Henrys.

tion about prospects. These are turned over to salesmen for follow-up. Customers are rewarded for their cooperation with cash or premiums in the event that their prospects are sold.

An annual national survey of automobile buyers revealed that owners are an important source of prospects. Twelve per cent of the annual purchases of one famous make of passenger automobile were made on the recommendations of owners.

Policyholders are an excellent source of prospects for life insurance. A life insurance salesman wrote to eight of his policyholders for names of prospects, received eight replies nominating 92 prospects, of which number 20 were sold. Another insurance man obtains 75 per cent of his business through his policyholders.

An electric refrigerator salesman closed eight sales in one block as the result of a single sale to a prominent resident of the neighborhood.

**Secondary Sources of Prospects.**—After a salesman has exhausted his primary sources of prospects, there are numerous secondary sources which should be used.

1. *Canvassing.*—In selling low-priced specialties consumed by all classes, canvassing is a common method of prospecting. Without advance knowledge of the needs or buying power of suspects, salesmen who canvass call from house to house or office to office seeking interviews with prospects. Sometimes limited information, including the names of persons canvassed, is obtained in advance from neighbors or office directories.

This method of prospecting depends for effectiveness upon the exposure of a salesman to suspects and the law of averages to produce sales. If a salesman will expose himself to many suspects over a long period of time, he will automatically make some sales of almost any low-priced article. If large numbers of suspects are seen, some are sure to be in the market to buy. This method serves to replenish a depleted supply of prospects and develops initiative, courage, and resourcefulness.

However, canvassing consumes much time and energy. It is often discouraging to a salesman to find that many suspects are not accessible or have little need, authority, and funds to buy. Many communities and office buildings prohibit canvassers, and consumers are often antagonistic to them. Canvassing is unprofitable for salesmen of high-priced specialties for which the demand is limited, the market is restricted, and the need unrecog-

nized. Canvassing is often wasteful and expensive considering the cost of calling on worthless suspects.

For qualifying suspects, making appointments, and following up prospects, a telephone may be used effectively. Automobile salesmen use the telephone to qualify prospects and to secure appointments, as follows: "This is Mr. Salesman of the Jones Motors Company. We are checking our mailing list. Our records show that you own a 1939 Blank sedan. Is that correct?"

If the suspect no longer owns the car registered in his name, the salesman inquires about the make of car now owned and asks when it was bought. If the suspect still owns the car registered in his name, the salesman asks whether it was bought new or secondhand. He then thanks the suspect for the information and completes the call. No attempt is made to sell by telephone.

2. *The Endless-chain Method.*—In using the endless-chain method of prospecting, a salesman secures from every person whom he interviews information about at least one other prospect. By this method one prospect leads to another, thereby creating an endless chain of prospects, from which the method takes its name. At the close of every sales interview, a salesman using this method asks the prospect for the names, addresses, and facts about his friends who may be potential customers. This method may be used in connection with any of the primary methods of prospecting previously described.

Some advantages of endless-chain prospecting are the following: continuous rather than spasmodic prospecting is carried on; time is saved by prospecting coincidentally with selling; a full supply of prospects may be obtained; ample information and references may be secured. On the other hand, prospecting by this method may be superficial, a large quantity rather than a good quality of leads may be obtained, and persons interviewed may be reluctant to give an unknown salesman the name of a friend.

By listening attentively to remarks during interviews, an alert salesman will often pick up much information about the friends, relatives, or associates of a prospect. Many of these people may be potential customers. The salesman can ask for more information about them and call upon those who qualify as prospects.

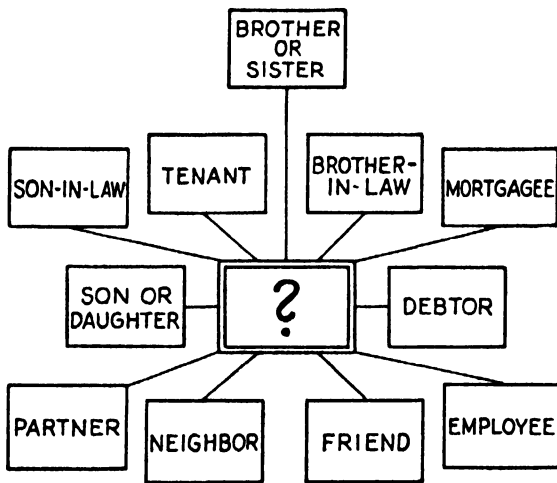
By using the endless-chain method of prospecting, Fred Fielding, a Newark, N.J., life insurance man, from the sale of one

\$5,000 policy received recommendations that resulted in the sale of 50 policies. These varied in amount from \$1,000 to \$20,000 for a total of \$446,000, an average case of \$8,920 from a chain of 50 links.

Another Midwest insurance man, using the endless-chain method of prospecting, sold a hardware merchant in his town a \$3,000 life insurance policy. From this customer the salesman obtained the names of five of his friends and associates, each of whom bought policies ranging from \$1,000 to \$6,000 each.

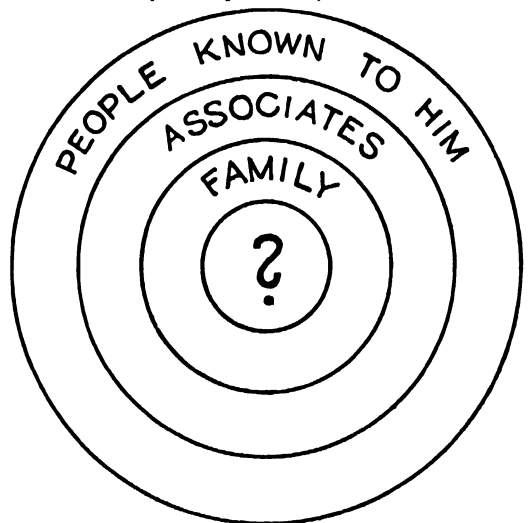
**THIRD PARTY INSURANCE**

Almost every man can name some people whose death would bring him a financial liability



**DIAGRAM YOUR MAN**

Usually the circle closest to a man is his family; then come his frequent associates; finally those people known to him



Diagrams carried by salesmen representing a large life insurance company to remind them to secure names of prospects from friends, acquaintances, and other policyholders. These diagrams illustrate the endless-chain method of prospecting.

These five buyers in turn recommended other prospects until the salesman had made 37 sales for a total of \$104,000 worth of insurance.

3. *The Center-of-influence Method.*—By the center-of-influence method, prospects are sought from influential persons in a salesman’s community or territory. Typical influential people whose assistance may be sought by a salesman are attorneys, officials of clubs, public officials, ministers, doctors, bankers, teachers, and heads of business organizations. Persons in these positions have many friends and acquaintances who may be good prospects.

If a salesman is acquainted with such influential people, he should have no difficulty in enlisting their aid. If he has no influential connections, he may make them through mutual



friends. A salesman who does not know any public officials, bankers, or attorneys will experience little difficulty in making their acquaintance and securing their assistance if he presents his problem in a friendly and candid manner. Most influential people are frequently called upon to do favors for other people and usually are willing to help an ambitious salesman representing a reliable product or service.

Centers of influence can do much more for a salesman than supply him with information. They can introduce him to their friends, make appointments for him, give him cards and letters of introduction, speak to their friends about him, and urge their acquaintances to buy from him.

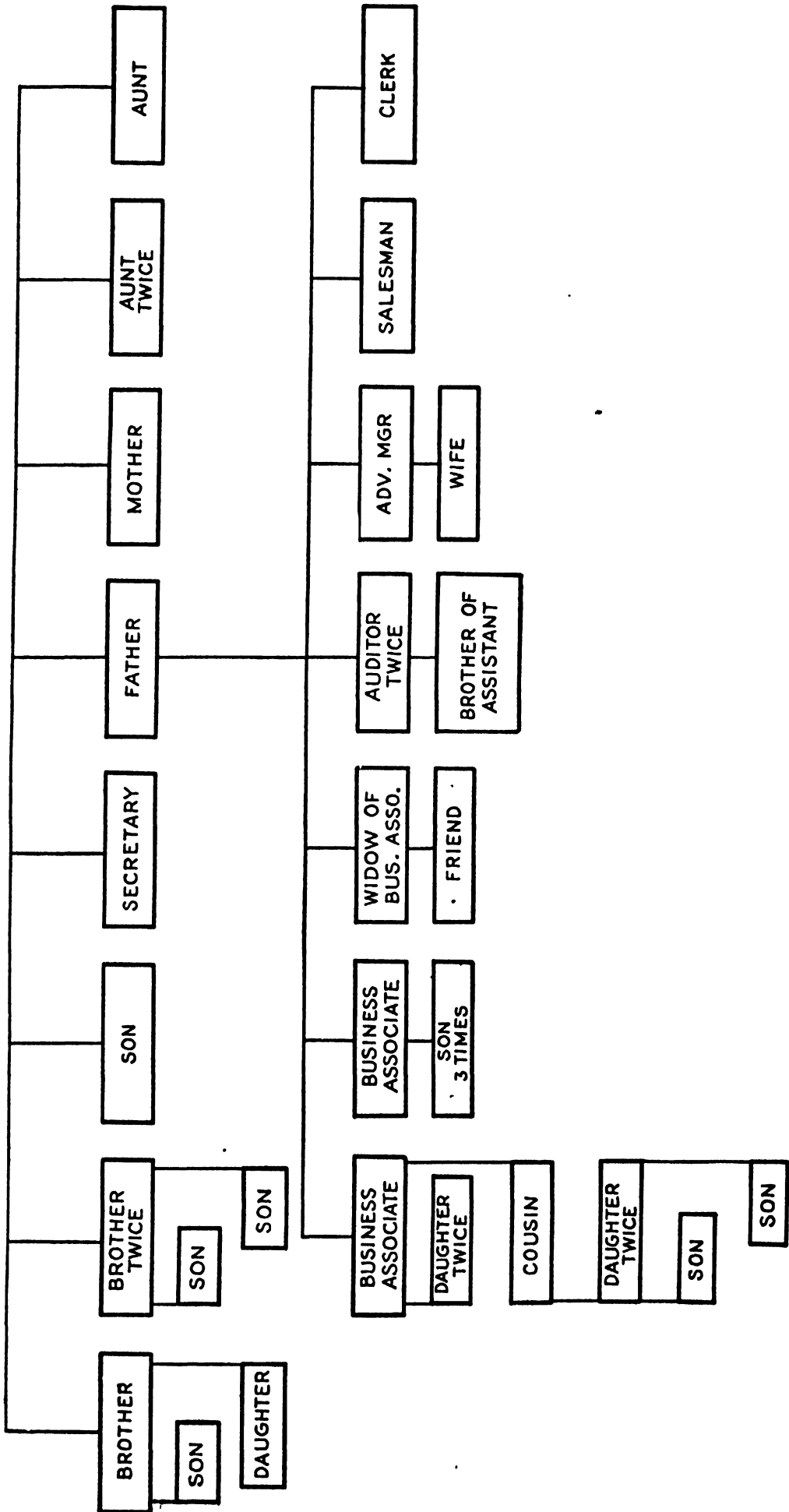
The principal advantages of this method of prospecting are the following: the recommendation of an influential person carries weight with a prospective buyer; influential persons have a great many acquaintances and considerable information about them; the cooperation of centers of influence costs a salesman nothing and saves his time and effort. On the other hand, influential persons are sometimes inaccessible and reluctant to permit their names to be used by salesmen.

A salesman with an unselfish interest in helping other people will have little difficulty in winning the respect and active assistance of influential people. Participation by a salesman in charitable, fraternal, civic, and religious work in which influential people are interested will help him to gain their cooperation.

An imaginative life insurance salesman applied the center-of-influence plan of prospecting by organizing an executive committee of 12 influential acquaintances in his community. In asking men to serve on his committee, the salesman emphasized that his success depended upon their cooperation and that each would have no expense nor obligation beyond a desire to aid him with his prospecting problem. Each committee member agreed to supply the salesman with names of prospects and to permit the use of his name as a reference. The salesman promised to report regularly to each member of the committee on sales made and prospects discarded. Four other salesmen in the same office adopted this plan with the result that sales increased 50 per cent, according to S. G. Dickinson.

4. *Sales Associates Method.*—Sales associates usually are men and women whose occupations bring them frequently in contact

MR. A (7 TIMES)



This chart illustrates the "family tree" method of prospecting by an agent of the New England Mutual Life Insurance Company. Starting with Mr. A and following with his seven relatives and secretary, twenty others were sold for a total of forty-one sales.

with persons who are logical prospects for a salesman's product or service. Associates are sometimes employed by salesmen to obtain prospects on a flat fee basis. These assistants may be personal friends, customers, or merely acquaintances of the salesman and are employed usually as telephone operators in hotels or apartments, information clerks, chain store managers, barbers, beauticians, laundry truck drivers, service station attendants, policemen, postmen, and hotel clerks.

Sales associates are compensated for supplying information about prospects only when sales result. If information about a person or firm is already in the salesman's possession or if the prospect has been canvassed previously by the salesman, the associate is not remunerated. Amounts paid to informants vary according to the price and profit on the sales. The compensation, however, must be sufficient to interest sales associates and to get their active cooperation. The remuneration of associates on a popular make of six-cylinder automobile is \$15 for each car sold and on more expensive eight-cylinder models, \$20. Salesmen sometimes assume the full expense of paying their associates from earnings or commissions. In other cases, their compensation is shared on a 50-50 basis by the employer and the salesman. In some companies the employer remunerates associates. An associate usually is guaranteed payment by a letter from the salesman's employer so that the associate will feel more secure and will be likely to work harder.

To avoid misunderstandings, salesmen must make it clear to associates that they are not entitled to pay for prospects previously interviewed and that compensation is not paid until delivery has been made to a purchaser. When a salesman receives the name of a prospect from an associate, the lead should be acknowledged promptly. If the prospect has been previously visited or listed, the informant should be told. The result of an interview should be reported to the associate.

The successful operation of this method of prospecting depends to a great extent on the training that a salesman gives his associates. They should have a complete picture of the type of prospect desired. Current advertising, prices, and product information should be in their hands. Each should be given a complete sales presentation and demonstration. Associates, however, should not be permitted to do any actual selling or give prospects

the impression that they are financially interested in sales. They should be required to report promptly by telephone information about prospects.

The advantages of this plan of prospecting are the following: An immediate and permanent source of good prospects is developed; many prospects are presold by the associate before the call of a salesman; a salesman has a force of trained assistants to multiply his efforts and effectiveness; a salesman's executive ability is developed; and he saves selling time and effort. The weakness of the plan is the indifference of associates, controversy over the origin of prospects, and lack of confidence in a salesman's promises to pay. These difficulties can be largely overcome by proper methods of training the associates and a clear understanding of mutual responsibilities.

5. *Observation Methods.*—The personal observation of a salesman is one of the most effective methods of securing prospects. An alert salesman sees prospects on the street, reads about them in his daily newspaper and in trade magazines, and observes them on trains and street, at luncheon, or at club meetings. Prospects may be observed in the following situations:

a. *Changes in business or home address.* When a family or a business leaves an old home or comes to a new one, old sales connections are broken and new sources of supply established. By observing newcomers in a neighborhood or a business district, a salesman can obtain a list of preferred prospects for many products and services. In some cities a current list of local changes in address is available to salesmen for small cost through a list service.

b. *Spotting old products.* Organized spotting of wornout, outmoded, or obsolete products reveals prospects for new equipment. Old automobiles are seen by salesmen and the names of the owners are obtained from registration lists as prospects for tires, batteries, and new cars. One large tire company supplies its retail sales representatives with daily car spotting quotas, tally sheets, and spotting prospect cards for their use. Local automobile license lists are obtained by salesmen from direct-mail companies, police headquarters, or automobile clubs to use in identifying the names and addresses of owners of old cars.

An automobile salesman on Long Island, N. Y., carries a camera and takes pictures of old cars that he sees on the streets.

The photographs are printed on post cards and mailed to the owner, whose name and address have been obtained from the local automobile registration list. The salesman follows up the mailing with calls and closes many deals.

Retail building-material salesmen obtain prospects by organized inspection of business and residential districts to locate houses and commercial buildings in need of remodeling, roofing, painting, insulation, side-walling, and other equipment.

*c. New construction.* The erection of new houses and commercial buildings creates numerous sales opportunities and supplies observant salesmen with many prospects for various kinds of building equipment, furnishings, and supplies. Dodge Construction Reports and city building permits provide a salesman with information about new projects.

*d. Store displays and decorations.* A salesman calling on dealers can qualify his prospect's needs and ability to buy by observing the appearance of his show windows, store arrangement, decorations, advertising signs, and merchandise.

*e. Daily newspapers and magazines.* A single issue of a daily newspaper is full of information about prospects for many products and services. News of accidents, death notices, birth announcements, business changes, engagements, marriages, real estate transfers, personals, and society news all reveal the names and addresses of persons and concerns with needs and ability to buy many things. Newspaper display and classified advertisements are an excellent source of prospects.

An indication of the number and quality of prospects that can be uncovered in one issue of a daily newspaper is found in the experience of a life insurance salesman in a city of 75,000 population who, according to S. G. Dickinson, read seven items in his morning newspaper and acted on them with the following results:

1. Cashier of store held up. Called on cashier, two clerks, and owner. Result, sold one clerk \$2,000.

2. New chairman of own political party appointed. Offered services; sold no business; considers the man a good prospect.

3. President of town council resigned. Called on new appointee; sold no business; got three good leads; sold one \$3,000.

4. Young man killed in automobile crash. Called on attending physician, no sale; called on six pallbearers; sold two a total of \$3,000.

5. Financial report for successful month for distributor of nationally advertised coffee. Got name of salesman from local grocer; found he lived in the city; sold \$1,000.

6. Owner of small chain of stores died. Company paid small claim; called on manager of each of five stores; sold one \$2,500.

7. Small bank reopened on an unrestricted basis. Called on cashier who had lapsed a policy two years before; sold him \$3,000.

The total sales made within 30 days to prospects found in one issue of the newspaper was \$14,500, nearly 50 per cent more than the salesman's previous monthly average. Within three months this method of prospecting increased this salesman's volume 40 per cent.

Professional clipping services for a small cost can supply salesmen with selected news items from a large number of newspapers and trade magazines. These items report significant business changes, deaths, liquidations, new incorporations, and other happenings, invaluable information for a salesman in locating and qualifying prospects.

*f. Conversation.* By keeping his ears open, a salesman can learn much about prospects from conversations at club meetings, parties, and social gatherings.

6. *Advertising Methods.*—Advertising is an effective method of prospecting because it reaches many more people than a salesman is able to see by his own efforts and contacts them at a fraction of the cost of a personal call. Most advertisers, however, are unable to employ enough advertising to keep their salesmen continuously supplied with an adequate number of prospects. Accordingly, advertising supplements other methods of prospecting.

Names and addresses of thousands of interested prospects are secured annually by many specialty concerns in response to their national consumer, trade or professional magazine, newspaper, and radio advertising. Advertising inquiries received, in the form of coupons or requests for samples and booklets, are turned over to salesmen for personal follow-up. Although many inquirers are good prospects, some have no authority or ability to buy the product or service advertised. Accordingly advertising inquirers should be qualified by salesmen before time and expense are involved in seeking interviews with them. Some salesmen qualify inquirers by telephone to determine whether or not they are legitimate prospects.

Many concerns aid salesmen in prospecting by sending out direct-mail advertising in the form of folders, letters, and booklets designed to produce inquiries from interested prospects. The mailing list for such material is usually furnished by a salesman from his own lists of suspects; the advertising department of his company mails the letters or folders direct to the suspects. Inquiries received by the advertiser are forwarded to the salesman.

One large automobile manufacturing concern cooperated with its salesmen in a facetiously named "Foot in the Door" campaign to obtain prospects. Two illustrated folders and return cards were mailed by the company once a week to 20 suspects whose names were supplied by the salesman, who was charged with the cost of postage. The printing and mailing costs were assumed by the company.

The effectiveness of company direct-mail advertising in aiding salesmen to obtain prospects is illustrated by the experience of one representative of the Massachusetts Mutual Life Insurance Company who precedes every call with prospecting letters furnished by this company. In one year this salesman averaged one sale to every 10 prospects produced by the advertising and sold a total of \$245,776 worth of insurance.

If a salesman does not receive direct-mail advertising assistance from his company, he may write and mail his own prospecting letters. With the assistance of a typist or a letter shop, he can mail individually typed one-page hand-signed letters to suspects. When prepaid postage return cards are enclosed, replies are facilitated. No attempt should be made to close a sale by mail but merely to secure an expression of interest.

An effective prospecting letter is the following mailed by a Cleveland, Ohio, insurance salesman to a list of suspects:

Mr. A. PROSPECT,  
CLEVELAND, OHIO.

DEAR MR. PROSPECT:

The Social Security Act has made the population of the United States conscious of the fact that incomes are necessary during the "sunset of life" just as they are during the more productive years.

My message to you this morning is not to offer ideas as to whether the Social Security Act is right or wrong, but to point out the fact that the maximum income which may be derived is \$85 monthly.

Income is derived from only two sources, labor and property; when we reach the retirement age and income from labor ceases, then we must turn to property for income, and that income will be governed by the kind and amount of property we have accumulated.

I have in mind a type of property which may not be swept away by floods, fires, or depressions, and which has stood the test of one hundred years without interruption.

I shall call you by 'phone for an appointment whereby we may discuss the details.

Cordially yours,

From 20 of these letters typed on personal stationery and addressed to persons in a position to buy retirement insurance, the salesman received 16 interviews and wrote \$47,500 worth of insurance, an average of \$2,375 a letter.

Advertising premiums or novelties are sometimes offered by salesmen to suspects to discover those who are interested and to qualify them as prospects. Salesmen, representing a well-known electric refrigerator, personally distributed to housewives more than 1,500,000 cold gauges and obtained many qualified prospects. Tire salesmen have distributed thousands of key cases and handy pocket screw drivers to motorists to secure the names of prospects. Representatives of several life insurance companies secure the names of prospects by offering gratis leather memorandum books with the prospect's name stamped in gold on the covers.

7. *Lists of Prospects.*—Published lists and directories of firms, organizations, and individuals are excellent sources of prospects for many products and services.

Municipal, county, state, and national records are frequently used by salesmen as a source of prospects in practically every line of business. A county assessor's list, for example, contains the name, address, and assessed valuation of every property owner in the county. City tax lists, building permits, voting registration lists, automobile license, marriage license, vendor's license, and similar lists contain the names of persons and firms with specific needs.

Organization membership lists are excellent sources of prospects. Civic organizations such as chamber of commerce, Lions, Rotary, Kiwanis, and advertising clubs have on their rosters the names and addresses of leading businessmen. Rosters of professional organizations, such as medical, architectural, engineering,



and societies of nurses are sources of names of prospects with specific needs for many products. Social and fraternal group membership lists, directories of school and college graduates, and similar lists usually can be obtained from members or upon application to club secretaries.

City, telephone, trade, social, and professional directories contain many names of firms and individuals who are qualified prospects for many articles and services. A complete list of manufacturers appears in Thomas's "Directory of Manufacturers." The names of officials and directors of large corporations are listed in Poor's "Directory of Directors," and there is published in every major industry a directory of firms and officials in the trade.

Mailing list concerns compile, from directories and other sources, special lists of firms and individuals brought up to date and guaranteed to be 95 to 98 per cent accurate. The experience and facilities of such list companies as Buckley, Dement, and Company, Chicago, and R. L. Polk and Company, Detroit, enable them to supply quality lists of prospects.

By exchanging such lists with salesmen of noncompetitors calling on a similar class of trade, a salesman can obtain qualified names of possible buyers.

In using a list or directory of any kind, the correctness of the names and addresses should be verified. The mortality in consumer lists, on account of deaths and changes of address, is often as great as 30 to 40 per cent annually, depending upon the type of individual and occupation. Careful checking of all lists is necessary to avoid wasted effort or postage.

8. *Miscellaneous Methods of Prospecting.*—There are numerous miscellaneous methods of locating prospects which have been used successfully by salesmen. Some salesmen obtain many names at exhibits, fairs, conventions, and industrial shows where their companies have displays.

Consumer guessing and voting contests are often productive of names of good prospects. A home-appliance retailer offered a washing machine to housewives who would come nearest to guessing the motor number. Women who competed in the contest were required to enter their guesses on entry blanks which provided space for recording their names, addresses, ownership, and age of electrical appliances. Complete information about

the appliance needs of several hundred desirable prospects was obtained in this way and turned over to salesmen.

Demonstrations by salesmen before civic clubs and women's groups also serve as sources of prospects for many products. Salesmen selling aluminum utensils direct to consumers serve luncheons and dinners gratis and obtain the names and addresses of the suspects who are invited to the meals.

**DOMESTIC HEATING PLANT DATA** Date \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Electric Current: AC  DC  Volts: \_\_\_\_\_ Cycle: \_\_\_\_\_ Phase: \_\_\_\_\_

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BOILER DATA				FURNACE DATA			
Steam <input type="checkbox"/>	Vapor <input type="checkbox"/>	Gravity Hot Water <input type="checkbox"/>	Forced Hot Water <input type="checkbox"/>	Gravity <input type="checkbox"/>	Forced Warm Air or Air Conditioning <input type="checkbox"/>		
Cast Iron <input type="checkbox"/>	Steel <input type="checkbox"/>	Made by _____	No. _____	Cast Iron <input type="checkbox"/>	Steel <input type="checkbox"/>		
Number of Sections: _____ Height of Base: _____ Floor to Crown: _____				Made By: _____ Cat. No. _____			
<i>Round Boiler</i> Outside Diameter: _____ Grate Diameter: _____				Height Above Floor: _____			
<i>Rect. Boiler</i> Width: _____ Length: _____ Grate Width: _____ Grate Length: _____				Firebox Casing Dimensions Diameter: _____ or Diameter: _____			
Does Boiler Have Curtain Section? (If so, Make Sketch Showing Dimensions)				Ash Pit Door: Width _____ Height _____			

**RADIATION DATA**

Type of Radiator	Height Inches	No. Tubes	No. Sections	Sq. Ft. Per Section	Sq. Ft. Per Radiator	No. Radiators	Sq. Ft. of Radiation

<p>1. Total Direct Radiation _____</p> <p>2. Allowance for Piping and Pick-up _____ (Item 1) = _____</p> <p>3. Domestic Hot Water Load _____ X (1.5 Steam) = _____ (Tank Gallons) (2 Hot Water)</p> <p>Equivalent Direct Radiation = 1 + 2 + 3 = _____</p> <p>Recommended E.D.R. Load for _____ Boiler = _____</p> <p>E.D.R. Capacity No. (Lb. Pwr Hour) (BTU Pwr Lb) (Est. Eff) _____</p> <p>Stoker: _____ X _____ X _____ = _____ (200 Steam) or (150 Gr. Hot Water) or (210 Forced Hot Water)</p>	<p style="text-align: center;"><b>RETURN AIR DUCTS (Gravity)</b></p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Size Inches</th> <th>Number</th> <th>Area Each Duct</th> <th>Total Area Square Inches</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <p>Total Return Duct Area _____</p> <p style="text-align: center;"><b>WARM AIR DUCTS (Gravity)</b></p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Diameter Inches</th> <th>Number</th> <th>Area of Each Duct</th> <th>Total Area Square Inches</th> </tr> </thead> <tbody> <tr><td>8</td><td> </td><td>50.3</td><td> </td></tr> <tr><td>9</td><td> </td><td>63.6</td><td> </td></tr> <tr><td>10</td><td> </td><td>78.5</td><td> </td></tr> <tr><td>12</td><td> </td><td>113.1</td><td> </td></tr> </tbody> </table> <p>Total Warm Air Duct Area—Sq. In. _____</p> <p>BTU's Required _____ X (100 Gravity) = _____ (Warm Air Duct Area) (200 Forced)</p> <p>BTU Capacity No. _____ X _____ X _____ = _____ Stoker (Lb. Pwr Hr) (BTU Pwr Lb) (Est.)</p>	Size Inches	Number	Area Each Duct	Total Area Square Inches													Diameter Inches	Number	Area of Each Duct	Total Area Square Inches	8		50.3		9		63.6		10		78.5		12		113.1	
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Survey form used by salesmen of a domestic coal stoker in determining the needs of a prospect, preparatory to submitting a written proposal. Information to complete this survey form is obtained by a stoker salesman by inspection of a prospect's heating system.

9. *Surveys and Programing.*—In selling high-priced specialty goods and services, including industrial installations, domestic heating and air-conditioning equipment, life insurance, and securities, suspects are qualified as prospects by means of surveys of an individual's or firm's present equipment or services. Inspection shows the amount and type of equipment or service required and whether the person or firm is actually a prospect.

If the suspect qualifies as a prospect, a program or plan based on the investigation is next presented to him by the salesman.

A salesman selects his most likely suspects and first obtains their confidence in his ability to save them money, increase their output, or serve them profitably with his product or service. He next secures their permission to inspect their equipment or examine their insurance policies or securities. In making the examination, the salesman is often assisted by a technical advisor or engineer. No charge is normally made by the salesman or his company for the survey and program and the prospect is not obligated to buy. Several weeks or months may be consumed in making a survey and presenting a plan.

This method of prospecting is now widely used in selling life insurance and other specialty services and equipment because it enables a salesman to get a complete picture or information about a prospect's needs, ability to buy, and acceptability. The prospect is flattered by the consideration given his problem and impressed by the helpfulness of the salesman. A salesman is in better position to tell and show definitely how his product or service fits the prospect's exact needs. On the other hand, surveys and programs consume much time and effort with no assurance that the prospect will act upon the recommendations and buy. Prospects do not want to be troubled to give a salesman information about their needs and they may question the value of his recommendations as biased and superficial.

### OCCUPATIONAL PROSPECTING

By selecting prospects engaged in the more prosperous occupations, salesmen are able to concentrate their efforts on buyers with greater purchasing power. If business conditions are favorable, persons in many occupations and professions are fully employed and earning a good income. When farm prices are strong, farmers are in the best position to buy. In periods of rising prices, salaried workers whose wages do not keep pace with price increases suffer from curtailed purchasing power. The increase in government employment has created opportunities for salesmen cultivating this class of workers.

In periods of business depression, workers in basic, repeat, essential industries, such as food, clothing, drugs, and shelter, are usually better able to buy than those employed in special<sup>ty</sup> lines.

In prosperous times, employees connected with luxury services enjoy increased buying power.

By personal observation, by reading business reports, and by consulting businessmen, a salesman can easily discover those occupations and industries which are prospering and confine his efforts to prospecting in those lines.

A specialty salesman may classify his prospects according to their ability to buy, as follows:

Class A. Business and semiprofessional men, educators, executives, professional men, proprietors of large businesses.

Class B. Male bank and office employees, factory superintendents and supervisors, government employees, jobbers and dealers, small merchants, professional women, college students, elementary teachers, tradesmen.

Class C. Chain store managers, factory employees, farm owners, female clerical workers, housewives, outdoor salesmen, skilled workers.

Class D. Laborers, domestic servants, clerks, farm tenants, waiters, unskilled workers.

Unit sales of life insurance vary in amount with each of these classifications according to the Life Insurance Sales Research Bureau, as follows:

<i>Class</i>	<i>Average Sale</i>
A.....	\$8,320
B.....	3,670
C.....	3,130
D.....	1,620

This illustrates the reason why salesmen of certain types of specialties should use occupational prospecting.

### SEASONAL PROSPECTING

Just as economic conditions favor prospecting among certain occupations, so seasonal changes create special needs and make some firms and people better able to buy at certain times of the year.

In the fall, most farmers have been paid for their crops and are in a better position to buy than at any other time. Retail merchants are most active during the fall and early winter months. An enterprising life insurance salesman found that jewelers do about half their annual business in the last two

months of the year; by making luncheon and evening appointments with jewelers, he paid for four months' business in 60 days.

Another insurance man found that many teachers are employed at summer camps and schools during the summer. He started with a list of 25 teachers working at summer school and sold five a total of \$27,000 worth of insurance during the season.

Prospecting in season, among employees of such industries as fuel, beverages, ice, and sporting goods, not only produces immediate sales, but also creates prospects to carry over to off seasons.

### SELECTING METHODS OF PROSPECTING

Successful prospecting involves the use of not one but several of the methods described previously. A salesman should take into consideration his own personality and experience and select those methods most suitable to his way of working and best applicable to his situation. Experiments with several prospecting methods will soon indicate to a salesman which plans are most effective for him. Good prospecting demands diversification. The most important consideration is not *what* method a salesman should use in prospecting but that he should employ some definite plan for locating and qualifying possible customers.

### QUOTA OF PROSPECTS

A salesman will be more successful in obtaining a sufficient number of prospects if he establishes a daily, weekly, or monthly goal. Such a definite quota will give him an objective and will ensure him an adequate supply. An experienced salesman can easily determine from past performance the number of prospects that he must secure to maintain a desired volume of sales. By consulting his past records on the number of prospects secured and the number of units or dollar volume sold, a salesman can quickly establish his ratio of prospects to sales. Then by multiplying his total sales expectancy in dollars or units by his prospect ratio, he can quickly determine his prospect quota. If a salesman averages ten prospects to a sale and he desires to make five sales a month, he must secure a total of 50 prospects a month to obtain his quota. Ten new prospects must be secured for every prospect converted into a customer.

Life insurance salesmen sometimes use a 50-name monthly prospect quota plan. On the first day of each month, the names and addresses of 50 prospects who must be seen during that month (an average of two every business day) are listed on a single sheet. As the prospects are contacted during the month their names are either "killed," "sold," or "transferred" to the 50-name sheet for the succeeding month. By beginning each month with a definite list of names, a salesman has a full reservoir of prospects. Analysis of the disposition of prospects, as shown on the sheet, indicates strengths and weaknesses of a salesman's methods.

Prospecting must be a continuous activity if a salesman is to replace those who buy or are disqualified for lack of needs, funds, or authority to buy. When a salesman has exhausted his supply of prospects, it may be necessary for him to take time out from selling to devote one day a week to replenish his supply of possible customers. Sales momentum is lost when a salesman must stop sales presentations and devote his time exclusively to prospecting. If such a list is growing continuously by the addition of one or two new names a day, a salesman never lacks prospects to convert into customers.

#### "REFERRED" PROSPECTS

The highest grade prospects are often those to whom a salesman is sent or referred by a friend of the prospect. These "referred" prospects are obligated to give a courteous hearing to a salesman who has been directed to them by a friend. A salesman who can open an interview by referring to a friend of the prospect establishes his prestige with the buyer and puts the interview on a more intimate basis. The person referring the salesman to the buyer may be willing to assist him further with a telephone call or letter of introduction to the prospect. A salesman usually can secure from his informant much advance information about a "referred" prospect.

Some salesmen refuse to call on other than "referred" prospects. A life insurance salesman who used various methods of prospecting decided that he would make no calls except on persons to whom he had an introduction. In two years he increased his sales from \$250,000 to \$290,000, a gain of about 16 per cent,

with more pleasant working conditions, according to S. G. Dickinson.

However, in interviewing "referred" prospects, salesmen are obliged to protect their sources of information. The informant's name must not be disclosed without permission. A salesman should put the transaction on a business rather than on a friendship basis by requesting that his proposition be considered on its intrinsic merits rather than out of regard for the prospect's friend who referred the salesman to the buyer.

### HOW A SALESMAN SHOULD PROSPECT

Many experienced salesmen are familiar with the various sources of prospects described previously; few have employed these methods sufficiently to develop skill in the work and acquire good prospecting habits. The prospecting weakness of many salesmen is not lack of knowledge of what constitutes a good prospect or where one may be found but lack of technique in extracting prospects from known sources.

Observation of the methods of successful salesmen reveals a definite technique for obtaining prospects from owners, centers of influence, friends, neighbors, and other sources. The six practical steps taken by successful salesmen in locating prospects are summarized here in a six-step routine which, if memorized and practiced by salesmen, will simplify the problem of seeking prospects.

#### *Routine of Prospecting*

1. Tell informants how they can benefit their friends.
2. Secure permission from informants to use their names.
3. Treat the informants' suggestions confidentially.
4. Subordinate your self-interest.
5. Obtain more than names and addresses; qualify prospects.
6. Limit the number of names requested.

**1. Tell Informants How They Can Benefit Their Friends.—**An influential acquaintance, neighbor, or customer of a salesman will more readily supply him with names of prospects, if the informant feels that he is helping his friends as well as aiding the salesman. Most persons are eager to have their friends enjoy good products and services. Investors want their associates to

know about good investments. Housewives are anxious to have their neighbors hear about products or services that make housework easier. A salesman may capitalize on this natural desire to help others by convincing informants that he can give their friends satisfaction through his product or service.

Informants may be told human interest anecdotes illustrating the profit and satisfaction to be gained by buying the salesman's product. More complete cooperation of informants may be secured if a salesman will demonstrate to them the advantages of his product or service. Informants should be supplied with advertising so that they may become better acquainted with a salesman's product and be more inclined to recommend the salesman to their friends.

### **2. Secure Permission from Informants to Use Their Names.—**

A referred prospect is a preferred prospect and a salesman should attempt in all cases to secure permission from informants to use their names in contacting prospects. Some informants may refuse to do this for fear of annoying their friends. However, if an informant is convinced of the merit of a product or service, he is not likely to object to the use of his name.

Many salesmen secure letters of introduction and business cards from informants to facilitate contacts with prospects. Customers and close friends of a salesman may be induced to make personal or telephone calls on prospects to pave the way for his call.

### **3. Treat the Informants' Suggestions Confidentially.—**A salesman may secure from informants much valuable information about prospects. However, informants should be assured that the salesman's source of information will not be divulged. If an informant does not wish his name to be used, his wishes should be respected. By treating the suggestions of informants confidentially, a salesman secures more information from them as well as their continued cooperation. A good salesman, like an able news reporter, protects his sources of information.

### **4. Subordinate Your Self-interest.—**Some salesmen are reluctant to ask their friends for information about prospects. These men independently feel that they should do their own work and not rely upon others. Salesmen who consider prospecting as a selfish method of increasing their own sales and earnings often have this viewpoint. However, salesmen who look upon



prospecting as a service and an opportunity to bring satisfaction to others have no reluctance in asking for prospects. A salesman who is motivated by a desire to benefit others has little difficulty in securing prospects.

A successful life insurance salesman subordinates his self-interest and uses human interest anecdotes in prospecting by relating the following experience:

Not so long ago, one of my friends died, leaving a wife and three small children. His wife came to me for advice. This chap left his family a savings account of \$800. There was no other estate. The children were two, five, and seven years old. What would you have advised her?

Among your friends is a man whose death would practically leave his wife and small children dependent upon charity for support. Out of regard for his family and their future, it is your duty as a friend to acquaint him with a safe, inexpensive way to provide for his loved ones. I would like to meet such a man. Will you put me in touch with him?

#### **5. Obtain More than Names and Addresses; Qualify Prospects.**

Good prospecting demands that a salesman secure more than names and addresses of possible buyers. It is necessary to obtain information about a prospect's ability to pay, his need, and his authority to buy.

First, a salesman paints a picture of a prospect to his friends and customers so that they will know the type of individual whom he desires to interview. One life insurance salesman describes to his acquaintances the kind of prospect he is seeking, as follows:

My own experience has taught me that I can operate best by calling on a certain type of person whom I have pictured clearly in mind. I have in mind a man in an executive position of some kind, earning good money, ambitious, and likely to get on; preferably a man who has a family; a man who is in good health and one whom I can approach.

Tactful inquiries by a salesman bring out much information about possible buyers. A home appliance salesman obtains information about prospects by questioning his friends about their neighbors. The following dialogue is typical of this salesman's method:

**SALESMAN:** Fred, how long have you lived in Brookdale?

**FRIEND:** Oh, about nine years.

**SALESMAN:** I suppose you know the families in your block pretty well.

**FRIEND:** Yes, I know 'em all.

**SALESMAN:** There are probably several who have had hard luck during the depression. If you were to pick out the one family that has suffered least in these hard times, who would it be?

**FRIEND:** Why, the Martins. Frank Martin.

**SALESMAN:** What kind of a business is he in?

**FRIEND:** He's in the public utility business, the electric company.

**SALESMAN:** What's his job in the company?

**FRIEND:** Why, Frank is purchasing agent.

**SALESMAN:** Do they have a large family?

**FRIEND:** Yes, his mother and three boys live with them.

In this way the salesman develops facts about suspects to enable him to qualify them as prospects. This method may be used by salesmen of numerous types of products and services. The nature of the questions asked by a salesman will be determined by the type of product which he is selling.

**6. Limit the Number of Names Requested.**—Quality is rather to be desired than quantity in securing prospects. By limiting the number of names requested and getting more facts about each prospect, a salesman can improve the quality of his prospects. An informant rarely will be able to supply adequate information about more than one or two prospects in a single interview; and a salesman should not impose on the generosity of his friends by asking them for long lists.

A customer or an acquaintance who supplies a salesman with facts about prospects should be thanked for the information and informed as to the outcome of the efforts to sell the persons or firms suggested.

### Problem I

George M. Tyler, representing Eastern Reserve Life Insurance Company

The Eastern Reserve Life Insurance Company, chartered in 1869, New York City, is represented by 2,500 full-time licensed life underwriters operating out of branch offices located in the 32 principal cities of the country. The company has assets of more than one hundred million dollars. It writes the following forms of life insurance: participating life, nonparticipating life, policies for women, juvenile insurance, accident and health insurance.

George M. Tyler, thirty years old, has been associated with the company for two years in the Indianapolis, Ind., agency. He concentrates his sales efforts on young men with vision, intelligence, ambition, and good possibilities of making more money in the future. He has two objectives on every call, to sell and to prospect.

In the following interview, Tyler is calling upon William B. Boulter, single, a university graduate, about twenty-six years of age, who is employed in the research department of a manufacturing concern. Tyler obtained Boulter's name and information about him from Tom Maxon, a policyholder and friend of Boulter.

Tyler calls without appointment at Boulter's office. Boulter meets the salesman in the lobby and the following conversation ensues:

1. SALESMAN: Good morning, Mr. Boulter, my name is George Tyler of the Eastern Reserve Life Insurance Company. I didn't come here to talk business now because I know we can only have a few minutes. The other day Tom Maxon and I were talking about plans to help us young men to become successful financially. He thought my ideas worth while and suggested that I meet you. I called to find out when I might see you outside of your business hours to bring you these ideas.
2. PROSPECT: I just bought \$6,000 worth of insurance last month and can't think of more insurance for a while. I'm glad to have met you and if you're around this way again sometime drop in and see me. I won't need any more life insurance for some time.
3. SALESMAN: Mr. Boulter, I can see your position clearly. You are well taken care of and are not a prospect for me now. However, Bill, there is something I want to ask you. If it is asking too much, don't mind telling me. Tom Maxon seemed to think you knew a number of young men who are worth while. Are there any men from your college class who are working in Indianapolis? (Salesman takes a pencil and paper from his pocket and prepares to write down names and information.)
4. PROSPECT: I can't think of anyone who would be interested.
5. SALESMAN: That may be true but I want to meet these young men as I have met you. As we go along, it is a pleasure to have a wide acquaintanceship. I have enjoyed meeting you and as time passes, we may be of service to each other.
6. PROSPECT: I can't think of anyone right now. Everybody I know has plenty of life insurance.

7. SALESMAN: It's hard to think of names out of a clear sky and I don't expect you to know anybody who is ready to buy. I do want to meet these young men anyway for future service. Are any of the fellows who went to school with you working here?
8. PROSPECT: No.
9. SALESMAN: Are any of your old schoolmates working at the Horton Manufacturing Company or the Dixon Tool Works or Silby, Wilcox, and Company?
10. PROSPECT: I don't like to send anyone to my friends. I don't know anything about their personal affairs.
11. SALESMAN: I know how you feel. However, I operate this way. After I have met a man, I never call again unless he asks me to. He will not be bothered and I may be of real service to him. It hasn't been unpleasant to talk to me, has it? Do you have an annual from your school or a list of alumni which would remind you of good young men you haven't thought of?
12. PROSPECT: Yes, I've just received a new directory of my national engineering fraternity. I'll get it and see if there are any living in Indianapolis. (Prospect goes to desk, secures directory which lists about 70 names of local alumni with year graduated, degree, job now held, name of company, home address, and whether single or married.)
13. SALESMAN: If you'll let me take this directory along with me, I'll return it to you in the morning.
14. PROSPECT: Sure, you can look it over. Bring it back when you're through with it.
15. SALESMAN: I certainly appreciate your help. What about new men and those who have had recent raises in the plant here? I'd like to know something about their age, whether they are single or married, and their approximate salary.
16. PROSPECT: I've only been here a short time and don't know much about the men in the works.
17. SALESMAN: I see. At any rate, I appreciate your loaning me your directory. I'll see that you get it back tomorrow. So long.
18. PROSPECT: Good-by.

### Questions

1. What method of prospecting is the salesman using in this case? Is this method in general, not referring to the way it is used here, effective? Why?
2. Criticize, favorably or otherwise, the salesman's method of prospecting in this interview, stating the favorable or objectionable features of his presentation.
3. Should the salesman have used other methods of prospecting? What? Why?

4. Did he seek the right type of prospect? Explain.
5. Is the fraternity list a good source of prospects for the salesman.
6. Did the salesman qualify the prospects obtained?
7. Did the salesman seek "referred" prospects? Should they have been sought? Why?

### Problem II

**Martin Crocker, representing Federal Insurance Company**

The Federal Insurance Company, Pittsburgh, Pa., established in 1860, has assets in excess of one billion dollars and more than eight billion dollars' worth of insurance in force. It is represented by 10,000 part and full-time life underwriters. The average life policy sold is \$3,500. The average earnings of three-quarters of the company's representatives are in excess of \$200 a month. More than 3,000 representatives have been with the company over five years.

Martin Crocker is one of 30 salesmen associated with the Clyde Linton Chicago agency of the company, which he joined in 1928, after five years of sales work. Crocker uses the programing method of selling, auditing the life insurance carried by influential persons, and making recommendations for more effective coverage of their insurance needs. He asks each of his prospects, for whom he has made an audit, to write him a letter of recommendation, stating the value of the services which he has been able to render. These letters are used by Crocker in approaching men to whom he has no introduction and in answering objections.

The following interview illustrates Crocker's method of obtaining information about prospects and a letter of recommendation from a policyholder or prospect for whom he has prepared a program. This interview is a verbatim account of the conversation between salesman Crocker and Joseph Connelly to whom Crocker recently has sold a \$20,000 life policy.

1. **SALESMAN:** Joe, from what you have said, I know you have profited from my work. I am glad that you do like it and I am sure you know someone else who can also profit from the same kind of information. Whom do you know who is making progress in his work, or who seems to be in line for further advancement? Perhaps there are such men in your organization, in your neighborhood or your club, or right here in your own office Who comes to your mind first?

2. POLICYHOLDER: Martin, I just can't think of anybody right off hand, but I will certainly keep you in mind and let you know when I do think of someone.
3. SALESMAN: Well, Joe, how about the fellow who was holding that meeting in here Saturday morning? He seemed to be telling the fellows what it was all about.
4. POLICYHOLDER: Oh, you mean Ned Powers. Yeah, he's a swell guy—his bite isn't as bad as his bark.
5. SALESMAN: What position does he hold?
6. POLICYHOLDER: He's field service manager of the company. He's right on his toes and doing a good job.
7. SALESMAN: Is he married?
8. POLICYHOLDER: Yes, he's married.
9. SALESMAN: Any children?
10. POLICYHOLDER: Yes, two girls, one sixteen and one thirteen, I believe.
11. SALESMAN: Does he seem to be in good health?
12. POLICYHOLDER: Yes.
13. SALESMAN: Well, Joe, anybody who could tell 'em like that boy did would have to be in good health. He certainly built a fire under them. About what income bracket is he in?
14. POLICYHOLDER: Well, I don't exactly know. I would say reasonably well above the \$5,000 figure.
15. SALESMAN: Does he own his own home?
16. POLICYHOLDER: I believe that he rents.
17. SALESMAN: How about his habits? Does he golf? What does he do, Joe?
18. POLICYHOLDER: I think he plays golf.
19. SALESMAN: Is he a college man?
20. POLICYHOLDER: Yes, but I'm not sure about the school he attended.
21. SALESMAN: Well, if he has impressed you so favorably he certainly is the type of man I would like to know. I'm going to stop in to see him sometime soon. It may be a little while before I have an opportunity to do so. I'll tell you what I would like to have you do, write a letter to Ned Powers telling him what you think of my work. This letter will help us to get acquainted when I do call.
22. POLICYHOLDER: I would like very much to do it for you, Martin, but frankly I don't like to refer a salesman to my friends.
23. SALESMAN: Well, Joe, your unwillingness to refer salesmen to your friends is certainly understandable. I'd probably feel much the same way were I in your position. Let's go back to the time when I introduced myself to you through the medium of my friend and client, Jack Brothers. It would have been impossible then for me to have won your confidence, as I needed to have it, without the

recommendation of Mr. Brothers. I would have stood before you as just another life insurance man. You can easily see now how vital a part your confidence has played in my correct interpretation of your problem and recommendations for its solution. In giving me the information you have about Ned Powers, you have furnished me with a great deal of background I need. I am sure that you can see now that in order for me to properly maintain my professional standing, it is imperative that I borrow temporarily the confidence that Mr. Powers has in you, until I have had the opportunity to develop his confidence in me.

24. **POLICYHOLDER:** Martin, you've got me on the fence.
25. **SALESMAN:** Joe, let's put it another way. If Mr. Powers were to walk in this office right now, would you hesitate to introduce me to him and tell him what you have just told me about the quality of my work? That is all I want you to do by means of this letter of recommendation—simply introduce me to Ned Powers in a way that I will merit his attention. I recognize that it is up to me then to serve him as I have served you, in order to obtain his full confidence. So, won't you call your secretary in and give her this letter?
26. **POLICYHOLDER:** Well, I'll make an exception in this case, because I believe your plan really has merit, and we'll see how it works.
27. **SALESMAN:** I certainly appreciate your help and am sure you won't regret it.

### Questions

1. What method of prospecting is the salesman using in this case? Is this method in general, not referring to the way it is used here, effective? Why?
2. Criticize favorably or otherwise the salesman's method of prospecting in this interview, stating the favorable or objectionable features of his presentation.
3. Is the letter of recommendation a sound device to use in contacting the prospect? Give your reasons for or against.
4. Did the salesman subordinate his self-interest?
5. Did the salesman qualify the prospect?
6. Did the informer know the type of prospect which the salesman was seeking? Did the salesman have a "picture" of the prospect?
7. Should the salesman have used other methods of prospecting? What? Why?

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## CHAPTER XII

### PLANNED SALES PRESENTATIONS

Napoleon was seated in his tent; before him lay a map of Italy. He took two pins, stuck them in the map, measured, moved the pins, and measured again. "I shall meet him there," he said, pointing to Marengo. By skillful planning, Napoleon crossed the Alps, led his army onto the Plains of Lombardy, surprised Melas, the Old Fox of Austria, and inflicted a crushing defeat, deciding the Italian campaign by a single plan of action.

Because he planned his battles on paper months before they were fought, Napoleon achieved victories so habitually that it has been said that he won his battles before he fought them. Similarly, salesmen who plan their sales presentations before they deliver them are invariably more successful than men who rely upon inspiration when face to face with prospects. Successful salesmanship is 90 per cent preparation and 10 per cent presentation. However, there is a great difference of opinion among salesmen as to the value of planned sales presentations. Opponents of planned sales talks usually think of them as the much maligned memorized presentations breathlessly delivered in a mechanical monologue by inexperienced salesmen. This common misuse of prepared sales presentations has brought the whole conception of planned selling into disfavor with many salesmen. However, when properly used and intelligently applied in the sale of certain types of products, a planned interview has many advantages.

Salesmen who do not plan their presentations usually lack confidence, substitute oratory or personality for sound arguments, misstate and exaggerate, ramble, discourse illogically, omit important sales points, waste time, and tell an incomplete story, all of which results in ineffective sales presentations.

Before a lawyer faces a jury, he spends many hours preparing his case, reading, accumulating evidence, and interviewing witnesses, because he knows that the better his preparation, the greater his chances of convincing the jury of the justice of his

pleas. Like a good lawyer, a successful salesman prepares his arguments in advance of his interviews; he acquaints himself with the needs of his prospect; he assembles ideas, illustrations, and facts to meet these needs and arranges them in the most effective order; he anticipates possible objections and has answers ready. A salesman may adopt the tested presentations of the successful salesmen in his company and use them in interviewing prospects.

Planned sales presentations are coming into more general use as buyers demand that salesmen be better informed and render superior service. Keen competition is forcing salesmen to tell a complete story, meet objections more effectively, and know in advance what they are going to say and how they are going to say it.

### TYPES OF PLANNED SALES PRESENTATIONS

There are four distinct types of planned sales presentations, each of which has its particular usefulness according to the type of product and customer sold, the experience of the salesman, and the objective of the interview. These four types are (1) standard sales presentation; (2) outlined sales presentation; (3) survey or program presentations; (4) work-sheet presentation.

There are numerous variations of these four types of planned presentations in use by successful salesmen of many kinds of products and services. When properly used by a beginner salesman, they enable him to have something worth while to say, to start producing in a shorter time, and to train himself. When used by experienced salesmen, they prevent visiting and casual conversations with customers and prospects, keep a salesman on the track, result in more interesting interviews with prospects, and make for a more logical order of presentation of the significant facts.

#### 1. STANDARD SALES PRESENTATION

A standard sales presentation or "canned" sales talk is the oldest and most common type of planned interview. It is a written description of a complete sales presentation, with the principal sales points arranged in logical sequence and leading to favorable action by prospects. It is designed to be memorized and usually is repeated verbatim.

A standard presentation is prepared by observing and recording the most effective statements of successful salesmen. What they say in approaching, demonstrating, meeting objections, presenting facts, and closing sales is incorporated into a single presentation. This sales talk usually is compiled by sales executives and represents the "one best way" to make a sales presentation for a particular article or service.

The originator of the standard sales presentation was the late John H. Patterson of the National Cash Register Company who, fifty years ago, visited 51 sales agencies in 50 days and had a stenographer take down the sales talks of the best salesmen in the organization. From these notes, Mr. Patterson prepared a standard presentation for approach and demonstration which all salesmen were and still are required to memorize and use in selling to prospects.

Standard talks may be prepared as complete sales presentations or for specific phases of a salesman's work, such as demonstrating, prospecting, servicing customers, and getting appointments.

A complete standard sales presentation usually includes (1) an opening to get the attention and arouse the interest of a prospect in a specific need for the product or service; (2) a description of how the product meets the prospect's needs or solves his difficulties; (3) proof or evidence of how the product has satisfied the needs of other persons through substantiated facts in the form of statistics, testimonials, references, tests, and guarantees; (4) a conclusion that motivates a prospect to buy through special inducements.

A standard demonstration presentation includes (1) creating anticipation by arousing the interest of the prospect in features to be demonstrated; (2) showing how the product meets the prospect's needs; (3) getting the prospect to take part in the demonstration; (4) requesting an order.

A standard prospecting presentation includes (1) securing the interest of an informant in aiding the salesman; (2) painting a picture of the type of prospect desired; (3) obtaining information from the informant about his friends and acquaintances; (4) getting an informant's permission to use his name as a reference.

Salesmen who use standard memorized sales presentations that are based on the work of successful salesmen are less likely

to make exaggerated statements and claims, use better and more forceful English, emphasize the most important sales points, always have something worth while to say, and tell a more complete story in a shorter time.

The principal objections to the use of a standard canvass are the following: it is not adaptable to individual prospects, it embarrasses a salesman, it destroys his originality and initiative, and it may not suit his personality. Interruptions and digressions by a prospect disconcert a salesman using a memorized canvass and disrupt the continuity of his talk. A salesman has no opportunity to discover the motives and interests of his prospects. A sales interview becomes a monologue and a prospect has little chance to participate in the conversation. A salesman is likely to tell too much or discuss features of no interest to a prospect and create ill will by forced delivery. The chief complaint against a standard memorized sales talk is that the average salesman delivers it rapidly in an artificial and monotonous voice which irritates or amuses prospects and holds a salesman up to ridicule.

Weighing the advantages and weaknesses of standard memorized presentations, experience shows that few salesmen have the ability to repeat effectively such a canvass. The average salesman who attempts to deliver a memorized sales talk is self-conscious, ill at ease, and awkward. He is thinking of words foreign to his vocabulary and his talk sounds unnatural.

However, if a standard presentation is rewritten by a salesman in his own words and expressions, it becomes adjusted to his personality. If a salesman does not have the benefit of a standard canvass prepared by his management, he can write his own sales talk to suit his own ideas and methods. If he originates his own talk or rewrites a standard canvass, he usually has more confidence in it and delivers it more naturally than if he repeats verbatim a standard sales presentation.

An insurmountable difficulty for most salesmen is the delivery of a memorized canvass in a natural, convincing manner. Few men possess the actor's ability of taking lines written by another and repeating them with conviction.

However, most salesmen would benefit by memorizing a standard presentation whether or not it is ever repeated. In the process of memorizing, many product facts are learned and a

logical method of presenting them acquired. For this reason many companies require their salesmen to memorize a standard sales talk and repeat it verbatim to company executives.

A salesman who memorizes a standard talk acquires a knowledge of the principal sales points of his product, the answers to many common objections, more confidence, and an adequate supply of reasons why prospects should buy.

A memorized standard presentation is of particular value to salesmen in the following situations:

1. Beginner salesmen who are unfamiliar with a product and its application. A memorized presentation will get them into early production.

2. Salesmen of simple, inexpensive products, such as books, hosiery, cosmetics, corsets, vacuum cleaners, or brushes, sold direct to consumers.

3. Salesmen selling in one interview a low-priced, nonrepeat commodity, as magazines.

4. Salesmen canvassing or prospecting for buyers.

5. Salesmen selling life insurance or investments for a single need, such as retirement, education, or family income.

Salesmen in the forenamed situations can profitably use a standard sales talk prepared by their companies or themselves.

To facilitate memorizing a standard presentation, the following method is recommended:

1. Read thoroughly the material to be learned several times.

2. Divide the talk into units of thought, about 150 words each.

3. Outline the principal points in each paragraph in a word or two.

4. Review and memorize the principal points in the outline until they are known definitely in proper sequence.

5. Memorize each paragraph by reading it aloud repeatedly. Learn one thoroughly before proceeding to the next.

6. Do not attempt to memorize for longer than 25 minutes at one time.

The importance of memorizing a standard presentation is emphasized by the sales training director of a large electric refrigerator manufacturer who says,

The number of salesmen who will use a verbatim talk in the presence of prospects will be extremely low. However, under no circumstances

would I ever give up recommending that every salesman in a specialty sales organization be forced to memorize a standard presentation. We have proved conclusively that a salesman who has memorized a standard canvass will unconsciously adopt much of the phraseology from the standard talk and tend to follow the sequence of the points outlined.

The value of memorized standard sales presentations has been proved in life insurance selling. Three hundred salesmen representing one large life insurance company successfully use one standard, memorized sales talk. New salesmen of another company using standard sales canvasses produced twice as much business per man in their first year as men not using them. The representatives of one large company who use standard sales talks remain with the company twice as long as those agents who extemporize in their sales interviews. Salesmen of this company not using standard canvasses suffer a 25 per cent decrease in sales their second year with the company; those using memorized presentations increase their sales in the second year.

## 2. OUTLINED SALES PRESENTATION

An outlined sales presentation is based upon an outline of the essential arguments for a product or service or the steps by which a salesman plans to make his presentation. Each point in the outline is memorized by the salesman in the order in which it is to be presented and the supporting material is spoken extemporaneously.

A sales-presentation outline usually is developed by a company after observation and analysis of the methods of its successful salesmen in interviewing prospective buyers. A salesman may outline for himself his own procedure in making a sale, arranging each step in logical order from the introduction to the close of the interview.

The advantages of an outlined presentation compared with a standard canvass are that a salesman is free to vary his presentation according to the needs and motives of the prospect; he can return to his train of thought more easily than if he departs from memorized talk; he is more natural, conversational, and therefore more interesting and convincing; the opinions and viewpoints of the prospect are considered; there is no tension or domination by the salesman.

In addition, a salesman who uses an outlined presentation is clear and coherent; he avoids irrelevant ideas, emphasizes the most important sales points, saves time, and has definite interview objectives.

The principal objections to an outlined presentation are as follows: salesmen who lack knowledge are unable to amplify the major steps in a presentation; words and ideas chosen on the inspiration of the moment are often unconvincing; salesmen grope for elusive ideas and lose the attention of prospects.

Outlined presentations are most effective in selling products or services of a complex character which satisfy a variety of needs and appeal to diverse buying motives. High-priced consumer specialties and industrial goods are usually sold to the best advantage with an outlined presentation. Experienced salesmen, who are thoroughly familiar with all features of their products and who are able to express their ideas and are resourceful, can use an outline presentation most effectively. Professional buyers of installations and consumers of luxuries may be sold to best advantage with an outlined sales talk.

**Sales-presentation Outlines.**—Outlined sales presentations used for various types of products illustrate how an interview outline is prepared. Salesmen of a well-known make of automobile memorize and base their sales presentation on the following five-point outline:

1. Begin every interview by locating and appealing to the prospect's needs.
2. Tell how the product fits the prospect's needs.
3. Show how the product fits the prospect's needs.
4. Look for the first opportunity to get an order.
5. Attempt to close a sale in every interview.

Retail salesmen of a famous make of automobile tire use the following six-step presentation outline, which is based on the sales methods of numerous successful retail salesmen of this product:

1. Greet each prospect promptly and courteously.
2. Carefully analyze each customer's driving needs.
3. Demonstrate outside and inside story of quality.
4. Explain the complete year-round service.
5. Quote prices.
6. Close the transaction so that satisfaction is assured.

Salesmen of this company are given suggestions and advice for carrying out each step in the above presentation.

Retail salesmen of a well-known brand of electric refrigerators are trained to follow tested methods by using the following five-point sales-presentation outline:

1. Get the favorable attention of the prospect in the opening sentence.
2. Arouse interest by answering his question, "Why bring that up?"
3. Build up desire by appealing to one or more of the five following buying motives: comfort and convenience, safety and protection, gain and economy, satisfaction of pride, or satisfaction of affection.
4. Prove the advantages to gain the following five buying decisions: the need, the brand, the source, the price, and the time.
5. Ask for action to close the sale.

This outline for a sales presentation is dramatized by the company with a sound slide film and salesmen are given text material amplifying each step in the outline. The same refrigerator concern has prepared for its salesmen another outlined presentation, called "The Three-step Master Sales Presentation," which is a combination of the methods used by many of the nation's leading refrigerator salesmen:

#### *Three-step Refrigerator Sales Presentation*

1. Sell on sight.
  - a. Cover all exterior features.
  - b. Cover all interior features.Ask for the order.
2. Sell on superiority.
  - a. Cover cabinet construction.
  - b. Cover mechanism features.Ask for the order.
3. Sell on savings.
  - a. Cover food savings.
  - b. Cover triple thrift features.Ask for the order.

Each step in the outline is amplified by the company with descriptions of the external and internal features of the product. These can be adopted by a salesman and expressed naturally in his own words.



A large brush manufacturer, distributing direct to consumers, suggests to its representatives the use of the following eight-point sales-presentation outline:

1. Place gift cards.
2. Redeem gift cards.
3. Give free brush.
4. Parade brushes in sets before the prospect.
5. Demonstrate brushes in which the prospect is interested.
6. Attempt to close on brushes that the prospect needs.
7. Use illustrated portfolio to increase size of order.
8. Get the order.

Specific directions for taking each step are given in detail in a demonstration manual furnished to salesmen.

**Product-presentation Outlines.**—Outlines also may be prepared covering the principal selling points of a product or service to aid a salesman in presenting product features. One large linoleum manufacturer has prepared sales point outlines for each product in its line. A salesman is required to memorize and repeat them from memory. These outlines are presented to salesmen with sound slide films. They are studied and discussed frequently until they are fixed so firmly in a salesman's mind that the outline flashes into his consciousness every time a product comes up in a sales interview.

During an interview, a salesman is often at a loss for something to say; he mentions whatever occurs to him and realizes when the interview is finished that he ignored or slighted many important points. However, when a salesman has memorized an outline, the major product features immediately come to his mind, arranged in logical order and ready to enable him to make a worth-while presentation.

Upon a skeleton product-point outline, a salesman can hang a convincing presentation by filling in supporting facts, examples, experiences, and interesting side lights. The product points may be arranged in any order to suit any situation and give flexibility to the presentation.

An example of a typical sales-point outline for one type of linoleum follows:

1. Special "super-key" construction.
2. Extra cost of linoleum mix.
3. No loss in thickness.
4. Smoother surface.

5. Superior marbling.
6. Outstanding patterns.

Product points may be either prepared by a company for all its salesmen or developed by a salesman for his own use. They should be limited to not more than five or six outstanding product features, which are distinctive and competitive. If they are concisely stated and arranged in logical order they can be readily memorized.

The following sales-point outline of the exterior features of a popular make of electric refrigerator is used by salesmen in interviewing prospects:

1. Designed by famous stylist.
2. New high-crowned door.
3. Ionic column fluting.
4. New embossed name plate.
5. Lifetime porcelain finish.
6. New satin-finished finger-tip latch.
7. New piano-type hinge.
8. New stainless-steel base grill.

**Memorizing Outlines.**—If sales-presentation and product-point outlines are thoroughly memorized, a salesman will have clearly in mind the important features of his presentation so that he can move logically and unhesitatingly from one step to another. If an outline is read aloud repeatedly, it may be easily memorized.

Until they become familiar with an outlined presentation, some salesmen write the outline on the back of a business card and refer to it during interviews with prospects. This serves as a reminder of steps or product points to be brought out during an interview.

Some salesmen memorize the facts and reasons used in expanding their outlines. This provides them with ready information so that they will not have to depend upon inspiration or grope for elusive ideas.

The value of outlined presentations is illustrated by the experience of a life insurance salesman who outlined his interviews in advance of calls and increased his sales 60 per cent in nine months. Another man in the same business decided to make only three points in each sales interview and increased his sales volume 30 per cent in 60 days.

### 3. SURVEY OR PROGRAM PRESENTATIONS

A survey or program sales presentation is a written proposal to a prospect based on a survey or analysis of the prospect's needs, present ownership, and ability to buy the product or service recommended. The process has been compared to the two primary steps in photography: taking the picture and developing the negative. In a survey presentation, a salesman first obtains a clear impression or picture of a prospect's requirements and then develops a plan or program for using his product or service to solve the prospect's problem. The written survey or analysis which is prepared for the prospect usually is discussed orally by the salesman.

A survey or program presentation usually consists of five steps, as follows: (a) selling the survey; (b) getting the facts; (c) diagnosing the facts; (d) building a proposal or program; (e) selling the proposal.

*a. Selling the survey* to the prospect is the first step to be taken by a salesman in making a survey presentation. Frequently one or more interviews are devoted to this purpose. The initial interview is strictly a service presentation designed to reduce sales resistance, make a prospect conscious of his need, obtain consent to an analysis of his situation, and secure his agreement to carry out the proposed program if feasible. In selling a survey a salesman shows a prospect examples of others which he has conducted and the profits or satisfactions that have been accrued to customers who have carried out the programs recommended. A prospect must first be convinced of the ability of a salesman to make constructive recommendations or contribute to a solution of his problem before he will give any information or consent to a survey.

*b. Getting the facts* about the prospect's problem is the second step in a survey presentation. This may be done at the initial interview; if the situation of the prospect is complex, several interviews may be necessary. The salesman may require the assistance of engineers, technicians, analysts, and other specialists to diagnose the prospect's difficulty. Extensive study of the properties, existing equipment, methods, or policies of a prospect is sometimes necessary, before a proposal can be submitted. A salesman may use questionnaires and ask numerous questions to

discover the needs or weaknesses in the prospect's existing methods or equipment. Facts may be obtained also through direct personal observation of the prospect's methods or problems or through interviewing employees, neighbors, or others familiar with his situation. The more information a salesman can secure, the better able he is to prepare a good program or offer an acceptable solution.

*c. Diagnosing the facts* is the next step to be taken by a salesman. This may be done in the presence of the prospect, but is usually undertaken in the salesman's office. Frequently the facts obtained by the salesman in his survey are turned over to analysts or engineers for diagnosis. A salesman is in a position similar to that of a doctor who makes a physical examination of a patient, weighs all the facts that his examination has revealed, and determines their significance. In making a diagnosis of a prospect's situation, some salesmen use a survey or "plan sheet" for listing the data obtained. Although considerable detail and time are involved in collecting and analyzing facts, this groundwork is essential if a salesman is to make intelligent recommendations to a prospect.

A salesman's ability to diagnose a problem and recommend a solution depends, to a great extent, on his knowledge of his product or service and its various applications to the prospect's situation.

*d. Building a proposal or program* or solution of the prospect's problem involves a written description of the prospect's current situation, present equipment, or facilities plus the salesman's recommendations for original or additional service or equipment necessary to solve the problem. A full statement of cost and terms is included in the proposal.

The proposal is usually typewritten and may be illustrated with charts or diagrams to picture the recommended solution of the prospect's problem. Special portfolios or covers are usually provided to dress up the presentation. Since every prospect's situation differs in numerous ways from that of every other prospect, each proposal obviously must be "custom-made."

The following description of a six-page written proposal submitted to a prospect by a life insurance salesman illustrates the typical form and content of such a presentation. It is bound in imitation leather. On the first page is described the present

insurance of the prospect and how it would be paid in case of death. On page two is a list of recommendations. On page three a complete program is described with minimum cash and monthly incomes and the extent to which present holdings satisfy the prospect's needs. On the fourth page retirement income features are described. On page five are shown the cost of the prospect's existing insurance and the additional cost necessary to provide the recommended income and cash. On page six is a compromise minimum program which is offered by the salesman in the event the prospect is unable to undertake the original plan recommended.

*e. Selling the proposal* is the final and most important step. The salesman undertakes to close the sale at a separate interview preferably on appointment at a time when the prospect can give careful consideration to the salesman's proposal. A successful method of presenting a program to ensure its being properly understood by a prospect is described in detail in the routine at the close of this chapter.

**Advantages of a Survey or Program Presentation.**—A survey presentation enables a salesman to deal understandingly with a prospect's needs and assist him intelligently to buy to the best advantage. Sales resistance is reduced. The good will and future cooperation of prospects are secured and considerable word-of-mouth advertising, names of prospects, and repeat sales often result. Although a prospect may not accept the proposal, the buyer is favorably disposed toward the salesman who has made a serious study and submitted sound recommendations for a solution of his problems.

The work of a salesman is placed on a professional basis. He becomes a counselor to his prospects and his efforts are dignified. He is welcomed by his prospects as a helpful assistant in the solution of their personal or business problems.

A salesman who uses a survey presentation usually sells a larger amount of merchandise or service because the prospect fully understands his requirements and recognizes the extent to which he needs the services, materials, or equipment offered.

A salesman saves his own time and effort by being able to qualify his prospects better through an intimate knowledge of their needs, their ability to buy, and their ownership of competitive products.

**Objections to a Survey or Program Presentation.**—The most common objection to a survey presentation is that it requires too much time. A salesman must spend time in investigating, analyzing, and preparing a proposal, with no assurance that the recommendations will be accepted and a sale will result. Burdened with more office detail, a salesman makes fewer calls and presentations and may secure less business.

There is such a limited number of prospects who are able to buy a large amount of the salesman's goods or services that it is not worth his time and effort to cultivate them so intensively. Their needs have been largely satisfied. The competition for their business is keen and there are not enough big prospects to go around.

Many salesmen are not competent to make reliable surveys, diagnoses, and sound recommendations. Prospects have not much confidence in the recommendations of salesmen with little experience and knowledge of their needs. Other salesmen are not equipped by background, training, or temperament to do program selling.

Some prospects feel that the recommendations of salesmen are biased and designed to sell goods or services rather than to solve the buyer's problems. It is difficult for a salesman to forget that his livelihood depends on sales made, and his recommendations may be colored accordingly.

A survey presentation may be only a subterfuge by a salesman to obtain an interview and little or no analysis or investigation will be undertaken.

Considering the advantages and objections to survey or program presentations, this type of sales approach is being used more generally today than ever before by salesmen of specialty products and intangible services. The growing popularity of the survey presentation may be accounted for by the fact that selling is now conceived as primarily a service to buyers. Through a program approach, a salesman is enabled to offer maximum service to his prospects.

The survey or program presentation is becoming more widely used in the sale of life insurance. It has been used for years in selling industrial installation equipment, office appliances, heating and air-conditioning equipment, and specialties and services of complex character with numerous applications and

high unit sales value. A large house-paint manufacturer has prepared a sales survey presentation plan for house painters to use in selling their services; inspections are made of houses and buildings needing paint and reports are rendered to owners.

This type of presentation is most effectively used by experienced salesmen. However, inexperienced salesmen are sometimes trained to sell by performing the first two steps in a program presentation, selling the survey and gathering the facts. The diagnosis, preparation of a proposal, and sales presentation are made by an experienced salesman. A large office-equipment concern trains all its new salesmen in this way. Beginner salesmen interest prospects in an "obsolescence survey" of their equipment. Then an experienced salesman analyzes the needs of the prospect and presents a program for efficiency and savings in office equipment.

The value of a survey or program presentation is illustrated by the experience of a Detroit life insurance salesman who uses this method of selling exclusively. During a four-month period this salesman secured 46 "pictures," or obtained information about the life situations of 46 prospects. He prepared programs for 32 qualified prospects. Sales resulted in 22 cases for a total of \$241,500. The closing ratio was two sales to every three program presentations.

This salesman uses the program presentation because it provides a definite track on which to sell; it is a time-saver as two interviews decide the issue; suspects are eliminated in the first interview; and the interview is easier to control.

#### 4. WORK-SHEET PRESENTATION

A salesman who uses a work-sheet sales presentation selects a single common need for his product or service and develops a sales presentation around that need. This method is sometimes called "package selling." For example, a building material salesman may select the single need of "home remodeling" and prepare a sales presentation on remodeling to be given to selected prospects who are thought to have such a need. A life insurance salesman may select the single need of child education and develop a sales presentation around an educational fund for parents with children who must be educated.

When a salesman has selected a need for his product or service he next draws up a work sheet ruled vertically into four columns, one headed "Name of Prospect"; the second, "Prospect's Picture"; the third, "Resulting Needs"; and the fourth, "Proposal and Selling Points."

In the first column, the salesman writes the name of a prospect believed to have the specific need selected. In the second column he writes all the available information about the prospect. In the third column he lists the various reasons why the prospect should buy and in the fourth column the selling points that he plans to use in presenting the product or service.

To illustrate how a typical work sheet is prepared, an investment trust salesman decides that one of the principal needs for his investment is to provide an income for men when their earning power is gone. He prospects for men who are likely to need money for retirement or old age. He obtains information about one of these. Next, he draws up a work sheet, as follows:

#### WORK SHEET

<i>Name of Prospect</i>	<i>Prospect's Picture</i>	<i>His Needs</i>	<i>Proposal and Sales Points</i>
John K. James	A physician, age forty; married, three boys aged three, five, and nine years; owns his home; is member of country club; owns \$2,000 life insurance and \$4,000 U.S. bonds.	Regular savings plan. Retirement fund. Protection of family in event of death.	Ways to provide funds: a. Hoarding cash. b. Savings account. c. Building and loan. d. Investment trust. Accumulation by each method. Security of funds. Principle of diversity. Compound earnings.

After the salesman has outlined, as above, Mr. James's situation, needs, and the sales points which he plans to discuss, he is prepared to present his story. This same process is repeated on a work sheet for each of the prospects upon whom he intends to call.

By organizing a sales presentation on paper before approaching a prospect, a salesman is forced to obtain as much information



as possible in advance of an interview. This saves his own and the prospect's time and promises a much more interesting sales presentation from the prospect's standpoint. By this method a salesman knows why his prospects need his service and he does not waste time in idle conversation. He knows what sales points he is going to discuss and has a definite interview objective. The work sheet method provides a simple plan for analyzing the sales points of a product or service and presenting them in terms of their value to prospects.

The work-sheet presentation is effective in training inexperienced salesmen of complex products or intangible services to organize their presentations and develop sound selling habits. Experienced salesmen soon are able to dispense with the work sheet and develop information while interviewing a prospect.

A work sheet does not equip a salesman to deliver a polished talk, correctly enunciated, and precisely expressed. Hesitation, points repeated, or awkwardness may still mar the presentation. A salesman who lacks knowledge of his product and its applications is not able to make a convincing presentation with the aid of a work sheet. The method takes considerable time and is not applicable to the sale of low-priced consumer goods.

### HOW A SALESMAN SHOULD MAKE A PLANNED SALES PRESENTATION

To illustrate how successful salesmen use planned sales presentations, the technique employed in presenting a survey or program to prospects is described in detail in the following five-step routine which is based on the principles used by experts with this method. If a salesman will memorize these simple principles, then practice and use them in making survey presentations, a higher percentage of successful interviews will result. Outstanding salesmen always make it a practice to drill themselves on their program presentations before an interview so that they will know exactly what they are going to say.

#### *Routine for Making a Survey or Program Presentation*

1. Thank prospect for survey opportunity.
2. Control the presentation.
3. Get prospect to participate in the presentation.

4. Commit prospect on the proposal.

5. Secure prospect's implied consent or offer a compromise.

**1. Thank Prospect for Survey Opportunity.**—The prospect has given liberally of his time and been put to some inconvenience in furnishing the salesman with information about his needs and situation. The salesman in making his presentation should recognize the contribution of the prospect and express appreciation for his assistance and cooperation in making the survey possible. A salesman who expresses his appreciation makes a favorable impression on the prospect and prepares the way for a fair consideration of the proposition.

By speaking sincerely in praise of the steps which may have been taken by the prospect toward a solution of his problem, the salesman prepares the way for his proposal. If the salesman recognizes the value of competing products or services used by the prospect, the good will of the prospect is secured.

**2. Control the Presentation.**—Care should be taken by the salesman to control the typewritten material, charts, and diagrams used in his program presentation. The prospect should not be handed the proposal in its entirety to read at his leisure. Rather each page or illustration should be introduced separately by the salesman and completely discussed before turning to another feature of the program. After each page has been discussed, it should be laid before the prospect before another is introduced, and it may be kept exposed throughout the interview so that it can be referred to if necessary.

The salesman should preferably sit by the side of the prospect keeping the material in his own hands until it has been discussed. Significant phrases or features of illustrations may be pointed out with a pencil by the salesman. The material should be placed before the prospect in such a position that he does not have to turn his head to see it comfortably.

The salesman should not attempt to read the material verbatim but should develop his own comments and anecdotes to illustrate the written recommendations in the proposal.

**3. Get Prospect to Participate in the Presentation.**—The presentation should not be a monologue with the salesman doing all the talking and the prospect simply listening. The prospect should be encouraged to ask questions, raise objections, and make comments on the program recommended. Unless the prospect definitely enters into the discussion, the salesman is

unable to discover his attitude toward the proposition, to meet his objections, and to convince him of the merit of the proposal. By asking such questions as "What do you think of this idea?" or "Is this a reasonable assumption?" a salesman encourages a prospect to express his opinions and thereby put the interview on a more friendly basis.

**4. Commit Prospect on the Proposal.**—So that the salesman may test the prospect's interest in the program proposed, definite commitments should be sought from the prospect. He may be asked directly if he agrees to the points made by the salesman, or his remarks may indicate whether he confirms, denies, or desires to modify the suggestions made. If the prospect objects to the recommendations, the salesman should present additional advantages. If he concedes that the proposal is satisfactory, the salesman can ask for the order. Several favorable commitments by a prospect put him in agreement with the salesman and lead to a final favorable decision to act.

**5. Secure Prospect's Implied Consent or Offer a Compromise.** The salesman may determine if the prospect is ready to give consent to carry out the proposal by asking for minor decisions on some of the details of the transaction. "Do you prefer to pay cash or would you rather make time payments?" "Have you ever suffered any serious illness?" or "Do you want these securities registered?" are typical questions in which the salesman implies that the prospect is ready to buy. When the prospect answers these questions, the salesman proceeds to close the sale.

If the prospect does not consent to act on the salesman's original proposal, a compromise proposal may be offered. An alternate program is usually prepared by a salesman and held in reserve. It is not discussed during the presentation and is introduced only when a prospect refuses to accept the original proposal. The compromise plan, which usually involves less expense, is presented in the same manner as the original program.

### Problem I

#### STANDARD SALES PRESENTATION

Ernest E. Weeks, representing the Maine Mutual Life Insurance Company

The Maine Mutual Life Insurance Company was established in 1846 in Bangor, Maine, and has over \$336,000,000 of assets.

It is represented by 2,100 agents operating out of 140 agencies located in the principal cities of the country. The company issues many different types of life insurance policies, roughly divided into three groups: life, endowment, and term.

Ernest E. Weeks is associated with the Gardner Brown agency of the company, located in Albany, N. Y. He was formerly an accountant and went into the life insurance business in 1919 following the war. He started as a cashier in the agency but resigned and went into the field in 1923. He became successively secretary and associate manager of the Gardner Brown agency.

For several years he has successfully used a standard sales presentation developed by himself, based on a retirement endowment at age sixty. Salesman Weeks memorized this presentation and delivers it verbatim to his prospects many of whom are registered nurses. The following presentation, which is designed for a woman aged thirty-five, has been unusually productive of sales:

1. SALESMAN: Miss Jones, my name is Weeks of the Maine Mutual Life Insurance Company. For your consideration, I wish to present a series of ideas dealing with your own financial independence.
2. PROSPECT: I'm not interested in more insurance now.
3. SALESMAN: Yes, I assumed that you were not interested in insurance, but everyone has to be interested in her own financial security and this, of course, means the acquisition of some kind of property. It is significant that regardless of the type of property, whether it be in stocks and bonds, real estate, mortgages, savings banks, or life insurance, for each \$100 per month of independent income at age sixty it is necessary that you acquire title, and hold it until that time, to at least \$40,000 of income-producing property, that is, assuming you will be able to earn at least 3 per cent on your funds.
4. Formerly our conception of security was the ownership of property. Today it is generally acknowledged that the ownership of property means little. It is only in so far as this property is income-producing that we acquire the objective of financial independence. It is significant that at 3 per cent it takes \$40,000 of income-producing property, in other words guaranteed property, to produce \$100 a month of income—and certainly no one at your age of thirty-five is going to be satisfied in the belief that she will have anything less than \$100 a month of independent income when the retirement age is reached.

5. We agree that \$40,000 is a very substantial sum of money and perhaps more than one could reasonably expect to accumulate from investing in property that is absolutely safe. There is an interesting alternative, however, and that is the annuity. It is significant that at age sixty it takes considerably less than one-half the sum of \$40,000 to guarantee an annuity of \$100 a month for life. So the ideal situation is a fund of \$40,000 at age sixty; the alternative is \$16,500.
6. Now it is significant that there are just two ways to accumulate a minimum of \$16,500 at age sixty. The first way is through the acquisition of general property—stocks and bonds, real estate, mortgages, savings bank books, and what not. The other way—and it is further significant that this second way has increased tremendously in popular favor over the past few years—is the life insurance way—the ownership of guaranteed property that requires no turnover when the need for income arises at age sixty. The property itself includes the plan. The acquisition of the property automatically provides the working plan—and all through the years the owner of life insurance property is relieved from the worry—and the uncertainty—and the doubt as to whether general property values will hold up and provide the required fund at the time needed.
7. This modern provision for retirement has the advantages of being easy to acquire; easy to maintain; it has a high collateral value of approximately 70 per cent in two years; 78 per cent in five years; 85 per cent in ten years; absolute safety through the tremendous diversification (you actually own a cross section of approximately \$336,000,000 of assets), ease of transfer—escaping court fees and delays, automatic trusteeship—providing money management for your beneficiary without cost—and guaranteed yield. Compare this guaranteed property with the uncertainty of any other financial plan you can mention—dependent as that plan must be upon market values and changing conditions over which the individual has no control—and you begin to appreciate to the fullest extent the security guaranteed not only in later years but immediately to the owner of such a plan as this.
8. I am assuming, Miss Jones, that the saving of \$15 to \$30 a month in some worth-while way is entirely within your possibilities. Am I correct in this?
9. PROSPECT: Yes, I could save about \$20 a month.
10. SALESMAN: Yes, \$20 a month would be a very substantial beginning on this plan. In fact about \$24 a month would provide a fund of nearly one-half the minimum of the \$16,500 you require at

age sixty. This would be through a \$5,000 contract which, incidentally, would provide for your mother an income of \$50 a month for more than nine years, making a total return to her considerably in excess of \$5,000 should anything happen to you.

That certainly would be a splendid protection for her, wouldn't it?

11. PROSPECT: Indeed it would.
12. SALESMAN: And that would be taking advantage of the trusteeship provision that is unique in this type of property. In other words, this plan, as I have already pointed out, not only provides the money but it provides the money management which is oftentimes just as important as the money itself.
13. So this \$5,000 contract will guarantee you a total at age sixty of \$8,240. And just supposing you never find it possible to increase this amount at all, you would still feel secure in that you had a definite plan, actually in operation, which will guarantee a return to you of \$50 a month when you retire and last as long as the need lasts. This is an attractive plan. Don't you think so?
14. PROSPECT: It sounds good.
15. SALESMAN: My specific suggestion is that you authorize me to arrange the necessary details.
16. PROSPECT: I should like to think it over.
17. SALESMAN: After all, what is there to think over?
18. The Maine Mutual Life Insurance Company is ninety-four years old with assets in excess of \$300,000,000. You will be interested to know the business procedure of the company over all these years has always been to make every old policy contract modern in every sense. That is, when improvements are available they are, in so far as possible, granted to old customers. The company has gained a nation-wide reputation for this carrying out of the principle of what we call retroaction.
19. Here is a list of some of the Mutual Life property owners in this locality.
20. And here is another thought, Miss Jones, about this type of property. We often make the statement that you can't lose, once you make an investment. As I said before, the plan provides for collateral values of approximately 70 per cent in two years, increasing up to 85 per cent in ten years. This really means that should you wish to discontinue the contract after ten years, or from force of circumstances be obliged to sell out, you would have had the advantages of the plan and the protection in force for your mother over these next important ten years at a cost of only 15 cents on the dollar; or in five years a cost of only 22 cents on the dollar. That certainly is fair, isn't it?
21. PROSPECT: Yes, it certainly is.

22. SALESMAN: Now, this plan for arranging the annuity for your mother at the rate of \$50 a month for more than nine years is appealing. I know from your reaction a few minutes ago. That would give her a total return of well over \$5,000 in the income period. Yes, this plan would certainly afford you a great deal of pride in that you have done something definite for someone else. On your own initiative, to create an estate as worth-while as this for your mother, is indeed something to take a great deal of satisfaction in and I shall be very happy to put the plan in actual operation for you.
23. The ownership of life insurance is not exactly a new thought to you, Miss Jones, as you say that you already have \$1,000, on the twenty-year endowment plan. That, by the way, would work in very nicely with this to increase your retirement fund at sixty.
24. As you have already seen, this plan provides splendidly for yourself not only as a reserve fund in the immediate future but as a guaranteed income in the later years and for your mother it guarantees an immediate income should you be removed from the picture. This type of property has stood the test of time. Over the past five years it has stood the test as has no other property. Miss Jones, this is not a matter of opinion; it is a matter of fact.
25. This leaves really very little to think about, doesn't it?
26. This is really the point where action supersedes further thinking.
27. PROSPECT: But I imagine that it costs more than I can afford.
28. SALESMAN: You speak of the cost of this, and the point is well taken. In the final analysis it costs nothing. You simply choose this form of savings in preference to the uncertainty of general property dependent upon more uncertain market values.
29. My specific suggestion is that you take this problem out of the fog of uncertainties and place it now over in the realm of things accomplished.
30. We will arrange for Dr. Smith to see you tomorrow morning at ten o'clock.
31. PROSPECT: I'd like to think it over.
32. SALESMAN: Yes, but while you are thinking this over, we can find out whether or not the company will assume the obligation. And I have one request to make of you and that is that you not say anything to your mother about this until you find out whether you can actually qualify for it. While you are giving further thought to the plan, we can have the medical requirements certified and in the meantime here is some descriptive information which will enable us to complete the details.

### Questions

1. Criticize favorably or otherwise this standard presentation. Support your criticism with specific reasons.
2. Is this presentation suitable to the type of service, type of customer, type of salesman in this case?
3. Should another type of planned presentation be used in this situation? What? Give reasons for your decision.
4. Prepare an outlined sales presentation using the material in this standard canvass.

### Problem II

#### OUTLINED SALES PRESENTATION

Frank L. Harlan, representing the Standard Vacuum Cleaner Company

The Standard Vacuum Cleaner Company, Toledo, Ohio, sells domestic vacuum cleaners direct to homes through 3,000 commission salesmen operating out of 300 branch offices located in the principal cities of the country. The Standard Cleaner is nationally advertised and is made in several models, the largest of which retails for \$70. A majority of the sales are made by demonstration in homes. A liberal time payment plan is offered.

Frank L. Harlan represents the company in Milwaukee, Wis., where he has averaged earnings of \$3,100 annually for the past four years. He has consistently followed an outlined sales demonstration prepared by the company and based on the successful methods of outstanding company representatives. The demonstration has ten main points and an introduction which have been memorized by salesman Harlan.

The standard outlined sales presentation follows:

#### *Introduction:*

Make a courteous entrance.

Timely remarks.

General observations.

Mental investigation.

Have prospect seated.

Lay out dusting tools.

#### 1. *Set Up Cleaner; Review Mechanical Features:*

Appearance.

Finish.

Cord.

Handle.

Bag.

Tilting device.

Switch.

Motor.

Adjustment.



2. *Demonstrate Dusting Tools:*
  - Explain tools.
  - Cheesecloth test.
  - Shelves, corners, etc.
  - Benefits of blowing.
  - Mica test.
3. *Clean Half of Rug:*
  - Have prospect operate cleaner.
  - Explain agitation of grit.
  - Reerected nap.
  - Restored colors.
  - Discuss rug beating.
4. *Explanation of Dirts:*
  - Spread newspaper.
  - Remove bag.
  - Lay out soda, kapoc, and sand.
  - Describe each.
  - Embed sand with hand broom.
  - Rub up dead nap.
5. *Empty Dirt Bag:*
  - Make three piles on newspaper.
  - Analyze dirt.
6. *Explain Storage Capacity:*
  - Use Wilton swatch.
  - Compare with prospect's rug.
  - Embed soda.
7. *Explain Difference between Standard and Other Vacuum Cleaners:*
  - Remove agitator.
  - Operate as vacuum cleaner.
  - Beat out sand with screw driver.
  - Upside-down demonstration with green ingrain.
  - Describe agitator.
8. *Explain and Demonstrate the Absence of Rug Wear:*
  - Use georgette crepe test.
  - Millions of users.
  - Standing guarantee.
9. *Make Dirt Spread:*
  - Prepare prospect's mind.
  - Make spread.
  - Explain what spread represents.
  - Summarize benefits of Standard.
  - Endeavor to close.
10. *Clean Balance of Rug:*
  - If close is not made, clean balance of rug.
  - Repeat the many benefits.
  - Empty bag.
  - Close the sale.

Salesman Harlan fills in each point in this outline by discussing facts, reasons, illustrations, and examples which he has collected from his experience.

### Questions

1. Criticize favorably or otherwise this outlined sales presentation. Support your criticism with specific reasons.
2. Is this type of presentation best suited to the type of product, buyer, and salesman in this case?
3. Should any other type of planned presentation be used in selling this product? What? Give reasons in your answer.
4. Would a product sales point outline be desirable in this case? Why?

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## CHAPTER XIII

### SYSTEMATIZING SALES EFFORTS

#### IMPORTANCE OF SYSTEMATIC SALES ACTIVITY

The way a salesman uses his time, plans his work, and organizes his efforts is often more fundamental to his success than unusual sales ability. Lack of systematic activity and consistent effort frequently is responsible for the failure of many salesmen who otherwise are capable of making excellent presentations.

Success in selling as in any other commercial business depends upon good management methods. A good salesman like a good business manager secures results by conserving his resources through planning to eliminate waste and inefficiency from each day's operations. A salesman is the general manager of his own business and must carry on his work by sound methods. If he is a good manager, his business prospers; if he cannot systematize, he fails. Even the most brilliant salesman cannot succeed if he is a poor manager.

The unusual liberty of action and freedom from supervision which the average salesman enjoys make his problem of self-management difficult. Unlike men in other vocations, a salesman does not sit at a desk and find work automatically accumulating before him. He must make his own work.

A salesman must force himself to keep business hours, arrange his work in advance, keep records of his activity, plan his time, route his calls, provide time for self-improvement, establish work objectives, and analyze his performance. If a salesman is a good self-manager, he will drive himself to follow through on his system and accomplish the goals in sales and earnings that he has set for himself.

Hard work alone, however, is not enough to make a salesman successful. His energy must be controlled and directed intelligently into the right channels. Waste effort must be avoided, each day's work must be planned systematically, travel must be curtailed, prospects must be selected carefully, interviews must be arranged, and customers must be followed up at the proper

time. Efficient organization of these varied sales activities ensures a methodical development of his territory and maximum results from the efforts expended.

### THE CASE OF SALESMAN RED AND SALESMAN BLACK

The value of systematic sales efforts as a factor in successful selling is illustrated by the actual work records of two salesmen representing a large life insurance company. These men shall be known by the fictitious names of Mr. Red and Mr. Black. They are of the same age, experience, and personal qualifications. The striking difference in their working methods accounts largely for the successful performance of one man and the mediocre work of the other. Their work methods for one year, as taken from their daily activity reports, will be compared on a basis of (a) hours spent in the field; (b) total sales contacts; (c) total contacts resulting in progress; (d) total new prospects; (e) number of first, second, and third interviews; (f) number of customer service calls; and (g) their sales accomplishment.

#### AVERAGE NUMBER OF HOURS IN THE FIELD DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	5.7	5.2	5.3	4.8	4.6	0.7
Black.....	6.2	8.0	10.5	7.9	6.0	1.6

This analysis of the field work of these two men shows that Red averaged 4.3 hours per working day in the field daily against 6.7 hours for Black. Black spends more hours daily in the field than Red. However, Black's field activity is irregular; he is slow getting under way each week and after his peak of activity on Wednesday, his effort declines sharply. Red is more consistent in his effort each day although his effort also declines after Wednesday. Sales effort of both men is lowest on Saturday.

#### AVERAGE NUMBER OF SALES CONTACTS MADE DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	3.5	2.9	3.1	3.0	2.2	0.4
Black.....	7.0	7.9	6.7	6.3	5.3	2.3

Salesman Black averages 5.9 contacts a day, more than twice as many as Red, who spends about 64 per cent as much time in the field and makes only 42 per cent as many sales contacts as Black. Obviously Black wastes less time in travel and plans his time so that he can make more contacts. Both salesmen begin the week strong, but their day-to-day effort declines steadily, indicating poor planning of daily calls. The number of their sales contacts should be more uniform throughout the week.

AVERAGE NUMBER OF SALES CONTACTS RESULTING IN PROGRESS DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	2.3	2.2	2.1	2.0	1.6	0.3
Black.....	5.6	6.6	5.4	5.3	4.8	2.4

A good salesman makes productive contacts. Salesman Black averages 5 productive contacts daily compared with an average of only 1.7 for Red. The quality of Black's effort is higher than Red's.

AVERAGE NUMBER OF PROSPECTS SECURED DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	0.8	0.9	0.5	0.6	0.3	0.1
Black.....	5.6	4.1	5.5	4.9	2.6	2.3

A salesman must have a full reservoir of prospects to convert into customers. Salesman Black averages more than eight times as many prospects a week as does salesman Red. Black is consistently adding possible buyers to his list so that he never has to ask himself, "Whom shall I see now?"

AVERAGE NUMBER OF FIRST INTERVIEWS DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	0.8	0.6	0.6	0.5	0.6	0.1
Black.....	2.2	2.6	2.0	2.2	1.7	0.3

"A selling story though well rehearsed requires above all a hearer first." Salesman Black remembers this rhyme in planning

his work. He averages 11 first interviews in a week compared with Red's 3. With the exception of Friday and Saturday, Black averages two or more first interviews a day. The ability to get face to face with prospects is a vital part of a salesman's job.

AVERAGE NUMBER OF SECOND INTERVIEWS DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	0.2	0.3	0.3	0.2	0.2	0.1
Black.....	0.4	0.1	0.1	0.8	0.7	0.2

A qualified salesman economizes on his time and energy by closing as many sales as possible in one interview. One who habitually calls back on prospects not only leaves the door open to competitors but risks losing the interest of his prospects. Salesman Black averages twice as many second interviews a week as Red. However, since Black makes three times as many initial interviews, he has a lower ratio of second interviews to first contacts. Both men consistently follow up prospects.

AVERAGE NUMBER OF THIRD INTERVIEWS DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	1.0	0.7	0.7	0.8	0.5	0.1
Black.....	0.2	0.3	0.4	0.3	0.2	0.1

One of the greatest wastes in selling results from repeated calls upon prospects. These take time that might better be spent in interviewing more desirable prospects. Salesman Red shows a weakness in closing by averaging 2.4 third interviews a week; Black averages only 1.2. Numerous calls on a prospect show commendable persistence but often result in a great loss of time.

AVERAGE NUMBER OF INTERVIEWS DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	2.1	1.7	1.5	1.5	1.2	0.2
Black.....	3.0	3.7	3.7	3.5	2.8	0.7

It is necessary that a salesman make an adequate number of presentations to prospects. Salesman Black averages 2.9 interviews a day, compared with 1.3 by Red. Black begins the week strong and increases his number of interviews daily until Friday, maintaining a quota of three a day except on the last two days of the week. Poor management is evident in Red's interviewing record.

AVERAGE NUMBER OF CUSTOMERS CULTIVATED DAILY

Salesman	Mon-day	Tues-day	Wednes-day	Thurs-day	Fri-day	Satur-day
Red.....	0.05	0.03	0.08	0.05	0.10	0.02
Black.....	0.80	0.80	0.50	0.40	0.80	0.40

Methodical sales work demands that customers be cultivated regularly. Salesman Black does about 12 times as much service work as his associate. He plans his time so that he sees a customer every other day.

SUMMARY OF ANNUAL SALES EFFORTS OF RED AND BLACK

Average time and effort expended	Salesman Red		Salesman Black	
	Daily	Weekly	Daily	Weekly
Hours in field.....	4.4	26.3	6.7	40.2
Sales contacts.....	2.5	15.1	5.9	35.5
Contacts resulting in progress.....	1.7	10.5	5.0	30.1
New prospects.....	0.5	3.2	4.1	25.0
First interviews.....	0.5	3.2	1.8	11.0
Second interviews.....	0.2	1.3	0.4	2.3
Third and subsequent interviews....	0.6	3.8	0.2	1.5
All interviews.....	1.3	8.2	2.9	17.4
Customer cultivation.....	0.05	0.33	0.6	3.7

A comparison of the work methods of these two salesmen for a year leaves little doubt as to the quantity and quality of effort expended by salesman Black. He spent 36 per cent more hours in the field daily, made twice as many sales contacts, secured eight times more prospects, and conducted more than twice as many interviews as salesman Red. If systematic working methods have any relation to a salesman's productiveness, Black should be far more successful than Red.

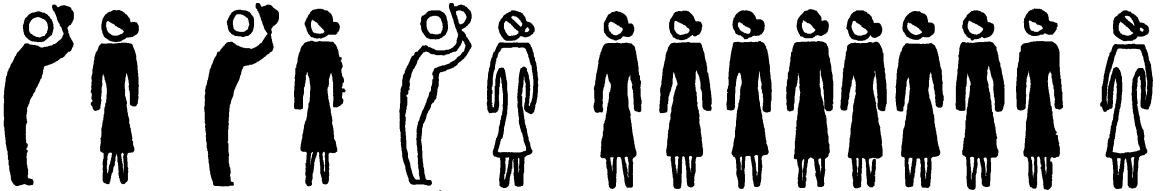
**COMPARATIVE SALES ACCOMPLISHMENT**

As a result of his planned activity, salesman Black sold during the year more than twice as much life insurance as salesman Red and closed more than four times as many sales. Red's sales averaged \$7,627 monthly and Black's, \$15,332. In number of contracts closed, Red averaged 1.6 monthly; Black averaged 6.5.

It is evident that salesman Black's good self-management was responsible for his success. He drove himself by systematic effort to spend more hours in the field, make more contacts, conduct more interviews, secure more prospects, and follow up more customers than his associate. His accomplishment shows what can be done by any salesman who will plan his work and work his plan.



Salesman Black spends 56% more hours in the field than Salesman Red . . .

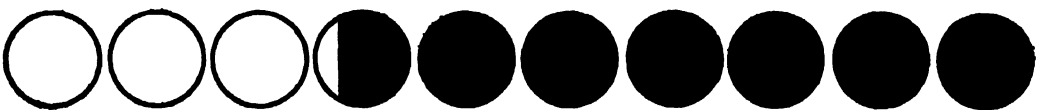


making more than twice as many contacts . . .

which results in more than eight times as many prospects . . .



and more than four times as many sales . . .



of more than twice as many dollars.

**VALUE OF SELLING TIME**

A party of Chinese businessmen was being shown the sights of New York City. In the subway, the group changed from a local to an express train, their guide explaining that the change was made for the reason that the express train saved 2 minutes. One of the Chinese asked, "What will we do with that 2 minutes?" This anecdote illustrates one reason why America has the highest standards of living in the world. American businessmen know



the value of time. Production is accelerated by time-saving machines and time is recorded and observed on every operation. However, time saved in manufacturing is often wasted in selling because salesmen have not become conscious of the importance of conserving it.

Time is a salesman's greatest asset. It is his working capital and, when properly invested in interviews and demonstrations, yields handsome dividends in orders and earnings. "The management of a salesman's time is often the cause of his success or failure," said Alfred C. Fuller, one of America's greatest salesmen.

The value of a salesman's time in terms of his income is illustrated in the following table prepared by a sales manager to show his salesmen the importance of saving time:

Yearly income	Value of half hour	Half hour a day for a year	Hour a day for a year
\$1,500	\$0.31	\$ 93	\$186
2,000	0.43	123	246
3,000	0.63	189	378
4,000	0.83	249	498
5,000	1.04	312	624
7,500	1.56	468	936

#### HOW A SALESMAN SPENDS HIS TIME AND ENERGY

A salesman's time and energy are spent in the following activities: (1) traveling; (2) calling, waiting, and interviewing; (3) planning and routine work; (4) self-improvement; (5) prospecting; (6) cultivating customers; (7) miscellaneous.

The way an average salesman spends his time during the course of a year is illustrated by the following figures compiled by the Life Insurance Sales Research Bureau:

In a year a salesman has only 2,336 hours of working time, of which 350 hours are spent face to face with prospects, 467 hours waiting to see prospects, 935 hours traveling between prospects, and 584 hours in clerical work and planning. The balance of his time, devoted to sleep, meals, and recreation, is 5,840 hours; Sundays take up 416 hours, on the basis of an 8-hour day, and holidays, 168 hours. This analysis illustrates that actual selling time is short—only about an hour and a half a day.

## 1. TRAVEL TIME

Traveling consumes time in proportion to the extent of the area that a salesman covers. Rural salesmen spend nearly 40 per cent of their time in travel; city salesmen spend more than 25 per cent of their time; suburban salesmen average 32.4 per cent of their time.

The type of product or service offered by a salesman affects the amount of his travel time. A food salesman, contacting wholesalers and working in rural areas, averaged 44.1 per cent of his time in travel; an industrial equipment salesman working in the same area spent only 36.7 per cent of his time in travel. A city salesman of office equipment traveled only 28.7 per cent of his time, using an automobile. The average travel time of 26 country salesmen representing six wholesalers was 20.4 per cent of their total work time, according to Nolen.

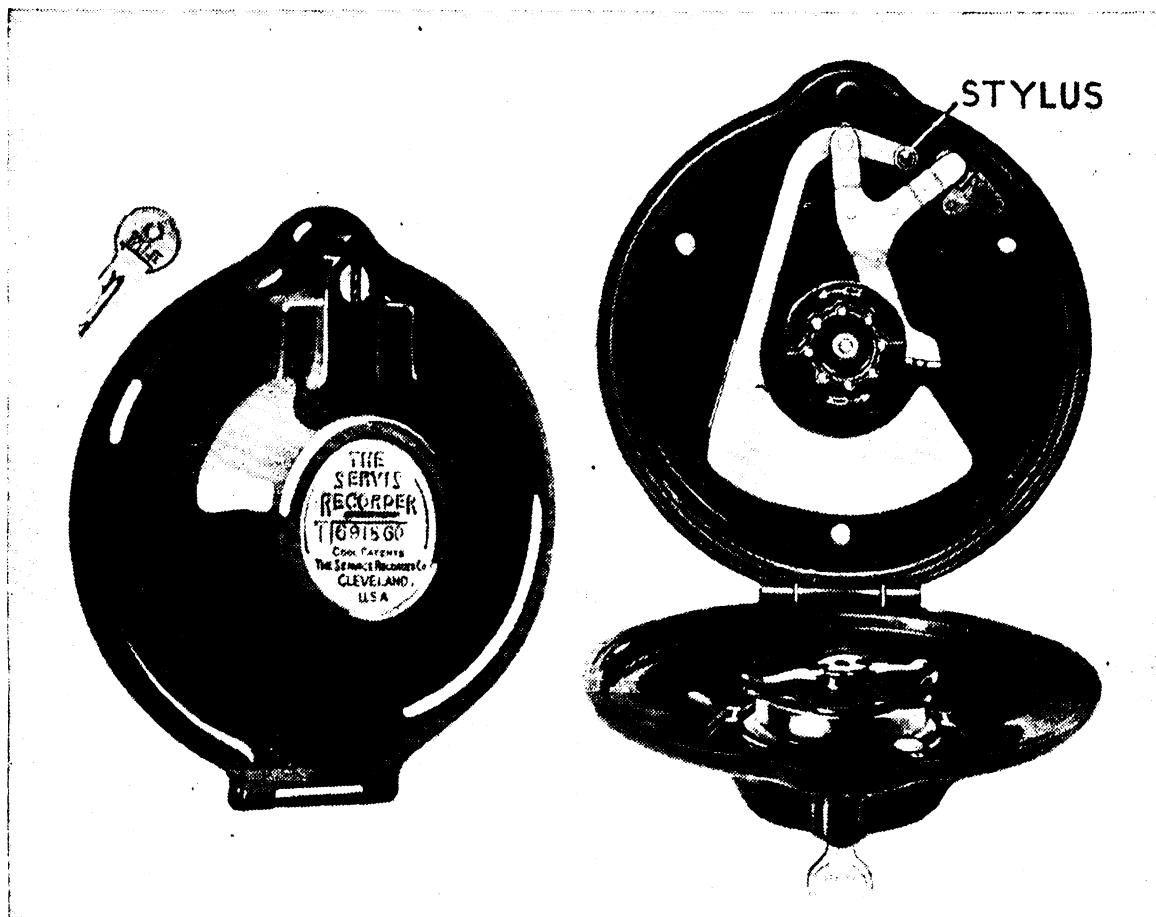
Although the amount of time spent by salesmen in travel varies widely according to the type of product sold and extent of area covered, the foregoing figures show that travel takes a considerable portion of a salesman's working time and should be carefully planned and controlled.

Sales travel time is lost by using the wrong method of transportation, aimless travel, backtracking, and poor routing. The use of an automobile for selling in congested areas often results in a loss of time; lack of prospects and unplanned calls result in aimless travel; failure to lay out a route in advance causes backtracking, long jumps, waste of time, and profitless calls.

**Control of Travel Time and Energy.** *Travel Time Records.*—To control his travel time, a salesman must first know exactly how many hours he is spending in traveling. Few salesmen have any definite idea of how much time they spend in that way.

One way for a salesman to obtain facts about his travel time is to keep a careful record for a period of several days. This will indicate clearly how travel time is being wasted. It may be kept conveniently by a salesman in a pocket memorandum book and should indicate the time of starting work each day, the total hours and minutes in the field, the time consumed between calls, the total travel time for the day, and the stopping time. It is not necessary for a salesman to keep his travel time continuously, but it should be kept long enough to reveal wastes.

**Automobile Travel Time.**—An accurate record of travel time by automobile can be secured by installing a Servis Travel Recorder which provides a graphic chart of starting time, stopping time, travel time, waiting time for a seven-day period.

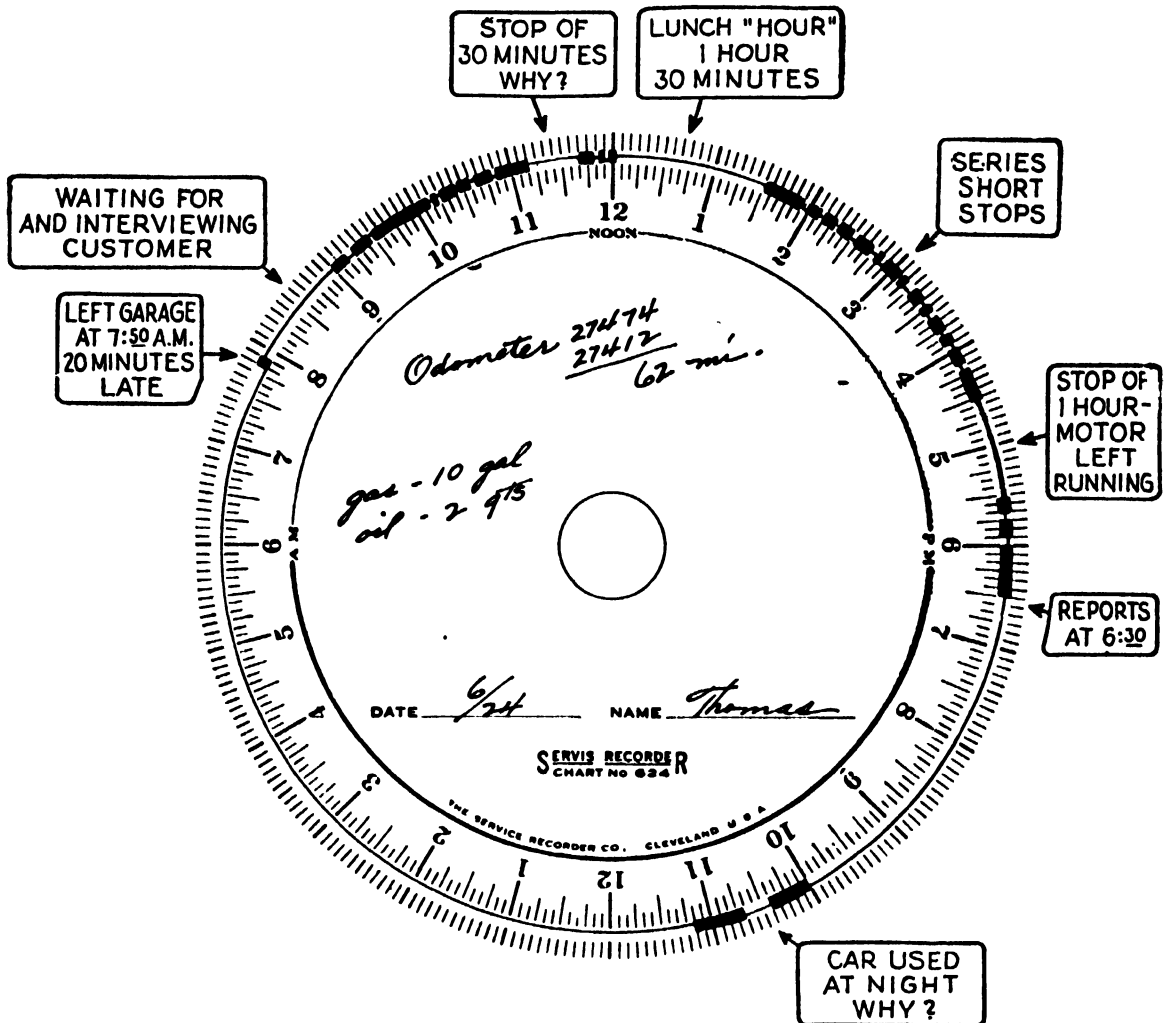


The interior and exterior of a Servis Recorder used to clock a salesman's automobile travel time. It provides a graphic automatic record of the automobile travel time of a salesman and is invaluable in reducing waste time, promoting better automobile travel planning, better routing, earlier starting, etc.

Analysis of this record reveals numerous ways to reduce travel time by better planning. The following automobile travel time record of a grocery specialty salesman calling on wholesalers in New England shows how a salesman spends his time in travel:

Day	Total time in field, hours	Travel time, hours	Percentage travel to total	Travel interval, minutes	Starting time	Stopping time
Monday.....	13.96	4.13	29.5	17	8:05	10:02
Tuesday.....	Holiday					
Wednesday.....	14.91	4.98	33.4	18	7:25	9:05
Thursday.....	14.49	6.66	45.9	28	8:05	9:55
Friday.....	11.25	5.70	50.7	31	8:20	7:35
Average.....	13.65	5.37	44.9	23		

**Travel Time Analysis.**—The second step to be taken by a salesman in conserving his travel time is to make an analysis of his travel record and discover how travel time is wasted. The salesman whose travel time is recorded in the table on page 323 begins early and works late. However, nearly 45 per cent of his time is spent in travel, an amount that can be reduced by better



This salesman's graphic automobile travel chart shows when a salesman starts work in morning, number of stops and length of time spent at each stop, lunch time, night use of car, hours spent in field, for a seven-day period.

planned routes and by avoiding traveling. This man wastes time by returning to his home each night from distant places and by driving long distances to make his first call each morning.

The travel time record of another food salesman calling on retailers in central New York is shown in the table at the top of page 325.

Analysis of the travel time of the New York food salesman shows that he spends nearly 6 hours less in the field each day than the New England salesman. His starting and stopping times are irregular. On one day he begins work at 10 A.M. and stops at

Day	Total time in field, hours	Travel time, hours	Percentage, travel to total	Travel interval, minutes	Starting time	Stopping time
Monday.....	5.06	1.46	28.8	8	10:00	3:00
Tuesday.....	11.49	3.96	34.4	10	7:10	6:35
Wednesday.....	8.93	1.55	17.3	4	8:05	5:52
Thursday.....	4.48	1.18	26.3	5	8:05	12:55
Friday.....	10.63	5.80	55.5	16	7:10	5:55
Saturday.....	6.32	3.21	50.7	28	8:58	3:08
Average.....	7.32	2.86	35.5	12		

3 P.M. His daily travel time is irregular, ranging from 1.55 to 5.80 hours a day. On one day he averages 17.3 per cent of his time on the road and 55.5 per cent on another. A travel plan would enable this salesman to make better use of his time.

**Foot Travel Time.**—Many salesmen travel more on foot than by automobile, particularly those in city and suburban areas. There is a definite relationship between the number of miles that a salesman walks and his sales production.

To compare the foot travel of successful salesmen with that of mediocre sales producers, a number of salesmen were equipped with pedometers and the mileage walked each day was recorded. It was found that successful salesmen walk, on the average, 11 per cent farther than poor salesmen. Good city salesmen walk an average of 4.15 miles daily; mediocre salesmen average only 3.7 miles.

The comparative daily foot travel of successful and poor salesmen in four sales organizations for one week follows:

Company	Daily average foot mileage	
	Good salesmen	Poor salesmen
A.....	3.85	3.50
B.....	5.29	4.16
C.....	4.50	3.80
D.....	2.95	3.35

The amount of walking done by a salesman varies with the type of selling which he is doing. House-to-house consumer

salesmen walk farthest, averaging 4.72 miles daily; store-to-store salesmen average 3.72 miles daily; office-to-office salesmen average 3.67 miles daily on foot.

The relation between miles walked and sales secured is strikingly illustrated by the following comparison in the case of two salesmen calling on Boston retailers for a large packer of canned fruits and vegetables.

Day	Salesman A		Salesman B	
	Miles walked	Sales, dozens	Miles walked	Sales, dozens
Monday.....	4.20	6	5.60	6
Tuesday.....	4.50	12	2.80	5
Wednesday.....	3.30	18	3.70	18
Thursday.....	5.60	17	3.20	6
Friday.....	4.50	14	3.80	9
Saturday.....	5.30	10	4.20	12
Average.....	4.56	13	3.80	9

If a salesman knows exactly how much walking he does each day, he can determine a definite ratio of miles walked to sales secured and thus establish a personal mileage quota or objective which, if followed, will keep him producing at capacity. By carrying a pedometer for two weeks, a salesman can easily estimate his average daily foot travel mileage, which can serve as a measure of his activity just as much as the number of calls made, demonstrations given, or interviews conducted now serve as accepted standards of his performance. A knowledge of foot travel serves to stimulate a salesman to greater efforts, enables him to reduce waste time and effort by better planning of his foot travel, and helps him to level out fluctuations in sales activity and make a steady expenditure of travel energy.

**Travel-time Objectives.**—The third step in controlling travel time is to correct the time abuses revealed by the record. First, daily travel-time objectives or quotas should be established. By taking into consideration the number of hours a salesman spends in the field, his travel time, starting time, and stopping time as revealed by his travel time record, travel-time objectives may be established. If a salesman has been averaging 8 hours daily in the field and his sales volume is inadequate, he may

improve his sales by establishing a minimum objective of 9 hours in the field. If he has been starting at 8 A.M. and stopping at 4 P.M., he can set his starting objective at 7:30 and stopping time at 4:30 to get in 9 hours of work daily. If he averages 35 per cent of his time in travel, he can increase his contact time 10 per cent by limiting his travel to 25 per cent through careful planning. Proper time objectives are fundamental to conservation of travel time.

### TIME AND ENERGY CONTROL

The success of a salesman's efforts depends principally upon his ability to control his time and energy. Because the average salesman has an abundance of energy and unrestricted time, he often fails to see the important part which these two elements play in the results that he secures. Conservation of energy and control of time are furthermore an uninspiring task to most men who are not inclined to follow a set routine, observe a schedule, and keep activity records. The prosaic work of planning time and effort, keeping records, and analyzing time and energy expended is the price that must be paid for success in selling. If a systematic method of time and effort control is adopted by a salesman and followed faithfully, the work of organizing sales time and activity becomes a simple and interesting task which yields big dividends in orders and earnings.

#### *Attaining Travel Objectives*

Practical methods for reaching these objectives should next be applied. The following practices are used by salesmen to conserve travel time:

1. By centralizing calls in a limited area or section, travel time is conserved.

2. By routing calls in order of coverage and by arranging them by location, time is saved in traveling from one call to another. A daily route list should be prepared taking into consideration the number of calls to be made, the average time per call, and the time interval between calls.

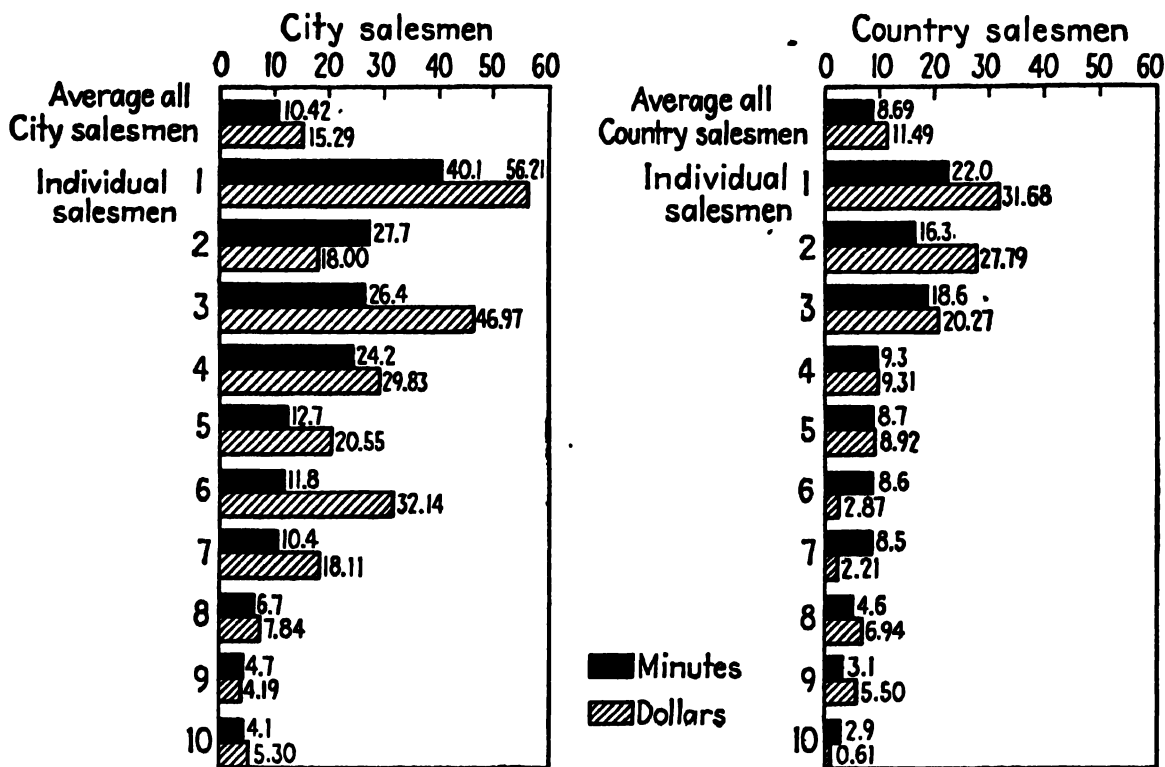
3. The elimination of needless calls results in a great saving in travel time. By using a telephone and making advance appointments, a salesman can eliminate many useless contacts.

4. Selection of the method of transportation best adapted to the area to be covered saves travel time. The use of an automobile in congested metropolitan areas wastes travel time.

## 2. CALLING, WAITING, AND INTERVIEWING TIME

Next to time spent in traveling, the greatest part of a salesman's time is devoted to calling on prospects, waiting for interviews, and interviewing. A sales call is a visit to a prospect for

### SALES EFFORTS IN MINUTES AND RESULTS IN DOLLARS



The relationship between the average time per call and the dollar sales volume of city and country salesmen is graphically illustrated by this chart, reproduced through the courtesy of Herman C. Nolen, who has made extensive studies of the selling time of wholesale salesmen. The salesmen with the highest selling time sell the greatest dollar volume.

the purpose of conducting an interview. Many calls, however, do not result in interviews because prospects are busy, absent, or unwilling to be interviewed. A sales interview is a more or less complete presentation of a sales proposition. Waiting time is consumed in making calls as well as in waiting for interviews.

The amount of time devoted by a salesman to calling, waiting, and interviewing varies widely according to the area covered and the type of product sold. As a general average, manufacturers' salesmen make 10 calls a day and spend 45 minutes on each call. Salesmen traveling in rural areas average 7 calls a day; suburban salesmen, 11 calls.



A successful grocery salesman calling on wholesalers averages 13 calls a day and 35 minutes to a call. A packing-house salesman calling on retailers averages 16 calls a day and 19 minutes to a call. A salesman of office equipment who sells business concerns averages 5 calls a day but spends an hour on each call. A typical life insurance salesman averages 6 calls a day and takes 60 minutes for a call.

Waiting for interviews consumes an average of only 2.12 minutes of a salesman's time according to a study of the waiting time of 895 manufacturers' salesmen. Although some sales-

WEEKLY SUMMARY																
	No. of Sales	Amount Closed	New Prospects	Effective New Contacts	Sales Contacts			Interviews				Service Calls Deliveries, etc.	Hours			
					Total	Progress	Ineffective	Total	First	Second	3rd and over		Field	Planning	Study	Total
Mon.																
Tues.																
Wed.																
Thur.																
Fri.																
Sat.																
Total																

Weekly summary of sales activity form, used by salesmen of a large life insurance company in reviewing their progress and comparing their activity with their standards of performance.

men were observed to wait as long as 23 minutes to see prospects, others secured interviews in 28 seconds. City wholesale salesmen wait an average of 5.2 minutes a call; those in the country wait 5.1 minutes a call, according to H. C. Nolen.

Time spent by salesmen in face-to-face contact with prospects averages only 7½ minutes an interview, according to a time study of 900 sales interviews of manufacturers' salesmen. A study by H. C. Nolen, of the time spent by a wholesaler's salesmen in general conversation, showed that city salesmen average 5 minutes a call and country salesmen 8 minutes. The average salesman does about 63 per cent of the talking during interviews.

**Control of Calling, Waiting, and Interviewing Time and Energy.**  
*Contact Time Records.*—Before a salesman can effectively conserve his contact time, he must have definite information

concerning the hours he is spending in calling, waiting, and interviewing. A salesman can easily keep his own record of time consumed in calling, waiting, and carrying on discussions with prospects. If he does so for a period of two weeks, he will have ample evidence to control his contact time. A simple form may be prepared for this purpose by using a single sheet and recording the time consumed in each activity daily as follows:

TIME STUDY    MONDAY, JANUARY 29, 1940

Time consumed			Sales activities					
Start- ing time	Stop- ping time	Total, min- utes	Travel	Call- ing	Wait- ing	Inter- viewing	Office	Lunch
7:55	8:30	35	X					
8:30	9:00	30					X	
9:00	9:15	15	X					
9:15	9:45	30		X				
9:45	10:00	15			X			
10:00	11:00	60				X		
11:00	11:30	30	X					
11:30	12:00	30			X			
12:00	1:30	90						X
1:30	2:30	60	X					
2:30	3:00	30				X		
3:00	5:00	120					X	

A graphic record of the number of calls or stops and the time spent in waiting and interviewing prospects may be obtained automatically by salesmen who travel by automobile by installing Servis Travel Recorders. The following table shows the number

	Number of contacts	Minutes of contact	Contact time, percentage of total time
Monday.....	4	135	84.5
Tuesday.....	11	46	79.6
Wednesday.....	8	64	78.9
Thursday.....	4	128	82.8
Friday.....	5	106	79.6
Saturday.....	3	97	81.1

of calls, the combined interviewing and waiting time, and the contact time expressed in percentage of total time in the case of a city salesman of industrial equipment; data are taken from a graphic automobile travel-time record.

*Contact Time Analysis.*—The next step in conserving a salesman's contact time is to analyze his calling, waiting, and interviewing records and discover how time can be saved. The record of the industrial salesman on page 330 shows irregularity in daily contacts. He makes as many calls on Tuesday as on Monday, Thursday, and Saturday combined. Considering the sales job, this may be logical. However, more calls undoubtedly could be made by this salesman. Is he spending too much time on each contact? Is he wasting time in general conversation with some prospects? These and similar questions might be raised about this salesman and better use of his time planned.

A salesman can reduce his waiting time and increase his time with prospects by calling on days when there are fewer salesmen competing for an interview. Observation of nearly 900 manufacturers' salesmen showed that approximately 21 per cent call on Monday, 22 per cent on Tuesday, 22 per cent on Wednesday, 16 per cent on Thursday, 12 per cent on Friday, and 6 per cent on Saturday. By concentrating his calls in the latter part of the week, a salesman can avoid congestion in reception rooms and save his waiting time.

*Contact Time Objectives.*—A salesman can increase the number of contacts that he makes, curtail his waiting time, and obtain longer interviews by analyzing his contact time and deciding on the number of calls, number of interviews, and number of hours he will spend in the field each day. Time and activity objectives, which are reasonably attainable, give a definite course to a salesman's work. By analyzing his contact record, a salesman can discover the exact mathematical ratio between the number of calls and interviews which he makes and the volume of sales he closes. If a salesman averages one sale to 20 calls and 10 interviews, then in 40 calls and 20 interviews he should complete two sales; in 60 calls and 30 interviews he should close three sales.

A salesman, by analyzing his activity, may find it necessary to spend 48 hours in the field, make 50 calls, hold 20 interviews, and close two sales a week in order to sell the volume necessary to earn the income desirable to maintain his standard of living at the

level to which he is accustomed. Every salesman must establish his own efficiency ratio, which takes into account his own ability, territory, and product. Such a definite objective will give a salesman a basis for conserving his time and effort.

A life insurance salesman curtailed his activity and achieved better results. This man has been calling on 50 prospects a week. He decided to limit his calls on new prospects to 20 and to use better preparation and longer interviews on them than he had formerly expended on 50 prospects. As a result, this salesman produced more business in three months than he had sold during the entire previous year. However, this practice would not be recommended to the average salesman, who does not make enough calls.

When a salesman has determined his time and activity objectives, he next adopts methods of reaching these goals. Calling, waiting, and interviewing time can be conserved by the following methods:

1. Advance cards may be mailed to prospects informing them of the salesman's call. They pave the way for interviews and reduce his waiting time.

2. Advance appointments made by telephone or letter save waiting time, enable a salesman to get past buffers, ensure interviews, and enable him to find sufficient time for a complete sales presentation. An automobile salesman who telephoned prospects to secure appointments placed 213 calls, weeded out 56 poor prospects, secured 93 good prospects and 9 requests for demonstrations. A salesman who represents a large manufacturer made 12 personal calls a day and found many prospects out of their offices. He sought appointments by telephone and increased his interviews 100 per cent, obtained 25 appointments, and avoided 10 unnecessary calls a week.

3. Secure 9 A.M. and 1 P.M. appointments to ensure effective use of the early morning and afternoon hours when prospects are difficult to see.

4. Plan evening work when selling products or services for personal or home use. When purchases are made jointly by a husband and wife, evening interviews are productive. Many prospects are more accessible at home in the evening than during the day. Few home appliance or life insurance salesmen succeed without doing evening work.

5. Plan each day's calls in advance by making a time schedule of interviews, listing the names and addresses of prospects to be called upon each hour during the day. An emergency call schedule should be prepared also, listing the names of prospects who may be seen in the event that prospects on the original list are not available.

6. Determine the most suitable hour of the day and the day of the week to call upon certain types of prospects. Many physicians make calls during morning hours; salesmen are rarely found in their offices in the morning; merchants are usually too busy to be interviewed on Saturdays. If a salesman discovers the best time to interview prospects in certain vocations and professions, he can conserve his own calling and waiting time.

7. A prepared sales presentation saves the time of both a salesman and his prospects. A salesman who is prepared avoids irrelevant conversations and visiting with prospects. If he has advance information about a prospect's needs and situation, the interviewing time is reduced. Well-organized sales equipment also enables a salesman to save interviewing time.

8. Digressions from a daily plan, including attendance at theaters and ball games or playing golf, disorganize a salesman's work. Salesmen are often tempted to stop work on account of the weather or because a successful sale has been concluded.

9. Many salesmen believe that no sales can be made on Saturdays, on the days before or after a holiday, and on rainy days. Such misconceptions are responsible for time lost which could be profitably used for calling on prospects.

10. The late morning start, the long lunch hour, and the early quitting are responsible for much lost selling time. If a salesman will spend an additional hour a day in the field for a week, he will increase his sales and earnings through the added calls and interviews. The best selling hours of the day, from 9 A.M. to noon and from 2 to 5 P.M., should be filled with appointments and interviews.

### 3. PLANNING AND ROUTINE WORK TIME

To conserve time and energy in selling, proper planning is necessary. By careful organization, a salesman's time devoted to planning and routine work may be minimized. The amount of planning that a salesman must carry on depends on the com-

plexities of his work. Some men can plan their day's work in 30 minutes; others may require an hour or more. Planning and record keeping are of value only in so far as they contribute to increased sales. A salesman should neither work haphazardly nor devote so much time to routine planning that little time is left for making sales presentations.

**Conserving Planning Time. *Planning Records.***—The first step in the conservation of planning time is to keep adequate records of traveling, calling, interviewing, waiting, study, and planning time. Other data that should be kept by a salesman are *daily activity records*, showing names and addresses of firms or individuals called upon, with the results of the calls and remarks; *prospect records*, listing the names, addresses, source, occupation, present ownership, age, and other pertinent information about prospects; *customer records*, listing dates and amounts of purchases, names, addresses, and other necessary data; *summary records*, for totaling, by the week or month, the hours worked, the number of calls, sales, prospects secured, presentations, demonstrations, lost orders, time employment, etc.

Sales planning is also simplified by the use of printed forms for laying out daily call and appointment schedules, route lists, weekly and monthly summaries of interviews, demonstrations, surveys, and other sales activities.

Time, activity, prospect, customer, and summary records are necessary to enable a salesman to review the results of his past efforts, locate his shortcomings, and plan his future work. These records enable him to establish travel and contact objectives and give him a sound perspective on his sales activities. By consulting his records, a salesman can tell the number of calls necessary to secure an interview, the ratio of his presentations to sales, and the amount of time that he must spend in the field to obtain a profitable volume of sales.

***Salesman's Record-filing System.***—The information contained in a salesman's activity records must be readily available so that it can be used in planning his field work. A simple filing system is necessary in classifying and organizing such records. Such a system aids a salesman's memory, frees him from routine work, and gives him more time for field activity.

The most important records required by a salesman consist of information about prospects and customers. These records are

kept most conveniently on 3- by 5-inch cards, which may be filed in a 4- by 6-inch file box, obtainable at any stationery store, or in a section found in the upper drawer of many standard office desks.

The salesman's prospect and customer record file is divided into three principal parts. The first section is reserved for live or current prospects and divided by days of the month indicated on guides numbered from 1 to 31. Behind these daily guides are filed the cards of prospects and customers who should be seen by the salesman on certain days of the current month. This is the active working section of his file and the salesman uses it in planning daily sales and making up call schedules for each day of the month.

The second section is for record cards of inactive prospects. This section is divided into months, indicated by guides reading from January to December. This monthly section is for cards to be brought to the attention of the salesman a month or more ahead of the current date. On the first day of each month the salesman distributes the cards for the month through the daily guides in the first or daily section of his file. The monthly section facilitates his planning by providing him with an automatic reminder to call on prospects and customers who should be interviewed in future months.

The third section of the file is for customer record cards. It is divided alphabetically by guides lettered from A to Z. The cards in this section are examined by the salesman monthly and cards of certain owners are selected for calls and distributed among the daily guides of the current month.

A fourth section of the file may be arranged by geographical location for records of prospects and customers. Guide cards listing the counties, towns, or sections covered by the salesman separate the record cards of prospects or users located in each area. This section of the file aids a salesman in routing his calls and saves his travel time and energy.

A fifth section may be reserved for special types of prospects such as institutional prospects, professional men, and evening prospects which require special follow-up.

This prospect and customer record filing system can be readily adapted to make it more useful to salesmen of various products and services. It can be maintained in a few minutes a day and

provides invaluable aid in recalling appointments, timing call backs, and scheduling each day's calls.

A larger vertical file of the same type, or a desk drawer file, may be used for keeping time records, daily activity records, and daily, weekly, or monthly work summaries.

*Planning Time Analysis and Objectives.*—A salesman can save time by controlling that portion of his time spent in planning his work. A daily record of the time spent in planning may be kept by a salesman for two or three weeks or until he establishes the habit of devoting an adequate amount of time to this task. The hours of the day to be devoted to work planning should be selected to avoid conflict with the best hours for calling and interviewing prospects.

A definite time for work planning should be determined according to the nature of the sales job. A successful life insurance salesman devotes an hour each day to work planning. Salesmen of technical equipment may require longer; salesmen of simple products may devote little time to work planning. Daily work planning usually includes the following activities:

1. Recording results of day's work, including:
  - a. Number of calls made.
  - b. Number of presentations made.
  - c. First, second, third interviews made.
  - d. Service calls on customers.
  - e. New prospects secured.
  - f. Demonstrations made.
  - g. Volume of sales made.
  - h. Lost orders.
2. Keeping time records of day's work, including:
  - a. Travel time.
  - b. Calling time.
  - c. Interviewing time.
  - d. Total hours spent in field.
  - e. Planning time.
  - f. Study time.
3. Filing prospect and customer cards.
4. Completing summary records of the day's, week's, or month's activities.
5. Planning the following day's work, including:
  - a. Preparation of a daily time schedule of calls and interviews, routed and zoned.
  - b. Preparation of an emergency daily time schedule of calls.
  - c. Securing appointments for a nine and a one o'clock call the following day.



- d. Set daily time and energy objectives of hours for field, travel time, interviewing time, number of calls, number of new prospects, number of old prospects, number of old customers, balancing activity among these objectives.
  - e. Prepare selling equipment and written proposals.
  - f. Plan presentation and answers to objections.
6. Write and answer sales correspondence.

If a salesman will outline a similar description of his daily planning duties, he can quickly determine and budget the amount of time required for this work.

Planning time can be conserved by the following practices:

1. Planning is done best at a slack time of day or in the evening when it is not a desirable time to call on prospects or customers. The best times to plan usually are early in the morning before prospects can be interviewed, late in the afternoon when they have left their offices, or at home in the evening when business interruptions can be avoided.

2. A filing system such as the one just described simplifies the work of planning and makes it possible for a salesman to reduce planning time to a minimum.

3. If a salesman spends little time at his desk, he avoids time-consuming routine duties. By following a definite planning routine and observing a definite time each day for planning, a salesman conserves his time in handling office routine.

4. By planning in advance on a long-range basis, a salesman has a better perspective of his work and can simplify each day's planning. Some salesmen find it profitable to budget their time a year ahead by establishing weekly and monthly activity objectives on calls, interviews, new prospects, sales, etc.

A successful life insurance salesman prepares a monthly plan of activity by listing on a one-page ruled form the names and addresses, ages, occupations, and sources of 50 prospects whom he plans to interview during the month. In a space beside each name is recorded the result of each contact. If a prospect proves to be worthless, his name is killed. If a buyer postpones action, his name is transferred to the sheet made up at the end of the month for the succeeding month. If a sale results, the amount of the transaction is recorded. This system provides a monthly visual inventory of prospects and enables a salesman to analyze the results of his activities, locate his strengths and weaknesses, and increase his efforts to secure greater production.

#### 4. SELF-IMPROVEMENT TIME

Few salesmen regularly spend time in study and self-development. However, increasing competition is forcing salesmen to have a better understanding of a prospect's problems, as well as a more complete knowledge of products and applications to render a constructive service to buyers. Salesmen who want to progress are devoting at least an hour a day to personal improvement.

Numerous opportunities for this are available to ambitious salesmen. Planned reading is a fundamental source of information on a salesman's product, service, advertising, and selling methods. The following sources of reading matter relating to selling afford excellent opportunities for a salesman to improve his knowledge:

1. Company publications including manuals, policy books, engineering data, house organs, bulletins, and advertisements.

2. Professional or trade publications, association organs published in the field in which a salesman is engaged, as well as sales magazines including *Printer's Ink*, *Advertising & Selling*, *Specialty Salesman*, or *Opportunity Magazine*.

3. Business service publications dealing with current economic conditions and business trends, including United Business Service, Babson's Reports, and Kiplinger's Letters.

4. Collateral materials related to a salesman's business, such as current books on economics, labor, management.

5. Inspirational publications dealing with selling, and personal efficiency, as "How to Win Friends and Influence People," by Carnegie, "The Knack of Selling Yourself," by Mangan, "Press On," by Hill, "Step Out and Sell," by Holler.

Additional sources of information are company sales meetings, trade or professional association meetings, adult evening educational courses in selling or related subjects. Membership in salesmen's organizations, such as the National Association of Life Underwriters for life insurance salesmen, provides opportunities for a salesman to exchange experiences with others and learn new sales strategies and methods. Correspondence courses in salesmanship, prepared by manufacturers, trade associations, and extension departments of recognized educational institutions, also provide helpful information. The American College of Life Underwriters, established in 1927 by the life insurance business,

has trained and awarded degrees as Certified Life Underwriters to nearly 5,000 life insurance salesman.

**Analyzing Needs for Self-improvement.**—A salesman should first analyze his own needs for information and his own personal weaknesses and devote his study time to satisfying those specific needs. Every salesman has his individual problems or deficiencies, which demand his thought and study. One salesman may be weak in his knowledge of product, prices, or advertising. Another may be having difficulty in locating prospects or securing interviews; still another may be weak in meeting objections. Personality weaknesses, a critical attitude, poor appearance, and argumentativeness handicap some salesmen.

One personal problem or weakness should be selected first as an objective for improvement and a specific program of study and self-development be prepared to overcome it. One difficulty should be mastered before another is taken up. The assistance of a salesman's manager or friends may be necessary in locating his principal weakness and overcoming it.

When a salesman has selected a personal deficiency to be corrected, his next problem is to budget his time for study. This can be done by setting aside a certain period each day to be spent regularly in study. The time selected should be an hour or less, depending on the nature of his work, and should not interfere with his field work. From 7 to 8 o'clock in the evening is an ideal time for self-improvement. The cooperation of the salesman's family should be secured to aid him in observing his study time. If a specific study hour is rigidly adhered to, personal improvement becomes a regular habit.

A salesman may profitably use time spent on trains or busses for business reading and gaining knowledge of selling methods, product features, or competition. Time spent waiting in prospect's offices may also be devoted to self-improvement.

## 5. PROSPECTING TIME

Salesmen who have no method of prospecting waste much valuable selling time in a fruitless search for possible buyers. Haphazard prospecting is often responsible for a salesman's devoting several days or a week looking for buyers—time that might otherwise be spent more profitably in closing sales. When

a salesman has no regular method of prospecting, he wastes many hours searching for possible customers.

However, if a salesman will make prospecting a daily activity and set up an objective of one or two new prospects a day, he does not have to take time out to look for potential buyers. Prospecting time is conserved when a salesman employs one or more of the following methods of locating buyers:

1. Secure one or more prospects on each call by using the endless-chain method of obtaining prospects from each person interviewed.

2. Use the telephone to qualify suspects and select prospects in advance of calls.

3. Rely upon informants or sales associates to suggest names of prospects so that a salesman will not have to take time to locate prospects.

4. Follow scheduled calls on customers or live prospects with one or more calls on "suspects" in the same neighborhood, in the next office, or across the street.

## 6. CUSTOMER CULTIVATION TIME

Most salesmen spend too little time in servicing their customers. Time spent in cultivating customers pays big dividends to salesmen in repeat sales, word-of-mouth advertising, names of new prospects, letters of recommendation, accessory and service sales, and good will. Fifty-three per cent of the sales of a popular make of automobile are repeat sales to old customers. Motor car manufacturers advise their salesmen to make not less than three calls a year on new owners. From 40 to 50 per cent of the sales of automatic refrigerators are said to be made to old customers. In view of these facts and because profits are made on repeat sales, not on initial orders, salesmen should spend more time in contacting customers.

A salesman's daily record of activity should show a proper number of calls made on old customers. If analysis of a salesman's daily call report shows that he is neglecting his customers, a daily or weekly objective of customer contacts should be established. The number of customer calls to be made weekly should depend upon the amount of the original sale, frequency of repeat orders, and service requirements of the product.

A large electric refrigerator sales organization requires its salesmen to make their first call each day on an old customer. Successful life insurance salesmen average a service call a day on policyholders. In wholesale selling of repeat commodities, salesmen automatically visit their dealer customers one or more times a week. This provides for sufficient cultivation.

By including one or two customer contacts in each day's schedule of calls, a salesman ensures that his clients will receive the attention they deserve. Much time may be saved also by contacting owners by telephone.

### 7. MISCELLANEOUS TIME

Salesmen selling to wholesale and retail distributors have numerous miscellaneous duties which consume much time. A time study of wholesale drug salesmen, made by H. C. Nolen, showed that an average of 4.7 per cent of a country salesman's time was spent in collecting and 2.3 per cent of his time in making adjustments. City wholesale salesmen devoted only 1.8 per cent of their time to collecting and 1.7 per cent to making adjustments. Missionary duties, including dressing windows, checking inventories, and preparing advertising, consume a considerable portion of the time of some salesmen who call upon dealers.

If a salesman keeps a daily record of the time spent in these miscellaneous activities, he will soon discover whether he is devoting too much time to nonselling work. If too large a portion of his efforts is consumed in these operations, a budget may be established allocating a fair amount of time to each activity.

### HOW A SALESMAN SHOULD SYSTEMATIZE HIS DAY'S WORK

To illustrate how a salesman can organize his time and energy to work at full capacity, five steps that should be taken in planning a practical program for a day's activity are described in detail in the following routine which is based on the proved methods of successful sales producers. If a salesman will learn and practice these five principles in systematizing his activities, he will experience more profitable sales results.

*Routine for Systematizing a Salesman's Activities*

1. Set daily balanced activity and time objectives.
2. Schedule interviews and activities for each day.
3. Keep records of daily, weekly, and monthly performance.
4. Review and analyze each day's work.
5. Plan next day's work.

**1. Set Daily Balanced Activity and Time Objectives.**—Definite daily time and energy objectives based on the number of calls, interviews, and hours in the field necessary to obtain the volume of sales desired should be established. These objectives, reduced to a table, should provide for a well-balanced expenditure of sales time and effort for each day, as follows:

1. Number of hours in field.
2. Number of calls on,
  - a. New prospects.
  - b. Old prospects.
  - c. Old customers.
3. Number of interviews.
  - a. First.
  - b. Second.
  - c. Third and over.
4. Volume of sales.
5. Number of new prospects obtained.
6. Number of demonstrations.
7. Hours planning.
8. Hours studying.
9. Starting time.
10. Stopping time.
11. Hours of travel.

After he has kept records for some time, a salesman can easily set these objectives accurately and establish the correct ratios of calls to interviews, interviews to sales, etc. Activity objectives must be changed to meet variable business conditions. In periods of depression a greater number of calls and hours in the field are necessary, if a salesman expects to accomplish the same sales results as in good times. By keeping the proper balance between calls on old prospects, new prospects, and owners, a salesman can create a well-rounded work program and secure maximum results.

**2. Schedule Interviews and Activities for Each Day.**—A list of the names and addresses of prospects and customers to be

contacted should be written each day to provide for contacts each hour of the day. A supplementary list of prospects should be written also in the event that some prospects listed on the original schedule cannot be interviewed. Sales interviews for personal products or services may be scheduled after 7 P.M.

PLAN YOUR WORK				WORK YOUR PLAN																
List below Calls you propose to make today.				Remember, Lost Order Reports aid the management and you.																
Date _____				Salesman _____																
TO DO TODAY																				
NO.	COPIES	STUDY	RECORD	FIRM	ADDRESS OR DEPT.	PARTY TO SEE	SALES TOOLS NEEDED	NEXT CALL DATE	AMOUNT SOLD											
1																				
2																				
3																				
4																				
5																				
6																				
7																				
8																				
9																				
10																				
11																				
12																				
13																				
14																				
ADDITIONAL CALLS - NOT PLANNED																				
1																				
2																				
3																				
4																				
5																				
6																				
7																				
REMARKS	NO CALLS	RECORD FOR	NO OF INSPECTIONS				PROSPECTS DEVELOPED						DISPOSITION							
	TD-DAY	STOCK	SPL	VIS	VER	LL	S.C.	FIL	LED	BAL.	BYN	FURN	SER	R.A.S	TOTAL	SOLO	LOST	DROPT	DEF.	TOTAL

Turn into office each night with day's prospect follow-up, and inspection slips attached.

Daily plan sheet used by salesmen of a large office equipment manufacturer in recording names of companies and individuals to be contacted each day. Space is provided for an emergency list of concerns to visit in the event prospects who are listed at top of sheet cannot be interviewed.

To make a call schedule effective, appointments should be secured in advance whenever possible and the work habits of prospects considered in planning calls.

In making up a daily call schedule, the contacts planned should be grouped in one locality and routed in order of coverage to save a salesman's time and energy.

In addition to preparing a call schedule, a salesman should schedule his other activities, including study time, sales meetings, planning time, and office time for certain hours of the day.

**3. Keep Records of Daily, Weekly, and Monthly Performance.**

A daily activity record listing the names of prospects or owners called upon, with the results of each call; the hours spent in the field, in the office, and in studying; the number of new prospects secured; starting and stopping time; time spent in interviews; waiting and traveling time, all should be completed at the close of each day and summarized for each week or month. Daily and monthly records kept regularly will enable a salesman to set accurately his future activity objectives, check his time employment, and measure the effectiveness of his work.

Cards recording information about each prospect and owner called upon and the results of each call should be prepared and kept in an adequate file for future reference and follow-up.

**4. Review and Analyze Each Day's Work.**—By studying his daily activity record, which compares with a profit and loss statement in an accounting system, a salesman can quickly compute his assets and liabilities and get a clear picture of his progress. When compared with the day's objectives on calls, interviews, time employment, etc., the record will show weaknesses that can be strengthened and strong points that can be made stronger. Facts displace guesswork and the diagnosis will indicate remedies that might otherwise never be applied unless the facts were known.

**5. Plan Next Day's Work.**—With the aid of a prospect and customer file, a salesman can quickly select record cards which can be zoned, routed, and listed on his call schedule for the following day. Appointments may be secured for the first call in the morning, and a luncheon interview may be arranged. Adjustments, collections, and service calls may be scheduled. Sales presentations may be prepared, proposals written, information collected, and sales equipment organized for the following day's work.

**Problem I****TIME EMPLOYMENT**

Robert Maiden, representing the Holmes Apparel Corporation

The Holmes Apparel Corporation, established in 1930 in Louisville, Ky., sells an annual volume of \$10,000,000 worth of men's and women's hosiery, underwear, and men's neckties



and shirts. They sell direct to consumers through 7,500 full- and part-time commission representatives operating out of branch offices in the principal cities of the country. The company advertises in national magazines, read by 4,500,000 people monthly, to create a demand for its trade-mark "Glossy."

Operating out of the Providence, R. I., office of the company is Robert Maiden, twenty-five years of age, who has been with the company two years. He owns and operates his own automobile. The following record of three typical days' activities of salesman Maiden, as written by himself in his own words, describes his procedure and illustrates how he uses his time in selling:

1. Wednesday: Left home about 8:30 A.M. Didn't go to the office, but drove to the Telephone Company. Got there about 9 A.M.

2. Made my first demonstration; showed her why she wore so many stockings by asking her questions. Showed her just why we had such and such a feature and sold her a box of hosiery. Showed her underwear but couldn't make any further addition to her order. She said that I was quite lucky to have sold her at all, as in the past other salesmen had tried but without results.

3. Next girl was too poor; perhaps in a month, but she wouldn't place her order now.

4. Girls were getting busy as their work began to pile up, so, seeing I couldn't sell if I stayed on, excused myself and told them I would call back when they wouldn't be so busy.

5. Next called on an insurance man and, as I presented my goods, a funny thing happened. I was able to sell him a box of socks and not only that, but he wanted me to come to work for him, and he commenced to give me a talking-to, of how much I could make selling insurance, if I was able to sell socks the way I did. He talked with me for quite a while. Near eleven o'clock, as I noticed as I went out.

6. He had certainly used a lot of my time, of course, but he too had been willing to give me his time in order for me to sell him socks, so I guess that I shouldn't say that he imposed on his sale.

7. Made one other call before lunch on a doctor. He talked with me and asked me questions about socks. Why I thought I could save him money, etc. The interview lasted until 12, noon. Finally he said that he was convinced about the wearability and that his next order would be with me, but that right now he had plenty, but he was glad to have seen them.

8. Called on Mr. T. Waited in reception room for 15 minutes, but he finally decided when I was announced that today was too busy to bother with socks and ties, etc.

9. Called on another doctor and sold him a box of socks.

10. Next I saw an office girl. I explained our hosiery to her, but only got a "too poor" answer and the girl stuck to her guns, convincing me too that she was sincere. This is so often used as a source of escape from salespeople.

11. Made four more presentations with no results. Some were too poor or overstocked with stockings; will order in the fall, if I call again. Stopped work about 5:25 P.M. and went to supper.

12. Went out after supper and made one call and a good sale. Sold the husband, wife, and daughter.

13. Thursday: Got up early, took my suits in to be cleaned and pressed. Called on first prospect at 9 A.M.

14. Mrs. V. had appointment. Sold her a box of silk hose and added some anklets also. Called on Miss F., the girl who had to ask her mother. Her mind was quite made up. She had talked to a friend who had advised her not to try them so she used her friend's judgment. Next called on an executive in one of our large companies. Waited 15 minutes to see him and had a very interesting interview. Talked about his hobbies for a while, then he got into our line, and I was able to sell him a good sized order.

15. Went to a photographer next. Gave one of our mending kits to the lady in charge. She was very busy now but asked me to call back, as she knew us and would like to see them soon.

16. Called next on a foot doctor, who was very busy peeling corns now, and so couldn't stop.

17. Saw another photographer and sold his secretary a set of our pajamas.

18. Went next into the Girl Scout office. Girl there acted quite irritable and wouldn't even grant me a minute of her time.

19. Called next on Mrs. S. She was sorry that I had bothered to call as she couldn't buy now. I assured her that it was all right, and that I would call at another time.

20. Called next on Miss F. Got her exchange—then decided to go to Sea Point. I was disgusted with the city for today.

21. On the way out I stopped and called on a customer. She was well supplied in hosiery but I sold her some underwear. Saw Mr. H. at the same time. He was not interested.

22. Called on Miss R.; sleeping; call back in half an hour. Called back and sold her an order for September delivery. Called on Mrs. R. Call back later in the summer. Called on Mrs. G. who wants me to call back later in the season.

23. Saw Mr. C. Mrs. C. was out. Talked with him for one half an hour about his travels this past winter in South Africa. Will want

socks this fall or late summer. Left the Point and went home about 7 P.M.

24. Friday: Left home about 8:30 A.M. Went to the office. Called back at 9:30 on Miss F. Gave her some mending kits and some perfume. She gave me her New York address, and she told me to call any time I was in the city, that she would be glad to see me.

25. Called next at an electric company. Mr. C. was too busy. Called on girl in insurance office. Busy now. Made an appointment for the last of the week. Made a call on another stenographer and sold her an order.

26. Next made a call on a stenographer in motor vehicles office. Made her a snap presentation, and sold her a box of hosiery. Called on Miss M. Busy, call back. Called on Miss B. "Too busy, see me later." Called on attorney. Too busy, see him later. Made one more call. Made one sale before I quit in disgust at 3:30. Everyone today seemed busy.

### Questions

1. Analyze salesman Maiden's time employment for *each* of the three days described in his diary by charting his:

- a. Starting time.
- b. Stopping time.
- c. Total hours in the field.
- d. Number of calls.
- e. Number of interviews.
- f. Number of sales.
- g. Number of old customer calls.

2. Did salesman Maiden use his time effectively on the three days described in his diary? Criticize each of the seven items analyzed in Question 1 favorably or otherwise. Cite specific instances of wasted time.

3. Prepare a daily time and effort objective program for salesman Maiden indicating ideal goals on each of the seven items listed in Question 1.

4. What records should salesman Maiden keep of his daily activities? How should he use these records?

5. What steps should Maiden take to conserve his time?

### Problem II

#### TIME AND ENERGY CONTROL

Clyde R. Pritchard, representing Furbush Mayonnaise Company

The Furbush Mayonnaise Company, established in Philadelphia, Pa., in 1916, manufactures and distributes a line of mayonnaise, salad dressing, cheese, pickles, and condiments direct to retail food stores and delicatessens through an organization of

300 driver-salesmen who sell and deliver from company trucks in one operation. Distributing branches, where warehouse stocks are maintained, are located in the principal markets throughout the country.

STARTING TIME 7:35 A.M.

Stop	Type of stop	Time of arrival	Travel time, minutes	Time wait, minutes	Time leave	Remarks
1	Restaurant	7:45	10	0	8:00	Breakfast
2	Grocery	8:10	10	0	8:20	Order
	Battery trouble—	Phoned repair man		65	9:25	
3	Chain Grocery	9:30	5	0	9:47	Order
4	Restaurant	9:48	1	0	9:49	Nothing
5	Chain grocery	9:50	1	0	10:10	Order
6	Chain grocery	10:10	0	0	10:40	Order
7	Chain dairy	10:40	0	0	10:55	Order
8	Delicatessen	10:55	0	0	10:56	Out
9	Restaurant	10:56	0	0	11:00	Nothing
10	Restaurant	11:02	2	0	11:04	Nothing
11	Market	11:05	1	0	11:15	Collect
12	Delicatessen	11:19	4	0	11:25	Collect
13	Market	11:28	3	0	11:47	Order—collect
14	Market	11:50	3	5	12:10	Advertising— collect
15	Chain grocery	12:10	0	20	12:45	Order
16	Restaurant	12:45	0	0	12:47	Nothing
17	Market	12:50	3	0	12:55	Nothing
18	Grocery	1:00	5	0	1:04	Order
19	Market	1:06	2	0	1:12	Order
20	Chain grocery	1:13	1	0	1:17	Out
21	Spa	1:18	1	0	1:40	Exchange order
22	Restaurant	1:40	0	0	1:50	Eat
23	Market	1:53	3	5	2:15	Order
24	Chain grocery	2:15	0	0	2:30	Order
25	Grocery	2:35	5	0	2:55	Order
26	Grocery	3:00	5	0	3:10	Order
27	Market	3:10	0	0	3:35	Exchange order
28	Market	3:40	5	0	3:50	Nothing
29	Chain grocery	3:50	0	0	3:51	Out
30	Delicatessen	3:55	4	0	3:57	Nothing
31	Market	3:57	0	0	4:00	Nothing
32	Hospital	4:12	12	0	4:20	Order
33	Grocery	4:35	15	0	4:45	Delivery
34	Return trip to branch, arriving at 5 P.M.					

Each salesman operates over a weekly route, calling on individual and chain store customers once every six days. He writes orders, makes collections, delivers from his truck, cleans and rearranges his customers' stock, exchanges, keeps route books to record sales and collections, loads truck, places store and window display advertising, and drives his truck.

Clyde R. Pritchard is one of 10 salesmen-drivers operating out of the Boston branch of the company and has been selling Furbush products for two years. A typical day spent in the suburbs of Boston by him is illustrated on the time and activity report as shown on page 348.

### Questions

1. Compute the travel time, waiting time, number of calls, number of sales, number of hours in the field, and interviewing time of salesman Pritchard on the day described. What is the percentage of each item to total hours in field?
2. Criticize favorably or otherwise the activity of the salesman, citing specific instances of waste time or good use of time. How else could he have saved time? In what other ways should he spend his time?
3. Did the salesman apparently zone and route his calls to conserve his selling time?
4. What was salesman Pritchard's efficiency ratio of calls to interviews, interviews to sales? Set up a daily objective in calls and interviews to enable him to increase his number of sales 10 per cent.

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## CHAPTER XIV

### GRAPHIC SALES PRESENTATIONS

#### MULTIPLE SENSE APPEALS

A salesman has five avenues of approach to a prospect's interests—through sight, touch, taste, smell, and hearing. Three or more of these senses may be appealed to in making a sales presentation of a product or service. Salesmen, however, are usually satisfied to appeal to only one of them, the auditory or sense of hearing. The other four equally keen, responsive, and important sensibilities are often ignored in making sales presentations, with the result that a weak impression is made on prospects.

The forcefulness of a salesman's presentation is determined by the number of sense appeals that he makes. If he appeals only to the ear of a prospect by spoken words, the sales impression is weak. Buyers are so accustomed to listening to the verbal claims of salesmen that they are often indifferent to what salesmen say. However, if in addition to appealing to the sense of hearing, a salesman also appeals to a buyer's sense of touch, by asking him to feel the product, a dual sense impression is made. If he also shows the prospect a working model of the product, the sense of vision is affected. By appealing to touch and sight, a multiple-sense impression is made which is three times as strong as the impression made on a prospect by speech alone.

Some products and services are especially adapted to multiple-sense selling. In offering a breakfast food to merchants, for example, a salesman can describe its merits and reach the buyer's ear; he can offer the buyer a prepared sample and thus appeal to taste; by calling the dealer's attention to the delicious aroma of the product, the sense of smell is affected; by asking the buyer to feel the product, the sense of touch is reached; and finally the buyer's sight may be impressed by the appearance of the package.

Intangible services, such as travel, life insurance, and securities, do not lend themselves so completely to multiple-sense selling as

some tangible goods. However, salesmen of intangibles can make a dual sense appeal to hearing by oral description and to sight through the medium of charts, graphs, and pictures of applications, profits, and benefits. If a salesman's proposition is complex or difficult to explain, there is greater need for appealing to several senses of prospects.

A salesman who appeals to several senses is like a dramatist who reaches not only the ears of his audience by the spoken words of the actors but also their eyes through effective stage settings and costumes. He who relies upon speech alone in making sales presentations is sacrificing other equally important means of communication which can help him to reach his objective more quickly and effectively.

Multiple-sense selling is effective because it emphasizes sales points through repetition, by words, illustrations, and experiences. Details may be amplified by repeating them, picturing them, and showing them to prospects. This method of repetition is more effective than repeating a sales point by word of mouth until it becomes boring. By discovering the merits of a product through his own eyes, ears, touch, taste, or smell, a prospect convinces himself that the commodity satisfies his need.

A prospect secures a clearer understanding of the values of a product when he learns about them through his eyes, hands, and mouth as well as his ears. Some persons can comprehend more readily through one sense than another and multiple-sense appeals create ready understanding.

The interest of a prospect is gained and retained by appealing to his sight as well as to his hearing; a newspaper clipping, a check, or a diagram secures attention because it arouses curiosity and causes a prospect to listen more attentively.

The value of multiple-sense selling was first recognized by the late John H. Patterson, President of the National Cash Register Company, who advocated that his salesmen appeal to several senses in making a sales presentation, as follows:

I hold that one cannot rely on speech alone to make himself understood or to gain and hold attention. A dramatic supplement is needed. It is better to supplement whenever possible with pictures which show the right and the wrong way; diagrams are more convincing than mere words; and pictures are more convincing than mere diagrams. The ideal presentation of a subject is one in which every subdivision is



pictured and in which the words are used only to connect them. I early found that in dealing with men a picture was worth more than anything I could say.

### APPEALING TO A PROSPECT'S EYES

Visual presentation is the oldest and almost universal method of conveying ideas from one person to another. According to an ancient Chinese proverb, "One picture is worth ten thousand words," and in Mesopotamia archeologists have found pictographic tablets dating from 3000 B.C.

Graphic illustrations are effective because pictures are entertaining and induce a receptive mood on the part of the observer. Appeals to the eye are a welcome change to buyers who are accustomed to oral sales presentations.

Ideas received by the eye are remembered longer than those that are heard. Scientists say that the average man remembers one-tenth of what he hears, three-tenths of what he sees, and five-tenths of what he both sees and hears. Twenty-five times more attention is given to eye impressions than to appeals to the ear. The nerves that lead from the eye to the brain are many times larger than those leading from the ear.

Not only are sales points received through the eyes retained longer than other sense impressions, but the sense of sight is by far the fastest to register images in the mind. Vision accounts for 83 per cent of acquired knowledge; the other senses accumulate only 17 per cent. In other words, the eye outdistances all the other senses combined by at least four to one. Pictures make it possible for a person to understand in a few seconds what would otherwise take many minutes of explanation.

Ideas that are pictured are believed more readily than those which are spoken. Illustrations give an impression of reality and genuineness not associated with the spoken word. Leonardo da Vinci, the famous painter, once said, "The eye giveth to man a more perfect knowledge than doth the ear. That which is seen is more authentic than that which is heard."

The use of visual material in sales interviews saves the time of both salesman and prospect by speeding up the transfer of sales ideas and often making it possible to conclude a sale in one interview. Illustrations keep a sales presentation on the right track and prevent time-killing interruptions.

Pictures help a salesman to obtain a complete interview. When illustrative material is placed before a prospect, the buyer is more inclined to give a salesman a full hearing than when he presents his proposition orally.

A prospect's attention is held and concentrated on a sales presentation when pictorial material is used. If a sales interview is interrupted, the thread of the salesman's story can be more quickly picked up with illustrations.

A beginner salesman can quickly acquire knowledge of his proposition and attain confidence more rapidly when he uses illustrative material. Pictures acquaint him with an abundance of facts and evidence of the merit of his product so that he can make an impressive presentation to prospects. A new salesman can get into sales production in a shorter time when he uses visual sales material.

Visual sales material is indispensable in making sales presentations to groups, boards of directors, or committees. The attention of groups is secured and held more effectively by pictures than by verbal arguments.

**Visual Selling Aids.**—There are numerous subjects for illustrations which may be used in sales presentations. Pictorial sales material may be created around the following subjects:

*Product or Service:*

1. Illustrations of a product including phantom, cross section, X-ray, or detail of a single feature.
2. Illustrations of a product in use create interest and enable a prospect to visualize the ways he may be able to use the product. If the product is used for a variety of purposes, a series of illustrations may be necessary.
3. Illustrations of results of a product's use or consequences of failure to use a product carry conviction. "Before and after" pictures are of this type.
4. Illustrations of well-known users of a product or service are strong evidence of satisfactory service.
5. Illustrations of laboratory tests and field demonstrations show unique sales features.
6. Illustrations comparing unusual features of a product or service with a commonplace similar idea are effective in introducing new features. For example, waterproof plastic material may be compared with the waterproof skin of an apple.

7. Illustrations which show how a product or service differs from competitive products are excellent sales evidence.

*The Company, Organization, Personnel, and Equipment:*

1. Illustrations of company properties, plants, and branches impress prospects with company stability.

2. Illustrations of production equipment, improved processes, tools, and machines show facilities to make a quality product.

3. Illustrations of workers, executives, and directors of a company show character of personnel to make a good product or service.

4. Illustrations of personnel activities, presentation of rewards to employees with long service, recreational facilities, promotions, and safety competitions reveal the spirit of an organization and human side of a business.

*Service Facilities:*

1. Illustrations showing location and size of warehouses and branches indicate ability to provide quick service and cut transportation costs.

2. Illustrations of truck fleets, steamships, and other transportation facilities prove good delivery service.

3. Illustrations of mechanical service depots, service schools, service personnel, and equipment show the availability and reliability of mechanical service to buyers.

4. Illustrations of service schools for customers and distributors prove the efforts of the seller to improve the quality of mechanical service.

*Advertising and Merchandising Aids:*

1. Illustrations of national and local advertising media used in promoting sales of a product show the character of the advertising.

2. Illustrations of advertising copy in magazines, newspapers, outdoor, and other media show appeals and quality of advertising.

3. Illustrations of advertising schedules show dates of appearance of various advertisements and enable distributors to read, listen to, and see advertising when it appears.

4. Illustrations of the coverage of advertising aid in proving the effectiveness of the media used in reaching the customers and prospects of distributors.

5. Illustrations of advertising effectiveness, fan mail, coupons, and inquiries received, sales or distributors secured show the resultfulness of an advertising program.

6. Illustrations of dealer cooperative advertising and window and store displays aid in inducing dealers to tie up local with national advertising.

*Costs:*

1. Illustrations of price trends show comparative product costs over a period of years and prove values.

2. Illustrations of returns to customers on their original investment expressed as dividends and earnings are convincing evidence to prospects of profit possibilities.

3. Illustrations of initial cost reduced to a daily, weekly, or monthly basis minimize large initial costs.

4. Illustrations of operating cost comparisons show relatively low costs of operation and are convincing arguments for low operating expense.

5. Illustrations of costs of operation compared with costs of operating competing products serve to meet competition.

6. Illustrations of distributor's margins, profits, and turnover of capital show dealers profit possibilities.

**Media of Illustration.**—Illustrations of the foregoing subjects may be produced by various techniques: photographs, retouched photographs, pen-and-ink drawings, cartoons, charts, graphs, diagrams, and maps. Each of these media of illustration may be used according to the subject material. Many companies supply their salesmen with illustrative material; otherwise they must prepare their own pictorial sales ammunition.

Photographs are the simplest and one of the most effective of all such media. They are inexpensive and are quickly and easily prepared, and their realism dispels the skepticism of prospects. Composite, silhouette, phantom, X-ray, and micro-photographs may be used to arouse interest and visualize sales points in many unusual ways.

Pen-and-ink drawings of various types make effective sales presentation illustrations. Serious or humorous cartoons, outline drawings, realistic sketches, or fanciful and grotesque pictures, can be used effectively to picture sales ideas. Diagrams showing processes of manufacture, channels of distribution, advertising schedules, and many other sales activities are easily prepared and clearly depict ideas that would require many words to describe. Statistical graphs and charts using miniature figures, squares, bars, and circles clearly show relative sizes and

volumes or compare prices. Maps drawn to scale or distorted can show scope of product distribution, sources of raw materials, etc. Blueprints are used to convey mechanical information and to depict details of construction.

Sound motion pictures and slide films are used extensively by salesmen in picturing their sales stories. Films are particularly useful in group selling to committees, boards, and partners. The attention of these groups is easily held with sound pictures. In demonstrating heavy equipment in a prospect's office, films are indispensable. Films are helpful in selling in the showroom or before clubs and civic groups. Sound pictures also dramatize a product or service and save selling time. Portable projectors and films are supplied by hundreds of progressive companies to their salesmen for use in selling both distributors and consumers.

Photographs, drawings, charts, and other pictorial sales materials are collected and arranged in the most effective sequence for presentation in various types of visual sales interview portfolios, pictorial kits, binders, and books. Although many sales organizations supply such material, salesmen often develop their own graphic presentations.

Illustrations are arranged in a sales-presentation portfolio in a logical sequence to enable a salesman to secure a prospect's attention, arouse his interest, and create his desire for a product. Salesmen coordinate their spoken words with the illustrations in their visual portfolios as they show them to buyers. A standard oral presentation may be prepared to accompany each picture in a sales portfolio. Salesmen who use such portfolios effectively do not go through them from cover to cover following the sequence of illustrations, but select and show only those pictures that are of specific interest to a prospect, thus avoiding a mechanized presentation. A salesman must be so familiar with the location of the illustrations in his portfolio that he can quickly refer to a particular picture to supplement his spoken words.

Some salesmen, on the other hand, prefer to make a picture presentation following a set arrangement of illustrations. For this purpose a salesman can arrange his visual material according to the psychological steps of attention, interest, desire, and action. The opening illustrations picture the prospect's problem and

his needs for the product or service. Next, follow illustrations showing how the product solves that problem and meets those requirements. The next pictorial material shows evidence and proof of satisfactory solutions to the problem by means of testimonial letters, pictures of satisfied users, and references. The final illustrations depict the need for prompt action by showing consequences of failure to use the product or service.

To protect a visual presentation, to ensure that its external appearance is in keeping with the quality of a product, and to facilitate its use, it should be bound in a protective covering. The standard three-ring binder is the most widely used type of loose-leaf book. A loose-leaf binder with an automatic easel attached to the back cover enables the illustrations to be quickly raised to eye level when placed on a desk before a prospect. A separate easel attachment may be obtained to fit any standard ring binder with the same result. An easel portfolio takes illustrative material out of the hands of both salesman and prospect and enables a salesman to control his visual presentation more effectively. The "pyramid" type of easel binder serves the same purpose and is made in many dimensions from the area of a full newspaper page to postcard size.

Many visual sales presentations are bound in zipper-type loose-leaf books which present an attractive appearance, are dust- and waterproof, and are convenient to use. Accordion-fold portfolios are flexible; with them one or many illustrations may be shown at once. Visible card-index book units filled with cards printed and illustrated with various sales points are effective visual sales tools. A salesman can keep his visual presentation up to date easily by adding or replacing illustrated cards in a visible card-index book.

Tablets or figuring pads of notebook size, with sheets of printed diagrams, sketches, or figures, are frequently used by salesmen in making visual sales presentations. The illustrations on these tablets are often printed incompletely so that a prospect's situation can be filled in by the salesman during an interview with the pertinent facts. The pages are usually arranged in logical sequence to parallel the oral presentation of the salesman. Blank scratch-pads upon which a salesman can make sketches, figure costs, or write sales points with a soft pencil or crayon are also good visual sales tools.

To make a more dignified impression on prospects and to reduce sales resistance, visual presentations are prepared in miniature size to be carried in a salesman's coat pocket. Loose-leaf, accordion-fold, and other types of binders for visual sales material may be obtained in pocket size.

Separate pictorial presentations are usually prepared by advertisers to aid salesmen in visualizing advertising programs to distributors. Advertising portfolios picture advertisements



Salesmen of the Standard Oil Company of Indiana dramatize the company's advertising program to retailers by showing, in a graphic presentation, giant size playing cards, each of which features information on the advertising program.

appearing in current publications, testimonials of effectiveness, illustrations of inquiries received, specimens of direct mailings, photographs of premiums, charts of circulation coverage, graphs showing response, diagrams of schedules, maps indicating locations of radio broadcasting stations, and other features of an advertising and sales promotion program.

A prospect's sense of sight may also be appealed to by showing the actual product, a sample, or a miniature model. The realism gained by introducing the product itself in a sales interview is a

definite selling advantage. When the size of the product permits, it may be carried by a salesman on all calls. A salesman may not wish to project the product into every interview, but a product can often speak more effectively for itself than through a salesman.

Sight appeals may also be made with special testing or demonstrating devices furnished by many manufacturers to their wholesale and dealers' salesmen. These testers show dramatically one or more product advantages. Salesmen of a well-known automobile tire show the nonskid feature of its safety tread with a demonstrating device in which treads of its own and competing tires are compared for quick stopping on a strip of wet glass. Salesmen of another tire company used a cord-stretching machine to test the strength of the cords in the carcass of its tires. Numerous similar test devices have been developed by manufacturers for use by their salesmen.

#### APPEALING TO A PROSPECT'S TOUCH

Scientists estimate that more than five thousand sensory nerves terminate in one square inch of finger-tip surface to receive touch impressions and flash them to the brain. A salesman who appeals to the sense of touch by asking his prospects to touch the smoothness of surfaces, to handle various sizes, and to feel the shape of his products creates a strong impression of value in the minds of buyers. When a salesman's speech is supplemented by a tactile appeal, a prospect obtains a more complete picture of the benefits and advantages of an article.

By putting a package or a product into the hands of a prospect, a salesman creates a sense of ownership. A buyer who feels an article appreciates clearly and quickly its smoothness, softness, strength, or suppleness. He receives a much stronger impression than he would gain from hearing about these qualities.

When a salesman asks a prospect to try on a pair of shoes to feel their comfort, when he urges a buyer to slip on a glove to feel its flexibility and fit, when he invites a buyer to touch an electric heating pad to enjoy the warmth, he is putting into action thousands of sense nerves to make strong sales impressions.

Prospects prefer to experience by personal and direct impression the benefits of a product rather than to hear about it second-hand from a salesman. By giving prospects an opportunity to



learn for themselves, a salesman capitalizes on the universal instinct to experience satisfactions.

Certain types of products are well suited to selling by touch appeals. Textile fabrics, paper, fruits, and commodities with pronounced surface characteristics may be sold by appealing to a prospect's sense of touch. The finish of furniture, the texture of cloth, and the skin of a peach all have characteristics that make strong touch appeals to prospects. The feel of the balance of weight in a golf club or a tennis racket has a strong appeal to buyers of these products. The snug set of a coat collar imparts a feeling of comfort which may be a clothing salesman's strongest selling appeal.

By asking a prospect to feel an article, a salesman can keep the buyer's attention from wandering and focus it on the specific product feature under discussion. Interruptions and distractions are avoided if a prospect participates in a sales presentation by feeling the product.

A buyer's confidence in an article is gained when he experiences for himself, through his sense of touch, the values claimed by the salesman.

**Touch Selling Aids.**—A salesman who uses his imagination can devise numerous ways to appeal to a prospect's sense of touch. One successful tire salesman shows his prospects, by a unique demonstration, how heat is generated in an automobile tire. The prospect is given a piece of crude rubber and asked to stretch it several times, then to touch the hot rubber quickly to his upper lip. By feeling the rubber heated by the stretching process, the prospect understands how heat is generated in a tire on the road.

An automobile salesman appeals to the sense of touch of prospects who are interested in safety by asking them to hammer a square of safety glass and then feel how the glass cracks but does not shatter from the blow.

A salesman of automobile lacquer uses a piece of zinc coated with lacquer, a hammer, and a bottle of acid. Prospects are asked to hammer the surface of the lacquer and feel that it is unmarred by the beating. Next they are asked to pour acid on the lacquer and feel that the acid has no effect on the surface.

A rock-wool insulation salesman appeals to the sense of feeling of his prospects by placing a 4-inch thickness of rock wool on a

lighted gas-range burner. The prospect is asked to place his hand on top of the insulation and feel that no heat from the fire penetrates the material.

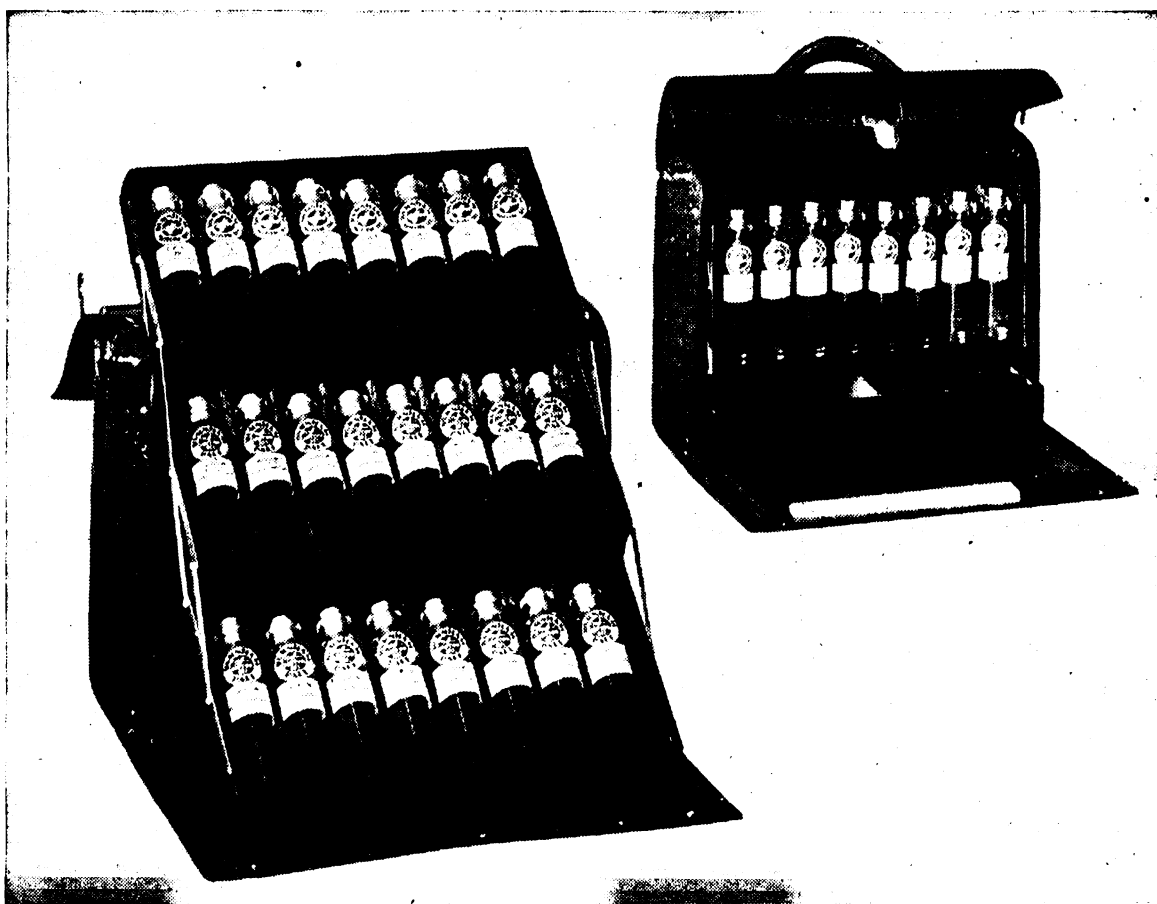
In selling a nonslip liquid which is applied to the underside of rugs to keep them from skidding, a salesman appeals to the sense of touch of buyers. He applies the liquid to the back of small pieces of carpet and asks the prospect to push the carpet across a slippery surface and feel how rugs do not slide.

A motor-truck salesman gets prospects to feel the advantage of box-frame construction with two matchbox sleeves. The fourth side of one of them is removed, leaving three sides. This sleeve represents competitive frame construction. The other sleeve, with four sides, represents the box frame in the salesman's truck. The prospect is asked to press his forefinger down on the top of the sleeve with three sides; it quickly collapses. The strength of box construction is felt when the prospect presses on the top of the four-sided sleeve, which represents the box frame in the salesman's truck.

A salesman also can appeal to a prospect's sense of touch by inviting the buyer to feel the product itself, a sample, or a part thereof. If a product is small and light in weight, it may be carried by a salesman on his calls. Salesmen who offer new products or those which cannot easily be described usually carry a sample or the product itself on their calls. Style products, such as men's and women's wear, are usually carried by salesmen. The actual product or a sample not only appeals to a prospect's sense of touch but also to his sight and in some cases to his taste, hearing, and smell.

If a product is packaged, a salesman may carry packages and ask prospects to feel how the container fits the hand. When products or samples are too bulky or heavy to be carried by a salesman, a miniature model may be used. If it is impracticable to take a product to prospects, a model is the most effective device to give buyers an opportunity to feel its surface and shape. Many companies furnish their salesmen with miniature product models of the following types: operating models, nonoperating models, cross-sectional models, and toy models. Models are valuable in securing interviews, holding the attention of prospects, arousing interest, and explaining technical features.

Typical models used by salesmen include miniature hot-air furnaces, oil burners, fire extinguishers, electric motors, plumbing fixtures, washing machines, valves and fittings, spark plugs, and many other articles. Since models of complex products are expensive and their obsolescence is rapid, many companies do not feel that the cost of making them is justified. However, paper reproductions and cross-sectional or cutaway parts of products



A strong visual sales appeal is made by salesmen, representing a lubricating oil company, who carry this attractive extension tray sales case filled with samples of various grades of the product. This case is typical of similar sample kits which afford excellent visual display of a product.

may be obtained at little cost. Automobile-tire salesmen generally use cross sections of casings and miniature models of tires. Inexpensive toy models may be used in securing interviews.

Although a small product, model, or sample may be carried in a pocket to ensure proper protection, test materials, samples, actual products, and models should be housed and transported in carrying cases. Many companies supply their salesmen with kits to carry these pieces of equipment; some salesmen have to supply their own.

In selecting a sample case, a salesman should obtain one in which quality and appearance are in keeping with the character of the product sold. Sales cases may be made to order to fit a specific product or sample, to provide a convenient arrangement of all materials, to ensure an attractive display, and to give maximum protection. The shape of a sales case should make it easy to carry and it should be light in weight. Frequent inspection is necessary to keep samples fresh and clean and materials and cases in good order.

### APPEALING TO A PROSPECT'S TASTE AND SMELL

Salesmen of food products, drugs, cosmetics, and beverages can strengthen their sales presentations by appealing to prospects' senses of taste and smell. A perfumery salesman, who drops his product on the handkerchief of a prospect so that when the perfume dries the full effect of the odor may be sensed, is making the strongest sales appeal to arouse buying desire for this type of product. A confectionery salesman who asks prospects to taste his chocolate creams is appealing to the one sense most likely to influence a buyer's decision to purchase.

Taste appeals can be used in selling many products. Tastes may be either sweet, bitter, acid, or salty, although many taste sensations are a combination of touch, warmth, cold, or pain. A dentifrice may have a "biting" taste which is a combination of pain and taste. Candy that tastes soft, brittle, or gummy appeals to touch as well as to taste. Food appeals to the sense of smell as well as to taste. Coffee owes its appeal to the sense of smell; its taste is bitter. Cider would taste the same as onion juice if it were not for the sense of smell. By discovering the taste appeals of his product, a salesman can find new ways to make sales impressions on prospects.

Although many taste sensations are combined with smell, there are six primary odors: spicy, found in pepper, cinnamon, etc.; flowery, found in gardenias, etc.; fruity, found in oranges, lemons, etc.; resinous, found in balsam needles, pine gum, etc.; foul, found in rotten eggs; and scorched, found in tar. There are many compound odors, such as peppermint, which are fruity and spicy. The sense of smell is a fundamental sales appeal for food, beverages, flowers, and perfumes.

The sale of some products possessing no natural odor is often stimulated by perfuming them. Personal writing paper is per-

fumed with flowery odors; lingerie is scented with lavender; fiction books have been scented to create an atmosphere conforming with the plot. Products that give off disagreeable natural odors are often made more salable by disguising their smell with pleasing odors. Rubber goods, adhesives, and gasoline have been perfumed to give them more odor appeal. Chemists are creating smell appeal for countless products. A salesman can capitalize the spicy, flowery, or fruity odor of his product by appealing to a prospect's sense of smell.

In selling hosiery, odor has a strong sales appeal. Three pairs of women's hosiery of identical quality and color were selected by a hosiery manufacturer for a sales test. One pair was perfumed, two were unscented. The perfumed hosiery far outsold the unscented stockings and proved the sales power of an appeal to the sense of smell.

Sales of a well-known brand of coffee increased when the distributor, in conjunction with showings of a motion picture featuring the roasting of the product, blew the odor of fresh roasting coffee into the auditorium where the film was being projected. The audience inhaled the aroma of the coffee, which, combining with the picture of the roasting process, doubled the force of the sales appeal.

A salesman of crackers appeals to the sense of smell of his dealers. He first buys a package of his own product. Then opening the package, he approaches the dealer asking him to smell the fragrance of the freshly toasted crackers. The salesman next invites the merchant to taste a cracker, thereby appealing to his sense of taste in an effective use of multiple-sense selling.

A salesman of sandwich spread makes a similar appeal to the sense of taste of grocers. He first buys a loaf of bread from the dealer. Then he takes out of his pocket a two-section knife which he puts together, slices the bread, makes a sandwich with the spread, and offers the dealer the sandwich, proving by taste appeal the quality of the product.

A ginger ale salesman buys a bottle of his own product and a bottle of competing ginger ale from the dealer whom he is trying to sell. Then he asks the buyer to taste both beverages. Eight out of ten dealers prefer the taste of the salesman's ginger ale. The salesman doubles his sales for each dozen calls when he uses this taste comparison sales appeal.

A salesman of electric refrigerators appeals to the taste of prospects, who come to the showroom for demonstrations, by serving them frozen desserts and ice cream from the cold compartment of a refrigerator. To his word-of-mouth presentation the salesman adds an effective taste appeal.

Some salesmen appeal to the taste and smell of prospects by carrying prepared samples. A soup salesman, calling on retailers, carries a thermos bottle filled with hot soup and a supply of paper cups and spoons for serving the soup to buyers. A canned goods salesman carries cut cans of his fruits and vegetables, which make their own taste appeal to buyers. .

### APPEALING TO A PROSPECT'S HEARING

The most common and often the only sense appeal made by salesmen is to hearing. A buyer's ears may be compared to a piano with over 20,000 strings which are set in vibration by the sound waves of a salesman's voice. Just as the strings of a piano can be thrown into sympathetic vibration by the skilled fingering of a pianist, so can the membrane of a prospect's ear be set to vibrating in harmony by the trained voice of a salesman. By proper tone control, a salesman can produce a harmonious sensation in the ears of his prospects.

The three fundamentals of voice control, which will enable a salesman to make a more effective appeal to the ears of his prospects, are: change of pitch, variation of rate, and change of volume of tone.

A salesman who speaks in a monotonous voice with a dull, level pitch of tone hypnotizes his prospects. By changing pitch, his voice runs up and down the tone scale from high to low and back again and, by variety, commands the attention of prospects. By suddenly lowering or raising pitch, an important word or phrase can be made to stand out and register.

Enthusiasm often causes salesmen to speak too rapidly. This confuses prospects as much as an excessively slow and deliberate rate of speaking annoys them. A salesman's rate of speaking should range from slow, when discussing important ideas, to fast, when mentioning insignificant details. By changing his rate of speaking, pausing before and after important ideas, a salesman can hold the attention of a prospect.

Volume of tone is also an important factor in making a sales presentation. A loud, overemphatic tone not only annoys prospects but also others who may be in the vicinity. A salesman who changes the volume of his conversational tone emphasizes important ideas loudly and subordinates details in whispers. Variety in voice volume is necessary to hold the attention of prospects and to emphasize vital sales points.

Pause before important sales ideas. Silence can be just as emphatic as speech. Prospects become attentive and listen to hear the next words of a salesman when he pauses in his presentation. A pause after a vital point lets the idea sink into the consciousness of a prospect. Silence is sound selling strategy.

A salesman's natural method of talking offers many opportunities for improvement. Because his conversation is a commonplace, everyday method of communication, he gives little consideration to the impression which it makes on buyers. By practicing to vary pitch, rate, and volume of voice, a salesman can improve his oral presentations and make a better impression on prospects.

### HOW TO MAKE A GRAPHIC SALES PRESENTATION

The finest visual sales portfolio, album, sample, or model loses its value as an aid unless it is used with skill. There is a proved technique in using visual sales material just as there is a best way to fell a tree or pull a tooth. From the experience of many salesmen who use visual sales material, five principles for making a pictorial sales presentation have been discovered and combined into a single routine. If a salesman will memorize and practice this simple procedure, he will soon acquire skill in making visual presentations.

#### *Routine for Presenting Visual Material*

1. Introduce naturally.
2. Place before prospect.
3. Apply to prospect's needs and interests.
4. Keep control of visual material.
5. Leave with prospect.

**1. Introduce Naturally.**—When a salesman opens an interview, the prospect is often preoccupied with affairs quite foreign to the salesman's proposition. So that the prospect may have an

opportunity to adjust himself to the salesman's presence and personality, visual material should not be introduced immediately but should be prefaced by general remarks or pertinent conversation.

When visual material is used as an "entering wedge" in opening a sales interview, its introduction should be prefaced by general remarks. An automobile salesman, who opens his interviews by showing prospects a chart of buying motives, prefaced the introduction of the chart by saying, "I realize that you are a very busy man, Mr. Prospect, and it was considerate of you to allow me the few minutes that I asked. Of course, I don't know what you look for in buying an automobile but I believe that I am safe in assuming that you want to get the most for your money. Your automobile dollar is divided into eight parts." Here the salesman lays before the prospect a pie chart showing the automobile dollar divided into the eight parts of beauty, safety, performance, economy, service, reputation, dollar value, and comfort.

Visual material may be withheld until the interview has progressed to a point where the salesman wishes to clarify a sales point or prove an advantage. Then he reaches for his portfolio, naturally, saying, "Let me illustrate that point. This picture tells the whole story clearly and quickly." Here the salesman lays before the prospect a picture of the product.

**2. Place before Prospect.**—After introducing visual material, a salesman should place it squarely in front of the prospect, laying it on the desk or table before which the buyer is seated. The pages should lie under the prospect's eyes so that he does not have to turn his head to see everything comfortably. If the prospect is obliged to stretch or get into an uncomfortable position to see the illustrative material, his attention is hard to hold and he may not see some of the pictures or charts. A salesman should seat himself beside the prospect so that his face will be on same plane with that of the prospect's. An easel portfolio keeps illustrations on the eye level of a prospect and makes them easier to see.

**3. Apply to Prospect's Needs and Interests.**—Pictorial material should be applied by a salesman to the specific needs or interests of his prospect. To bore a prospect with illustrations or other visual sales material which has little or no relation to his needs



or buying motives is usually a waste of time. Some visual sales portfolios are designed to provide a salesman with a complete standardized presentation illustrating all features and applications of a product or service. If a salesman follows rigidly such a standard picture presentation, beginning at the first page and closing with the last, the prospect is often not interested in pictures of no significance to him. A salesman must, accordingly, select certain illustrations to show each prospect.

As a salesman discovers the needs and interests of a prospect, he may supplement his spoken presentation with illustrative material. Eye appeal should supplement ear appeal, and both appeals should be unified in a convincing single impression on the eyes and ears of a prospect. A good oral presentation may be planned or written to accompany each illustration.

A salesman should be so familiar with the contents of his picture portfolio and other illustrative material that he can quickly refer to any particular picture or diagram and relate it to the problems of the prospect. By thumb-indexing a portfolio, a salesman can save his time and create a better impression on prospects by quickly finding illustrations pertinent to the needs of buyers.

**4. Keep Control of Visual Material.**—Unless a salesman keeps his hands on his visual material, the prospect may pick up illustrations or a portfolio and finger through them himself, thus destroying the salesman's continuity and causing him to lose control of the presentation. By sitting on the right side of a prospect, a salesman is in the best position to control the pages of a visual portfolio and at the same time give the prospect an uninterrupted view of the illustrations. An easel-back portfolio keeps illustrations out of the hands of a buyer and facilitates control by a salesman.

By pointing out features of illustrations with a pen or pencil, a salesman can focus the eyes of a prospect on those details of greatest importance and prevent his attention from wavering.

If the prospect takes illustrations into his own hands for closer inspection, the salesman may regain control of the material by asking for the return of the pictures on the pretext of pointing out another feature.

No attempt should be made by a salesman to control visual text material by reading it to the prospect. Many people resent

being read to out of a book—a parrot process that bores them. Prospects should be permitted to read without interruption any text accompanying pictures. Instead of a humdrum reading of the text, the salesman should supplement it with his own stock asides or anecdotes on definite selling points illustrated in the portfolio.

**5. Leave with Prospect.**—When the salesman has covered the salient points in his presentation, he should not close the book or put away his illustrations to signalize the end of the interview, but should leave his portfolio or pictures open before the prospect at a page illustrating an important sales point. If he is unable to close a sale, he may leave his portfolio or other visual material with the prospect to be examined at leisure in the salesman's absence. Not only does this give a prospect an opportunity to sell himself but it leaves the door open to the salesman to make a return call to pick up his illustrations. Some salesmen keep several portfolios in the hands of prospects all the time.

### Problem I

#### USING VISUAL SALES MATERIALS

Arthur Ostrow, representing Talbot Tire and Accessory Company

The Talbot Tire and Accessory Company, Boston, Mass., established in 1925, retails a complete line of automobile accessories including tires, batteries, horns, radios, heaters, speedometers, headlights, and other accessories. Well-known brands of nationally advertised products are sold through the company's two stations located on main traffic arteries of the city. Local newspaper advertising is used weekly.

Arthur Ostrow, one of the two inside salesmen in the company's main store, has just sold a customer a set of four tires and while they are being installed, the following interview ensues between them:

1. SALESMAN: I imagine you do a great deal of traveling?
2. PROSPECT: Yes, I do. I travel about 350 miles every week between Boston and Connecticut.
3. SALESMAN: While you're waiting for your tires to come down from the stock room, I would like to show you a short moving picture about a new kind of inner tube that I believe will interest you.

(The salesman seated the prospect before a small portable motion-picture projector located in a darkened corner of the salesroom. A

sound motion picture was projected, illustrating traffic hazards and demonstrating various safety devices such as hydraulic brakes, shatter-proof glass, and knee action. The danger of blowouts was pictured by showing automobiles turning over when blowouts occurred. The film concluded by showing a new type of inner tube which permits a driver to come to a slow safe stop when blowouts occur. Testimonials by famous racing drivers and police officials advised the use of the tubes to prevent accidents. The picture featured the Safe T tubes made by a well-known tire company and sold by the Talbot Company.)

SALESMAN (at conclusion of picture): Well, what did you think of that picture?

4. PROSPECT: Those new tubes are quite an idea.
5. SALESMAN: Here in this scrapbook (salesman shows prospect a scrapbook containing newspaper clippings) are newspaper clippings telling about various accidents which were caused by tires blowing out. Aren't they convincing?
6. PROSPECT: Exactly how does this new tube work?
7. SALESMAN: In reality, the new Safe T tube is a tube within a tube. When the outer tube bursts as it does when a blowout occurs, the tube within the tube carries sufficient air to permit the driver to slow down and come to a stop safely. The same thing happens when a tire is punctured. Now here is a cross section of one of these tubes (handing cross section of tube within a tube to prospect) with a nail driven through the outer tube. Now force that nail into the inner tube and see what happens. (Prospect follows directions.) You see that the inner tube does not puncture. The car runs on the tube within the tube.
8. PROSPECT: The tube may be all right but blowouts happen so rarely that I do not see why I should invest my money in Safe T tubes.
9. SALESMAN: Well, that's just like locking the barn after the horse is stolen. We never know when blowouts will occur and it is certainly a grand feeling to know that you are protected against blowouts. Don't you agree with me?
10. PROSPECT: Yes, I do. But a month ago I bought some regular tubes and it would be a financial loss to me if I threw away the regular tubes and bought Safe T's.
11. SALESMAN: No, we are in a position to give you full return value on your regular tubes.
12. PROSPECT: What is the price of these Safe T tubes?
13. SALESMAN: They list for \$11.50 each, but in view of the fact that you operate a fleet of trucks, we are able to offer you a fleet discount on these tubes which will bring them down to \$6.45 each.
14. PROSPECT: The price seems reasonable but I do not expect to keep my car much longer than the first of the year.

15. SALESMAN: We can take care of that very easily. When you trade in your car in the spring, bring it in here first, and we will take out the Safe T tubes and put in some regular tubes. When you receive your new car, bring it in here and we will put in your set of Safe T tubes.
16. PROSPECT: Yes, that may be so, but the new car may use a different size tube than my present car does.
17. SALESMAN: We will give you a new set of Safe T tubes to fit your new car for the difference in price between the Safe T set which I'd like to put in your present car and a new set.
18. PROSPECT: How will I know that these tubes will work under actual conditions?
19. SALESMAN: If you had been in here two weeks ago, I would have taken you to the traveling show the Safe T Tire Company put on here in town. They drove cars over spikes and the Safe T tubes permitted the drivers to slow down and come to a stop without endangering their lives.
20. PROSPECT: Well, I have to get out of town tomorrow. When can you put them in?
21. SALESMAN: It'll only be a matter of a few minutes until we can put them in your new tires. (Salesman fills out order blank and hands it to prospect to sign.)
22. PROSPECT: O.K. Put 'em in.

### Questions

1. What senses does the salesman appeal to in this interview? How?
2. Criticize favorably or otherwise the salesman's use of graphic materials in this presentation?
3. What advantages does the salesman gain through the use of a graphic presentation in this case?
4. What additional graphic appeals might have been made by the salesman in this presentation?
5. How could the salesman make a strong appeal to the hearing of the prospect in this case?

### Problem II

#### DRAMATIZING A SALES PRESENTATION

Robert G. Redmon, representing Lockhart and Benchley, Inc.,  
Dealers in Monton Motor Cars

Lockhart and Benchley, Inc., have retailed Monton twelve- and eight-cylinder automobiles in Brooklyn, N.Y., since 1924. The Rex Eight manufactured by the Monton Motor Car Company, one of the "big three" automobile producers, retails for

\$650 up and is made in sedan, coach, coupé, and convertible models. The Royalty Twelve retails for \$1,500 up and is made in all models. The dealer is represented by eleven salesmen, one of whom, Robert G. Redmon, has been associated with it for five years. Previously he was connected with a large investment house as a bond salesman.

Each of the company's salesmen takes his turn in selling on the showroom floor. On a Saturday afternoon, salesman Redmon is on floor duty when a young man and woman, evidently a newly married couple, whom he has never seen before, enter the showroom. The following conversation ensues:

1. SALESMAN: How do you do? My name is Redmon.
2. PROSPECT: My name is Martin and this is my wife. We'd like to see something in a convertible.
3. SALESMAN: A sedan or a coupé?
4. PROSPECT: We're rather interested in something small.
5. SALESMAN: Well, I think we have a coupé out in back. Will you just step out here, please. (Salesman leads way to garage and points out a coupé.) Is this what you had in mind?
6. MRS. PROSPECT: Oh, no. That's a Rex, isn't it? We want to see a Royalty.
7. SALESMAN: Oh, I see. We have one on the floor. (Salesman leads couple back to showroom and points out a convertible twelve-cylinder car in dark green.)
8. PROSPECT (turning to wife): Well, what do you think of this, Jean?
9. MRS. PROSPECT: It's nice but I think that there isn't much room in those back seats for your legs.
10. SALESMAN: Oh, it's just about right. Here I'll show you. (Salesman sits in back seat to show leg room. Prospect and wife follow on their own volition.)
11. PROSPECT: Hmm! Pretty short for me. Isn't there any way to move the front seat to make more room?
12. SALESMAN: Oh, yes, the seat moves forward about 6 inches. (Salesman moves seat forward.)
13. MRS. PROSPECT: I like this color, dear.
14. PROSPECT (getting out of car): Yes, but I'll bet it shows dust. (Prospects walk around to back of car.)
15. SALESMAN (opening up luggage compartment): In case you're touring, there is a lot of room for luggage back here. And the tire comes out like this. (Salesmen tips tire up and out.)
16. MRS. PROSPECT (pointing to door of rear compartment): Isn't that awfully hard to lift?

17. SALESMAN: Not at all. You see there are springs hidden here which counterbalance the weight. (Salesman points out springs.) Try it and see. (Mrs. Prospect lifts door easily.)
18. PROSPECT: That will be handy. We're going on a trip to Michigan in June.
19. SALESMAN: That's right. That's a long trip. (Prospects walk around to side of car and salesman opens door.)
20. MRS. PROSPECT: That's nice.
21. PROSPECT (addressing his wife): You're pretty short for this car though. See if it's too far to reach the pedals. (Mrs. Prospect enters car, places feet on pedals, and turns steering wheel.)
22. MRS. PROSPECT: Does it steer hard?
23. SALESMAN: No, it steers very easily. (Mrs. Prospect alights and Mr. Prospect gets behind the wheel finding the space crowded as the seat had been moved up to accommodate his wife.)
24. PROSPECT: Hmm. Awfully crowded in here.
25. SALESMAN: But you can move the seat back. (Prospect attempts to move seat back but cannot locate lever.) Down in front. (Prospect fumbles in front of seat looking for shift lever.) No, on your right side. (Prospect locates lever and moves seat.)
26. PROSPECT: Pretty hard to move.
27. SALESMAN: Yes.
28. MRS. PROSPECT: How much is the car?
29. SALESMAN: Why, this one is \$1,740.
30. PROSPECT: I thought you made a cheaper coupé, without rear seats. How much is that?
31. SALESMAN: We don't make that any more. It sold for \$1,700.
32. PROSPECT (examining top): This top looks pretty hard to get down.
33. SALESMAN: No, it's very simple.
34. PROSPECT (Looking at top): Oh, I see. That's what those screws must be for.
35. SALESMAN: We have a fine twelve-cylinder motor. (Lifts the hood and prospects look inside.)
36. MRS. PROSPECT: Does it get your feet hot on long drives?
37. SALESMAN: No, you see those air vents on the side? (Salesman points to ventilators.) And there is a complete partition between the motor and the front of the car inside. That keeps the heat out.
38. PROSPECT: I like those horns.
39. MRS. PROSPECT (to husband): You wouldn't buy a car without a nice horn, would you, dear?
40. PROSPECT: That's right. Has to have that quality sound, you know.
41. MRS. PROSPECT: This car seems a little short. I wonder if it rides as well as a larger car.

42. SALESMAN: Oh, yes, it does. It has a 122-inch spring wheel base.
43. PROSPECT: What do you mean "spring wheel base"?
44. SALESMAN (stooping down and indicating springs): That's the distance from the end of one spring suspension to the other.
45. PROSPECT: I've heard that these cars use a lot of gas.
46. SALESMAN: Oh, no, just the opposite. We get better than 14 miles to a gallon.
47. MRS. PROSPECT: That's pretty good for a big car. It's a nice car all right.
48. SALESMAN: Sure is. We'd like to sell you one.
49. PROSPECT: Well, we want to see a Magna before we decide.
50. SALESMAN: Would you like to drive this car?
51. PROSPECT: It's getting pretty late and we have to go to the Magna agency yet.
52. MRS. PROSPECT: Before we go, what other colors do you have?
53. SALESMAN: Just a minute, I'll get you a catalogue and a color chart. (Salesman gets literature and hands to prospects.) Here are the colors.
54. PROSPECT: I'll be able to let you know the first of the week what we're going to do.
55. SALESMAN: All right, could you come in the first of the week?
56. PROSPECT: Good-by.

### Questions

1. Criticize favorably or otherwise the salesman's use of graphic or illustrative materials in this interview. Point out specific instances in the dialogue.
2. What senses did the salesman appeal to in this interview? What other senses might have been appealed to?
3. How could the salesman appeal more effectively to the prospect's sense of touch?
4. What other appeals might have been made to sight in this interview?
5. What physical illustrative materials might have been used by the salesman in graphically showing the prospects features of the automobile?

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## CHAPTER XV

### SECURING SALES INTERVIEWS

#### THE PROBLEM OF GETTING ACCESS TO A PROSPECT

An interview must first be secured with a prospective buyer before a salesman can make a successful presentation. Salesmen ordinarily have no difficulty in getting face to face with buyers by simply asking for interviews. However, at times they may experience considerable opposition. An inexperienced salesman often encounters some difficulty in getting in to see buyers; as he gains confidence and customers, he has little trouble in gaining access to them.

A study, based on the reports of 100,000 soliciting hours of salesmen representing a large life insurance company, shows that these salesmen must make an average of two calls for every interview that they secure; in other words, their effectiveness in obtaining interviews averages 50 per cent. A leading life insurance salesman producing \$500,000 annually averages 2.8 calls for each interview secured. During a period of eight months, a Pittsburgh life insurance salesman averaged an interview effectiveness of 58.1 per cent, or out of 43 calls he was able to interview 25 prospects.

A salesmen's difficulty in securing interviews varies with the type of buyer approached, the kind of product sold, and the reputation of the company which he represents. Professional purchasing agents and buyers for wholesale and retail stores are readily accessible to salesmen. They interview salesmen on certain days of the week and at regular hours. Qualified salesmen are welcomed by professional buyers as important sources of product information. Ultimate consumers buying for individual or home consumption are often unwilling to grant interviews to salesmen. The problem of securing interviews also increases in difficulty with the importance of the position of a business executive prospect.

If a salesman is selling a specialty, novelty, or luxury item about which a prospect knows little and for which he has felt no need, the salesman has more difficulty in securing an interview than if he were selling a staple necessity. Salesmen of intangibles and services find more difficulty in getting to see prospects than do salesmen of tangible goods.

If a salesman represents a well-known company, he has less difficulty in getting face to face with his prospects than the representative of an unknown firm. A vacuum cleaner salesman working for a well-known local department store or public utility is more successful in getting interviews in homes than if he represented a manufacturer with no local identity.

Salesmen meet resistance in getting interviews for numerous reasons. If a salesman understands why some buyers refuse to see him, he is better able to solve this problem. Many persons instinctively resist anything that is novel or different. An unknown salesman, bringing new ideas, experiences this natural opposition in securing interviews with prospects.

Many prospects are so busy with business or personal matters that they are reluctant to interrupt their work and to give their time to listening to salesmen. Business executives holding responsible positions are particularly difficult to interview for this reason.

Many buyers have had unpleasant experiences with discourteous or persistent salesmen and seek to avoid such annoyance by refusing interviews to all salesmen. House-to-house salesmen often have difficulty interviewing housewives who have experienced the offensive tactics of ignorant peddlers. Some persons are strongly prejudiced against all salesmen because of unpleasant experiences with a few.

Buyers obviously cannot patronize all salesmen. When a prospect is satisfied with his sources of supply, he is reluctant to take the time to hear arguments of other salesmen. If a buyer is committed by contract or other considerations to purchase from one source, he is not interested in buying elsewhere.

A prospect who is not conscious of his need for a product or service is naturally reluctant to listen to reasons why he should buy something that he does not want.

For these reasons buyers protect their privacy with subordinates, including maids, information clerks, custodians, office

boys, and secretaries. One of the duties of these barriers to salesmen is to conserve the time of their employers by questioning salesmen and admitting only those whom they think it would be to their employer's advantage to interview.

#### **METHODS OF OBTAINING INTERVIEWS BEFORE CONTACTING PROSPECTS**

Before seeking access to a buyer, a salesman should first determine the place where the prospect can be interviewed to the best advantage. Prospects who cannot be interviewed by salesmen during business hours must be visited at their homes. Prospects for products or services for individual or home use are interviewed usually at home; buyers of industrial goods are interviewed at their business offices. Many contacts are made by salesmen and interviews secured for the sale of both industrial and personal goods on golf courses, in club rooms, at card parties, theaters, conventions, and similar places where prospects and salesmen congregate.

As there is a best place to hold every sales interview, so there is also a best time to gain access to every buyer. The occupation of a prospect often determines the time of day when he can be interviewed to the best advantage. Interviews with physicians are often difficult to obtain during morning hours when they are calling on patients or engaged in hospital duty; stock brokers rarely grant interviews to salesmen during stock exchange hours; retail merchants usually are too busy to buy on Saturdays; professional purchasing agents generally interview salesmen on certain days of the week and at definite hours.

If a salesman will avoid seeking appointments on the full, half, and quarter hours and try to secure interviews at such odd times as 10:50, 11:20, and 3:40, conflicts with other salesmen often can be avoided and appointments obtained more readily. Since many business and professional men make appointments on the hour and half hour, it is often easier to arrange for calls at odd times. When a salesman asks for an interview at 11:50, he also gives the impression that his call will be short.

If a salesman will obtain advance information about the best time and place to interview a prospect, he can save selling time and present his story to the best advantage. Customers, friends,

centers of influence, and sales associates can give a salesman information about the best places and times to arrange interviews with prospects. By asking tactful questions and observing the habits of buyers, a salesman can secure more interviews at the right time and place.

### DEVICES FOR SECURING INTERVIEWS BEFORE CONTACTING PROSPECTS

After a salesman has decided when and where to interview a prospect, he may use one of several proved devices to aid him in getting face to face with his potential customer. A salesman may ask interviews with prospects by (1) using third parties; (2) sending advance cards or letters; (3) offering gifts; (4) using the telephone; (5) sampling.

**1. Using Third Parties.**—A salesman's customers, relatives, friends, and acquaintances can help him to gain access to prospects. These persons can cooperate with a salesman in three ways: by suggestions, by letters or cards of introduction, and by their personal intercession.

A salesman's customers or friends are often well acquainted with those persons whom the salesman would like to interview. By making inquiries among his friends, a salesman discovers those who are acquainted with a particular prospect. He asks them for their suggestions as to when, where, and how to secure an interview with the prospect.

An automobile salesman desired an interview with the president of a large corporation who was very busy and difficult to approach. He asked a friend of the big executive for suggestions as to the best way to secure an interview with the prospect. The salesman's informant suggested, "Go and see his mother." The salesman called on the prospect's mother, demonstrated his car to her, returned to her son's office, and presented his business card with the following notation, "Your mother expressed a desire for my car. So will you when you know more about it." The salesman got the interview and the order.

A third party can aid a salesman in getting an interview with a prospect by furnishing him with an informal personal letter of introduction. If the person who refers the salesman to the prospect is well and favorably known to the buyer, a letter of recommendation may be very effective in paving the way for a

sales interview. Formal letters of introduction, however, have become commonplace and carry little weight with many persons. A personal note written on the reverse side of a business card by a friend of the prospect is often sufficient to secure a favorable reception for a salesman. A letter of introduction from the president or manager of a salesman's own firm is sometimes used successfully in getting interviews. If a written recommendation cannot be obtained, a salesman usually can secure a customer's or friend's permission to use his name in obtaining an interview with a buyer. The salesman may announce himself to the "barrier" in the buyer's office by saying, "Please tell Mr. Prospect that a friend of Dick Hare is calling."

Or a salesman may induce a friend or customer to make personal arrangements with a prospect for an interview for the salesman. A salesman's friends may intercede for him by telephoning and asking that the salesman be granted an interview. Or a friend may arrange for the salesman to meet a prospect informally at luncheon or at a dinner party. By giving helpful service to customers and friends, a salesman can gain their active cooperation in securing interviews with inaccessible prospects.

**2. Sending Advance Cards or Letters.**—Direct-mail advertising is a valuable aid to salesmen in securing interviews with prospects. When mailed in advance of his call, cards, letters, folders, and telegrams arouse interest and stimulate curiosity in the salesman's proposition. The prospect may postpone a buy-



Typical advance card used by wholesale shoe salesmen in paving the way for interviews with dealer customers and prospects.

ing decision until he has had an opportunity to see the salesman's product or hear his story.

Many salesmen, calling on merchants, mail a printed card announcing their visit a few days in advance of their arrival. These cards are prepared usually by the advertising department of the company represented by the salesmen. Many are illustrated with a photograph of the salesmen and refer to their visit by saying, "Your many past courtesies have been appreciated and I am looking forward to seeing you about (date) with a full line of samples."

A salesman may prepare his own advance cards at little cost by using government postal cards and a small hand-stencil-type duplicator.

Engraved reference cards, signed by friends of prospects with whom salesmen desire interviews, are used by the house-to-house salesmen of a large direct sales organization in gaining access to homes in wealthy neighborhoods.

Individually typed personal letters are used widely by many salesmen of specialty products and intangible services in seeking interviews. Progressive companies cooperate with their salesmen by processing form letters to be used in paving the way for interviews with prospects. A typical advance letter, signed by the sales manager of an investment house, follows:

DEAR MR. PROSPECT:

Each day we ask our salesmen to call on certain carefully selected people of this and other communities.

We want you to know more about this pioneer financial institution, founded over eighty-four years ago.

For this reason, we have asked our salesman, Mr. John Doe, to call on you next Wednesday, to personally lay before you a very specific idea which will unquestionably prove of interest to you.

We want to thank you in advance for the courtesy you will extend Mr. Doe and please be assured that there will be no obligation on your part and no importunity on ours.

Most sincerely yours,

When a salesman fails to secure an interview, some companies follow up his call, asking for another appointment at a future time, as in the following letter over the signature of the sales manager of an industrial specialty company.

DEAR MR. PROSPECT:

We are sorry that you were unable to grant an interview to our representative, Mr. Smith, when he called yesterday to tell you about the new product we have just perfected.

Could Mr. Smith call next Thursday afternoon to see you? If not, please designate the hour and day that would be most convenient to you and drop the enclosed card in the mail—no postage is required. We promise that you will be glad you did.

Cordially yours,

Many salesmen compose their own letters to precede their calls on prospects. The following is a successful letter used by an oil-burner salesman:

DEAR SIR:

“We have forgotten our heating plant.”

“Our house is always heated perfectly.”

“My wife does not shovel coal any more.”

“Most comfortable winter we have ever spent and best of all it costs less than coal.”

“It is a pleasure to deal with a concern like yours.”

That's what experienced owners say about their Blank Oil Burners.

Tomorrow—or the next day—I shall call at your home to tell you more about this wonderful modern heating method, how it does away with all the labor and dirt of old-fashioned heating, how it makes winter warmth as automatic as June sunshine, and even more dependable.

Will you give me a few minutes to explain the marvelous convenience of the Blank Oil Burner and its reasonable cost?

Yours for better heating,

A Savannah, Ga., life insurance salesman found his access to a railroad executive blocked by the prospect's secretary. He wrote a personal letter to the prospect and within a few days the secretary telephoned the salesman to call, and a \$2,500 sale resulted. Another life insurance salesman, who uses letters to precede his calls on prospects, obtained interviews with 85 prospects to whom he sold \$245,776 worth of insurance in one year.

**3. Offering Gifts.**—An inexpensive gift is another effective medium for opening doors of prospects to salesmen. Typical gifts offered by salesmen to prospects in return for the privilege of an interview, are ash trays, paper weights, memorandum

books, automatic pencils, sewing kits, letter openers, and similar novelties. When a prospect accepts such a gift, he obligates himself to give the salesman an opportunity to present his proposition.

Leather-covered pocket memorandum books have been used by thousands of life insurance salesmen in gaining access to prospects. The books are sold to the agents at cost by the insurance companies. They usually are offered to prospects in a form letter like the following used by salesmen of one large company:

DEAR MR. PROSPECT:

A high-grade real leather covered pocket memorandum book with a renewable filler is being reserved for you. Your name will be stamped in gold on the cover and the book forwarded immediately to you upon receipt of the enclosed card.

Just take out your pencil and indicate on the card how you want your name gold-stamped. You are placed under no obligation.

Frankly, we are taking this means to bring to your attention the valuable services that we can render to you in the important matter of estate analysis.

Just send along the card and the memorandum book will be delivered to you in a few days. Remember it places you under no obligation.

Cordially yours,

Several thousand salesmen, representing a large hosiery and ready-to-wear manufacturer selling direct to consumers, secure interviews with women prospects by giving free mending kits which contain silk thread in several shades, mending needle, and run arrestors to stop runs in hosiery. This gift is featured in cards of introduction, pictured on page 385, signed and distributed to prospects by the salesmen in advance of their solicitations.

Salesmen, representing a large brush company, obtain interviews with housewives with the aid of a gift brush. A salesman distributes from 30 to 40 gift cards, offering a free brush, to homes of prospects between 5:30 and 6 P.M. A day or two later, the salesman returns to the homes where cards were left, asks for the card, and usually obtains an interview by saying, "Just get the card for me and I will step inside and give you your free brush." To secure interviews in foreign districts, gift cards are printed in 17 foreign languages. In rural districts, gift cards are delivered



by mail and followed up by salesmen. No other "door opener" has been so widely and successfully used as this free brush.

Automobile salesmen, representing a popular make of car, distributed a miniature rubber model of their product, useful as a paper weight or toy for children, to secure interviews with prospects. Two folders illustrating the gift were prepared by the manufacturer and mailed by the salesmen to their best prospects in advance of calls. Thousands of models were delivered by salesmen to prospects who were given demonstrations of the automobile.

Washing-machine salesmen representing a large manufacturer of washers used toy models of washing machines to secure inter-

**A Gift For You Free - La Petite Pacquette**

You certainly will want to receive this handy, dainty purse accessory -- one of the most useful gifts imaginable, which will save time, temper and money.

La Petite Pacquette contains:

1. Silk mending thread in the newest shades (often hard to get elsewhere)
2. A specially patented easy-to-thread mending needle.
3. Dainty "safety" matches tipped with Real Silk's Run Arrestor which stops this night when they start.

Real Silk's La Petite Pacquette is part of Real Silk's Free Service, presented without charge by way of recognition of our indebtedness to you with our national advertising program.

**Free Gift**

**REAL SILK HOSIERY MILLS, INC.**  
INDIANAPOLIS, INDIANA  
World's largest manufacturer of silk hosiery for men and women

**BE SURE TO SAVE THIS CARD. PRESENT IT TO YOUR REAL SILK REPRESENTATIVE WHO WILL CALL FOR IT.**  
This Card Entitles You to La PETITE PACQUETTE -- Absolutely Free.

Gift announcement card which is presented to women prospects by salesmen of a direct to the consumer sales organization, to aid them in securing sales interviews.

views with housewives. The gift was featured by the salesmen in their introductions as a plaything for children.

Mechanical pencils, imprinted with the names of prospects, desk memo pads, calendars, and similar novelties have been used successfully in getting interviews with business men. The small cost of these gifts is justified by the savings in time and energy in getting past barriers to prospects.

**4. Using the Telephone.**—The telephone is an effective device for securing interviews. Some salesmen never call on a prospect without first making an appointment by this means.

Prospects with whom interviews are sought by telephone should be carefully selected as to need, ability to buy, and authority to purchase. If a prospect has received letters and advance advertising from a salesman, appointments may be obtained by telephone with little difficulty. In seeking inter-

views by telephone, a salesman should not attempt to present his product or service or obtain an order from the prospect over the telephone.

If a salesman has been referred to the prospect by a third party, interviews are easily secured over the telephone by using the name of the reference. A life insurance salesman obtains an interview from every three telephone calls and eventually sells one out of every four persons interviewed. He uses the following telephone conversation:

Mr. Prospect, my name is Jones. Mr. Smith, a mutual friend of ours, has suggested that I ought to make your acquaintance. I am going to be down your way at three o'clock this afternoon. Could you see me for 5 or 10 minutes then?

A standardized telephone talk to secure interviews is used by many salesmen. From experience they have found the most effective combination of words to speak over the telephone for this purpose. The following standardized telephone conversation has been used by electric refrigerator salesmen in seeking interviews with housewives. Experienced salesmen average 15 appointments out of every 100 calls when they use this telephone talk:

Good morning, is this Mrs. Smith? This is Mr. Salesman of the Bateman Company, refrigeration specialists.

Mrs. Smith, several of your neighbors have given us permission to call at their homes and answer their questions about electric refrigeration. You do not have an electric refrigerator at present, do you, Mrs. Smith?

(If the prospect has a refrigerator, the salesman determines its age and whether the buyer may be interested in a replacement. If the prospect does not have a refrigerator, the salesman continues.)

Then I am sure that you would like to know more about this modern method of food preservation, because you know it's something that concerns the health and comfort of every member of the family.

I will be on your street again this week, Mrs. Smith, and I'll be glad to stop in for just a few minutes to explain its advantages. What day would be most convenient for you to have me call, Mrs. Smith? I'll need only a few minutes of your time.

Tuesday? That will be fine. Say about 10 o'clock? Thank you. Good-by.

In seeking interviews by telephone, a salesman who does his calling at the hours most convenient to prospects gets the greatest number of appointments. The highest percentage of appointments is usually secured on calls made between 9:15 and 11:15 A.M. and 1:15 and 4:15 P.M.

Courtesy, tact, and even temper aid a salesman in telephoning to prospects. A pleasant voice, the ability to inspire confidence, and mental alertness are helpful to a salesman in getting appointments by telephone.

Appointments for interviews obtained by telephone may be followed up by a salesman with a letter confirming the day and hour and thanking the prospect for the interview.

Some salesmen are assisted by their wives, sisters, or secretaries in getting interviews with prospects by telephone. A vacuum-cleaner salesman in Chicago arranged with his sister to make telephone calls to his prospects to secure appointments for interviews. In 30 days, his sister obtained 51 appointments with prospects who bought 38 cleaners, 6 washing machines, and 5 ironers.

Salesmen associated with a retail motor-car dealer in Chicago made 1,532 telephone calls for appointments in one month and obtained 917 interviews with prospects, many of whom were converted into customers.

In telephoning for interviews, some salesmen make no mention of their product or service in an effort to overcome the natural resistance of buyers to granting interviews to salesmen. One life insurance salesman telephones for appointments, as follows: "Mr. Prospect, I have a plan for that boy of yours which I would like to discuss with you tomorrow afternoon. Which time will be most convenient for you, 1:40 or 2:35?"

When appointments are made by telephone, prospects expect salesmen to be punctual in keeping their engagements. If a salesman asks for 10 or 15 minutes of a prospect's time, the buyer expects him to keep his promise and not stay longer. When a salesman cannot keep an appointment, a prospect is entitled to a telephone call explaining the delay.

**5. Sampling.**—A salesman can secure interviews by leaving his product or a sample with the prospect's secretary or maid with the request that it be given to the buyer. The salesman returns at another time for the product or sample and secures an interview from the prospect.

Salesmen who sell small home appliances to housewives use this method of getting past maids and securing interviews. They leave the product with a maid at the door, saying, "Will you please ask Mrs. Prospect to try this for a few days and tell her that I shall call for it next Monday afternoon, if she will be home at that time." The maid tells the salesman when her mistress will be at home and the salesman times his return call accordingly.

The same method may be used to get interviews with industrial buyers. The salesman leaves with the secretary of the buyer a part or sample of his product which arouses the prospect's curiosity and causes him to become interested in learning more about the device.

#### METHODS OF SECURING INTERVIEWS WHEN CONTACTING PROSPECTS

When a salesman has had no opportunity, before calling at a prospect's home or place of business, to secure an appointment for an interview, he has to employ other methods of obtaining an interview with the buyer. Successful methods used by salesmen when making calls to gain access to busy prospects are (1) good personal impression; (2) cultivation of barriers; (3) interviewing subordinates; (4) positive introduction; (5) meeting excuses.

**1. Personal Impression.**—The personal impression which a salesman makes in seeking an interview often determines whether or not he gains access to the prospect. If a salesman has a good appearance, poise, and dignified bearing, the secretary of the buyer associates these qualities with the importance of the salesman's mission and the value of his product or service. Appropriate clothes, well pressed and brushed, shoes polished, clean linen, a haircut, and a shave all contribute to creating a favorable first impression on barriers and aid a salesman in getting access to buyers.

A confident manner, springing from a sincere conviction that he can serve the buyer profitably, aids a salesman in creating an impression that his call is important. If a salesman establishes himself on a plane of equality with prospects rather than assuming an attitude of superiority, arrogance, and self-importance, he is more successful in his dealings with barriers and buyers. By acting as though he anticipates no opposition and expects to be

seen by a prospect, a salesman often obtains interviews without difficulty.

Courtesy and consideration to secretaries and other barriers are important personal characteristics in securing interviews. Salesmen who wisecrack, talk loudly, smoke, and wear their hats in anterooms create poor impressions and arouse resistance in getting interviews.

**2. Cultivation of Barriers.**—Many prospects who are very busy are obliged to conserve their time by protecting themselves from salesmen with receptionists, secretaries, office managers, maids, information clerks, and office boys. These subordinates often have authority to determine whether or not a salesman shall be admitted to their employers' private offices. A private secretary who has the responsibility of admitting salesmen to her superior's office is conscientious and usually anxious to see that every salesman with a worth-while proposition secures an interview with her employer.

When a secretary or receptionist asks a salesman, "What is your business?" she is not merely idly curious. She is usually attempting to judge whether or not her superior would be interested in the salesman's proposition. A salesman who ignores such a question, gives an evasive answer, becomes facetious, turns aggressive, resorts to flattery, or is condescending and noncommittal defeats his own purpose.

Successful salesmen show respect for secretaries and maids and win their favor and cooperation by consideration and courtesy. Smart salesmen state their business candidly. A quiet air of confidence, a good appearance, and an earnest and pleasant manner aid a salesman in securing the good will of subordinates.

If a salesman explains briefly to a barrier the merits of his product or service and convinces her of the worth of his proposition, he may experience no difficulty in gaining access to the prospect. The barrier should not be expected to sell her employer for the salesman. A salesman should do his own selling to ensure its being well done.

A favorable impression may be made on a secretary or receptionist by calling her by name. One salesman secures the name of a prospect's secretary from other employees and greets her as follows: "Good morning, Miss Jones, I should appreciate it greatly if you would secure an interview for me with Mr. Pros-

pect. If he cannot see me conveniently now, I shall be glad to come back later.”

Salesmen who anticipate difficulty in securing interviews with busy prospects sometimes interview the buyer's secretary. They explain to her their reasons for wishing to interview her employer and persuade her to arrange an appointment with the prospect.

**3. Interviewing Subordinates.**—Instead of attempting to gain immediate access to a busy prospect, a salesman may first seek interviews with the prospect's assistants or business associates. From these subordinates the salesman secures information which aids him in obtaining a subsequent interview with the prospect who has authority to buy.

Interviews are sought with subordinates for the purpose of obtaining facts about the needs of the buyer. No attempt is made by the salesman to sell subordinates. When the salesman has secured information about the situation of the buyer, he has no difficulty in getting an interview to present a specific solution to the buyer's problem.

A successful adding-machine salesman in selling a business concern always interviews statisticians, accountants, and office managers before seeking an interview with the purchasing agent or other buyer in authority. He obtains facts on the number of cash and credit transactions, the amount of computing done, when statements are rendered, how often a trial balance is taken, and similar information from the bookkeepers of the concern being approached. The salesman then estimates the savings that his equipment will effect. With this information in hand, the salesman seeks an interview with the buyer in authority, saying, “I have a reliable estimate based on a study of your bookkeeping methods that our equipment can save you \$8,600 in your accounting department next year.” The salesman usually gets an appointment by this method.

The same strategy can be used in securing interviews with homeowners who are prospects for oil burners, insulation, gas heating, air conditioning, refrigeration, and other household products. Information is obtained by preliminary interviews with housewives, maids, and custodians, and recommendations are presented in subsequent interviews.

**4. Positive Introduction.**—The wording of a salesman's introduction to a receptionist, secretary, or maid should not be left to

chance but should be phrased to create the impression that the salesman's call is important. Many salesmen show by their announcement that they expect to be refused an interview. A salesman who says to a barrier, "Mr. Prospect doesn't want to see anybody today, does he?" or "I hate to bother Mr. Prospect, but I'd like to see him for a minute" is inviting a refusal. Equally poor is the trite introduction, "I was going by and thought I'd drop in and see if Mr. Prospect would see me." Weak introductions of this character reveal a salesman's lack of confidence and make an unfavorable impression on secretaries and receptionists.

A positive introduction like the following, "Please tell Mr. Prospect that Mr. Salesman is here, ready to discuss his investment program," creates a favorable impression. If a salesman represents a well-known company and product, they may be mentioned in his announcement, as follows: "Please tell Mr. Prospect that Mr. Salesman of the Mammoth Automobile Company is here to see him." Both of these positive introductions create the impression that a salesman confidently expects to be passed directly into a prospect's presence.

If a salesman is seeking an interview with a referred prospect he can announce himself to the information clerk in the outer office, as follows: "Please tell Mr. Prospect that a friend of Mr. Doe is calling."

When a salesman prepares for interviews with prospects by mailing them personal letters in advance of his calls, he can capitalize this introductory work by saying, "Please tell Mr. Prospect that Mr. Salesman is calling in regard to the subject of his recent letter." This introduction arouses the curiosity of the prospect and often secures an interview for the salesman.

**5. Meeting Excuses.**—In his efforts to secure interviews, a salesman frequently encounters numerous common objections and excuses from barriers and prospects. If a salesman is prepared to deal with these excuses, he usually experiences no difficulty in getting face to face with his prospects. A prospect makes these pretexts in the hope that a salesman will accept them as facts and not persist in seeking an interview.

One of the most common excuses encountered by salesmen seeking interviews is the statement of a barrier that the prospect is "busy." Salesmen handle this excuse by saying, "May I

see him later in the day, say at 3:30 o'clock this afternoon?" or "Can you tell me how long it will be before I can see him?" or "Please tell Mr. Prospect that another appointment prevents my waiting now, but I shall return this afternoon at 2:40."

Another excuse frequently met by salesmen seeking interviews is, "Not interested." One salesman answers this excuse by saying, "That's just why I called to see you. I believe that if you know more about this service you'll be interested." A life insurance salesman says, "Please tell Mr. Prospect that a few minutes at his desk will be sufficient to show him that I can be of real service to him in an important matter."

Prospects sometimes ask a salesman for more information about his proposition before granting him an interview. If a salesman does not wish to reveal the purpose of his call, he may evade the buyer's inquiry and arouse his curiosity with an indefinite reply. An investment salesman, when asked by a prospect, "What do you want to see me about?" writes the words "Financial Independence" on a slip of paper and asks the buyer's secretary to carry it to the prospect. This salesman finds that it is more effective to write his message than to depend upon the secretary or telephone operator to repeat his reply orally. An insurance salesman handles this situation by saying, "Mr. Buyer, I am here to give you, first, information and, second, a word or two of suggestion."

Successful salesmen meet these common excuses of prospects with standard answers based on responses which they have found most effective in getting past barriers. Instead of relying upon momentary inspiration to answer the excuses of prospects, salesmen who are prepared with ready responses have little difficulty in securing interviews.

### WAITING FOR INTERVIEWS

If a prospect is busy or absent when a salesman calls for an interview, he is confronted with the problem of waiting or returning later to see the buyer. A long wait for a prospect not only means a loss of time but often prevents him from keeping an appointment with another prospect. Some prospects deliberately keep a salesman waiting for the purpose of "wearing him down."

Unless a salesman is granted an interview within a reasonably short time, it is usually not advisable for him to wait for a pros-



pect. Some salesmen definitely limit the time which they will wait for prospects to 5 or 10 minutes. Before deciding to wait, they ask the receptionist, "Can you tell me how long it will be before I can see Mr. Prospect?" If the waiting time does not exceed their limit, these salesmen wait until the buyer may be interviewed. The distance traveled by a salesman in reaching the prospect and the importance of the interview also determine the amount of time that may be spent in waiting.

If a prospect is absent or engaged for a longer time than a salesman feels he should wait, he may attempt to get an appointment for an interview at a future time by saying, "Please tell Mr. Prospect that another engagement makes it impossible for me to wait, but I shall return at 2:40 this afternoon if that time is convenient." Usually this request secures another appointment.

If a salesman gives his prospect the impression that his time is valuable, he is less likely to be kept waiting long for interviews.

To give less time to salesmen, some prospects prefer to interview salesmen in reception rooms, in the presence of third parties, or while engaged with other work. A salesman cannot get proper consideration of his proposition under these conditions. By asking for a private interview or by getting an appointment for a return call at a more opportune time, a salesman ensures a favorable hearing.

When a salesman is met by a prospect in his reception room, a salesman may seek a private interview by saying, "May we step into your private office?" or "I should like to speak to you about a matter that can best be discussed in private." Prospects usually accede to these requests.

If a prospect continues working on other matters or wants to interview the salesman in the presence of a third party, the salesman may handle the situation by saying, "I see that you are busy now. Would it be possible for you to see me privately at 4:25 this afternoon?" The third party usually takes the hint and leaves, and the prospect grants the salesman an interview at another time or gives his full attention to the salesman's presentation.

#### USING BUSINESS CARDS IN SECURING INTERVIEWS

The advisability of using a business card in seeking access to prospects, depends upon the reputation of the salesman's firm, the type of product or service sold, and the type of buyer. A

representative of a famous electrical equipment manufacturer, selling generators to purchasing agents of public utilities, can capitalize on the reputation of his company by presenting a business card, thus identifying himself with a reputable firm. It is a common practice in many companies for receptionists to ask salesmen seeking interviews for their business cards.

However, a representative of a small life insurance company seeking access to business executives or professional men might find that a business card would not be helpful in securing interviews. The name of an unfamiliar firm on a business card carries no prestige with a prospect. When a buyer learns from a business card what a salesman is selling, he may refuse to grant an interview if he thinks that he does not need the product or service offered.

In general, the use of business cards in obtaining interviews is advisable in selling to professional buyers. However, in selling specialties and intangible services for individual or home consumption, business cards are of little assistance in gaining access to buyers.

After a salesman has completed his presentation, it is good strategy to leave a business card with the prospect as evidence of the identity of the salesman and as an aid to the buyer who wishes to communicate with him.

#### TRICKERY IN SECURING INTERVIEWS

Deception or trickery to obtain interviews with prospects is never justified. The subterfuges and fraudulent practices of a few unscrupulous salesmen in obtaining interviews make it difficult for salesmen to gain access to buyers. The house-to-house salesman who puts his foot in the door or poses as a meter reader or inspector of home appliances to gain entrance to homes of prospects creates ill will and resentment which are detrimental to his efforts.

Sincere, honest efforts to obtain interviews are in the long run far more effective than trickery in getting face to face with buyers.

#### HOW A SALESMAN CAN SECURE INTERVIEWS

As an aid to salesmen in putting into practice some of the practical methods used by successful salesmen in securing interviews, as described in the preceding pages, the following three-

step routine is recommended. By practicing these simple steps, a salesman can increase his ratio of interviews to calls, save selling time, and improve sales volume.

### *Routine for Securing Interviews*

1. Have the attitude of service.
2. Pave the way for interviews.
3. Deal effectively with barriers.

**1. Have the Attitude of Service.**—If a salesman has complete confidence that his product or service will give profit and satisfaction to a buyer, he has the right attitude to secure interviews. When a salesman knows that his product or service will save buyers time or energy, enable them to make more money, or enjoy life more completely, he is inspired like a Crusader for a righteous cause and his enthusiasm gets him past many doors which are never opened to many salesmen.

A salesman who approaches a prospect on a basis of common interest in the solution of the buyer's problem will have little difficulty in gaining an audience. The buyer gains in satisfaction and profit and the salesman takes his reward in commissions and the gratification that comes from rendering a service.

Many salesmen seek interviews expecting to be refused, and their defeatist attitude is reflected by their lack of confidence, poise, and enthusiasm. Salesmen who feel that a buyer is doing them a favor by listening to their presentation usually have considerable difficulty in gaining access to prospects.

Regardless of the methods which a salesman may use in obtaining interviews with prospects, if he approaches the problem from a service viewpoint and a firm conviction that he can benefit the buyer, he encounters few obstacles in getting face to face with prospects.

**2. Pave the Way for Interviews.**—The problem of securing interviews is often solved by a salesman who cultivates prospects in advance by one or more of the several methods previously described. The small expense involved in mailing interview-seeking letters and advance cards or in offering gifts is amply repaid in time and effort saved in securing interviews. Telephone calls to prospects also save much time and travel expense. Customers, friends, and influential informants are usually willing to permit a salesman to use their names in securing interviews.

If a salesman will experiment with several of these methods he will soon discover which are the most effective for him. By preparing for interviews in advance, a salesman obtains them at the best time and place and avoids interruptions. Instead of depending on fortunate circumstances or high-pressure aggressiveness to open prospects' doors, a salesman can get interviews more successfully by one of the indirect approaches described previously.

**3. Deal Effectively with Barriers.**—Most salesmen give too little consideration to the buyer's secretary, information clerk, or receptionist, who is often the most important factor in determining whether or not they will gain access to the prospect. Successful salesmen employ a proved technique in getting the cooperation of these barriers. Instead of overriding barriers with bluff flattery or arrogance, wise salesmen greet them courteously and by pleasant persuasiveness win their aid in establishing contact with buyers.

Good appearance, frankness, a positive introduction, ready answers to objections, and a sincere interest in the buyer's problem enable a salesman to deal effectively with subordinates and secure their cordial cooperation in the buyer's interest.

## Problem I

### OBTAINING INTERVIEWS WITH BUSINESS EXECUTIVES

Cornhill, Daley, and Waters, Advertising Agency

The Cornhill, Daley, and Waters Advertising Agency, organized in 1901, with headquarters in New York City and branch offices in Chicago, San Francisco, Boston, and St. Louis, plans, produces, and places an annual volume of advertising in excess of \$5,000,000 for 40 national and sectional advertisers using magazines, newspapers, radio, outdoor, and other advertising media.

Sales representatives of numerous magazines, newspapers, and other advertising media call at the agency offices to make sales presentations to the agency account executives, who recommend various advertising media to the clients served by the agency.

The Boston office of the agency receives numerous calls from advertising media salesmen and the receptionist of the agency has kept a verbatim record of the conversations of a number of

these salesmen who are seeking interviews with the agency executives.

The records follow:

1. SALESMAN A (selling advertising space in a magazine, telephoned in advance of his call and asked for Mr. Wiley, an agency executive. He was told by the receptionist that Mr. Wiley would return at 2 P.M.)
2. SALESMAN A (calling at 2:15): Is Mr. Wiley back yet?
3. RECEPTIONIST: No, but we expect him any minute now.
4. SALESMAN A: He hasn't called in to say he would be late, then?
5. RECEPTIONIST: No, I think he will be right along.
6. SALESMAN A: I'll wait a few minutes. (Salesman waits 25 minutes and rises to leave.) I think I'll try him a little later.
7. RECEPTIONIST: All right, good-by.  
(Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN B (selling advertising space in a magazine): Is Mr. Garfield in?
2. RECEPTIONIST: Yes, he is, but he is in a meeting which may last for some time.
3. SALESMAN B: I guess I will leave him a note. (He writes note for 5 minutes.) Will you leave this for Mr. Garfield, please?
4. RECEPTIONIST: Yes, I'd be glad to. Good-by.
5. SALESMAN B: Good-by.  
(Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN C (selling advertising space in a magazine): Is Mr. Garfield in this afternoon?
2. RECEPTIONIST, Yes he is.
3. SALESMAN C: He's the right man to see, isn't he, in regard to the Blank Manufacturing Company account?
4. RECEPTIONIST: The man on that account is Mr. Walker.
5. SALESMAN C: Is he in, and may I see him?
6. RECEPTIONIST: Yes, may I have your name please?
7. SALESMAN C: Mr. Charters.
8. RECEPTIONIST: And what do you represent?
9. SALESMAN C: The Home Magazine. (The salesman produces and hands the receptionist his business card which she delivers to the account executive.)
10. RECEPTIONIST (returning to the reception room and speaking to the salesman): Just come with me, please.

\* \* \* \* \*

1. SALESMAN D (selling advertising space in a magazine): Is Mr. Walker in?
2. RECEPTIONIST: We expect him any time.
3. SALESMAN D: I'll wait. (Salesman seats himself beside an acquaintance, also waiting, and they engage in a lengthy conversation. In a little while, Mr. Walker, the account executive, comes in the reception room, talks briefly there to Salesman D and sends him on his way.)
4. SALESMAN D (returns, opens the door, thrusts his head in): Good-by. (Leaves again.)
5. RECEPTIONIST: Good-by. (Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN E (selling time on radio network): Hi, is Mr. Wiley in?
2. RECEPTIONIST: Yes.
3. SALESMAN E: Will you tell him I wait without?
4. RECEPTIONIST: Without what?
5. SALESMAN E: I'll tell you that after I see him.
6. RECEPTIONIST (announces Salesman E to Mr. Wiley who says that there will be a half-hour wait): He says that you will have to wait about a half hour.
7. SALESMAN E: Tell him that I'll be back in a half hour, will you?
8. RECEPTIONIST: Yes.
9. SALESMAN E: Thank you.
10. RECEPTIONIST: You're welcome. (Salesman used no business card.)

\* \* \* \* \*

1. (SALESMAN F, selling space in a national magazine, enters.)
2. RECEPTIONIST: Good morning.
3. SALESMAN F: Good morning. Whom do I want to talk with in regard to the Genter Hosiery account?
4. RECEPTIONIST: Mr. Grace, who happens to be out of town today.
5. SALESMAN F: How about the Watson Appliance account?
6. RECEPTIONIST: Mr. Wiley, who is talking on the 'phone, handles that account and he has a man waiting to see him already.
7. SALESMAN F: I see. Is Mr. Barton in? I would like to see him if I could. (Salesman hands his card to receptionist and she delivers it to Mr. Barton.)
8. RECEPTIONIST (returning to reception room): Mr. Barton will see you in a few moments.
9. SALESMAN F: Thank you.
10. RECEPTIONIST: Yes.

\* \* \* \* \*

1. SALESMAN G (a salesman of advertising in a magazine; is well acquainted with the receptionist as he is a regular caller): Hi, May.
2. RECEPTIONIST: Hello, Mr. Gorton.
3. SALESMAN G: Are any of the boys in? (In undertones he adds quickly) I hope not.
4. RECEPTIONIST: Not today.
5. SALESMAN G: Good, where are the rest of the girls?
6. RECEPTIONIST: Mr. Gorton, what a cutting remark! Won't I do?
7. SALESMAN G: No, I've got to have all five of you. Come on now, gather around. (Salesman tells humorous stories until he hears footsteps without and reaches for his hat.) So long, girls. (With a flourish of his hat he disappears out the door.)  
(Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN H (selling advertising space in a magazine): Hello, how are you?
2. RECEPTIONIST: Fine, thanks. What may I do for you?
3. SALESMAN H: Is Mr. Blake in?
4. RECEPTIONIST, Yes; sorry, I can't remember your name.
5. SALESMAN H: Mr. Harney of Homemaker Magazine.
6. RECEPTIONIST (announces Salesman H and returns to the reception room): Mr. Blake will be out in a minute.
7. SALESMAN H: Does Mr. Garfield happen to be in today?
8. RECEPTIONIST: Yes, would you like to see him?
9. SALESMAN H: Will he be in tomorrow?
10. RECEPTIONIST: As far as I know.
11. SALESMAN H: Guess I'll wait until tomorrow then.  
(Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN I (salesman of time on local radio station who called in the morning and prospect was absent. He was told that the buyer would be in during the afternoon): Mr. Wiley?
2. RECEPTIONIST: No, he hasn't come back yet. We expect him any time now. Would you care to wait a few minutes?
3. SALESMAN I: All right. (Salesman waited an hour and saw his prospect.)  
(Salesman used no business card.)

\* \* \* \* \*

1. SALESMAN J (salesman of newspaper space): Is Mr. Barton in?
2. RECEPTIONIST: Yes, he is.

3. SALESMAN J: If he's not busy, I'd like to see him.
4. RECEPTIONIST: May I have your name, please?
5. SALESMAN J: Mr. Jackson of the Daily Eagle.
6. RECEPTIONIST: Thank you. (She announces salesman to Mr. Barton.) Mr. Barton will be right out.
7. SALESMAN J: Thank you.  
(Salesman used no business card.)

### Questions

1. Which one of the ten salesmen used the best strategy in securing a sales interview? Analyze each of his statements and state specifically why his method is superior.
2. Who, if any of these salesmen, attempted to secure an interview before calling at the office of the advertising agency? What method did he use?
3. What methods might have been profitably used by these salesmen in paving the way for interviews in advance of their calls?
4. Who, if any of these salesmen, cultivated the receptionist most effectively? Who was least effective in this respect? How should the barrier have been cultivated?
5. Which one of the men used the best worded introduction? Who had the poorest introduction? What introductory statement should have been used by these men?
6. Did any of these salesmen encounter "excuses" from the barrier? Who answered these excuses most effectively?
7. Who showed the poorest strategy in waiting for an interview? Which salesmen handled the problem of waiting most effectively? How?

### Problem II

#### SECURING INTERVIEWS WITH GIFTS

James T. Diamond, representing the Hill Brush Company

The Hill Brush Company, established in 1920 in Baltimore, Md., is one of the world's largest manufacturers of household brushes. More than 3,000 distributors represent the company in selling direct to housewives in all parts of the country. In addition to the main factory in Baltimore, the company operates branch plants for light manufacture in St. Louis, Cleveland, Atlanta, and San Francisco.

One of the problems of the distributors is to gain access to homes and then present and demonstrate their line of some 30 brushes, including hair, clothes, manicure, massage, tooth, furniture brushes, mops, and brooms.

To aid its representatives in securing interviews, the company sells them at cost a small general utility brush which



is given to housewives who admit salesmen for interviews and demonstrations.

James T. Diamond has sold Hill brushes for five years in Binghamton, N. Y. He solicits orders daily from housewives in that city and on Saturday of each week he orders and remits to the nearest distributing station of the company for the brushes which he has sold during the week. Deliveries are made on Saturdays only.

In arranging interviews with housewives, salesman Diamond distributes in the late afternoon of each day about 30 gift-brush announcement cards which read as follows:

Save This Card. It entitles you to a Hill Gift Brush

FREE

I will return in a day or two and exchange this card for a fine, new Hill Gift Brush—free.

You'll find a hundred uses for this dandy brush.

So keep this card.

Signed.....:.....  
YOUR HILL BRUSH MAN.

In placing the gift cards, salesman Diamond says,

Good afternoon. I am from the Hill Brush Company. (Hands housewife gift card.) Keep this card and I will be back in a day or two and do just what the card says. Will eight o'clock be a convenient time for you to receive your gift or would 8:15 be better? Thank you.

If the prospect does not answer the door promptly, the salesman leaves the card in the door.

The following day, he calls at all homes where he left cards the previous afternoon to redeem them. His conversation follows:

Good morning, Mrs. Prospect. You have one of these cards? (Showing copy of gift card) Just get the card for me and I will step inside and give you your utility brush. (Here the salesman starts to walk in.)

If the card has been left in the door by the salesman, he says,

Good morning. You received one of these certificates from the Hill Brush Company (showing card) entitling you to free brush. Just get the card for me and I will step in and give it to you.

If the prospect says that she does not have the card, the salesman says,

Sometimes it is lost. It announces my coming, you see. (Holding up card) I'll step inside and give you your free brush.

If the prospect says that she does not want to buy, the salesman replies,

That's all right. You don't need to buy unless you wish. Just get the card for me, please.

When the salesman has gained admittance to the prospect's home, he presents her with a free brush, saying,

This is your free brush, Mrs. Prospect, made for many different uses. Isn't it a clean-looking brush? All Hill brushes are made on the sanitary principle. You get two brushes in one. I will attach the guarantee tag (attaching tag). On the back of this tag there are twenty uses. I know that you will read these. All Hill products are guaranteed as to material and workmanship. This brush is representative of our whole line, Mrs. Prospect. We give it to you to localize our advertising and in appreciation of your business in the past.

To secure interviews in wealthy neighborhoods, salesman Diamond uses gift cards in plain white envelopes with the name of the housewife written thereon. In foreign districts, gift cards are printed in the appropriate languages.

### Questions

1. Criticize favorably or otherwise the gift method of securing interviews as described in this case.
2. What other methods of securing interviews might be used effectively by salesman Diamond? Describe them in detail.
3. Assuming that the salesman is confronted by a maid when he calls to redeem the gift card, what tactics should he use? What should he do if confronted by a husband?
4. What is the importance of personal impression in securing interviews in this case? What personal qualities are particularly desirable?

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## CHAPTER XVI

### OPENING A SALES INTERVIEW

#### IMPORTANCE OF A GOOD OPENING

In delivering a sales presentation, the initial remarks made by a salesman to a prospect are the most important of the interview. The prospect's interest is often won or lost by the first half-dozen sentences spoken by a salesman. If the opening sentences appeal to his needs, self-interest, or desires, he will probably listen attentively to the entire sales presentation. If the opening remarks are trite and uninteresting, he will pay little attention to the balance of the salesman's message.

The first stage of a sales interview offers a salesman an unusual opportunity to impress the buyer whose mind is fresh and receptive to ideas. It is a moment of too much consequence to be left to chance, as is often the case. A vague, trite, or irrelevant introduction puts a prospect in a negative mood which is difficult to overcome by any amount of skillful persuasion. If the first impression made by a salesman is negative, a doubt as to the merit of his proposition lingers in the prospect's mind throughout the interview.

Sales presentations are often poorly launched because the importance of a good introduction is not appreciated by many salesmen. Opening remarks are made usually on the inspiration of the moment. In the natural embarrassment incident to the meeting of two strangers, a salesman often fails to make a good impression on a prospect. His opening, like the introductory remarks of a good speech, should be carefully planned in advance to appeal to the personal interests of the listener.

The old-time traveling salesman was not concerned about the way he opened his interviews with buyers. He was welcomed as an entertainer, a bearer of good news and trade gossip. But times have changed; buyers no longer have time to listen to the leisurely anecdotes of a salesman who must today adapt his introduction to the tempo of the times and speak to the point.

**ATTITUDE OF A TYPICAL PROSPECT**

The attitude of a typical buyer toward a salesman is one of indifference and sometimes even antagonism. Although he may be courteous, a prospect is usually on the defensive. Figuratively, he sits in a cake of ice, coldly determined to resist any efforts to melt his resolution not to buy. Frequently he does not know the salesman and is suspicious of his motives. Many prospects are noncommittal and inhospitable or disposed to sit back and wait until a salesman shows by what he is, what he says, and how he says it that his proposition is worthy of attention.

When a salesman approaches a prospect, the buyer is not listening attentively, eager to catch every word that is uttered. Rather, the prospect stifles a yawn, sinks back passively in his chair, resigned to spend a boring time until the salesman leaves. Or a buyer busies himself devising excuses for dismissing the salesman or discouraging him to such an extent that he will depart voluntarily.

When approached by a salesman, a buyer usually is preoccupied with subjects or activities quite foreign to the matter in hand. A buyer may be thinking about a complaint from a customer, a telephone call that he must make, a luncheon appointment, the temper of his mother-in-law, or the illness of his wife. A prospect's mind must be diverted from these preoccupations before he can give his full attention to the salesman's proposition. If a salesman cannot secure the prospect's entire attention, he might as well let the prospect proceed about his previous business and seek another interview later.

A prospect may give shallow attention to a salesman's story. Natural curiosity may cause a buyer to look at the salesman for a minute or two at the opening of the interview; unless the salesman quickly establishes a bond of common interest, the buyer's attention wavers and he becomes insensible to all remarks.

Salesmen encounter indifference because most persons instinctively resist new ideas and oppose changes in customs and habits. Many buyers have been annoyed by salesmen and these experiences have made them antagonistic toward all salesmen. Some prospects are satisfied with their existing sources of supply and do not want to spend time interviewing salesmen representing other suppliers. Other prospects do not recognize a need for a

salesman's product and are not interested in considering it. These are the principal reasons for the apathy which a salesman experiences in his efforts to establish contact with prospective purchasers.

### ATTITUDE OF A SALESMAN

The first impression that a salesman makes on a new prospect is very important for it frequently determines the buyer's attitude during the balance of the interview. Before a salesman has an opportunity to say a word, he may be condemned or approved by the prospect. A strange salesman is only as good as he appears to be in the eyes of the buyer.

A salesman's poise, appearance, and bearing combine to make a positive or negative initial impression. If a salesman is motivated by a sincere desire to serve the prospect and to help him satisfy his needs, the buyer subconsciously senses this attitude and welcomes the salesman.

If a salesman approaches a prospect alertly, with an air of self-confidence which suggests he has important business to discuss, the buyer is favorably impressed. On the other hand, if a salesman approaches a buyer with a swagger to cover up embarrassment or a feeling of inferiority; if he tiptoes in timidly; if he strides in pompously with head held high and chest thrown out; or if he dashes in nervously with excessive animation, the buyer is not favorably impressed.

If a salesman stands silently before a prospect, pausing before he speaks, he commands attention and gives the buyer an opportunity to make the transition from his previous work. Some salesmen breeze in impetuously to greet a prospect, losing their self-possession in a burst of enthusiasm and giving the buyer an impression that he is being swept off his feet.

An effective salesman is direct in manner; he looks into the eyes of his prospect and establishes a cordial, personal contact with him. Such a salesman gives an impression of frankness and sincerity which is lacking in the approach of the shifty-eyed, furtive salesman who seems to be hiding something.

The Chinese have a proverb, "He who cannot smile, ought not to keep shop." A salesman who approaches prospects with a sincere, friendly smile gains their confidence and good will. If a salesman genuinely likes people and enjoys his work, his cordiality

radiates in a genial smile which comes from his heart and inevitably prospects respond by being friendly. But a smile must be sincere; an affected smirk is worse than no smile at all.

A well-groomed, immaculately attired salesman creates an impression of quality that is inseparably associated with the caliber of his proposition. A salesman who looks successful not only impresses prospects favorably but also gains increased confidence from his appearance. Prospects prefer to deal with salesmen who are clean-shaven, have their hair trimmed, shoes shined, suits pressed, and wear clean linen.

To impress automobile salesmen with the importance of making a good impression on prospects, a large motor-car manufacturer urges them to give attention to the "three twelves," referring to the first twelve *inches* from the top of a salesman's head to his vest line, the first twelve *steps* that he takes toward the prospect, and the first twelve *words* that he speaks. If a salesman qualifies on each of these "three twelves," he is prepared to make a favorable start with new prospects.

#### SOCIAL PRELIMINARIES TO AN INTERVIEW

A sales interview between a salesman and a new prospect calls for the customary social preliminaries incident to the meeting of two strangers. The usual social amenities include introductory greetings, handshaking, seating, disposal of coats, hats, and equipment. An experienced salesman performs these preliminaries naturally and instinctively. However, a beginner sometimes finds it difficult to make an initial social contact with a new prospect. He may be embarrassed, awkward, ill at ease, and make a poor impression on a buyer. However, if he will plan these social preliminaries, his sales interviews will get off to a far better start.

A good salutation enables a salesman to begin his presentation naturally and fluently. The correct pronunciation of a prospect's name is ascertained by a competent salesman before he enters a home or office. A person is often annoyed by a thoughtless mispronunciation of his name. Mr. Smythe does not want to be called "Mr. Smith" and neither does Mr. Wood like to be referred to as "Mr. Woods."

A salesman may avoid embarrassment, resulting from mistaking the identity of a prospect, by verifying the name and position

of the buyer in his opening remarks, as follows: "You are Mr. Sloan, buyer of the house furnishings?" If the salesman has been misdirected or finds his way into the wrong office, the prospect can quickly correct the mistake and confusion is avoided.

In wording his salutation, a salesman is guided by custom and the type of buyer addressed. Some buyers must be approached with dignity; others may be addressed familiarly. In introducing himself, a salesman mentions his name and that of the company which he represents. The customary formal introduction of a salesman is, "I am John Brewer, representing the Central Electric Company." A less formal greeting would be, "I'm the Central Electric man." Some salesmen prefer to disguise the nature of their business by referring to the benefits to be derived by the buyer. An investment salesman says, "I am here to talk to you about your financial independence."

After a salesman has introduced himself, he is next confronted with the question of whether or not he should shake hands with the prospect. There is much difference of opinion among salesmen about the desirability of offering to shake hands with a prospect. Some salesmen believe that they should do so with every prospect just as they would greet a friend. Handshaking injects cordiality and friendliness into an otherwise cold business transaction.

Other salesmen contend that a salesman should not offer to shake hands unless a buyer first extends his hand in greeting. They believe that handshaking should be initiated by a buyer if he feels so disposed. Some buyers are reluctant to shake hands with a salesman and nothing is more embarrassing to a salesman than to have his extended hand refused by a prospect.

To avoid an awkward situation, many salesmen withhold their hands until a buyer shows a desire to shake hands by offering his. Reserve on the part of a salesman is usually more highly regarded by buyers than effusive handshaking.

The next decision confronting a salesman in opening an interview is whether or not he should stand or sit. Some salesmen feel that they can sell better on their feet and dominate the situation more effectively. However, if a salesman and the prospect are both seated, they are in a more natural, comfortable position to give full consideration to a proposition. When a salesman



remains standing during an interview, he calls attention to his movements and is more easily dismissed by the buyer. Some buyers discourage lengthy sales presentations by removing all seats from their offices. If a salesman uses visual material, he can control it most effectively when seated by the side of the prospect.

When a salesman is comfortably seated beside the prospect, he is in the best position to carry on a sales interview. Many prospects naturally invite a man to be seated; other buyers intentionally or otherwise allow him to remain standing. If he is not invited to be seated, a salesman may indicate his desire to be seated with a motion of his hand toward a chair and the buyer will usually say, "Have a chair." Or a salesman may inquire for a seat, by saying, "May I sit down here?" and the buyer usually will nod his permission. A prospect rarely refuses a salesman's courteous request for a seat.

When a salesman is encumbered with an overcoat, hat, brief case, samples, and other equipment, these materials should be placed so that they will be accessible if needed in the interview and at the same time not interfere with his presentation. Many prospects are annoyed by salesmen who use their desks as depositories for hat, portfolio, and samples. If a salesman finds it necessary to place his sales materials on a prospect's desk, permission may be readily secured by asking, "May I use this space on your desk?"

If a salesman's hat, overcoat, overshoes, and umbrella are left in the reception room, they do not interfere with his presentation. However, if they must be brought into a buyer's office, they are best deposited on a vacant chair or on the floor beside the salesman and out of sight of the prospect. Most salesmen remove their overcoats before entering a buyer's office. If a salesman attempts to wear a heavy overcoat in a heated office during a long interview, he soon becomes uncomfortable and loses his effectiveness.

Although these suggestions may be unnecessary for many salesmen, others become careless in carrying out these commonplace social preliminaries to an interview and ignore the fundamental courtesies necessary to launch a sales presentation successfully.

## OPENING STATEMENTS

The first fifteen words which a salesman says to his prospect are the most important in his presentation. A salesman's opening remarks supplemented by his manner and appearance cause a prospect instinctively to form a positive or negative opinion of the salesman and his proposition that vitally affects the success of his efforts. A buyer instinctively responds to the attitude of a salesman. If the salesman is courteous, sincere, and pleasant, a prospect usually will act in a similar manner.

In opening an interview, a salesman who is brief and specific and considers the point of view of the buyer secures preferred attention. Prospects have little patience with long, rambling introductions. Simple, direct opening statements are best. An indefinite, vague introduction, designed to keep a buyer in ignorance of a salesman's objectives annoys many prospective purchasers. Buyers are not interested in the personal problems of a salesman.

Because many salesmen do not plan in advance their opening remarks, introductions are often trite, irrelevant, timorous, vague, and negative. Since planning the opening of a sales interview requires thought and imagination, many salesmen leave this important part of their presentation to chance rather than engage in the real labor of thinking.

Typical of the negative introductions to sales interviews are the apologetic remarks, "You don't want to buy any steel today, do you?" or, "I'm sorry to take up your time because I know you're busy," or "I won't stay but a minute but I'd like to show you our new product." These openings weaken a salesman's introduction and make it easy for a prospect to say, "No." They lack vitality, are hackneyed and commonplace.

Equally poor are introductions that create suspicion in the mind of a prospect, as, "All motors break down now and then but, with our motor, mechanical service has been reduced to a minimum," or "All businessmen are inefficient, but with this equipment you can improve your efficiency," or "What if you should die tomorrow—what would your family do then?" These unpleasant suggestions are hard to erase from a prospect's mind and handicap the salesman in getting favorable action on his proposition. Although openings of this sort get attention, they

create a negative impression which is often detrimental to a salesman in securing orders.

Irrelevant introductions confuse a buyer and weaken a salesman's presentation. For example, a chewing gum salesman who begins interviews with grocers by saying, "How would you like to make \$20,000 profit in gum this year?" deludes his prospects with such an irrelevant opening and arouses their suspicion in his proposition. An investment salesman who asks prospects, "Do you know that slavery exists in seventeen nations in the world today?" arouses their curiosity by a question that has nothing to do with the subject of securities. Although these irrelevant openings are often interesting, they are so remote from the objective of a salesman's interview that they confuse prospects and weaken a sales presentation.

Generalized, indefinite, and exaggerated introductions fail to arouse the interest of prospects in a salesman's product. An automobile salesman who opens his presentation by remarking, "This car is the best value on the road today, surpassing all others in quality and distinction," has said nothing specific to interest a prospect or to inform him of the real merits of the product. If the salesman had said, "This car averages 25 miles to a gallon of gasoline and accelerates from a standing start to 50 miles an hour in 10 seconds," the interest of the prospect would be secured and he would comprehend quickly and clearly the value of the automobile.

In planning an opening statement, the salesman who selects an appeal that affects the selfish interests of the prospect makes a strong bid for attention. If a salesman has advance information on a buyer's needs and motives, he can choose the appeal best calculated to stimulate a prospect's self-interest. An automobile salesman can open an interview by appealing to a prospect's interest in economy, comfort, beauty, performance, service, and reputation. A food-products salesman can create a favorable first impression on prospects by appealing to their taste, health, appearance, or desire to save money. In selecting an appeal for opening an interview, a salesman may be guided by his knowledge of the interests of a prospect or by his experience and judgment of the motives of buyers in general.

By introducing his presentation with an economy appeal, a salesman can stimulate the desire of a prospect to save money, as

follows: "If you could buy an oil burner that would heat your home for one-third the cost of operating your present heating system, you would be interested wouldn't you?"

A comfort appeal may be used by automobile salesmen in opening an interview, as follows: "Do you realize the comfort to be derived from 74-inch leg room in the front compartment of an automobile?"

### TYPES OF "OPENERS"

Successful salesmen have found that the favorable attention of prospects may be secured by using one of several types of "openers," including (1) question; (2) significant fact; (3) curiosity; (4) anecdote; (5) reference; (6) gift; (7) survey; (8) service; (9) exhibit. A salesman can experiment with several of these types of opening statements and select one or more which suit his personality and the type of prospect approached.

**1. Question Opening.**—Questions that relate to the needs of a buyer and can be answered in the affirmative are effective in launching a selling interview. Salesmen of a well-known make of electric refrigerator open interviews with the following questions: "Have you ever stopped to figure how much time you spend waiting for the iceman and then cleaning up after him?" "Mrs. Prospect, do you know that you can have an electric refrigerator at a cost of less than 25 cents a day?"

A question arouses curiosity; it stimulates the thinking of a prospect and makes him want to hear more about the salesman's proposition. The following question asked by a salesman of investments in opening interviews starts a train of thought, "Would you sacrifice a year's interest on ten \$1,000 4 per cent securities?"

An opening question, however, must be worded so that the buyer cannot answer it in the negative. The following question opening is weak: "You enjoy a good turnover on kitchen clocks, don't you?" If the dealer prospect says, "No," the question has proved a boomerang for the salesman.

**2. Significant-fact Opening.**—The favorable attention of a prospect can be secured by stating facts related to his special interest. Prospects are selfishly interested in facts relating to their health, children, homes, hobbies, and occupations. This

type of opening takes the point of view of the prospect and makes a favorable contact for a salesman.

A salesman of business equipment uses the following significant-fact opening in interviewing prospects: "As a taxpayer, you will be interested to know that the city is saving \$50,000 this year through the installation of our equipment in the treasurer's office."

Another salesman of golf equipment appeals to the sporting interest of his golfer prospects in a significant fact opening, "Did you see that Tommy Andrews, the famous professional, drove 400 yards in the Texas Open the other day? He was using our new liquid center ball."

**3. Curiosity Opening.**—Every person is more or less curious; an opening statement which appeals to that trait causes a prospect to give attention and want to hear more. A storage battery salesman opens interviews by saying, "The other day I met a man walking down the street carrying a little black box." The prospect's curiosity is aroused and he gives favorable attention. The buyer naturally wants to know, "Who was the man? What did he have in the black box? Where was he going?" The salesman explains that the box was a battery and describes its merits.

A plastic salesman opens interviews with prospective customers, appealing to their curiosity by asking, "Have you ever heard of unbreakable eyeglasses?" Then he explains how a new plastic material of water-white resin, half as heavy as glass, is being used for optical purposes. The curiosity of the prospect is aroused and the salesman is off to a good start in the interview.

**4. Anecdote Opening.**—In opening leisurely sales interviews, a brief and relevant story is an excellent way to secure a prospect's attention. Buyers enjoy hearing good stories well told. If an anecdote relates to a salesman's product or service or the needs of the buyer, it may be used effectively in opening a sales interview. An anecdote may or may not be humorous but, if well told, it puts a prospect in a receptive buying mood. A good story not only secures attention but sustains the interest of a prospect, arouses his curiosity, and makes him want to hear more about the salesman's proposition.

A story from a salesman's personal selling experience is the most effective type of anecdote for opening an interview. A

North Carolina life insurance salesman opens his interviews with many prospects by relating the following true story from his experience:

In 1932 I sold a \$5,000 policy to a young bank teller who had recently married. Soon after he bought the policy, a baby came along, he lost his job in the bank and moved to another town. He began sending checks for his quarterly premium with the request that they be held for a period, then deposited. At first the checks were taken care of. Then they began to come back. Finally his father sent in the money. Eventually no checks came at all and the policy lapsed in December, 1938.

In February, 1939, I received the following note from the father, "After all my struggle to hold my son's insurance in force, it turned out that I and his family lost it. He is dead."

Recently I met the widow on the street and inquired about her situation. Here was what she told me.

"All my husband left was a \$2,500 policy. We had no home and just a little furniture. The last expenses took several hundred dollars and since I am expecting another child, I dare not use the balance of the money. I drew out \$900 to buy a little cottage on the edge of town and obtained a job in a small café waiting on tables, but yesterday the café changed hands and I am out of a job."

A story opening is often useful in simplifying the explanation of a complex subject which prospects may have difficulty in comprehending. A young woman who represents the Penn Mutual Life Insurance Company in New York City and specializes in selling insurance to women uses a story opening effectively. One of her prospects was a Cuban woman who had come to New York City to live. Her knowledge of English was limited and the saleswoman could not understand much Spanish, so she told the following story to explain a retirement income policy:

You have a grandmother, her name is Penn Mutual. She lives in Philadelphia. She makes this arrangement with you. You send her \$100 a month until you are fifty-five years old. When you are fifty-five years old, she will write you a letter reading as follows:

DEAR DOLORES:

You need not send me any more money. From now on I am going to send you \$200 a month as long as you live.

That is the way life insurance works.

The prospect understood clearly this story explanation and a sale resulted.

**5. Reference Opening.**—In calling on a referred prospect, a salesman usually opens the interview by naming the friend of the buyer who advised him to call. By referring to the prospect's friend a salesman secures recognition and prestige and puts the interview on a more personal and friendly basis.

Salesmen of a well-known electric refrigerator use the following reference opening: "Mrs. Prospect, your friend, Mrs. Brown, asked me to call and tell you about our new plan that gives you all the ice you need, for years to come, in one delivery."

An insurance salesman, who calls only on referred prospects, uses the following reference opening: "Mr. Prospect, a mutual friend of ours, Tom Dockum, has suggested that I ought to make your acquaintance. I would like to go into your insurance situation with you just as I did with Mr. Dockum without caring in the least whether or not you need my services." This introduction enables this salesman to average one sale from every four persons interviewed.

**6. Gift Opening.**—Many salesmen obtain interviews with prospects by offering a gift, such as a memorandum book, mechanical pencil, or novelty. When delivering the gift, a salesman uses a gift opening like the following used for many years by the representatives of a large brush company: "This is your utility brush, Mrs. Prospect, made for so many different uses. Isn't that a clean-looking brush? All our brushes are made on this sanitary principle."

The salesmen of a well-known electric refrigerator present a recipe book to prospects and open their interviews as follows: "Mrs. Jones, may I present you with this useful recipe book as a reminder of the services we have to offer you? My name is Mr. Salesman. I am with the Blank Electric Company."

Another gift opening employed by the salesman of the same company in distributing, gratis, savings banks to housewives is, "No doubt you are busy this morning, but I would like to leave this bank with you and come back tonight and tell you about our new thrift plan whereby you can buy a refrigerator for only 10 cents a day." The salesman calls in the evening, shows how the bank works, and attempts to sell a refrigerator.

**7. Survey Opening.**—Salesmen who use a "two-call system" of selling and use an initial interview to obtain information about a prospect's needs, employ a "survey opening." The same type

of introduction also may be used in securing facts about a buyer's situation in opening a single-call sales presentation.

A "program opening" is used by many life insurance salesmen to procure information about the insurance needs of prospects. A successful insurance man uses the following program approach: "Mr. Prospect, I am not here to suggest the acquisition of additional life insurance. Such a suggestion would seem impracticable in view of the fact that I don't know much about your circumstances. I am here to offer a service, without obligation, which I would like to have you consider in the light of a diagnosis. I am here because I want to learn from you some of the things in which you are interested."

Salesmen representing a manufacturer of domestic water softeners use the following survey introduction in interviewing housewives: "Mrs. Prospect, I want to deliver to you 1,000 gallons of completely conditioned water, free. I simply connect a small tank temporarily to your water supply. There's absolutely no obligation, no inconvenience. When I take it out, everything is left just as before. I believe you'll enjoy this new special water, but mainly I want your frank opinion about it."

After the water softener has been on trial for five days, the salesman returns to the prospect's home, demonstrates the softener, and seeks a favorable buying decision.

A survey approach made by an electric refrigerator salesman selling to housewives is: "We are making a survey for the Blank Electric Company of the electrical appliances in this neighborhood. Would you mind answering just three questions? Do you have an electric refrigerator? If so, how old is it? What appliance do you intend buying next?"

**8. Service Opening.**—In selling mechanical products that require occasional inspection and service salesmen frequently use service introductions. This method of approach secures the good will of users and enables a salesman to inspect the equipment in use and determine the need for replacement or additional accessories.

Retail salesmen of electrical and gas appliances who sell to housewives use a service introduction as follows: "Mrs. Prospect, do any of your electrical appliances need attention? If so, I will be glad to see what is required. May I look them over?"

A similar opening is: "Mrs. Prospect, I have come to inspect your radio. We are checking up on all Blank radio users to make



sure that they are receiving the proper service. Is your radio working all right? May I look it over for a moment?"

Salesmen of office and industrial equipment who are trained to make small adjustments and repairs use a service opening to gain access to employees using their equipment and through them discover needs for additional equipment or accessories.

**9. Exhibit Opening.**—One of the easiest ways for a salesman to gain the attention of prospects in opening a sales interview is to show them an exhibit. The object used to attract attention may relate to the immediate needs of the prospect or show how his needs may be satisfied by the salesman's product.

Salesmen representing a famous pharmaceutical house open interviews with retail druggists by rolling a large pair of white plastic dice across the counter toward the buyer. The merchant picks up the dice, reads the name of the product and its principal uses, and the sales interview is under way.

In selling flat silverware, the wholesale representatives of a large manufacturer open interviews by placing before their buyers a cross section of an automobile tire. The salesmen explain that the wear points on their product are reinforced with extra silver just as an automobile tire is reinforced with extra rubber on the tread to ensure long wear.

Salesmen of an electric refrigerator open sales interviews by showing prospects two small magnets. One magnet is moved along on the surface of a piece of paper by the second magnet held beneath the paper. Salesmen explain the purpose of the demonstration by saying, "These magnets are a part of one of the latest developments of our research engineers and are another example of how research keeps us years ahead. These magnets are used in the control that automatically starts and stops the refrigerator."

A salesman can use pieces of metal, glass, lead, and other product parts as exhibits in opening sales interviews to focus the attention of prospects. Miniature models, charts, advertising proofs, clippings, photographs, and letters also may be used effectively in opening interviews.

### DISCOVERING THE PROSPECT'S NEEDS

After a salesman has secured attention with a forceful opening statement, the next problem is to focus the buyer's attention on

his needs. To help him satisfy his wants or to bring him to a recognition of his needs, a salesman must understand a prospect's viewpoint and be familiar with his situation. To obtain this knowledge, salesmen qualify prospects in the opening stages of a sales interview. Methods of qualifying prospects are described in detail in Chap. X on Qualifying Prospects.

Failure to qualify a prospect early in a presentation makes it impossible for a salesman to present his product or service intelligently. Without a knowledge of a buyer's needs, a salesman does not know what type, model, or size to recommend; what sales points to emphasize or features to demonstrate. A salesman who is not familiar with a prospect's situation is like a marksman shooting blindfolded at a target. A salesman who attempts to sell without a clear idea of a prospect's requirements confuses the buyer with meaningless generalities and handicaps himself in securing a favorable buying decision. The opening stages of an interview provide an excellent opportunity for a salesman to qualify a prospect according to his need, ability to buy, authority, accessibility, and type. A prospect may not recognize his need for a salesman's product or service and a salesman may be obliged to convince him of his need early in an interview. If a prospect does not feel a need for a salesman's product or service and says, "I don't need any life insurance," one of the salesman's first problems is to explore the prospect's situation and convince him of his need.

### QUESTIONING THE PROSPECT

Direct questioning is the quickest and one of the most effective ways for a salesman to discover a prospect's needs. The nature of the questions asked will depend upon the type of product or service sold by the salesman. There are three principles to observe in interrogating prospects: (1) Do not apologize for questions. (2) Avoid blunt, unrelated, or personal questions. (3) Ask questions that can be answered readily and easily. (4) Avoid a long series of questions. (5) Ask helpful questions.

Apologetic questions create a poor impression on prospects. A salesman who apologizes intimates that he is not entitled to the information or is unduly inquisitive. Such queries as, "Could I trouble you to tell me—?" or "Do you object if I ask—?" are weak and negative. A direct, confident question, "Please tell

me how much coal you burned last winter," usually brings a willing answer.

Blunt questions, as "Do you own your home?" or "How many children in your family?" sometimes offend prospects. A more tactful statement is "If you have children in your home, you'll be interested in this feature." This type of question secures exact information about the number of children in the buyer's family. Personal questions, as "Does your mother-in-law live with you?" may make a buyer feel that a salesman is prying.

Many prospects recognize their needs but have few ideas about satisfying their requirements. They look to the salesman to advise them. If a salesman asks, "What model or size of refrigerator, do you want to buy?" or "Do you prefer a four-ply or a six-ply tire?" a prospect is often unable to answer and is embarrassed. A more effective question for determining the needs of a tire buyer would be "Do you tour long distances or just drive around town?" A salesman's questions should be worded so as to aid the buyer in reaching decisions rather than to force him to make his own decisions.

If a salesman asks too many questions, a prospect may feel that he is being cross-examined and become irritated. After asking a question and receiving an answer, a salesman should discuss the information received in relation to the buyer's needs before asking additional questions. By spacing out qualifying questions, avoiding a long series of interrogations, and encouraging a prospect to volunteer information, a salesman avoids offensive "third-degree" methods in getting facts.

By asking questions in a helpful manner, a salesman secures the good will and cooperation of a prospect in securing an understanding of his requirements. An oil-burner salesman asks prospects such helpful questions as, "There are several types of oil burners for different kinds of heating systems. I can help you find which one you need if you'll tell me how many rooms in your home." Prospects will not resent a salesman's inquiries if they are designed to be helpful, like this opening of a successful life insurance salesman, "Mr. Prospect, I find few business and professional men who have had the time to devote to the study of insurance options, trusteeships, and annuity provisions. I have built my business by rendering this detailed service. I want to render this service to you. In order to do that I would like to ask

you some personal questions.” The salesman then asks the prospect a number of pertinent questions about his insurance situation.

The type of information desired by a salesman will determine the nature of his questions. A leading automobile tire manufacturer advises retail tire salesmen to analyze each customer's driving needs in opening a sales interview by asking the following questions: (1) What is the make and model of your car? (2) What has been the service given by your present tires and tubes? (3) How many miles do you expect to drive your car? (4) Over what kinds of roads do you drive? (5) At what speeds do you drive? (6) How often do you take long trips? (7) Is extra protection needed for the family car against punctures and blow-outs? (8) Are the utmost comfort and safety desired?

Salesman of an electric refrigerator ask prospects the following questions: (1) What is the size of your family? (2) How much entertaining is done? (3) Are there small children in the family? (4) Is the refrigerator intended for a house or an apartment? (5) How much ice is used now? (6) Does the family spend much time away from home?

By listing several important questions that may be asked, by memorizing these questions, and by practicing using one or two of them in the opening of every interview, a salesman can soon learn to discover facts about buyers' needs and tell and show how his product meets those specific needs.

### DISCOVERING NEEDS BY OBSERVATION

If a salesman keeps his eyes open, he will observe many things about a prospect's situation which will obviate the necessity for asking questions. By talking to a prospect in his factory, office, or home, where the product or service represented by the salesman will be used, a salesman can sell more effectively if he observes the kind and condition of the buyer's present equipment and the circumstances surrounding its use.

Some salesmen discover needs by making a formal survey or inspection of a prospect's property and equipment. Salesmen of mechanical stokers usually inspect the heating plants of prospects, check up on the amount of radiation used, and observe the number of rooms, the space available for equipment, the number of persons in the family, and similar pertinent facts.

By inviting a prospect to take part in a fact-finding inspection of existing equipment, a salesman can explain his reasons for making the survey, hold the interest of the prospect, ask questions, and make sales points. In addition, a favorable impression may be made on a buyer by a businesslike, thorough inspection.

### **DISCOVERING NEEDS BY LISTENING**

Some prospects volunteer information about their needs, particularly if they have a definite idea of the type of product or service that they want. If a salesman will encourage a prospect to talk by asking a few questions and then remain silent while the buyer describes his needs, the prospect often qualifies himself.

Most prospects have definite tastes, prejudices, and ideas about their needs or the product or service offered by a salesman. These buying motives must be satisfied and prejudices removed before a sale can be closed. If a salesman listens attentively, he usually hears the buyer's specifications or requirements and is enabled to make an intelligent recommendation and effective sales presentation. If a prospect is not given an opportunity to explain his views, he may pay little attention to the salesman's ideas or solution to the problem.

Because salesmen like to talk, most of them talk too much. A good salesman is a good listener and the art of listening can be acquired by practice until it becomes a habit. The more intelligent a prospect, the more important it is that a salesman give him an opportunity to discuss his needs.

### **DEALING WITH DIVERSIONS**

In opening an interview, a salesman occasionally must contend with such diversions as the presence of a third party, inattention on the part of the prospect, or interference from telephone calls. These interruptions at the opening of a sales interview distract the attention of a prospect and obstruct the progress of a presentation. The undivided attention of the buyer must be secured if a salesman expects to secure an order.

If a salesman discovers that a prospect is engaged with a third party, the best strategy is to ask for an appointment for an interview at another time when the buyer can be interviewed alone. Or a salesman may offer to withdraw from the prospect's office and wait until the buyer is at liberty. A prospect may not talk

freely about his needs in the presence of a third party and it is inadvisable for a salesman to attempt to carry on an interview under these circumstances. However, when two or more persons are jointly interested in buying, a salesman makes his presentation to the group as a matter of course.

Some prospects deliberately attempt to discourage a salesman by carrying on other work, signing letters, reading reports, and writing at the same time a salesman is making his presentation. It is very difficult for a salesman to interest a buyer whose attention is directed to other matters. A salesman may deal with an inattentive prospect by offering to withdraw and return at another time when the buyer is not busy. Or he may offer to wait until the buyer has finished his work. A courteous request for the full attention of the prospect usually is sufficient to enable a salesman to overcome this difficulty.

When telephone calls or secretaries interrupt the opening of an interview, a salesman who waits patiently for the attention of the prospect is usually rewarded with the buyer's full attention in a few minutes. A salesman may be obliged to recapture the attention of a prospect and renew his interest in the subject under discussion by asking a question, introducing an exhibit, or summarizing the discussion up to the point that it was interrupted.

#### HOW TO OPEN A SALES INTERVIEW

To aid salesmen in planning introductions to sales interviews, the strategies used by qualified salesmen in their openings are described in detail in the following four-step routine which is based on the principles described in the preceding pages. If a salesman will memorize these simple steps, practice them, and use them in opening interviews, he will soon experience little difficulty in getting the favorable attention of prospects and launching interviews successfully.

##### *Routine for Opening a Sales Interview*

1. Make a favorable social contact.
2. Use an entering wedge.
3. Determine and fix the prospect's problem.
4. Listen to the prospect's solution to his problem.

**1. Make a Favorable Social Contact.**—Good appearance, erect carriage, and self-confidence are important personal qualifications

in opening a sales interview. They impress a prospect favorably with the importance of a salesman's call and are associated with the quality of the product or service which he represents. Friendliness, a genuine desire to serve, and a direct, sincere manner combine to give a salesman a favorable start in interviewing new prospects.

A self-introduction conforming to the personality of the salesman and type of prospect approached is a standard greeting with successful salesmen. The name of the buyer is verified to avoid mistaken identity and embarrassment. Qualified salesmen usually do not initiate handshaking in greeting prospects although the practice varies in different sections of the country. They seek a chair by the side of the prospect to provide a natural comfortable position for carrying on an interview. A salesman's coat, hat, and equipment are laid aside to avoid interference with his sales presentation. In retail stores, salespersons dispense with these social conventions.

To create a favorable impression on prospects, able salesmen plan their social preliminaries to interviews. A qualified salesman knows definitely what he expects to say to a prospect and exactly how he hopes to adjust his personality to suit the individuality of each buyer approached.

**2. Use an Entering Wedge.**—After a salesman has set the stage for an interview with a favorable social contact, his next problem is to secure the attention of the prospect by means of an "entering wedge" in the form of a question, significant fact, curious statement, anecdote, reference to a friend of the prospect, a gift offer, service, or an exhibit. The type of wedge to be used depends on the nature of the product or service sold, the type of buyer, and the personal preference of the salesman. Experimentation with several types of introductory statements will enable a salesman to discover which kind of opener will serve him most effectively. A salesman's introductory remarks must be sufficiently interesting not only to get momentary attention but to intensify that attention into continuous interest. Introductions that are closely associated with the product or service presented and at the same time related directly to the personal interests of the prospect are usually the most effective.

**3. Determine and Fix the Prospect's Problem.**—Once a prospect's interest has been aroused by an entering wedge, a salesman

next seeks information about the buyer's problem. The problem may be simple and easily satisfied, such as finding a gift for a friend's birthday or locating a place for a summer vacation. Or it may be more complex and not apparent to the prospect, such as heating his house more economically or creating an estate for his heirs. Whether the buying problem is large or small, evident or unrecognized, it is necessary for a salesman to discover the character of the need before the problem can be solved to the buyer's satisfaction. A few pointed questions may be all that is necessary to enable a salesman to solve the problem of finding a gift for a friend's birthday; it may take days of study and planning before a salesman can solve an estate problem.

If a prospect's problem is not evident to him, a salesman may find it necessary to discuss all phases of it until it becomes so apparent that the prospect recognizes it and is genuinely desirous of doing something about it. For example, many men are not aware of their problem of educating their children, providing for retirement in old age, or creating an estate for their families. Life insurance salesmen discuss these problems with prospects, point out their importance, and impress on prospects the urgency of solving them by means of life insurance.

Until a prospect recognizes his need or problem, a salesman can gain nothing by urging the purchase of his product or service. The need must be recognized and admitted by the prospect in the opening of a sales interview before the salesman can effectively fit his product to the prospect's needs. Unless a man feels a need for exercise, a salesman cannot interest him in athletic equipment. Until a father recognizes the necessity of an education for his son, he is not concerned with buying life insurance for that purpose. The problem of the prospect must be fixed early in an interview before a salesman can proceed successfully to make his sales presentation.

In determining the scope and nature of a prospect's problem, a salesman asks tactful questions, makes inspections, conducts surveys, and observes until he is thoroughly familiar with the circumstances and is in a position to advise the buyer intelligently as to a sound procedure.

**4. Listen to the Prospect's Solution to His Problem.**—After a salesman has discovered and discussed a prospect's problem or need and the buyer admits that he has such a problem and should



do something about it, the salesman next asks the prospect for *his* solution to his own problem. By letting a prospect talk, the salesman discovers the motives, point of view, prejudices, and preferences of the buyer. After a prospect has volunteered his own solution to his problem, a salesman is able to sell more intelligently through his knowledge of that viewpoint.

For example, a salesman of home insulation discovers that his prospect, a homeowner, suffers from high fuel costs. The buyer admits the problem and concedes that he should do something about it. The salesman asks the prospect for his solution. The prospect replies, "I'm going to buy some storm doors," and gives his reasons why he thinks this will solve his problem. With this information in his possession the salesman is able to carry on a more effective interview by discounting the prospect's solution and showing why insulation is also necessary.

If a prospect is given an opportunity to talk, he may admit that his own solution of the problem is inadequate. This admission gives a salesman an opportunity to tell how his product or service will adequately meet the situation. If the prospect maintains that his solution is adequate, the burden of proof lies with him to justify his solution to the problem. The work of the salesman is to prove to the prospect that the latter is mistaken.

## Problem I

### OPENING DEALER INTERVIEWS

The following introductions to sales interviews were used by salesmen calling on the buyer of a chain of grocery stores located in Portland, Maine. In some cases the salesmen are acquainted with the buyer and are making return calls; in other cases the salesmen are making their initial contacts. Various kinds of grocery specialties are represented by the salesmen.

1. Opening of a sales interview by a salesman of cookies produced by a large wholesale bakery:

1. SALESMAN: How are you, sir?

2. BUYER: Pretty good.

3. SALESMAN: The Watson Store (competitor of the buyer) is certainly getting results on our line and it indicates what can be done if you push it.

4. BUYER: We don't make any money but we sell cookies.

5. SALESMAN: You make more on our line than you make on some cookies.
6. BUYER: There's so much price cutting that no one makes a profit.
7. SALESMAN: We more or less assume the burden with our advertising and give you a chance to make profits. Well, naturally, they cut prices. All the well known brands get sliced. We're in a rather unfortunate position. We come to you. We don't tell you to go out and slash our items unless that we know in some way that it helps. We help you shoulder the burden. You make three cents a package.
8. BUYER: That's little enough.

2. Opening of interview by a salesman of a food brokerage concern selling canned chicken, fruits, vegetables, milk, etc:

1. SALESMAN: Hello, Tom (given name of buyer). What do you think of our new policy?
2. BUYER: You didn't tell me what it was.
3. SALESMAN: Well, roughly, it's a 5 per cent extra on one purchase, Tom, and on everything exclusive—not including chicken and noodles.
4. BUYER: Not including chicken and noodles?
5. SALESMAN: No, not chicken and noodles.
6. BUYER: When are our demonstrations booked?
7. SALESMAN: The last of next month, Tom. Isn't it the week of the twenty-third? We're running spot radio announcements. Have you played golf lately?

3. Opening of interview by a salesman of bottled carbonated beverages:

1. SALESMAN: How are you?
2. BUYER: Not too bad.
3. SALESMAN: Good.
4. BUYER: Say, you reminded me of something. We had a meeting of our store managers last night and talked about beverages, but we didn't talk about your ginger ale because I forgot to put it down.
5. SALESMAN: Yeah.
6. BUYER: Black, one of our store managers, ordered one case of your lime rickeys but I couldn't get any interest around the others.
7. SALESMAN: Oh, you couldn't? That's not so hot, is it?

4. Opening of interview by a salesman representing a manufacturer of candy specialties:

1. SALESMAN: (Displaying samples) Our line is very high grade; it isn't cheap. You probably have all kinds of prices on these (pointing to samples). We have to get 22 cents a pound for these.
2. BUYER: Are all the prices the same?
3. SALESMAN: No, this piece is twenty cents; this is fourteen; these are twenty-five. Fruit centers are thirty-three.
4. BUYER: What were you telling me about the last time you were here?
5. SALESMAN: Gums and jellies.
6. BUYER: We weren't talking about Easter novelties, were we?
7. SALESMAN: Yes. I was wondering what you did about ordering some.

5. Opening of interview by a salesman of peanut butter packaged in glass:

1. SALESMAN: I'd like to interest you in a good packaged peanut butter.
2. BUYER: Well, of course, we sold Plantation (a local brand) for years around here and now we have a very good business on it. Then we put our own labels on it and told our customers that it was the same peanut butter.
3. SALESMAN: That's the Plantation brand under your own private label?
4. BUYER: That's right.
5. SALESMAN: I see. I'd like, like the devil, to get on your list and sell you a few cases, just as a start-in. I don't expect to get a lot.

6. Opening of interview by a salesman of shoe preparations and polishes:

1. SALESMAN: I've a new shoe whitener, I'd like to show you.
2. BUYER: What kind is it?
3. SALESMAN: It comes in bottles, that's what it is.
4. BUYER: Is it tube or bottle?
5. SALESMAN: The liquid would be in the white bottle, but it's called "Cream Polish."
6. BUYER: Cream color?
7. SALESMAN: Well, it's called cream but it's white liquid.
8. BUYER: Have you ever sold us any other items in your line?

7. Opening of a salesman of gelatin dessert and ice-cream mixture:

1. SALESMAN: I'll only take a minute here. I wondered if it would be possible to arrange to tie up with you fellows around the first of June or the last of May?
2. BUYER: I doubt it.

3. SALESMAN: You doubt it? I was wondering if we could. We have quite a few new products out. There's our gelatin and ice-cream mix. You've heard about it?
4. BUYER: No, what's the story?
5. SALESMAN: Say, I've got about a dozen reactions from different people.
6. BUYER: I don't know anything about it except we had it in one year and it didn't sell and we cut it out last year.

### Questions

1. Criticize, favorably or otherwise, each of the seven openings of the sales interviews on each of the following points:
  - a. Attitude of the salesman.
  - b. Evident social preliminaries to the interview.
  - c. Type of "opener" used.
  - d. Discovery of buyer's needs and methods used.
  - e. Fixing the buyer's problem.
  - f. Listening to buyer's solution.
2. Which of the seven openings is the most effective? Give specific reasons.
3. Reword interview openings 1, 5, and 7.
4. What is the attitude of the buyer in this case? Is it justified? Why?

### Problem II

#### OPENING CONSUMER INTERVIEWS

The following introductions to sales interviews were used by retail salesmen in greeting buyers calling at retail establishments in greater Boston. In only one case is the prospect acquainted with the salesman. Various types of products are being sought by the prospects who were attracted to the retail stores by the reputation of the organizations. Each prospect recognizes his need for the product sought in each interview.

1. Opening of interview by a salesman of furniture with a young-man prospect who came into a large retail home-furnishing specialty store:

1. SALESMAN: Can I be of service to you?
2. PROSPECT: I want to see a dining-room set.
3. SALESMAN: Would you like to have me show you a set or would you prefer to look around yourself?
4. PROSPECT: I would like to be shown your sets.
5. SALESMAN: What type of dining-room set did you have in mind?
6. PROSPECT: I would like to see something in a Duncan Phyfe with the lyre back design in the chairs.

7. SALESMAN: If you will just step this way. I have what you are looking for. This set consists of a table, a buffet, six chairs, all in solid mahogany.
8. PROSPECT: Yes, that is very nice. What is the price?
9. SALESMAN: The set is \$298.

2. Opening of interview by an automobile salesman with a prospect and his wife in the showroom of a large retail dealer of a popular make of car in the \$1,000 class:

1. SALESMAN: How do you do, sir?
2. MR. PROSPECT: I would like to see the new Blank eight.
3. SALESMAN: Is there any special model you would like to see, sir?
4. MRS. PROSPECT: We have not definitely decided upon any particular model as yet. If we look around maybe we can decide on one.
5. SALESMAN: Step right this way, please. On your right here is the new Blank six convertible coupé.
6. MRS. PROSPECT: This is a very good-looking car.
7. SALESMAN (walking over to car and opening door): Will you step inside and see how roomy and comfortable it is?

3. Opening of an interview by a salesman of radios with a young man in the showroom of a music and radio retail store:

1. SALESMAN: How do you do, sir? May I help you?
2. PROSPECT: Yes, I'm looking for something in the way of a console model radio.
3. SALESMAN: About how much money do you care to spend?
4. PROSPECT: Oh, I don't know. I want a good value.
5. SALESMAN: Well, sir, here is a good model. The Blank console. Here, I'll demonstrate it for you. It has a remote control. (Salesman demonstrates remote control feature.)
6. PROSPECT: Is this the only exclusive feature about this particular set?
7. SALESMAN: Yes, sir, this feature is exclusive with the Blank radio for the next two years because they own all the patent rights on it.
8. PROSPECT: How much is this radio?
9. SALESMAN: \$159.

4. Opening of an interview by a salesman of automobile tires with a prospect in the showroom of a large retail tire and accessory store:

1. SALESMAN: May I be of assistance to you?
2. PROSPECT: I am in the market for a set of tires and have been shopping around to see what I can find.

3. SALESMAN: What kind of automobile do you own?
4. PROSPECT: A 1936 Packard, 120.
5. SALESMAN (walking over to tire stand and drawing out a tire): This is our J-73 model, the best tire we make. This tire is guaranteed for 25,000 miles against blowouts under any conditions.

5. Opening of an interview by a salesman of luggage with a prospect in the luggage department of a large retail chain store:

1. PROSPECT: I intend to take a long trip this summer so I thought that I would drop in and look over your stock of grips. How much are these?
2. SALESMAN: \$8.95, \$9.95, and \$10.95. Pardon me, but do you have a Gladstone bag? They are much better on a long trip than a grip.
3. PROSPECT: No, I don't have one. As a matter of fact, I have never owned one and hadn't thought about purchasing one.
4. SALESMAN: A Gladstone bag will hold much more clothing and accessories than a grip. If you are planning a trip, you will want a bag that will carry a lot of clothing. If you wish, I would like to show you our Gladstone. (Salesman leads way to another part of the department.) This bag is constructed of top grain leather and finely finished. It will carry two suits, several shirts, and accessories. It is priced at \$10.50.

6. Opening of an interview by a service-station salesman with a motorist in the driveway of a station operated by a large oil company:

1. SALESMAN: Hello, Mr. Jones, is there anything I can help you with?
  2. MOTORIST: Yes, I need a little air. I've just taken the afternoon off. (Motorist alights and looks at tires.)
  3. SALESMAN: What's the matter? Have you got a low tire?
  4. MOTORIST: Yes, the blamed thing has gone down and I've had to fill it for two weeks now. You know I'm getting sick and tired of this automobile. I think the best thing to do is to trade it in.
- SALESMAN: Why don't you buy a low-priced Blank tire?

### Questions

1. Criticize, favorably or otherwise, each of the six openings of the sales interviews on each of the following points:
  - a. Attitude of the salesman.
  - b. Evident social preliminaries to the interview.
  - c. Type of "opener" used.
  - d. Discovery of buyer's needs and methods used.
  - e. Fixing of buyer's problem.

- f. Listening to buyer's solution.
2. Which of the six openings is the most effective? Give specific reasons.
3. Reword openings for 1, 4, and 5.

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## CHAPTER XVII

### CONDUCTING SALES DEMONSTRATIONS

#### THE IMPORTANCE OF DEMONSTRATIONS

Demonstrating is showing with proof and example the salient merits of a product. A demonstration gives a prospect an opportunity to experience for himself the benefits or profits to be derived from the ownership of a product. It directly affects his judgment or feelings through personal impressions. Knowledge is most readily obtained by experience and prospects can best understand the merits of a product by personal use or observation. Most people would rather enjoy a pleasant experience than to hear about it secondhand. When a prospect is given an opportunity by demonstration to hear the tones of a great orchestra through a radio receiving set, to feel the quick acceleration of a powerful motor car, or to taste the creamy richness of a salad dressing, desire is aroused to its highest intensity. Prospects want to know, "How does it work?" "What does it taste like?" and "Is it comfortable?" They are seeking taste, touch, and other sense experiences as the surest means of securing knowledge and forming sound judgments. A salesman who demonstrates his product satisfies the universal desire to experience satisfactions rather than to hear about them.

When a salesman has discussed completely the important features of his product and little more remains to be said, a prospect may be bored or annoyed to hear the same ideas repeated. However, by demonstration the same features may be presented in a new and interesting manner and the interview continued to a successful conclusion.

A demonstration also relieves the natural sales resistance of prospects by taking their minds off the business of buying and focusing them on the satisfactions that result from ownership of a product. When a prospect experiences the benefits of an article, he sells himself on its merits.



The confidence of a prospect may be secured by a demonstration that proves by test and satisfies an instinctive desire for evidence supplied directly by the senses.

The simplest type of demonstration secures the attention of prospects and prevents distractions and interruptions. When a salesman asks a prospect to try on a new hat, he secures by demonstration the undivided attention of the buyer, who becomes oblivious to what is going on around him.

Demonstrations make it possible for a salesman to impress a buyer's taste, touch, sight, hearing, or sense of smell. By appealing to several senses a salesman forcefully impresses the prospect with the quality of his product. A demonstration also appeals to the desire of prospects to excel and causes them to want to try their skill at operating the product or taking part in the demonstration, thereby selling themselves on its merits.

More sales are closed when prospects receive demonstrations. When a prospect for a suit of clothes has tried on the coat, vest, and trousers, he is practically sold. And a housewife who has seen a vacuum cleaner extract dirt from her rugs and carpets after she has given them their regular weekly cleaning is convinced that she must have that cleaner.

Intangible services, however, cannot be demonstrated and many heavy, bulky industrial products are difficult to demonstrate because of their size and weight. A salesman cannot bring a steam shovel or turbine into a prospect's office, but he can demonstrate their merits by means of models or miniature parts which are light and easily manipulated.

### WHEN TO DEMONSTRATE

A sales demonstration is not a separate sales activity from an oral presentation. It is a normal part of every good sales presentation. A prospect is not rushed into a demonstration in the opening stages of a sales interview, nor is a good demonstration reserved as a climax to a sales presentation. A demonstration which is an afterthought or a last-resort method of convincing a hesitant prospect is rarely successful.

A demonstration is introduced into a sales presentation naturally as one of several methods of showing that a product meets a prospect's needs. After a salesman has discovered a prospect's requirements, a demonstration may follow in the presentation as

a logical device for showing how a product will bring profit or satisfaction to the buyer.

If a salesman stops his presentation and says, "Now I shall demonstrate this radio," he separates and formalizes the demonstration and it ceases to be a natural part of his sales presentation. Nothing is to be gained by making a prospect aware that he is experiencing a selling strategem which is of no significance to him in solving his problems.

Sometimes a salesman asks a prospect, "Would you like to have me give you a demonstration?" By asking such permission, a salesman invites a refusal. A prospect may claim that he does not have time or is already familiar with the operation of the product. It is better to assume that a prospect will receive a demonstration as a matter of course. Demonstration, like oral description, is a fundamental part of a sales presentation.

Under some circumstances, it is impracticable to demonstrate a product completely during an initial sales interview. An adding-machine salesman, for example, cannot conveniently carry that article into the office of a prospect on the first call and it may be necessary to arrange a second interview at the salesroom where a complete demonstration can be conducted. Large and bulky products must be demonstrated also at separate interviews. Certain features, however, can usually be demonstrated in the home or office with miniature models, parts, and accessories to obviate the necessity for a demonstration of the product itself. Whenever practicable a demonstration should be an integral part of a sales presentation.

#### HOW TO PREPARE FOR A SALES DEMONSTRATION

Successful demonstrations require careful preparation. If they are staged properly, they make a more favorable impression on a prospect. The product to be demonstrated or the demonstrating equipment to be used, including models, parts, or accessories, should be in good operating order; a logical, convincing sales talk should be written or outlined to accompany each step in the demonstration; and the best place to conduct the demonstration should be selected and put in readiness. If there is no sales or showroom and it is impracticable to demonstrate in a prospect's home, office, or plant, the cooperation of customers may be secured and their equipment used for demonstrating. Sometimes

an appointment with a prospect is necessary before a formal demonstration is given. If a salesman plans each of these factors, his demonstrations will yield maximum results.

### PREPARATION OF DEMONSTRATING EQUIPMENT

Nothing is more fatal to the success of a demonstration than a breakdown in the operation of the product or the demonstrating equipment. By checking the operation of his product or demonstrating devices in advance of his calls, a salesman ensures that they are in good working order. Periodic overhauling of a demonstrator by the service department will save a salesman not only embarrassment but lost orders.

The exterior appearance of a product or demonstrating device and the cases in which they are carried require frequent attention to ensure that they are polished, clean, and freshly painted, in order to make a favorable impression on prospects.

If several pieces of demonstrating equipment are carried by a salesman, they should be collected and arranged in the order in which they are to be used so that they are readily accessible to avoid delay and confusion.

Obviously a salesman should be so familiar with the operation of his product or demonstrating devices that a demonstration can be carried out efficiently and without hesitation. Awkwardness or delay in conducting a demonstration weakens a prospect's confidence in the knowledge of the salesman and sometimes in the merit of the product.

### PREPARATION OF DEMONSTRATING SALES TALK

Each step in a demonstration requires explanation and should be related by the salesman to the specific needs of the prospect. A brief oral presentation may be written or outlined by a salesman or prepared by his company to accompany each step in a demonstration. Such a presentation may be memorized or at least the principal features kept in mind for use in demonstrating. A standard demonstration talk must be adapted to the individual needs of a prospect to avoid a lengthy, mechanized, factual recitation which may be of no interest.

If the prospect is drawn into a demonstration with friendly and informal conversation, he is encouraged to ask questions and

make comments as the salesman proceeds with each step in the demonstration.

A typical demonstrating sales talk used by salesmen of a well-known make of automobile tire illustrates how a demonstration can be related to a prospect's needs in a friendly, informal conversation.

**SALESMAN:** Mr. Prospect, you told me that you want a tire that will wear. (Salesman rolls a miniature tire over surface of prospect's desk, pressing down jerkily to bend out the side walls.) When your car is riding along on ordinary roads, your tires act as shock absorbers. The side walls continually flex, stretching and compressing the cord at the shoulder as you see by this demonstration.

In balloon tire service nothing is more important than the ability of a tire body to stretch and come back millions of times, and that's why our tire has greater durability. Doesn't that seem reasonable?

The body of our tire is made of a specially designed and patented cord for greater flexibility. It stretches 61 per cent farther before it breaks. Don't you think this tire will wear?

#### PREPARING A PLACE FOR DEMONSTRATING

A salesman's showroom is usually the most satisfactory place to demonstrate heavy, bulky products. When a prospect is interviewed at the showroom, the demonstration may be conducted most conveniently with the complete equipment available, interruptions are avoided, and the salesman is working on familiar ground.

Some salesmen of installation equipment plan to interview and demonstrate in the plants or homes of customers. Permission is first secured from cooperating owners to demonstrate their equipment. A salesman may also arrange with owners to be present at demonstrations. By this plan a prospect hears from satisfied customers the favorable features of the product and receives recommendations.

Salesmen of automobiles and real estate carefully plan the routes over which prospects are driven on demonstrations. Automobile salesmen, representing a large motor-car company, lay out routes so that the various features of the car can be tested and demonstrated to prospects. Several demonstration routes are laid out near the salesroom and in different parts of a salesman's territory to include the following features:

1. A smooth street or highway to begin the ride quietly.
2. A heavily traveled street for showing flexibility, pickup, and easy handling.
3. A stretch of rough road for demonstrating comfort features.
4. A moderate downgrade where braking may be demonstrated.
5. One or more steep grades for demonstrating hill climbing.
6. A straight, well-paved road, with little traffic, for demonstrating speed.

### APPOINTMENTS FOR DEMONSTRATIONS

When a separate demonstration to a prospect is planned, an appointment must be arranged for a time and place convenient to him. By making an appointment, a salesman ensures that he has adequate time to make a complete presentation.

### PREPARING THE PROSPECT FOR A DEMONSTRATION

Before starting a demonstration of a specific feature that interests a prospect, successful salesmen set the stage by arousing the curiosity of the prospect and creating anticipation for the evidence they plan to present.

A salesman may arouse the interest of a prospect by placing before him, without comment, a piece of demonstrating equipment. The prospect wonders about the purpose of the device until the salesman is ready to introduce it in his presentation. Or the salesman may arouse curiosity by remarking, "In a few minutes, I am going to show you, with this little device, how you can save 10 per cent on your annual fuel bill."

Automobile salesmen build up their demonstrations by preparing prospects for a drive in a new car with a planned preview, which includes the three following steps: (1) a walk around the car so as to view it from all sides and admire its beauty; (2) seating the prospect comfortably in the rear seat to show roominess; (3) inviting the prospect to sit behind the wheel. Another purpose of this preview is to make sure that all important features of the car are covered at a time when their merits are not overshadowed by the demonstration ride.

Salesmen of household brushes prepare prospects for demonstrations by spreading before them an attractive display cloth which bears the company trade-mark; upon this background the various sets of brushes are laid out.

Salesmen of a home water softener prepare a prospect for a five-day demonstration by asking her to read a set of illustrated cards

which describe the advantages of soft water. These cards set the stage for the demonstration, which is followed by an oral presentation to close the sale.

A prospect may be mailed direct advertising in preparation for a product demonstration. A large insulation manufacturer aroused the curiosity of building material dealers in a novel demonstration of a new product by sending them a folder announcing, "A new principle in insulation, different from any now employed in the building field. Our salesman will soon call and demonstrate this new principle in insulation to you." In addition, salesmen preceded their calls with cards mailed to prospects and customers, "I will be in your city this week to demonstrate the new principle in insulation." When salesmen called, dealers were curious to witness the demonstration.

Prospects may be prepared for a demonstration by an anecdote about the advantages of the product to be shown. A relevant question may be asked to arouse a prospect's curiosity in a demonstration as, "Have you ever seen wool that will not burn?" which is asked by salesmen of rock-wool insulation; "Did you ever hear of a transparent sandwich?" a question asked by salesmen preceding a demonstration of safety glass; and "Have you ever seen unbreakable eyeglasses?" asked by salesmen of plastics.

#### WHAT TO DEMONSTRATE

Formerly product demonstrations were started at one logical point or feature of a product and proceeded methodically from one feature to another until at the conclusion no important item had been left unmentioned. While this method of demonstrating had the merit of completeness, it wrongfully assumed that every prospect was equally interested in all features of a product. This over-all method of demonstrating often resulted in boring a prospect by a mechanical recitation of facts in which he was remotely interested. The prospect had little opportunity to take part in the discussion, which soon degenerated into a monologue with the prospect becoming a disinterested listener.

A successful salesman today, however, selects the one or two features of his product which are most likely to appeal to a prospect and concentrates on those. The attention and interest of the prospect are secured by this method and the demonstration is effective. A prospect is flattered by a salesman's interest in his

needs or the satisfactions that he is seeking. Sales resistance is reduced when a prospect's interests are considered first by a salesman in demonstrating.

Having discovered the needs of the prospect in the opening of the interview, a salesman is able to focus his demonstration on the problem or desires of the prospect. By asking questions, by observing, or by listening to the prospect's remarks, a salesman knows which product features should be demonstrated. Unless a salesman is familiar with the problem of the prospect and shows a solution for it, a demonstration loses much of its effectiveness.

For example, an automobile salesman, in opening an interview, asks a prospect, "Do you drive much, make long trips?" The prospect replies, "Yes, I'm a salesman on the road most of the time and I've got to have a car that's comfortable." From the prospect's answer, the salesman knows that one of the values the prospect wants in an automobile is "comfort." So he demonstrates comfort by asking the prospect to get in the front seat to experience the roominess, the depth of the cushion, and the adjustable seat while he explains each of these features. The salesman drives over a planned route and the prospect experiences other automatic comfort features as ride control over a rough road, easy steering, and elimination of wheel fight.

The salesman concentrated his demonstration on the one feature of comfort which was the principal requirement in the prospect's mind. As the prospect was chiefly interested in comfort, the salesman avoided a demonstration of many other features of the car and held the interest of the prospect. The salesman did not confuse the prospect by talking about its performance, safety, beauty, and other features.

However, during the course of the demonstration drive, the prospect remarked, "My expense allowance is only 5 cents a mile. How many miles can I get on a gallon of gas?" From this remark, the salesman immediately recognized that the prospect was also interested in economy of operation. The salesman replied, "I'm going to prove right before your eyes with this gasoline consumption tester how economical this car is to operate." Then the salesman swung into a demonstration and discussion of low gasoline consumption, concentrating his test and presentation on economy. He did not yield to the tempta-

tion to display his knowledge by telling the prospect all about the automobile.

After a salesman has demonstrated his product in relation to the principal needs or interests of a prospect and the buyer is still unready to make a decision, other outstanding or exclusive features may be selected and demonstrated until the salesman feels that the prospect is ready to buy.

### GETTING A PROSPECT TO PARTICIPATE

If a prospect is going to experience and prove for himself the satisfactions resulting from ownership of a product, he must take part in a demonstration. Participation creates in his mind a sense of ownership and appeals to his desire to show his skill at operating the product. More than a hundred thousand people participated in an exhibit at a recent world's fair which was based on the instinctive human desire to perform simple scientific experiments and run machines.

When a prospect takes part in a demonstration, he gives his full attention to the product. He forgets his objections and becomes interested in what the product will do for him. He convinces himself by his own experience that it meets his needs and he visualizes it as serving him.

When a salesman discovers the features of his product that appeal to a prospect's interest or meet his need, he demonstrates those features and asks the prospect to assist him in conducting the demonstration.

Salesmen of a fire extinguisher demonstrate the extinguisher liquid by asking a prospect to hold a small aluminum cup into which some of the liquid is poured. The salesman next ignites a match which the prospect is asked to hold over the cup and observe how the vapor, rising from the liquid, extinguishes the flaming match.

Salesmen for a leading make of electric refrigerator ask prospects to participate in a demonstration of the cleanliness of the chromium shelves in the cabinet, as follows:

**SALESMAN:** Mrs. Prospect, the shelves in this cabinet are chromium.

That means that they are fit to use as receivers for any food. Here is a clean cloth. (Salesman hands cloth to prospect.) Just rub the surface of that shelf with it. Will you rub it hard? Now examine the cloth. You see, the cloth shows no sign of stain.



Salesmen of a well-known brand of automobile tire ask prospects to take part in demonstrating how destructive heat generates inside tires under operating conditions. The prospect is handed a small piece of crude rubber sheet and is asked, "Will you please stretch this piece of rubber rapidly several times, then hold it to your upper lip. Notice how hot it feels. That is the way destructive heat generates inside tires as they stretch and compress in road service."

An automobile salesman who discovers that a prospect is interested in comfort drives him to a rough stretch of road and says, "Now, take the wheel and feel for yourself how comfortable this car is over this rough road."

Salesmen of vacuum cleaners get a prospect to participate in a demonstration by moving the cleaner toward her, implying that they expect her to try it, and say, "I would like to have you run it yourself and see how easily it operates."

By placing the product within easy reach of a prospect so that he can easily turn the control knobs, switch on the current, or operate any feature with a minimum of inconvenience, prospect participation in a demonstration is encouraged.

### GETTING A COMMITMENT FROM THE PROSPECT

After a salesman has demonstrated a product feature and the prospect also has taken part, it is important that the salesman know whether or not the prospect has been favorably impressed by the demonstration. If a prospect understands and agrees with a feature of the demonstration, the salesman knows that he is progressing satisfactorily toward a favorable buying decision by the prospect.

By giving a prospect a chance to tell what he thinks about a feature that has been demonstrated, a salesman knows that he has convinced the buyer on that point or that he has failed and must repeat the demonstration. The commitment of a prospect may be secured by asking such questions as, "Does that brake test prove this car is safe?" or "Isn't this stainless porcelain easy to keep clean?" or "Isn't this vacuum cleaner the lightest you have ever operated?" By asking these test questions, a salesman can find out whether or not a prospect is in agreement on the point which has been demonstrated.

When asked with tact and discretion, committing questions do not put a prospect on the defensive but secure a sincere expression of his viewpoint.

Demonstrations involving technicalities may not be easily understood. If a prospect does not understand exactly the principal technical advantages or operation of a product, he may not have a clear idea of its merit. Rather than reveal his ignorance, he may commit himself to a salesman's proposition. Accordingly, a salesman has to judge whether or not such an agreement is sincere. If a salesman doubts the sincerity of a commitment, it may be necessary for him to repeat the important points in a demonstration several times to ensure that they are clearly understood and that the prospect is in honest agreement.

The interest of prospects in a demonstration may also be tested by encouraging them to ask questions about some technical feature. By pausing and saying nothing, a salesman encourages a prospect to talk and so reveal whether he has understood the demonstration clearly and is in agreement.

Some prospects who are convinced by a demonstration are deliberately unresponsive. They cultivate natural sales resistance and refuse to encourage a salesman by agreeing with him on points demonstrated. This type of buyer will usually reveal his real attitude if asked directly for an order.

Sometimes prospects will volunteer their reaction to a salesman's demonstration by remarking, "There's a lot of leg room in this front seat," or "That thermostatic control should save a lot of steps," or "There shouldn't be any service with that sealed-in mechanism." When a prospect indicates that he has been convinced, the salesman can select another interesting product feature and continue the demonstration.

A prospect may show by his physical reactions that he accepts a product demonstration. By nodding his head, by smiling broadly, and by relaxing, a buyer reveals his agreeable attitude. These physical manifestations of acceptance, if detected by an observant salesman, are among the surest evidences that a prospect has been convinced by a demonstration.

A prospect may refuse to agree with a salesman and give a negative answer to a committing question. A salesman seeks a commitment by saying, "Mr. Prospect, isn't that a money-saving feature?" The prospect objects, saying, "I don't know that it

is." Or a prospect, who does not understand a demonstration, may make a negative response. If a salesman asks, "Do you see how the over-drive works?" the prospect may answer, "No, I'm not very mechanically minded."

These negative replies do not mean that the sale has been lost. The salesman has merely failed for the moment to establish conviction on the particular point demonstrated. To go on and demonstrate other features and ignore the prospect's misunderstanding or lack of conviction is poor sales strategy for, as the prospect thinks about his objection, it is magnified out of proportion to its real importance.

If a prospect is sincere in his objection or does not clearly understand a point demonstrated, a salesman usually can clarify the point in question by repeating every step of the demonstration slowly, speaking distinctly, avoiding technicalities, and mentioning the important points several times. In repeating a demonstration, a salesman explains his reasons by saying, "It's easy, Mr. Prospect, to understand why the operation of the humidistat may not be clear to you. I want to explain it to you again."

Prospects, who have a definite objection to accepting a feature of a demonstration, may be asked, "Just what is your objection to the principle on which our compressor operates, Mr. Prospect?"

When a buyer states the reason why a demonstration fails to convince him, a salesman can repeat that portion of the demonstration which did not impress the prospect and again attempt to obtain his agreement.

Successful salesmen always seek a definite agreement from a buyer that he is convinced of the merit of each product feature demonstrated. By securing a number of commitments from a prospect during the course of a demonstration, a salesman creates in the buyer's mind an attitude of acceptance which is helpful in securing a final decision to buy.

To record the favorable reactions of prospects during a demonstration, a salesman may use a check chart listing the various points demonstrated. The reaction of a buyer to each point may be checked on the chart as the demonstration proceeds. A large automobile manufacturer provides its retail salesmen with a printed demonstration check chart upon which is recorded the commitments of a prospect. At the close of a sales demonstra-

tion, the buyer is confronted with this chart which shows his agreement to numerous product features. Faced with these admissions, it is not difficult to secure a decision to buy. A similar check sheet can be prepared by any salesman by listing product features on paper and checking off each feature as the demonstration proceeds.

### USING DEMONSTRATING DEVICES

To aid salesmen in carrying on demonstrations, many manufacturers have created ingenious devices for use in homes, offices, and retail showrooms. These devices are useful in dramatizing a presentation, explaining special product features, presenting exclusive features, and getting buyers to participate in a demonstration. They enable a salesman to clarify technical explanations with simple, familiar objects designed to illustrate applications and principles of operation. Variety is introduced into a demonstration and the attention and interest of a prospect are focused on results or uses of a product.

Effective demonstrating devices to show the merits of almost any product can be made from pieces of metal, hardware, wood, and glass. Salesmen of a mechanical stoker demonstrate its screw principle of conveying coal from bin to stoker by means of a  $\frac{3}{4}$ -inch auger bit.

The volume of heat lost from an uninsulated six-room house is demonstrated with colored wooden blocks by insulation salesmen representing a large manufacturer. One block represents the heat loss through walls, another the loss through ceilings, and another the loss by doors and windows. A similar series of smaller blocks is used to compare the smaller amount of heat lost from an insulated home.

Retail washing-machine salesmen use a piece of heavy rope, shoelaces, a glass eye dropper, and three bottle corks to demonstrate the superior operation of a well-known product. The three corks are used to show the water agitation in washing machines. The corks float on the surface of the water in competing washers but circulate all through the water in the salesman's washing machine. These salesmen also carry a "listening rod" to enable a prospect to hear the grinding and groaning of her present machine and to compare it with the quiet operation of the washer being demonstrated.

In selling a famous electric refrigerator, retail salesmen use the following demonstrating devices: a visualizer, which is a cardboard fastened on the inside door of a refrigerator and upon which is mounted a kitchen paring knife, a miniature chimney made of wood, a rubber gasket, a can of baby food, and other commonly used articles to make a simple, easily understood demonstration of the operating principles of the product. In addition, metal strips are used to illustrate the cabinet finish; metal glass leads show the hermetically sealed mechanism; and a glass-enclosed working mechanism demonstrates lubrication.

In selling industrial goods, similar demonstrating devices are used. Salesmen, representing a shellac manufacturer, demonstrate the quality of their product with three small hourglasses. Each glass contains a different cut of shellac: one, heavy body; one, medium body; and one, light body. The salesman asks the buyer whether he can tell which is which. Neither the buyer nor an expert can identify the quality by sight alone. Then the salesman turns the three hour-glasses upside down and asks the prospect to watch the shellac fall into the lower half of each. The difference in body of the shellac is clearly evident as the glasses fill. The glass which fills first contains shellac with the lightest body; the glass filled last contains the best product. This demonstration shows a buyer that it pays to buy from a shellac manufacturer of good standing whose product can be depended upon.

Even such a prosaic product as waterproof asphalt roof coating is demonstrated dramatically by one company. A salesman covers a handkerchief with this product. The handkerchief is next filled with water to show that a roof coating which can make a porous handkerchief waterproof can repair a leaky roof.

### TRIAL SELLING

Closely related to sales demonstrations is trial selling. A product is installed in a prospect's home, office, or factory for several days' free trial. Properly controlled, trials are successfully used by many appliance salesmen in closing sales. If the credit of the buyer is satisfactory and the product is not allowed to remain in the prospect's possession longer than the time actually needed to prove the advantages claimed by the salesman, trial selling is very effective.

Definite time limits usually are established for trials, the length of time depending upon the nature of the product. In selling home appliances the following time limits have been found practical: water softener, 5 days including washday; refrigerators, 15 to 30 meals; washing machines, a washing; cleaners, overnight to 3 days; and radios, 24 hours. The experience of those who use this method in selling shows that a majority of sales are closed within three days after the product has been installed on trial.

Many industrial products which can be easily installed also may be sold on trial. A trial removes a buyer's hesitation by convincing him that the product can meet his requirements. A prospect is easily persuaded to try a product because he does not obligate himself to buy until he has found the article satisfactory.

### HOW TO CONDUCT A DEMONSTRATION

The methods used by qualified salesmen in conducting a demonstration are similar. The basic principles of demonstrating are summarized in the following six-point demonstrating routine. If a salesman will study these fundamentals, several of which are explained in the preceding pages, memorize, and rehearse them, then practice their use in interviews with prospects, his demonstrations will yield better results in sales and earnings. Demonstrating by these five simple rules is a simple and natural procedure for even the most inexperienced salesman.

#### *Routine for Conducting a Sales Demonstration*

1. Handle product respectfully.
2. Concentrate on prospect's needs and interests.
3. Get prospect to participate.
4. Commit prospect on each point demonstrated.
5. Watch for opportunities to close the sale.

**1. Handle Product Respectfully.**—The manner in which a salesman handles a product helps to determine the attitude of prospects toward it. If a salesman treats his product respectfully as something of value, there is every likelihood that a prospect will regard it likewise. By careful handling, a salesman may instill in a buyer's mind a respect for a product.

Good products deserve careful wrapping and protection in attractive, good quality sample cases. Their value is enhanced

if they are picked up with both hands and set down carefully, never thrown aside or crowded among other articles distracting to a prospect's attention. Careful polishing with a clean rag to remove dust or fingerprints shows respect for a product's appearance. By displaying a product in a good light on an attractive background of velvet and placing it at an angle that shows off its design to best advantage, a salesman builds respect for it.

A salesman can create regard for large products as well as for small by operating them carefully, making adjustments slowly, turning dials easily, moving levers cautiously rather than carelessly snapping switches or hurriedly throwing controls. When a demonstration has been completed, the product is restored to its original condition ready for future demonstration. By exercising care in the handling, a salesman shows his respect for his product and enhances its value in the mind of a prospect.

**2. Concentrate on Prospect's Needs and Interests.**—By qualifying a prospect in the opening stages of a sales interview, by asking him questions, by listening to his volunteered remarks, and by observing, a salesman can quickly determine his specific needs or interests. Then he can demonstrate the particular product features that satisfy the needs of the buyer.

Demonstrating all the features of a product, regardless of a prospect's needs and special interests, has been compared to target shooting with a shotgun. Although some of the shot may hit the target, a majority will go wild. By singling out a buyer's needs and demonstrating the features that satisfy those requirements, a salesman has a better chance of hitting the bull's-eye of a prospect's interests.

A demonstration that attempts to prove the merits of every feature of a product often bores a prospect and commands only shallow attention. Few buyers are interested in listening to a recitation of features of no significance to their problems or desires. The "over-all" type of demonstration is usually an impersonal monologue which becomes a mechanized and unnatural method of conducting a presentation.

Concentrate the demonstration on the specific needs of the prospect, covering one need at a time, until his requirements have all been covered and the buyer has been shown how the product solves his "problem."

**3. Get Prospect to Participate.**—One of the easiest ways to secure a prospect's interest in a demonstration is to invite him to participate. His hands and mind are put to work; his curiosity is satisfied; he experiences the benefits of ownership; and his instinctive desire to exercise his skill is gratified. All these advantages, in addition to the fact that he learns quickest and easiest by his own personal experience, make it desirable to get him to participate in a demonstration.

If a buyer is asked to turn a control knob, switch on the current, operate a part, open a door, listen to the operating noise, feel a surface, or smell a liquid, he satisfies his craving for evidence supplied directly by his senses. Any doubt which may have been in his mind as to the truth of the salesman's statements is removed by his own experience.

A more natural interview results when the buyer is drawn into the sales discussion. He is encouraged to express his views, thereby giving a salesman an opportunity to meet objections and more clearly understand his requirements. A mechanized presentation is avoided.

Prospects usually are eager to take part in a demonstration. A salesman can invite them to participate by saying, "Just see for yourself how easily this door opens," or "I'd like to have you try this if you will," or "You simply pull this handle down—try it yourself, won't you." When a buyer accepts these invitations, he takes another step toward signing an order.

**4. Commit Prospect on Each Point Demonstrated.**—To determine whether or not a demonstration has convinced a buyer, salesmen seek commitments on each feature demonstrated. If a demonstration has not been clearly understood or has failed to convince, there is little to be gained by a salesman's continuing his presentation. When prospects do not understand or agree, salesmen redemonstrate the feature in question more clearly and completely and again attempt to obtain the prospect's favorable reactions. On the other hand, if a buyer admits that he has been convinced by a demonstration, a salesman can swing back into his sales presentation, demonstrate other features, and close the sale.

A salesman, like a good physician, takes the temperature of a prospect to see whether or not he is responding to treatment. If a demonstration fails to convince a prospect, the salesman should know it immediately. If a buyer has not been convinced, his



attention will waver, his interest die, and the salesman may eventually lose the sale.

By securing a prospect's commitment on each product feature demonstrated, a salesman, in effect, wraps up the sales points and puts them on the pile of favorable decisions which he is accumulating to win the final consent of the prospect. Some salesmen call this process "buttoning up" the demonstration. By this strategy, a salesman figuratively leaves no unburned bridges behind him on his march to the order.

If a salesman makes sure that a prospect understands and agrees with him on each point, all obstructions are removed in the way of closing a sale. Such questions as, "Doesn't that refrigerant seem absolutely safe?" or "Can't you see the convenience of this feature?" easily and quickly enable a salesman to secure commitments from prospects.

**5. Watch for Opportunities to Close the Sale.**—When a prospect has been favorably impressed with a demonstration, he is often ready to buy. A salesman can determine his willingness to purchase by seeking minor decisions with such questions as, "Now that you feel that this feature will save you money, would you prefer to pay cash or take advantage of our easy payment plan?" or "It's so easy to keep clean. Would you prefer the enamel or Dulux finish?" or "Since you've agreed that this machine is so easy to operate, shall I send our service man the first of the week to make the installation?" A prospect's responses to these questions will indicate his willingness to buy. If he says, "Hold on now, I'm not ready to buy yet," the salesman merely continues to demonstrate other features which satisfy the prospect's needs and again seeks a commitment. Several features may have to be demonstrated before a buyer is convinced that the product fills his needs. A salesman loses nothing by making a "tryout" close after each feature has been demonstrated; frequently a decision is reached by this method.

### **Problem I**

#### **SALES DEMONSTRATION IN RETAIL STORE**

J. P. Tuckerman, representing Butler Electric Company

The Butler Electric Company operates a large retail electric specialty store in a wealthy residential suburb of Philadelphia.

The company carries a complete line of electric lighting fixtures and appliances, including electric refrigerators, radios, electric ranges, washing machines, ironers, and small appliances, including toasters, waffle irons, hair curlers, driers, etc. The appliances sold by the company are nationally advertised and made by well-known manufacturers.

In addition, the company operates an electrical contracting department employing three full-time electricians engaged in house wiring, electric repairs, installation of fixtures, and servicing oil burners, refrigerators, etc.

J. P. Tuckerman is one of two salesmen who divide their time between selling in the showroom and soliciting prospects for appliances in the suburb in which the store is located. On a warm day in early spring, a young man entered the store and was greeted by salesman Tuckerman, who advanced to serve the prospective customer. The following conversation ensued:

1. PROSPECT: Quite warm today.
2. SALESMAN: Very true.
3. PROSPECT: I am interested in buying a sun lamp. How do they run in price?
4. SALESMAN: The good ones are \$39.50; the poor ones are \$19.50. This one is \$39.50 (pointing to a sun lamp on display).
5. PROSPECT: What do you mean by good ones?
6. SALESMAN: The ones that do you some good.
7. PROSPECT: You mean that the poor ones do a person no good?
8. SALESMAN: Yes, you might just as well sit up against a radiator as all they give off is heat.
9. PROSPECT: What good does this one do?
10. SALESMAN: It's supposed to give off so-called ultraviolet rays.
11. PROSPECT: Are they beneficial?
12. SALESMAN: It has been proved that they aid impetigo in babies, but you aren't a baby so I don't know how much good they *would* do you.
13. PROSPECT: This \$39.50 lamp is pretty expensive, don't you think?
14. SALESMAN: Boy! You're right. It wouldn't be worth it to you or I. Now, if I was you, I wouldn't buy it because, to be frank with you, you can get much more benefit from the sun. If you could get out in the sun for 5 minutes, or even 10 minutes, at noontime, it would do you more good than being under the lamp a half an hour. They're only for people who are very well off and want to make an impression on the "Joneses." They aren't for you and I, the ordinary fellows.

15. PROSPECT: I had a friend who had one that would turn off automatically so that you wouldn't get burned. Will this one turn off automatically?
16. SALESMAN: I have never heard of that. You see I don't know much about it because there is not much of a call for them. But if I were you and I was absolutely gonna buy a lamp, I personally would wait until fall as there is no real need to have a sun lamp in the summertime because the sun does you much more good than the sun lamp.
17. PROSPECT: What advantage does this Blank sun lamp have over any other make of sun lamp? (pointing to lamp).
18. SALESMAN: If any part of this sun lamp goes bad and it is the manufacturer's fault, the Blank Company will either give you a new lamp or replace the parts broken or inferior.
19. PROSPECT: Don't most other companies do that?
20. SALESMAN: Yes, some of them will.
21. PROSPECT: How does this ultraviolet ray work exactly?
22. SALESMAN: I'm not sure exactly but this mercury ball here (pointing to globe) gives off a mercury vapor and that somehow or other makes the ultraviolet ray.
23. PROSPECT: Could I use this lamp on d.c. current?
24. SALESMAN: I really don't know—all I can remember is that there is something queer about it either going up from 110 to 120 or from 120 down to 110. I've a feeling you can get a lamp for direct current, though.
25. PROSPECT: I've heard reports that these are dangerous and that they are liable to break.
26. SALESMAN: I don't think so.
27. PROSPECT: I've also heard that you can get a severe burn with them.
28. SALESMAN: That's true. You've got to be pretty careful because they are pretty powerful. Feel how hot this lamp is. (Salesman holds his hand under the lamp.) You can easily go to sleep under them.
29. PROSPECT: Well, thanks a lot. If I really want one, I'll get in touch with you. If I buy one, the chances are I'll be in later in the year.
30. SALESMAN: O.K. Fine.
31. PROSPECT: Thank you.
32. SALESMAN: You're welcome.

### Questions

1. Criticize favorably or otherwise the salesman's demonstration of the sun lamp on each of the following points:
  - a. Handling of the product.
  - b. Concentration on the prospect's needs and interests.

- c. Prospect participation.
- d. Commitment of prospect.
- e. Taking opportunities to close.

Indicate how each of these steps might have been taken more effectively by him.

2. When should the demonstration have been started by the salesman? How should it have been introduced?

3. In what ways could the salesman have prepared himself for a better demonstration?

4. How could the prospect have been prepared for a demonstration?

5. What features of the product should the salesman have demonstrated?

6. In what ways could the prospect have been made a party to the demonstration?

7. What demonstrating devices might have been used by the salesman?

## Problem II

### FIELD SALES DEMONSTRATION

M. F. Langdon, representing the Millbury Motors Company

The Millbury Motors Company, established in Cleveland, Ohio, in 1928, are retail dealers of the Progress, a popular make of eight- and twelve-cylinder motor car. The company sells 300 cars annually in Cleveland and suburbs, in sedan, coach, coupé, and convertible models. The automobiles range in price from \$800 to \$2,500, plus freight from the factory. The company maintains an attractive showroom on one of the main traffic arteries of the city and advertises extensively in the local papers and over the radio.

A separate used-car department is maintained for the display, servicing, and sale of used cars taken in on sales of new models, and a separate sales force specializes in the sale of used cars.

M. F. Langdon has been connected with the Millbury Company for five years as one of its new car salesmen. He is assigned to showroom duty several days a month. Salesman Langdon is on the showroom floor on a fall afternoon when the door opens and a young man accompanied by an older man and woman, evidently his mother and father, enter the showroom. The following interview ensues:

1. SALESMAN (advancing to meet prospects): How do you do?
2. YOUNG MAN: We would like to look at the Progress convertible coupé here in the window.

3. SALESMAN (following prospects to car and opening front door):  
Won't you step in?
4. MOTHER: Oh, son, this isn't the kind you want. I don't like the seats, do you?
5. YOUNG MAN: Why, yes, mother, that's the best part of it. You don't have to sit out in the open when more than four people want to ride.
6. SALESMAN: That's right, you see we have discontinued this model in our old line, and put it into the Progress line, because we have found that most people dislike rumble seats very much. You see the convenience of this back seat is remarkable. You know (addressing the mother), it is very difficult for a lady to crawl in and out of a rumble seat.
7. MOTHER: Yes, that is one of the reasons why we have discouraged his buying a coupé. It doesn't seem to me that those back seats would be very useful, because they are so small.
8. SALESMAN: That's very true, they are smaller than the usual run of back seats, but they are used mostly for a short drive. You must remember that this car combines many of the advantages of a convertible coupé and a sedan. Besides having all the occupants under one roof, it has the advantage of a quickly collapsible top. Won't you two sit in the back seat to try it out?
9. MOTHER: Yes, you go in, son. If your long legs fit in there, I guess almost anyone would be comfortable.
10. YOUNG MAN (sits on back seat): These seats are very comfortable. They certainly would be handy during bad weather.
11. SALESMAN: Many favorable comments have come to us on this new model.
12. MOTHER: One really can't see much on the side of the road. This canvas top obstructs the view.
13. SALESMAN: Our designers have tried to provide as much comfort and enjoyment in this model as possible. They have tried to make vision as perfect as they can by providing large windows in the front. Although some people look out the side occasionally, the greater percentage use the front windows because it is more restful. I know you (salesman addresses young man) and your mother are most interested in obtaining an automobile which is distinctive.  
You see, we also have a very large luggage compartment in the rear. Besides having facilities for bags, it carries the spare tire in a place which is free from dust, rain, and sun. Do you travel much?
14. FATHER: Why, yes, in the summer we go up in Canada quite often.

15. SALESMAN: You will have ample space then to carry all your extra luggage without messing up the front of your car.
16. YOUNG MAN: How much does this car sell for just the way it is now?
17. SALESMAN: Our new convertibles deliver for \$1,085, but if you want white side-wall tires, it will cost \$15 more. Would you want white side-wall tires on your car?
18. YOUNG MAN: Well, I don't know, I have them on my present car. They are very hard to keep clean.
19. SALESMAN: Would you like to try this car out yourself? There is one of our demonstrators parked across the street. (Pointing across street.) You can try that car out if you like.
20. YOUNG MAN: Is that the same model convertible over there? I would like very much to drive it.

(The salesman goes into an inner office for the car keys, comes out, and leads the way across the street to the convertible coupé. He opens the door, allowing the mother and father to enter first.)

21. SALESMAN (to mother and father): You might like to sit in back and determine the riding qualities in our new automobile.
22. YOUNG MAN: May I drive?
23. SALESMAN: Yes, sir, go right ahead. You can then really test out the car. (Young man drives car away from showroom.)
24. You know, I discovered a very interesting fact when I first drove this car. I took two other men out and "stepped" the car up to 75 miles an hour in second. You can see what power you have to fall back on, if it's needed.
25. FATHER: How does this car compare with a Blank convertible as far as wheel base and horsepower are concerned?
26. SALESMAN: This car is made 4 inches longer to secure greater riding comfort and it has eight additional horsepower to give it more pickup.
27. MOTHER: Two of our friends have just purchased Progress cars and they like them so much they won't even drive their big cars now. One has a large Blank and the other has a Super, and now both leave them in the garage.
28. SALESMAN: Yes, many of our old customers have discovered that this new model fits their demands for comfort, beauty, dependability, and economy, better than their large cars. (Addressing young man driving.) Turn up here to the right and test the power on this incline. You will notice that this automobile takes this hill smoother than most cars of its size.  
Now, if you'll put the car in second and step on the gas for a short while, you'll see how fast this car runs in second. (Young man, driving, shifts into second gear.) Do you hear any clashing of

gears? We have improved the gear ratio to give faster getaway. Slow down here now. This cop is standing at the beginning of a speed trap.

29. FATHER: You mean to say that they have one here on a main street?
30. SALESMAN: Yes, there have been several severe accidents right near this school. These two policemen clock the motorists as they pass.
31. FATHER: Progress cars all have gear shift levers on the steering post, don't they?
32. SALESMAN: Yes, they do. They're a big convenience.

(Young man drives car back to front of showroom. All get out and walk into showroom.)

33. YOUNG MAN: What colors does this car come in? I don't like that red. It's too bright.
34. SALESMAN: Just a minute, sir, I'll get our color book. (Salesman secures color book.) Won't you all come over here to the light so that you really can appreciate the tone quality?
35. YOUNG MAN: I wonder if you'll give me an estimate on my car out there?
36. SALESMAN: Why, yes, I'd be glad to. Do you have your registration with you?
37. YOUNG MAN: Yes, it is on the steering column of the car.
38. SALESMAN: Will you pardon me for a moment while I check up on it. (Salesman takes young man's keys, goes out to appraise car, and returns.) You really have a very nice automobile there. Most convertibles come in in terrible condition.
39. YOUNG MAN: I have always kept it in good repair.
40. SALESMAN: The blue book quotes your car for \$310. We will allow you \$350 for it just the way it is.
41. YOUNG MAN: Mother, what do you think about the color?
42. SALESMAN: Would you like to step into our service department for a few minutes? (Salesman leads way to service department.) We have cars here in most of the popular colors so that you can see which looks best. One finish we have found especially good for all kinds of weather is this new light blue. Both dust and dirt are almost invisible on it. Notice this car here.
43. MOTHER: Yes, that is very nice, but I don't like a black top with light colors, do you?
44. YOUNG MAN: Yes, I think it really makes a good contrast.
45. FATHER (to salesman): Thank you for your time and attention. We are very well satisfied with the Progress, but we would like to think the matter over.

46. SALESMAN: That's all right. Anytime you decide to purchase, I will be glad to help you. (Salesman gives his card to young man.)

### Questions

1. Criticize favorably or otherwise the salesman's demonstration of the automobile on each of the following points:

- a. Handling of the product.
- b. Concentration on prospect's needs and interests.
- c. Prospect participation.
- d. Commitment of prospect.
- e. Taking opportunities to close.

Indicate how each of these steps might have been taken more effectively.

2. Was the demonstration started at the proper time by the salesman?
3. In what ways could the salesman have made better preparation for the demonstration?
4. Could the prospects have been prepared more effectively for the demonstration?
5. What features of the product should the salesman have demonstrated?
6. In what other ways could the prospect have been made a party to the demonstration?
7. What demonstrating devices might have been used by the salesman?

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## CHAPTER XVIII

### ANSWERING OBJECTIONS

#### WHY PROSPECTS OBJECT

In every sales interview prospects make negative comments, raise questions, and interpose interrupting statements that obstruct the way to a completed sale. These objections create one of the major problems confronting a salesman. A salesman does not begin to sell until a prospect has raised an objection. If no objections are raised by a buyer, the salesman is merely an order taker. It has been aptly said, "All there is to salesmanship is learning the way to offset objections to buying."

Critical observations of the interviewing methods of salesmen reveal that their outstanding weakness is inability to answer the objections of prospects. Purchasing agents of large industrial corporations, rating the performance of salesmen, found that unsuccessful salesmen rated lowest in their ability to answer objections.

If a salesman understands the various reasons why prospects raise objections, he can anticipate their resistance and deal with it more effectively. Prospects often raise objections because of their natural aversion to new and unfamiliar ideas and things. When the first railroads were built, reactionary citizens tore up the tracks; riots accompanied the introduction of the cotton gin. Such instinctive aversion to change causes a homeowner, who has always heated with coal, to oppose the purchase of an oil burner. A housewife who has always cooked with gas naturally objects to adopting an unfamiliar method of cooking by buying an electric range.

Many prospects object to a salesman's product or service because they do not appreciate the benefits, advantages, or profits which it will bring to them. Until a salesman has convinced a prospect that a product is worth more than the money involved in the transaction, the buyer is going to raise objections. If a salesman ignores the satisfactions which come from using a prod-

uct and discusses construction features or ingredients, a prospect who is interested in results is likely to object. Some prospects raise objections when a salesman fails to make a convincing presentation.

Prospects often object because they do not clearly understand a salesman's presentation. Rather than reveal their ignorance or lack of understanding by asking, "Please say that again, I don't understand you," they may take refuge behind the commonplace excuse, "Not interested." Such objections are commonly made by uninformed prospects to salesmen of technical products or complex services. Simple, nontechnical sales presentations forestall objections of this character.

To test a salesman or his proposition, a prospect may raise an objection. Rather than reveal his interest, he may raise an objection to induce the salesman to present additional advantages.

Prospects sometimes raise objections so that they can compare the advantages of one product with those of other products with which they are familiar. Rather than ask a salesman, "How does the cost of operating your compressor compare with the operating cost of the X compressor?" a prospect may make an adverse comment, as, "Your compressor costs too much to operate." The buyer expects that he will receive information to enable him to answer the question of operating cost.

A prospect may have no valid objection to a salesman or his proposition. However, his physical condition or a recent unpleasant experience may prejudice his consideration of a salesman's proposition. If a buyer has spent a sleepless night or has lost money in the stock market, he is not likely to respond favorably to a salesman's presentation regardless of its merit.

If a person is not a qualified prospect because of lack of finances, need, or authority to buy, he may be sincere in advancing objections. By qualifying a prospect, a salesman will not meet sincere objections to his need and ability to buy.

Prospects who have been solicited by unscrupulous salesmen and subjected to trickery or annoyance are often prejudiced against all salesmen and instinctively object to any proposition. If a buyer is on the defensive, a salesman must use tact and sincerity to reduce or remove this opposition.

**SALESMAN'S ATTITUDE TOWARD OBJECTIONS**

Inexperienced salesmen are often discouraged by the objections of prospects. They fear that they have missed an opportunity to close a sale. When confronted with an objection they retreat in confusion, suggest a lower priced article and often lose the confidence of their prospect. Or a salesman, discouraged by an objection, may become indifferent and by his inattention drive a buyer to a competitor. Some salesmen consider that an objection is a challenge to combat and that a prospect is an antagonist to be defeated by clever repartee or high-pressure tactics.

Successful salesmen, however, welcome objections as opportunities to discover the needs and requirements of a buyer, to clarify sales points, to review advantages, to offer more information, to meet competition, and to determine the interest of the prospect.

The objections most difficult to answer are not those that are spoken, but the unexpressed criticisms and unuttered arguments hidden in the prospect's mind. If he can be persuaded to reveal his objections, a salesman can deal with them intelligently and effectively. Experienced salesmen, accordingly, encourage prospects to state their objections freely. One of the most difficult prospects to sell is the person who raises no objections to a sales proposition.

The majority of prospects who raise objections are simply seeking more information about a salesman's product or service. A prospect who has objections is usually interested and is aiding the salesman by candidly stating his reasons for not buying. The buyer may not be clear on some points made by the salesman and he may merely want more facts.

If a prospect does not have an opportunity to voice his objections, a sales interview becomes one-sided. A salesman who does not get a reaction from a buyer cannot aid him in satisfying his needs and assist in solving his problems. A sincere objection gives a salesman a chance to secure a better understanding of the buyer's viewpoint.

Objections offer an opportunity to a salesman to create more value for his product in the mind of a buyer. They are an invitation to explain more clearly and describe more fully the advan-

tages and profits of ownership. Objections may be indicators of poor selling tactics and show the necessity for more constructive salesmanship. If a salesman sells effectively, he never worries about objections because they rarely occur.

### ANTICIPATING OBJECTIONS

Successful salesmen do not wait for prospects to raise objections. They anticipate possible ones by taking the offensive and presenting counter arguments before a prospect has an opportunity to object. In forestalling criticism, it is not necessary to mention an objection, as, "One of the objections you may have in mind is that this oil burner is noisy." Successful salesmen present their sales points as strong reasons for buying rather than as answers to objections, as, "This oil burner has been certified by the Blank laboratories as the quietest oil burner on the market." In this way, a salesman forestalls a prospect's possible objection to noise by presenting the quiet features of the product before the prospect has an opportunity to object to them.

By taking the offensive against objections, a salesman often avoids the necessity of defending his product or service against the adverse comments of prospects. By forestalling objections, he beats his opponent to the draw and dominates a sales interview; he gains confidence and courage by using offensive strategy.

Once a prospect has advanced an objection, his self-respect demands that he defend his criticism against the arguments of a salesman. After a prospect has raised an objection, a salesman has much greater difficulty in overcoming it, as the buyer has "gone on record" against the product. Accordingly, difficulties which are anticipated by a salesman and satisfactorily answered before a buyer has had an opportunity to express them rarely become serious obstacles.

In selling a specific product or service, certain common objections may be expected. Salesmen of high-priced articles often hear the criticism, "It's too expensive"; on the other hand salesmen of low-priced articles must answer the objection, "It's poor quality." Prospects for life insurance often say to salesmen, "I have enough life insurance now," and buyers of automobiles raise the objection, "I'd like to look around and get a better trade-in offer." An experienced salesman knows the principal objections he may expect to hear from prospects.

A salesman can prepare to forestall objections of prospects by making a list of the criticisms or objections which he encounters most frequently in sales interviews. These may be classified as product, competitive, price, quality, service, company, and other similar obstacles. If other salesmen in the organization are consulted, a complete list of all objections commonly raised to the purchase of a product may be compiled.

When the most common objections have been listed, the best answers to these criticisms are next gathered and put in writing in the form of sales arguments. A common objection, encountered by an electric refrigerator salesman, may be, "The design is too extreme—too modernistic to suit me." This difficulty may be anticipated by giving a prospect the following sales talk, before the buyer has had an opportunity to raise the objection:

This refrigerator is the most beautiful you have ever seen. The lines of the cabinet, the finish, the fittings, even the name plate, are just right. This is a one-piece cabinet, without joints, cracks, or seams, which adds to its appearance. The chromium door opener adds to the beauty of the exterior. Notice this freezer door, with its blue and gold insignia and its white and polished metal color scheme. And notice how this color combination is continued in the hydrator, the whole interior harmonizing with the blue and ivory of the door and door casing. Both the exterior and interior of this cabinet are the work of one of the nation's most famous designers and color experts, and I am sure you will agree with me that he has certainly done a beautiful job.

Similarly, other arguments can be prepared to anticipate possible objections to any product or service. By including sound answers to objections in a sales presentation as strong reasons for buying, a salesman can forestall many difficulties. In this way counter arguments can be presented by a salesman before a buyer has an opportunity to criticize.

### QUALIFYING OBSTACLES

To meet effectively the criticisms, comments, interruptions, and questions that arise in every interview, a salesman is obliged to qualify them. By qualifying an obstacle, a salesman determines whether or not the objection is genuine and sincere. Many obstacles raised by prospects are merely excuses or pretexts

which have no foundation in fact. Until a salesman discovers a prospect's real reasons for voicing an objection, he cannot deal with it effectively. Obstacles to a sale fall into two clearly defined classes: excuses and genuine objections.

### EXCUSES

An excuse is a common device used by prospects for hiding their real reasons for not buying. Excuses are a smoke screen behind which a buyer takes refuge to evade the question of purchasing. Like a chameleon, which changes the color of its skin according to its mood or the surrounding conditions, prospects make excuses to disguise their sincere objections.

Buyers make excuses for numerous reasons. Rather than admit that he cannot afford to buy, a poor but proud prospect may say, "I want to look around and see what other companies have to offer." A kind-hearted buyer, who has no authority to purchase but does not want to discourage a salesman, may say, "I can't afford it now, see me later." A prospect who is skeptical of the merit of an investment may remark, "I have all the common stocks I need." And a buyer who has more important business demanding his attention may camouflage his real reason for not buying by saying, "I'm not interested now." These are but a few of the many excuses raised by prospects in sales interviews to hide their real reasons for not buying.

Some of the most common excuses encountered by salesmen are: "I'd like to think it over," "Business is bad," "I want to talk it over with my wife," "I have other better plans," "It costs too much," "My wife has money of her own," "I want something else," and "I have enough." Behind each of these pretexts are sincere reasons for not buying and it is a salesman's major problem to discover the actual objections so as to be able to deal with them effectively.

Excuses are easily recognized by an experienced salesman; a majority of those encountered are of this character. A salesman has no difficulty in qualifying an obstacle if the person being interviewed has been qualified as a genuine prospect and not a suspect. If a prospect has been effectively qualified on his need, ability to buy, and authority to purchase, any objections that he may raise on these grounds are obviously insincere pretexts.

When a salesman is confident that a prospect has ability to buy, the comment, "I can't afford it," is readily recognized as an excuse.

A prospect's attitude often reveals his sincerity in making an objection. A casual tone of voice, a furtive manner, and an attitude of indifference characterize those who are making excuses. A sincere objector on the other hand is commonly more candid and positive in his manner of offering objections.

Although a salesman can never be altogether sure in qualifying an obstacle as an excuse or a sincere objection, the way an objection is worded, the obvious qualifications of the buyer, and his manner in raising the objection, all combine to identify the criticism as an excuse or as a sincere objection. The fact that a great majority of objections are merely excuses further simplifies a salesman's problem of qualifying them.

**Answering Excuses.**—When a salesman is confronted with an excuse, nothing is to be gained by discussing the merit of it with a prospect. Discussion only serves to magnify its importance in the mind of a prospect, who instinctively rushes to the defense of his pretext, and a major argument ensues. A salesman who debates excuses with prospects makes a mountain out of a molehill and creates greater opposition. One who enlarges on excuses is like a swordsman fencing with his own shadow. When a salesman enlarges on excuses, his presentation is detoured over a by-pass that leads to a dead end.

Successful salesmen often ignore excuses completely. They make no response to pretexts of prospects and continue with their discussion of the needs. By this strategy, the resistance of a prospect is not aroused, the pretext is minimized, and the course of an interview is not disturbed by meaningless distractions.

Rather than ignore an excuse entirely, a salesman may comment on it briefly and continue with his sales presentation. If a buyer interrupts with the excuse, "Business is too bad to buy now," a salesman may simply say, "Yes, business could be better," and go on with his presentation, making no further reference to that subject. If a prospect remarks, "I have enough now," a salesman may pass over the pretext by saying, "Yes, almost everyone feels the same way." To avoid antagonizing a buyer, a salesman may make a sympathetic answer, as "That's too bad," or an evasive reply that arouses no discussion, and the

buyer's excuse is quickly forgotten. Answers to excuses also may be postponed by a salesman by saying, "I'm coming to that later," and in the course of conversation the excuse is forgotten by both salesman and prospect.

Before a salesman has had an opportunity to present his product, a buyer may say, "I'm not interested." Some salesmen handle this excuse by replying, "I understand why you are not interested now, but in a few minutes I believe that I can show you why it would be to your interest to consider my proposition."

A common excuse of many prospects is "I'm too busy now." Without attempting to argue the matter, the strategy of good salesmen is to ask the buyer for an appointment at a later time when the salesman can return and make his presentation. Some salesmen ask, "May I see you tomorrow afternoon at 2:40?" This response usually disposes of this excuse and the prospect gives the salesman an appointment or permission to continue his presentation at a later time.

A prospect's excuse may be turned frequently into a reason for buying by resorting to the "boomerang method." If a prospect says, "I haven't any money," a salesman can throw the excuse back at the buyer phrased as a selling point by saying, "That's just the reason why I am recommending this investment to you." Then the salesman continues with his presentation, ignoring the buyer's excuse. Or a prospect may say, "My business is different," an excuse which can be answered with the reply, "Because your business is different, you need this unique equipment."

Postponements are common excuses, as "I'd like to think it over," or "See me next month," or "I'll let you know later." Excuses of this character may be valid obstacles provided the prospect definitely lacks the authority, a need, or ability to buy. However, in most cases they are merely subterfuges to avoid buying. Qualified salesmen meet these evasions by saying, "If I have failed to make myself clear, I shall be glad to explain more fully," or "I shall be glad to help you explain my proposition to your partner," or "I can give you the information you want right now."

A salesman who refuses to consider excuses seriously, usually has little difficulty in side-stepping them without offending a prospect. As many of the objections advanced by buyers are excuses, a salesman has no difficulty in recognizing and minimizing them.



## ANSWERING VALID OBJECTIONS

Buyers often have sincere, valid reasons for objecting to the purchase of a product or service. These fundamental objections may be classified as (1) price objections; (2) need objections; (3) product objections; (4) service objections; (5) company objections.

**1. Price objections** are the most common and difficult sales objections for many salesmen to answer. A typical comment of many buyers is "Your price is too high." If a salesman has anticipated this objection by demonstrating and discussing the quality features of his product, this criticism may never arise.

When a prospect's real reason for raising an objection is not obvious, a salesman should attempt to secure a better understanding of the buyer's point of view. When a buyer says, "Your price is too high," one successful salesman asks, "Too high when compared with what?" Other questions which may be asked to discover a prospect's concern with price are "What would you consider a fair price?" and "What would you be willing to spend?" By asking such questions, a salesman can disclose the real objection so that he can deal with it intelligently and justify his price on grounds of quality, performance, style, durability, and other factors.

A salesman can also answer price objections by using one or more of the following appeals:

a. Terms of payment are easy, with small initial payment, small monthly installments, and long period to make payment, as well as low financing costs.

b. Direct comparisons between high-priced and low-priced articles establish the quality of high-price products and minimize the price. By comparing the features of a low-priced article with the superior advantages of his higher priced product, a salesman can justify its greater cost.

c. By reducing the cost of an article to small amounts, a salesman can minimize the initial cost. This can be done by quoting the small daily, weekly, or monthly payments required to purchase a product on the installment plan. The cost of a piano may be compared to the price of a package of cigarettes a day over a five-year period.

*d.* Savings which can be effected in operating costs may be compared with the prospect's present costs. A prospect may be shown how operating economies are sufficient to absorb a higher initial cost quickly.

*e.* Quick turnover, price protection, and advertising assistance frequently are used to answer price objections when selling to wholesale and retail distributors.

*f.* A salesman may refer to the fact that a prospect owns many high-priced articles as evidence of his willingness to pay more for quality goods.

*g.* By showing the limitations of a lower priced article, a salesman may convince a prospect of the desirability of paying a higher price.

**2. Need Objections** are frequently raised by prospects who claim that they have no real need for the product offered; or they insist that their need has been satisfied; or the article does not satisfy their requirements as well as do competing products.

Frequently a prospect does not recognize that he needs an article or service because the salesman has failed to convince him that such a need exists. When a prospect has not been convinced of his need for an article, his normal objection is "I don't need it." If a prospect has been properly qualified as to his need, it remains for the salesman to convince him of his requirements.

Successful salesmen convince prospects of their needs by resorting to one or more of the following methods:

*a.* Survey evidence obtained by a salesman in an inspection or inventory of the prospect's property may provide conclusive proof of the existence of a definite need for the product. If the survey has been conducted by engineers or other experts, it carries added weight in establishing the needs.

*b.* Testimonials of other persons, in a similar position, are often effective in proving to a prospect his need for a product or service.

*c.* Objections of wholesale or retail distributors that no demand exists for a product may be answered with records of sales, inquiries of consumers, and other evidence of demand.

*d.* By offering assistance to merchants in creating demand, through store and window displays, local advertising, and store sales, a salesman may overcome the objection that there is no demand for the merchandise.

e. By showing a prospect the inadequacy of his present equipment or service, a salesman may overcome a need objection. One of the common objections met by life insurance salesmen is "I have all the life insurance I need." By showing that the proceeds of a prospect's life insurance, in terms of monthly income, are inadequate to support his family, an insurance salesman answers this objection.

**3. Product Objections** are raised by prospects to such features as quality, design, construction, size, raw materials, color, and performance. Similar objections may be made to service features. A life insurance contract, for example, may be criticized on such features as loan provisions, waiver of premiums, participation in surplus, repayment of loans, exchange or conversion options.

An analysis of the product objections encountered by retail salesmen of underwear showed that buyers objected to the following: shrinkage, flap button in wrong place, crotch chafes, collar stretches, cuffs too small, legs too long, sleeves draw up, top button on collar too tight, and buttons break off easily.

Many product objections can be forestalled by a salesman if he will anticipate them by demonstrating and discussing product features clearly, completely, and convincingly. When a prospect objects to a product feature, it is often an indication that the salesman has failed to show him how a specific feature meets his needs.

The following methods of answering product objections are used by qualified salesmen:

a. Discover a prospect's real reason for raising a product objection by questioning. If a buyer says, "I don't like the quality," a salesman inquires, "Just what don't you like about the quality?" In this way a salesman is able to sell more effectively by clarifying an obscure objection. Or a salesman may say, "I do not believe I fully understand what you mean. Please explain." Sometimes a prospect is unable to give a sound reason for his objection and the obstacle is automatically eliminated.

b. When a prospect mentions a rival product, a salesman may set up a standard by which the competing product may be judged. For example, a prospect for an automobile says, "I prefer the Blank car because it is safer." The automobile salesman establishes a standard on this point for making specific comparisons

with his competitor on such features as top, body, headlights, braking system, steering apparatus, front-wheel stability, glass, and ventilation. The salesman always includes in the list the exclusive features of his own product, and then answers the prospect's objection by comparing each feature of his product with the competitor's on each of these points.

c. Quality objections may be answered by a salesman by mentioning other compensating advantages in price or durability to make up for an obvious lack of quality in a product. If product quality is high, a salesman can answer complaints concerning it with proof in the form of testimonials or demonstration.

d. Product objections are often answered with demonstrations. The actual performance of the product itself is one of the best answers to criticisms. Laboratory test reports may be shown to buyers to answer objections; a trial of a product may be offered for a short time to remove doubts.

e. Testimonial proof, in the form of local references, letters of recommendation, statements of authorities, and guarantees, is frequently used to answer product objections.

**4. Service objections,** or criticisms of deliveries, adjustments, mechanical repairs, and maintenance, are sometimes raised by buyers of repeat essentials and mechanical appliances. By inquiring about the experience of a prospect on similar products, a salesman can usually anticipate possible objections to service. Tactful questions enable a salesman to determine quickly whether or not a buyer has had difficulty in securing adjustments or service from other sellers. For example, a salesman asks a prospect, "Have you had satisfactory mechanical service on your present car?" If the prospect has no objection to the service he has received, it is unlikely that he will raise a service objection.

If a buyer criticizes the service of a salesman's house by saying, "Your company is very slow in making deliveries," a salesman can meet this and similar objections in the following ways:

a. Obtain a clear understanding of the difficulty by inquiring and listening to the explanations of the buyer. By asking "Why?" and "How?" a salesman can discover the real reasons behind a service objection and can answer it convincingly.

b. By describing the satisfactory service experiences of well-known customers, a salesman can answer many such objections.

Unusual services that have been rendered to buyers and examples of liberal settlements of claims are excellent material for answering this type of criticism.

*c.* Demonstrations of prompt service may be used to overcome these objections of prospects. An oil-burner salesman, calling at a house, demonstrated the promptness of his mechanical service by asking the prospect's permission to use the telephone to call a mechanic. The salesman did not disclose his identity to his office. In 30 minutes, the mechanic called at the prospect's home, answering to the buyer's satisfaction the prompt service rendered by the salesman's organization.

*d.* Illustrations of service facilities, including trucks, distributing stations, service equipment, and personnel, are used by many salesmen in answering objections to delivery and mechanical service.

**5. Company objections,** or criticisms of the financial stability, resources, size, age, personnel, policies, or methods of a salesman's organization, are sometimes raised by prospects. Merchants, considering the distribution of a high-priced specialty product, usually raise objections of this nature. Industrial buyers of large quantities of supplies or technical equipment are interested in the resources of their suppliers.

Many of these objections can be forestalled before they are raised if a salesman convincingly presents his company and organization to buyers. However, if company objections are raised, a salesman may take one or more of the following courses:

*a.* Persuade a prospect to air his complaint completely. Frequently, an objection is the result of rumor or gossip and is not founded on fact. If such is the case, a salesman can state the facts and quickly correct the misunderstanding. If a buyer has a genuine complaint, a salesman can adjust the difficulty and remove the objection.

*b.* A common objection met by salesmen is that a buyer prefers to deal with another concern. If a buyer will reveal his reasons for preferring to buy from competitors, a salesman can usually meet them effectively. However, many buyers who are reluctant to break established connections, or family or corporate relationships, prefer not to discuss this objection. A salesman may answer the objection by discussing the importance of having more than one source of supply, the weakness of "putting all eggs in

one basket," the value of variety in merchandise, and the disadvantage of doing business with friends.

c. Charts or graphs of company growth, financial stability, and volume of sales are frequently used by salesmen to answer objections as to the reliability of their organizations.

### THE STRATEGY OF ANSWERING OBJECTIONS

In answering objections of prospects, it is important that a salesman know not only what to say but also how to say it. A salesman may have a formidable array of facts and figures to answer a buyer's objection but, unless these reasons are expressed with tact and conviction, the buyer may not accept them as conclusive. Various techniques are used by salesmen in answering objections, such as by directly denying, evading, and minimizing them. The one effective way to phrase answers to objections is called, in the vernacular of salesmen, the "Yes, but" method.

When a prospect raises an objection as, "I prefer to invest in bonds because they are safer," a salesman, using the "Yes, but" method, replies, "Yes, Mr. Prospect, that is one way to look at it, but did you ever consider it from this viewpoint?"

Everyone likes to have his opinion respected. When a salesman uses the "Yes, but" method, he disarms a prospect by agreeing with him before attempting to answer his objection. Argument is avoided as a prospect is not called upon to defend his objection. The buyer is conciliated when he recognizes that the salesman is in agreement with him to some extent. The prospect also hears a point of view that may not have occurred to him. A salesman who uses this method gives the impression that he is fair and courteous.

It is immaterial how a salesman's response is phrased as long as it concedes to some extent the justice of the prospect's objection. For example, a prospect for an electric range says, "Doesn't that range cost a lot to operate?" Varying the "Yes, but" response a salesman can reply, "I can see why you would feel that way. In fact, only a few years ago electric ranges were very expensive to operate. However, costs of current have been reduced and the heating coils so improved that this range costs only a few cents a day to operate."

If a salesman emphatically denies a buyer's objection by saying, "No, you're wrong, this range only costs a few cents a day to

operate," this blunt contradiction may precipitate an argument. Nothing is to be gained by irritating a prospect in this way, as the buyer's mind becomes closed to the salesman's answer. There are two sides to every objection and by conceding that a buyer has brought up a point worth considering, a salesman has less difficulty in inducing him to accept another point of view.

By evading a prospect's objection, a salesman only magnifies its importance in the mind of the buyer. If a buyer's objection is minimized, he may become irritated. If a salesman admits defeat by conceding that electric ranges are expensive to operate, he may lose the order. The "Yes, but" strategy is the most effective way to handle objections.

Frequently an objection is obscure or its meaning is not clear to a salesman. For example, a buyer may say, "I prefer the Blank radio." Before a salesman can effectively answer vague or indefinite objections, he must clarify them. The most effective strategy for clarifying obscure objections is the "Why?" method.

When a prospect raises an obscure criticism as, "If I bought any, I'd buy a Thompson mixer," a salesman can ask, "Just why do you prefer a Thompson?" By this inquiry a salesman resorts to the "Why?" strategy to clarify the objection. In many cases, a prospect cannot give a convincing reason why he prefers another product and the objection is automatically eliminated. If a buyer has a good reason for objecting, the salesman, by getting more information, can deal with it intelligently.

In responding to a "Why?" a prospect may give some minor reason for objecting to the salesman's product as, "The Thompson mixer has an inverted fan." A salesman can smoke out this objection by asking another question, "What can be the advantage of anything like that?" And the objection is minimized and often forgotten by the buyer.

Objections are frequently obscure because a prospect is not clear in his own mind concerning his opposition to a product. He may say, "I just don't like your refrigerator." In this case the "Why?" strategy fails because the buyer has no concrete objections to offer. A salesman, when confronted with such an indefinite objection, can do one of three things: (1) change the subject and take the prospect's mind off his doubts; (2) review each of the sales points that have been made; or (3) select a fea-

ture that the prospect has approved and discuss it thoroughly with the expectation that the prospect may reveal his objections.

Should an objection be answered immediately by a salesman or should the response be deferred? Although excuses may be dismissed without comment and forgotten, sincere objections should be answered immediately. If a salesman fails to answer an objection immediately, a prospect assumes that the salesman is unable to reply or that he is unfamiliar with his product. These assumptions weaken his confidence in the salesman and the proposition. A prospect keeps thinking about an unanswered objection and pays little attention to what a salesman is saying about other features. And the longer an objection remains unanswered, the more important it becomes to the buyer and the more difficulty a salesman experiences in answering it. When price objections are raised early in a sales interview, a salesman's answer may be deferred tactfully by saying, "I'm going to come to the matter of price in just a moment."

#### HOW TO OVERCOME SALES DIFFICULTIES

The questions, comments, criticisms, and excuses of prospects can be handled easily and effectively if a salesman is prepared to dispose of them. A knowledge of common objections and effective answers is first necessary; secondly, a plan for making responses to objectors is equally important. Observation of the practices of hundreds of successful salesmen in many lines has shown that they all follow six simple practices in answering objections and disposing of excuses in sales interviews.

These six tried and proved practices for overcoming objections have been combined into a six-step routine for the convenient use of salesmen of all types of goods and services. If a salesman will memorize and practice the six steps in this routine, he will experience little difficulty in answering objections and closing sales.

#### *Routine for Overcoming Sales Difficulties*

1. Welcome objections.
2. Qualify obstacles.
3. Restate objection.
4. Answer briefly.
5. Commit objector.
6. Swing back into selling.



**1. Welcome Objections.**—A salesman, who understands the reasons why prospects raise objections and realizes the opportunities which they afford to secure a better understanding of the buyer's point of view, sincerely welcomes objections. By calmly, cheerfully, and respectfully listening to objections, a salesman impresses a buyer with his confidence and ability to dispose of the obstacle satisfactorily.

Many successful salesmen favorably impress prospects by answering objections, saying, "I'm glad you brought that up." Hesitation, annoyance, and embarrassment weaken a salesman's effectiveness in answering objections.

A salesman who ignores objections or ridicules criticisms by saying, "That's an asinine idea," antagonizes prospects and places himself at an immediate disadvantage.

If a salesman takes the attitude that he is an assistant to the buyer, to help him purchase to his greater satisfaction and profit, little difficulty will be experienced in disposing of objections.

**2. Qualify Obstacles.**—When a buyer has raised an objection, a salesman qualifies it as (1) an excuse or (2) a sincere objection. Objections are qualified to determine the method of dealing with them. Experienced salesmen have little difficulty in deciding whether a prospect is making excuses or is voicing sincere objections. Inexperienced salesmen soon learn to recognize such common excuses as, "I haven't any money," "I have enough," "I don't need it," "I want to talk it over with my wife," "See me later," and similar pretexts. By ignoring, deferring, answering, or passing over excuses with a brief reply, a salesman has little difficulty in disposing of them.

If a buyer has been thoroughly qualified as to his ability to buy, his need, and his authority, a salesman can quickly recognize as excuses any protests that the prospect may make on these grounds.

Valid objections to the seller's price, product, service, or organization may be readily recognized by the attitude of the buyer and his qualifications. Few sincere objections are raised early in a sales interview. Real objections normally appear when a salesman is well along in his presentation; excuses are usually made by a buyer in the opening of an interview to confuse and discourage a salesman.

If a salesman does not qualify excuses, he dissipates his time and effort in a futile attack on subterfuges and loses the attention and interest of a buyer. On the other hand, a salesman who cannot recognize sincere objections fails to grasp the real issues in the situation and misses opportunities to close sales.

**3. Restate Objections.**—Genuine objections should be restated by a salesman for several reasons. First, a buyer is favorably impressed by the fact that a salesman who repeats a criticism is not attempting to dodge the objection. For example, a prospect says, "I think that is a larger machine than we need." The salesman restates the objection in the buyer's words, as follows: "Your objection to this machine is that it is larger than you need."

Another advantage of restating an objection is that the criticism is often minimized by repetition. A salesman may reword an objection to make the criticism seem immaterial, as, "Your only objection to this refrigerator is that the food compartment is 1 inch narrower than in the Blank refrigerator?"

If an objection is obscure, it may be clarified by repetition so that both buyer and salesman definitely understand it. A salesman may ask, "If I understand you correctly, you do not like the design of this cabinet. Is that right?"

**4. Answer Briefly.**—If answers to objections are brief and to the point they may be disposed of quickly and minimized. A lengthy answer gives a prospect the impression that an objection is important. Wordiness dissipates the force of a salesman's response and often confuses a buyer.

If a salesman's answer is stated positively and vigorously as though it admitted of no argument or contradiction, a buyer may not be encouraged to debate the matter. A hesitant answer gives the prospect an impression that a salesman lacks confidence and sometimes invites a discussion.

In striving for brevity in answering objections, successful salesmen do not sacrifice completeness or omit fundamental reasons for buying. An inadequate answer often fails to convince a prospect.

**5. Commit Objector.**—After a salesman has conclusively answered a sincere objection, he can determine whether or not the buyer has been convinced by seeking his agreement. If the prospect accepts the salesman's answer, the latter may continue

with his sales presentation, assured that he has no unanswered objections to block the way to a sale. If, on the other hand, a prospect is not satisfied with the answer, it is important that his continued dissatisfaction be recognized and removed by the salesman.

For example, a refrigerator salesman answers a prospect's objection to the current consumption of a refrigerator. To determine whether or not his answer is acceptable to the buyer, the salesman says, "Doesn't it seem to you that this refrigerator would be very economical to operate?" If the prospect says, "Yes," the salesman knows that he has overcome the objection and proceeds with his sales presentation. If the buyer says, "No, it doesn't seem economical to me," the salesman makes another attempt to answer the objection and again seeks a commitment.

If a salesman cannot secure the agreement of a buyer on a major objection, little is to be gained by presenting other sales points. "Buttoning-up" each objection, by checking the buyer's reaction, makes it possible for a salesman to proceed confidently to a favorable conclusion.

In addition to serving as a check on a salesman's progress, favorable commitments give a salesman a psychological advantage in securing the final "yes" from a prospect. A prospect who has admitted that a salesman has satisfied each of his objections cannot logically refuse to give his favorable consent to signing an order.

**6. Swing Back into Selling.**—After a salesman has answered an objection and secured the favorable commitment of the prospect, he does not pause but swings back into his sales presentation. By hesitating, a salesman invites further objections. If he continues his presentation, a salesman takes the prospect's mind off of the objection and it is soon forgotten.

## Problem I

### ANSWERING OBJECTIONS OF INDUSTRIAL BUYERS

Clyde L. Chilton, representing the Industrial Supply Company

The Industrial Supply Company, Rochester, N.Y., manufactures and distributes, direct to industrial concerns throughout the country, a complete line of cleaning compounds and janitor's

supplies, including washing powders, soaps, disinfectants, disinfecting machines, mops, and brushes for use in office buildings and factories. The company maintains warehouses and sales offices in Chicago, New York City, New Orleans, Boston, and Los Angeles out of which travel 20 salesmen who call on purchasing agents.

One of the leaders in the industrial line is No-odor, a disinfectant packaged in pint and two-quart cans. Another product featured by the company is Cleanup washing powder. Noxem insecticide is widely sold for exterminating purposes. Company salesmen are instructed to push these specialties in their interviews with industrial buyers.

From the branch office in New Orleans works Clyde L. Chilton, who has represented the company in Louisiana, Mississippi, and Alabama for five years. In the following interview, salesman Chilton is interviewing the purchasing agent of a large public utility company in New Orleans. This company has bought small quantities of several products from salesman Chilton in the past and he is trying to secure a larger share of their business.

1. SALESMAN: Nice and cool, isn't it?
2. BUYER: Yes, it is.
3. SALESMAN: Have you bought disinfectant recently? I'm with the Industrial Supply Company.
4. BUYER: No, we haven't. We use very little. You quoted us, I think, on disinfectant. Whether we actually bought any from you, I don't know.
5. SALESMAN: What kind do you buy? Do you remember?
6. BUYER: More or less of a commercial disinfectant put up in pint and in 2-quart cans.
7. SALESMAN: Was it for use in that quantity?
8. BUYER: No, to use as wanted. Now, all I can say is that occasionally we put out inquiries on it, and when we do, I'll see that your name is on the list.
9. SALESMAN: Thanks, Mr. Buyer. Now, is there anything else on your mind to talk along that line?
10. BUYER: No, there isn't. No.
11. SALESMAN: You wouldn't consider disinfecting machines, would you? You wouldn't see the necessity of them?
12. BUYER: Our machines are already under contract with the Doe Company. They've got a better machine than yours.
13. SALESMAN: Oh, I see. Oh, is that so?

14. BUYER: We've got them in a number of our washrooms so that we're not in a position to talk with you one bit on that.
15. SALESMAN: I see. Ever hear of Cleanup, our famous cleaner?
16. BUYER: Well, we're not in position to buy that, I don't believe. We're using a soap powder and that's about all we can do.
17. SALESMAN: Here's another one. You don't mind if I leave you those samples, do you?
18. BUYER: Well, I don't know as they are of any real value to me. They'd be of some value probably to somebody who is actually going to use them. I couldn't do much with them.
19. SALESMAN: Yeah. That cleaner has been used since 1901. It absolutely cleans everything off. It's a wonderful cleaner.
20. BUYER: Well, we have comparable material to it; we don't use very much of it; and to tell you the truth, I wouldn't be inclined, for the volume involved, to disturb it right at the minute because there's too much work to be done on it. If there's nothing wrong with it, why change it? That's the point. There isn't enough involved.
21. SALESMAN: Do you have any trouble with roaches?
22. BUYER: Yes, we use a roach powder. But yours isn't powerful enough for us.
23. SALESMAN: The Swift Steamship Company uses our roach powder on their boats. The United Gas Company, Mr. Jones, in town here, uses it in their buildings.
24. BUYER: Well, we're using one now and—
25. SALESMAN (interrupting): You don't use it in a box do you?
26. BUYER: No box whatsoever. No, sir. I think we'd better just stick to the disinfectant and do what we can—.
27. SALESMAN (interrupting): By the way, what's the story on germicide? Will you be needing any more of that stuff?
28. BUYER: No, sir, we don't use it.
29. SALESMAN: O.K. Well, I'll see you again.
30. BUYER: All right, yes, sir.

### Questions

1. List the "excuses" offered by the buyer in this interview.
  - a. Did the salesman recognize them as pretexts?
  - b. What, probably, were the buyer's real reasons behind these excuses?
  - c. Did the salesman dispose of these excuses effectively? If not, how should they have been handled? Write your answer to each excuse.
2. List the sincere objections of the buyer in this interview.
  - a. Did the salesman recognize them as real objections?
  - b. What was the salesman's attitude toward objections? If not sound, what should it have been?

c. What features of the salesman's proposition did the buyer object to: price, need, product, service, company?

d. Did the salesman answer these objections effectively? If not, how should they have been answered?

e. Did the salesman use the best strategy in answering these objections? If not, what should he have said?

f. Did the salesman follow the six-point routine in answering objections? If not, what steps should have been taken?

3. What were the buyer's reasons for raising objections in this interview?

4. How should this salesman improve his methods of answering objections?

## Problem II

### ANSWERING OBJECTIONS OF MERCHANTS

H. G. Gilson, representing the Acme Specialty Company

The Acme Specialty Company, Cincinnati, Ohio, manufactures and distributes direct to wholesalers, chain stores, and large direct buyers a line of shoe polishes and dressings sold to consumers in 10- and 25-cent packages. The line is branded Amco and is advertised in small space in national magazines. Sales offices are maintained in New York City and Pittsburgh, Pa., out of which work eight salesmen who call on the buyers of large distributing organizations.

One of the three salesmen operating out of the New York office is H. G. Gilson, who contacts buyers in New York and Philadelphia. He has been representing the Acme Company for two years. In the following interview, he is attempting to sell a new shoe whitener to the buyer of a chain of specialty grocery stores located in several wealthy residential suburbs surrounding New York City. The product is made in paste form and packed in tubes as well as in liquid form sold in bottles. The buyer has bought shoe polish from the company in the past.

1. SALESMAN: I represent the Amco Shoe White.

2. BUYER: What did you say you sell?

3. SALESMAN: Amco Shoe White.

4. BUYER: It's never sold for us. It's probably no good.

5. SALESMAN: There must be a reason for its not selling. I can't imagine what it is.

6. BUYER: Of course, what I would like to do—I would like to get rid of all of our old stuff.

7. SALESMAN: Well, that's what I figured out.

8. BUYER: If we bought some, do you think we should have the white paste in 10- and 25-cent sizes or the white liquid in 10- and 25-cent sizes?
9. SALESMAN: That's it. Then you will have a complete line of cleaners.
10. BUYER: What's your price?
11. SALESMAN: That will be \$2 a dozen. All your quarter items are \$2, and all your dime items are 80 cents.
12. BUYER: Now, I wonder what deal you have. A summer deal, or something?
13. SALESMAN: None other than you get a dozen free with a gross.
14. BUYER: You are not making a special to me?
15. SALESMAN: No, the regular deal.
16. BUYER: What's your deal you have got open to everybody?
17. SALESMAN: A dozen free with a gross.
18. BUYER: A dozen free with a gross?
19. SALESMAN: That's right.
20. BUYER: What are we going to do with our old merchandise? Will you take it back? I can't buy any more as long as the old stuff is on hand.
21. SALESMAN: Well, there's the bother of disposing of it. We'd only dump it if we take it back. Of course, if it's in good condition, it can be sold.
22. BUYER: What good is it if nobody wants it?
23. SALESMAN: Well, of course, on your black liquid assortment, we would ship that out to a shoe store. They use a lot of polish. They would appreciate getting it. That's what we'd do if we had any of it.
24. BUYER: It's in good condition. Unquestionably, somebody took advantage of us. I mean I'm saying that without knowing the particulars, and if I hadn't got the store managers to push it, we'd have been swamped. We very seldom get fooled twice.
25. SALESMAN: Well, now—
26. BUYER: Unquestionably, somebody took advantage of us.
27. SALESMAN: Let's see—
28. BUYER: And nobody was interested in sending it back when your salesmen were around last year, and because I wouldn't buy more, they wouldn't find a dealer to take it off our hands. We were paying 19 cents for this white stuff and moved very little of it, and that's what is left (points to record of stock).
29. SALESMAN: Well, suppose we do it this way. Er-r, I will check with the office as to whether or not we'll take this old stuff on whole credit or some sort of a credit basis, and apply it against your purchase.

30. BUYER: Well, can you find out about the credit?
31. SALESMAN: Well, of course, as I say, it's our instructions to avoid selling you the wrong items because it's very costly, and we realize it's just going to lie on your shelves—it's not going to sell. That's, of course, what the company would like to have you do—sell it and get away from taking it back. It's 100 per cent loss to us. We got to throw it away when it gets over there. Of course, you paid for it, but now we have to take it back and give you merchandise that we don't get paid for. So, we'll take it back and just sell you more. Of course, you got only a few dozen—it's not a whole lot.
32. BUYER: How many tubes do we have?
33. SALESMAN: Well, there's 37 in Brownville and 51 in Smithtown and 5 in Blakesley, and you've got 5 here.
34. BUYER (examining stock list): We've got listed, paste a quarter, tube a quarter, liquid a quarter. Which is the paste, this one (examining bottle of paste)?
35. SALESMAN: No, the paste you have is in the tube. Well, I'll check with the office, Mr. Buyer. Will it be convenient to see you later today, or—
36. BUYER: Well, give me a ring if you're coming any distance to make sure I'm here.
37. SALESMAN: Well, we're just over in Rootdale, see, the factory is—so I don't know, but I'll check this anyway. All right, thank you, Mr. Buyer.
38. BUYER: I'll be glad to see you, too.
39. SALESMAN: I hope we can clean that up.
40. BUYER: O.K.
41. SALESMAN: We'll get you in good shape. Good-by.

### Questions

1. What were the buyer's pretexts or excuses in this interview?
  - a. Did the salesman recognize them as excuses?
  - b. What probably were the buyer's real reasons behind these excuses?
  - c. Did the salesman dispose of these excuses effectively? If not, how should they have been handled? Write your method of handling each excuse.
2. List the sincere objections of the buyer in this interview.
  - a. Did the salesman recognize them as real, sincere objections?
  - b. What was the salesman's attitude toward the buyer's objections? If he did not have the right attitude, what should it have been?
  - c. What features of the salesman's presentation did the buyer object to: price, need, product, service, company? Any others?
  - d. Did the salesman answer these objections effectively? If not, how should they have been answered? Describe in detail.



- e. Did the salesman use the best strategy in answering these objections? If not, what should he have said?
- f. Did the salesman follow the six-point routine in answering objections? If not, what steps should have been taken?
3. What were the buyer's real reasons for objecting to the salesman's proposition?
4. What, in general, should this salesman do to improve his methods of answering objections?

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## CHAPTER XIX

### SECURING ACTION IN SALES INTERVIEWS

#### IMPORTANCE OF SECURING ACTION

Interviews are conducted by salesmen for the purpose of persuading prospects to make favorable buying decisions. If a prospect refuses to buy or defers action, a salesman has failed to reach his goal. Although action is the sole objective of a salesman's efforts, this important consideration is often left to chance or ignored entirely. Salesmen often spend their time and efforts "creating good will," "dropping in to get acquainted," "keeping contact," and other pleasant but pointless diversions which have little to do with securing acceptance and action on a sales proposal. Salesmen who discuss national politics or major league baseball with prospects frequently forget that their mission is to get orders.

So many salesmen forget to ask prospects to buy that numerous companies have devised unique reminders to get salesmen to "ask for the order." A large automobile manufacturer furnished thousands of its retail salesmen with a pocket piece resembling a gold nugget and called a "closing stone," which salesmen were asked to carry in their vest or coat pocket. When salesmen put their hands in their pockets during the course of a sales presentation and touched the "closing stone," they were reminded to ask the prospect for the order.

Another company whose salesmen were order-shy furnished its representatives with giant-size order books about 2 feet square bearing a large label, "Order Book." Salesmen were required to carry these books as reminders to ask for orders.

When a salesman understands that his success depends on his ability to get some action in every interview, he does not have to tie a string around his finger to remind himself that he must ask for an order.

It may not always be necessary or even advisable for a salesman to seek a signed order in every interview with a prospect. In

some cases a salesman's presentation may be interrupted; the prospect may share the authority to buy with a second party who must be consulted; the salesman may be merely seeking information as a basis for a complete presentation at another time; or the buyer may want to make comparisons with other products. These and many more legitimate reasons make it impracticable for a salesman to attempt to get an order in every interview.

However, a salesman should always attempt to secure some favorable action from the buyer in every interview. It may not be decisive or final but it should, at least, lead toward eventual acceptance of the salesman's proposition. A salesman can attempt to induce a prospect to act in one or more of the following ways: (1) make an appointment for a return call; (2) make an appointment for a demonstration; (3) get permission to make a survey or inspection of the buyer's needs; (4) make an appointment for a showroom visit; (5) get permission to interview a prospect's associates or subordinates; (6) get permission to submit additional facts, figures, or proof; (7) get a prospect to agree to visit the installation of some satisfied customer.

A salesman can usually get a prospect to "do something" in every sales interview. An interview that fails to result in some action or concession by the buyer is a waste of time. If a salesman does nothing more than secure an appointment for a demonstration, he retains the interest of the prospect and paves the way for a favorable decision. Before seeking an interview, a smart salesman plans one or more specific courses of action which the prospect may be induced to take.

Little is gained, however, by delaying to ask an interested prospect to buy. Many sales can be closed in a single interview if a salesman is determined to sell a prospect in the shortest possible time and concentrates his efforts on accomplishing that objective. By concluding a sale in a single interview, a salesman saves his time and avoids the possibility that a prospect may be approached by competing salesmen.

An analysis of 1,000 life insurance sales by S. G. Dickinson showed that 732, or more than 73 per cent, were closed on the first and second interviews; 17 per cent were closed on the third call; 8 per cent were concluded on the fourth; and the balance on subsequent interviews. The type or size of policy sold had no effect on the number of calls necessary to make the sale.

Prospects for specialties, luxuries, or intangibles rarely say, "I'll buy that insurance policy," or "Just send me out an air-conditioning system." They usually postpone their buying decision unless urged by a salesman to take definite action. This natural reluctance of many prospects to make buying decisions makes it necessary for a salesman to persuade prospects to buy. When a buyer says to a salesman, "Wrap it up, I'll take it," the salesman is merely taking an order. Most prospects are not easily convinced of their need for a product or service; unless a salesman persuades them to take some definite action, no sale results.

### WHEN TO SECURE ACTION

Many writers on salesmanship refer to "the close" as a separate and distinct step coming at the end of a sales presentation. A simple, natural part of the selling process, closing has been described as a unique psychological process calling for a supernatural knowledge of human nature. As a result of this mysticism, salesmen have been impressed with the difficulty of closing sales and lack confidence in their ability to get favorable buying decisions.

On the contrary, the act of securing an affirmative buying decision from a prospect is not a separate function in the selling process. It is an integral part of each step in a sales presentation and is not to be separated from demonstrating, answering objections, offering proof, citing facts and figures, meeting competition, and other activities common to a sales interview.

A convincing answer to an objection and an enthusiastic demonstration offer equal opportunities to a salesman to get a favorable decision from his prospect. Closing is a component part of each of these phases of selling, any one of which may serve as a terminus to a sales presentation.

Numerous writers on the subject advise salesmen to watch for the "psychological moment" or the ideal time to ask a prospect to buy. Just what this mythical moment is and when it occurs in a salesman's presentation is yet to be determined. Some authorities maintain that it comes when a prospect sits back in his chair, relaxes, opens his hands, dilates the pupils of his eyes, or nods his head. Since a prospect may be ready to make a favorable buying decision several times during the course of a sales

presentation, there may be numerous "psychological moments" and nothing is to be gained by attempting to identify them.

A more practical way to determine when to seek buying action is to listen attentively to the comments, questions, and asides of a prospect, since they reveal his interest in the salesman's proposition. If a prospect asks, "How soon can I get delivery?" an alert salesman knows that the buyer is ready to sign an order. If a prospect comments favorably about the product or service, saying, "That's a mighty fine looking car," a salesman knows that the buyer may be ready to make a favorable decision. Sometimes a prospect expresses himself as an owner, "That oil burner will save me from carrying out ashes next winter," and thus signifies his receptiveness. These remarks are like an amber caution light on the highway to an order, a signal to a salesman to stop his presentation and arrange the closing details. If a salesman ignores these closing signals, he misses a buying opportunity which may never occur again during an interview.

Another practical indication of a prospect's readiness to buy is his response to a salesman's committing question. If a salesman says, "Now that we've reviewed these advantages, don't you think that this refrigerator is a good buy?" and the buyer responds, "Yes, it suits me all right," the salesman knows that the prospect is ready to buy and proceeds to get his signature.

A salesman may seek an affirmative buying decision from a prospect at practically every stage of a convincing sales presentation. When a salesman has discovered a prospect's need, has given several convincing reasons why the product satisfies that need, and has tested the buyer's reaction, and found it favorable, he is justified in seeking a favorable decision. For example, an automobile salesman finds that a woman prospect is interested in beauty in a motor car. He convincingly discusses styling, streamlining, color, chromium trim, interior fittings, hardware, and upholstery and secures the buyer's commitment on these features. He next tries for a favorable decision on beauty by asking, "Would you prefer the blue or the red car?" Then he tries for a major decision by asking, "Shall I deliver the car tonight or will tomorrow be satisfactory?"

Instead of waiting until a prospect is exhausted with facts or bored with figures before asking for an order, successful salesmen make several attempts to close a sale during the course of a pres-

entation. Closing attempts may be made after demonstrating, after answering a major objection, or after presenting a testimonial from a customer. Closing is coincidental with selling and is not a separate or mysterious process. It is a natural sequel to a sales point well presented, a convincing answer to an objection, or competition convincingly met.

#### PERSONAL CHARACTERISTICS FOR SECURING ACTION

Certain personal characteristics aid a salesman in securing favorable buying decisions. An attitude of self-assurance and confidence on the part of a salesman is quickly recognized by a prospect, who responds accordingly. A salesman who is obviously sincere and has faith in his product or service dispels the skepticism of many buyers by his own personal conviction.

If a salesman is mentally alert, he quickly senses when prospects are ready to buy. By paying close attention to their remarks, observing their reactions, and noting their evident interest in his proposition, a salesman readily recognizes when the desire of a buyer has reached its peak.

Reasonable aggressiveness is required by a salesman to persuade hesitant prospects to decide to buy. Many people lack confidence in their own judgment; they procrastinate and defer action unless a salesman dominates the interview and forces them to make a favorable buying decision.

A placid, self-possessed manner aids a salesman in securing the confidence of a buyer. Nervousness and hesitation in closing a sale give a prospect the impression that a salesman is inexperienced and lacking in confidence.

#### METHODS OF SECURING A FAVORABLE DECISION

Observation of the strategy of many successful salesmen reveals a number of tried and proved practices to secure favorable acceptance of a sales proposal. One or more of these methods may be used by a salesman in closing a sale. Eight methods commonly used are (1) tryout close; (2) committing questions; (3) implying ownership; (4) getting basic decisions; (5) emphasizing a single feature; (6) summarizing principal advantages; (7) offering a special inducement; (8) implying consent.

**1. Tryout Close.**—To discover whether or not a prospect is favorably impressed with a salesman's proposal and ready to buy, a tryout close may be used. This method has been compared to the practice of aviators in attempting two or three land-

ings before the final descent. In making a tryout close, a prospect is asked for a decision on a minor point. For example, an automobile salesman applies a tryout close by asking, "Which car would you prefer, the red or the blue?" An insurance salesman, selling a retirement income policy, inquires, "When would you wish your retirement income to begin, at age sixty or age sixty-five?" A salesman of refrigerators may ask, "If you decided to buy this refrigerator, would you prefer to pay cash or buy on time?"

This method is effective because it does not arouse a prospect's resistance by asking him to take a decisive step. Minor decisions may be individually of little consequence. However, when a prospect has made several of them, they are conclusive evidence of his desire to buy. If a buyer has responded favorably to several tryout closes, it is easier to induce him to make a definite buying decision.

If a salesman does not get a favorable response to a tryout close from a prospect, he has not blocked the way to a sale, but can continue his presentation by offering additional reasons why the prospect should buy.

**2. Committing Questions.**—By securing an affirmative reaction from a prospect on each point made during a sales presentation, a salesman leads the buyer step by step toward an order. To make sure that a prospect understands and accepts each point presented, he is asked to commit himself favorably. The interest of the prospect may be tested by asking him casual questions worded to get an affirmative response, as, "Having considered these favorable features, don't you agree that this article meets your needs?" or "This is a reasonable conclusion, isn't it?"

Prospects often resent blunt, committing questions which, in effect, command the buyer to concede a sales point. If a salesman asks a buyer, "You agree with me, don't you?" or "That's right, isn't it?" the prospect receives the impression that he is being forced to agree with the salesman. No one likes to be told what to say, and prospects resent being coerced. By asking tactful questions, a salesman has little difficulty in determining the attitude of a prospect on a sales point.

After a prospect has agreed with a salesman on several fundamental points, it is much easier to persuade him to sign an order.

If he answers a salesman negatively by saying, "I don't know that I agree with you on that point," the salesman simply con-

tinues his presentation, clarifying and explaining the point more thoroughly, and attempts to get another commitment from the buyer.

**3. Implying Ownership.**—By implying that a prospect is already the owner of a product, a salesman creates in the mind of the buyer a feeling of possession that puts him in a buying mood. A successful domestic coal-stoker salesman suggests ownership to prospects by saying, "Think of the comfort you will have all over your home next winter with this stoker." An automobile salesman uses the same strategy when he tells prospects, "You'll be mighty proud to have your neighbors see this beautiful car standing in front of your home." Similar questions visualizing the satisfactions, profits, or pride of ownership may be used in closing sales of all kinds of commodities or services.

By instructing prospects in the proper operation of a product as though they were already owners, some salesmen subtly suggest ownership. An automobile salesman uses this method of implying ownership by instructing prospects in operating the steering wheel gear shift lever. He says, "Now sit behind the wheel, depress the clutch pedal, and move the lever up toward the wheel, then back into low gear. Now, depress the clutch, move the lever forward to neutral, down from the wheel, and forward again into second. Now, depress the clutch and pull the lever straight back from second into high position." After a prospect has learned to shift gears in this way, he has a feeling of ownership which stimulates buying action.

If a prospect rejects a suggestion of ownership by saying, "Wait a minute, who said I was going to buy?" a salesman continues to demonstrate or present additional facts and again tests the buyer's interest with a tryout close.

**4. Getting Basic Decisions.**—Before reaching a final buying decision, a prospect makes several secondary decisions on need, price, product, source of supply, and service. Before he signs an order, he must be satisfied that he needs the article or service offered, that the price is fair, that the product will adequately meet his needs, that the seller is reliable, and that he will receive efficient service.

By seeking definite commitments from a prospect on these basic decisions, a salesman can determine whether or not a buyer has made each of these decisions. If a buyer cannot decide these



questions, a salesman can attempt to bring a prospect to a decision by offering additional facts and demonstrating value in his product or service.

When a prospect has made these secondary decisions, a salesman may assume that the buyer is ready to sign an order.

Salesmen representing a large distributor of electric appliances are trained to close sales by persuading prospects to make five secondary buying decisions on the need, the brand, the source of supply, the price, and the proper time.

**5. Emphasizing a Single Feature.**—Every product or service has one or more distinctive features which excel those of competing articles. This feature may be a technical superiority, a distinctive design, or an unusual method of operation. By focusing the prospect's attention on this unique feature and emphasizing that it alone justifies the purchase price, a salesman may secure a buyer's decision to buy.

A life insurance salesman, for example, may choose to concentrate his closing efforts on the liberal disability and indemnity features of his contract. A refrigerator salesman may focus his sales presentation on the hermetically sealed unit which is a unique feature of his product.

When a salesman makes an enthusiastic and convincing presentation of some distinctive feature by demonstrating, using visual aids, quoting the experiences of others, and submitting references and statements of authorities, he can often persuade a prospect to buy on the strength of that one feature alone.

**6. Summarizing Principal Advantages.**—By summarizing the principal advantages of his product, a salesman presents such a convincing array of reasons that a buyer is often persuaded to act favorably on the salesman's proposition. Some salesmen make a list of their product features which appeal most to the prospect. When confronted with this list of product advantages the prospect has difficulty in saying, "No."

A domestic water-softener salesman uses the summary method of closing by reviewing the principal advantages of his product, after a home demonstration, as follows: "In our discussion, Mr. Prospect, you told me about the delightful baths you had with soft water; you admitted that shaving was easier and more pleasant; you conceded that your drinking water tasted better; your wife says that soft water makes easier washdays and clothes

are softer and whiter. Now, in view of all these advantages, I am sure that you feel you need a water softener in your home."

If a buyer does not respond favorably to such a summary, a salesman can then discover the prospect's real objections by inquiring or by listening to his remarks. When a buyer's actual objections have been revealed, a salesman tries to remove them by presenting additional reasons for buying.

**7. Offering a Special Inducement.**—A salesman may secure an order by offering a special inducement to *act* at once. A special concession may be offered, as a small initial payment, longer terms, or an extra trade-in allowance. Concessions, however, weaken a salesman's position and are desirable only as a last resort.

Buying action may be stimulated by announcing an increase in price after a certain date, as "After January 1, these coats will be sold at the regular price of \$300. At the present price you are saving \$100." Or a closing date may be set for the expiration of a special offer, as "Our offer to include a heater free with this car expires on May 15. For that reason you should make an immediate decision."

If a salesman makes it difficult for a prospect to secure a product or service, the buyer may be persuaded to buy immediately. If a prospect for life insurance is told that many persons find it difficult to pass the necessary physical examination, his desire for insurance may be intensified and he may make immediate application.

Similarly a prospect may be induced to buy immediately if he is told that there is a limited supply of the product available, as "Mr. Prospect, there are only 100 sets of these books on the market and when this supply is exhausted no more will be printed." Limited facilities may also induce a prospect to act, as "Mrs. Brown, there is only one first-class cabin available on the South American cruise sailing January 1st. I suggest that you make your reservations now."

A premium may be offered to prospects to encourage them to buy at once, as "With each refrigerator bought this week, we are including, free, a set of covered refrigerator dishes worth \$10.50."

A trial order is often sought by a salesman who cannot persuade a prospect to buy a full quantity. The objections to accepting a trial order, are the following: the cost of selling and

shipping often exceeds the profit to the seller; competition is given an opportunity to supply the balance of the buyer's needs; a small quantity is often inadequate to establish a buying habit or to secure an adequate display; and distributors often resort to substitution when the limited supply is exhausted.

On the other hand, a trial order may be the first of a long and profitable series of future sales; it often requires less time and effort to sell a repeat order to an established customer than to obtain an initial order from a prospect; and a satisfied customer is often the source of other customers.

**8. Implying Consent.**—In selling luxuries and intangible services, a salesman may assume that a prospect is ready to buy without securing his express consent. If a buyer indicates by his comments and questions that he is ready to buy, it is often unnecessary for a salesman to ask directly, "Do you want to buy this automobile?"

If a salesman assumes that a prospect accepts his proposition and proceeds to fill out the order blank without waiting for the buyer to give his consent, the transaction may be closed without further discussion.

#### HANDLING THE ORDER BLANK

While a purchaser's oral promise to buy is acceptable to some sellers, a majority of buyers and sellers require a written contract of sale or order signed by the buyer and accepted by the representative of the seller. Some industrial purchasers do not give salesmen signed orders but give their promise to buy and confirm it with a purchase order mailed to the salesman's firm.

If a salesman has made a convincing presentation, has tested a prospect's interest, and secured his commitment, the buyer has ordinarily no reluctance to signing an application or order. However, when faced with the necessity of making a written commitment, some prospects procrastinate and shy away from signing an order.

Many salesmen prefer to get a prospect accustomed to the sight of an order blank early in a sales interview. One specialty salesman uses an order book as a pointer when demonstrating his product to a prospect. Another salesman keeps an order form before a prospect at every stage of the interview to record the minor decisions on such questions as color, accessories, quantities,

sizes, and other details. When the final decision is reached, the order form is completely filled in ready for the buyer to sign.

Other salesmen, however, prefer to keep an order form or application out of sight but readily accessible during a sales interview so that it can be turned to in a natural way when needed. If a salesman is submitting a written proposal or survey, an order form may be inserted as a last page in the proposal. Salesmen who use visual material, portfolios, or figuring pads include an order form in the visual presentation at the point where the buyer probably would be ready to sign.

Many salesmen carry order forms in their inside coat pockets where they can be easily reached when the time comes to secure a buyer's signature. However, if a salesman draws an order form out of his pocket with a flourish, like a highwayman pulling a gun, a prospect may be taken by surprise and stiffen his resistance to signing.

There is positive suggestion value in keeping an order form before a prospect, as well as added utility to a salesman in using it to record minor decisions. By keeping an order form before him during an interview, a salesman is continually reminded of the real purpose of a sales interview. Some salesmen have an order form partially filled out before approaching a prospect to save time and possible embarrassment in handling the closing details. The method, of handling an order form which is most convenient and natural for a salesman is the most desirable.

#### EXECUTING AN ORDER

In their elation incident to securing an order, some salesmen often overlook the importance of accuracy in completing the details of the transaction so that the customer will receive the product or service as ordered. Fearful that a buyer may alter or revoke his decision, a salesman may hastily prepare an order, overlook important details, and make mistakes that create customer misunderstanding and ill will. An order that is worth selling is worth careful preparation.

Carelessness by a salesman in writing orders is responsible for poor service to customers; delays in granting credit; tardiness in delivery; shipment of wrong quantities, colors, sizes and styles; delivery to wrong address; excessive transportation charges; and

similar mistakes which can be easily avoided by greater care in writing the original order.

SALESMAN & NO.		SOLD TO						ORDER NUMBER	
DATE SOLD		Town & State						DIST. NO.	
TERMS		SHIP To For				ATTENTION OF			
		R. R. Station				Freight	Express	P. P.	
Ack.	Quan.	Diam.	Thick-ness	Hole	Face or Shape	Grain	Grade	Remarks	
Name of Part					Size				
Size of surface ground							If int. grinding No. of keyways		
Finish required					Excellent - Commercial - Not Important				
Material					Hard - Soft - Chilled - Annealed				
If steel - Kind				Carbon Content		Alloying Metals			
Operation					Stock removed			Wet or Dry	
Preceding & Succeeding operations									
Number of Passes				Limits			Feed		
Machine				Condition			Straight In		Traverse
Wheel Speed		RPM SFFPM	Work Speed		RPM SFFPM	Table Traverse		Feet per min.	
If necessary, illustrate this information with sketch on reverse side.									
Competing Product									
Approximate Yearly Consumption									
Object of Test									
Mark Tags & Invoice									
CREDIT STAMPS				SPECIAL ATTENTION			RECEIVING STAMP		

Order blank used by salesmen of a manufacturer of grinding wheels and abrasives sold direct to industrial concerns. In filling out this order blank, it is necessary for a salesman to give accurate and complete information to insure that the product will meet the customers' requirements.

Salesmen are provided with printed order forms or application blanks, listing information necessary to enable a shipper to complete delivery of the material ordered. Spaces are provided for

the name and address of the purchaser, method of shipment, date of shipment, product ordered, quantity, price, and other items depending on the product or service. Order forms usually are executed in quadruplicate, one for the buyer, another for the salesman, a third for the sales office, a fourth for the shipping department. Special order forms are often prepared for certain types of products, methods of delivery, or classes of customers.

Such a small detail as the correct name and address of a buyer on the order form is an important matter if the order is to be filled properly. If a shoe salesman, for example, writes an order for John Jones, and the correct name of the purchaser is John Jones Shoe Co., correction notices have to be sent to various departments of the firm handling the order and numerous changes must be made, causing expense, confusion, and delay. Plain, legible handwriting prevents misunderstandings. Some salesmen ask new customers for a copy of their letterhead in order to record the name and address of the buyer correctly on the order form.

If an order is written by a salesman in the presence of the customer, the number of possible mistakes will be reduced. Some salesmen ask a prospect to fill in the order form to ensure its correctness. The practice of writing orders several days after they have been taken usually creates errors and correspondence. Skeleton orders, without sizes, delivery dates, and other details, are not actual orders.

#### GETTING THE BUYER'S SIGNATURE

Few buyers voluntarily sign an order; they must be asked for their signature or they will hesitate and postpone signing. In many cases a salesman is obliged to help a prospect make up his mind to sign. However, prospects resent being coerced into signing orders. The problem of securing a prospect's signature often calls for skill, initiative, and tact on the part of a salesman.

A prospect who is making a buying decision may be very susceptible to a salesman's suggestion and resentful of a direct command. Under the circumstances, a thoughtless statement by a salesman may cause the prospect to postpone his decision to buy. For this reason, many salesmen in seeking a buyer's signature prefer to use tactful statements rather than direct commands. Instead of commanding a prospect to "Sign this

order blank here," or "Just write your name on this dotted line," many salesmen prefer to suggest action by saying, "Now, Mr. Prospect, will you please complete these arrangements by signing your name here?" or "So that we will have a mutual understanding on this matter, please write your name here."

Some salesmen ask for the correct spelling of a prospect's name or the corporate name of his firm and write it on the order or application blank. They then ask for his signature, by saying, "Please write your name here just as I have written it above." By asking for a signature in this way, a salesman does not arouse the resistance of a buyer by commanding him to sign an order.

Some salesmen keep a fountain pen or pencil in sight throughout an interview. The prospect becomes accustomed to them and may accept the subtle suggestion that they be used in signing an order. Oversized pens and pencils have been used by salesmen to attract the attention of prospects and subtly suggest that buyers sign orders. A pen or pencil may be used by a salesman as a pointer in showing features of his product or in emphasizing ideas in charts or illustrations.

A prospect should not be expected to use his own pen or pencil in signing an order. If a buyer lays aside the pen or pencil proffered by a salesman, another may be offered later when the salesman believes that the buyer is ready to sign. The proffer of a pen is a suggestion that a prospect sign the order and at the same time makes it easy for him to affix his signature.

### SECURING PAYMENT

In selling many products or services, a salesman is required to collect all or a part of the purchase price with the order. When a sale is made on an installment payment plan, a salesman secures the initial payment and prepares the finance papers. When a prospect has been well sold, the initial payment is easily secured. If a salesman acquires the habit of asking for a check with an order, he experiences little difficulty in getting an initial payment or deposit.

Salesmen can secure initial payments by suggesting the benefits of ownership. An electric refrigerator salesman says, "I am sure that you want to enjoy the delicious desserts from this refrigerator right away, so please make out your check for \$——." A life insurance salesman says, "You will feel more secure when

you go home tonight to know that no one can take your insurance away from your wife. If you will let me have your check for \$—— right now, that satisfaction will be yours.”

If a prospect objects to making an initial payment, a salesman can minimize the amount by comparing it with the cost of an inexpensive article like a cigar or a daily paper.

#### **TURNING A PROSPECT OVER TO ANOTHER SALESMAN**

If a salesman is unable to close a sale through his own efforts, he may suggest that the prospect talk with another salesman in the same organization. If the prospect shows by his comments or attitude that he is annoyed by the mannerisms or remarks of one salesman, another may be introduced to the buyer. Mutually satisfactory arrangements may be made by the salesmen concerned to share the credit or compensation in event a sale is made.

However, unless a prospect is interested, he may resent being turned over to a second salesman. The “turn-over” method of closing sales is effective only when a prospect is sold on the product but not on the salesman.

#### **PREPARING FOR FUTURE RELATIONS WITH PROSPECTS**

If a salesman is unsuccessful in securing an order from a prospect, he can further his future contacts by expressing his appreciation for the prospect's time and the opportunity of presenting his product or service. A salesman may also attempt to obtain an appointment for another interview, seek permission to submit additional samples, try to arrange for a demonstration, leave a visual portfolio to be picked up at a future time, or secure the buyer's consent to interview a subordinate or a business associate. One of these methods may be used to “keep the door open” for a later interview with a prospect.

However, a salesman who shows annoyance at being refused an order or criticizes a buyer for his lack of judgment has difficulty in getting favorable consideration from the prospect in the future. A salesman who persists good naturedly in his efforts to sell often is rewarded with an order at another time.

#### **LEAVING AFTER SECURING ACTION**

When a salesman has succeeded in securing an order, he closes the interview by thanking the buyer and explaining briefly the details of delivery or installation. He creates good will by



promising to return later to determine the buyer's satisfaction and render any necessary service.

Salesmen usually leave a customer quickly upon the conclusion of a sale. The buyer is busy and wants to get back to his work. A salesman does not want to give a buyer an opportunity to change his mind and cancel all or a part of the order. If he lingers after an interview, the customer has an opportunity to ask for special concessions. By leaving promptly, a salesman does not risk talking himself out of an order or patronizing the buyer by boasting of his accomplishment.

If a buyer does not appear to be completely sold, a salesman may summarize the advantages of his product or service and resell the customer before leaving. Salesmen representing a manufacturer of aluminum kitchen utensils, sold direct to housewives, are instructed to place their samples on the kitchen stove of each customer showing her how the utensils appear in use and discussing briefly their advantages. Advertising material may be left with a customer to aid him in justifying his purchase and to explain the advantages of the product to his friends and neighbors.

#### HOW TO SECURE ACTION IN A SALES INTERVIEW

Successful salesmen use a proved strategy, based on the principles described in the preceding pages, in securing favorable decisions from prospects. To assist salesmen in applying these principles successfully in closing sales a simple five-step plan or routine, which can be adopted by a salesman of any type of commodity or service, is described here. By committing these five points to memory, practicing their use, and applying them at every opportunity, a salesman can easily increase his ratio of concluded sales to interviews.

##### *Routine for Securing Action in a Sales Interview*

1. Watch for indicators of acceptance.
2. Get minor decisions.
3. Commit the prospect frequently.
4. Use a reserve selling point.
5. Ask for the order often.

**1. Watch for Indicators of Acceptance.**—At all stages of an interview, successful salesmen are alert for evidence that a pros-

pect is ready to buy. The most obvious signs of interest are the buyer's comments or questions, as "How soon can I get delivery on this car?" or "That's an excellent location for a home." Statements such as these reveal that a prospect is convinced of the merit of a salesman's proposition and has already made up his mind to buy.

Objections raised by a prospect are frequently evidence of his sincere interest in a salesman's proposition. When a prospect objects, he often means, "I want to know more about that," but he does not wish to show his interest by asking for additional facts.

Without saying a word, a buyer often reveals by nodding his head or by his alert attention that he is interested and perhaps ready to buy. A change in his tone of voice often tells more than words that he is ready to sign an order. Although these indicators are not infallible evidence of a prospect's desire to buy, they frequently give a salesman assurance that a prospect is ready to sign an order.

**2. Get Minor Decisions.**—By attempting to get a favorable decision on every point, a salesman gradually brings a prospect to a final decision to buy. Every purchase is the result of a number of favorable decisions on minor points. Before placing an order, a prospect says to himself, "I need it," "The price is right," "The product is satisfactory," and "I believe the company will stand back of it."

If a salesman neglects to answer objections and leaves misunderstandings and doubts in the mind of a buyer, he cannot hope to receive an order. When a buyer's attitude on each sales point is tested by tactful questions and a salesman is assured that the prospect is in agreement, an order is to be expected.

A salesman must, in effect, close a sale on each point which he discusses, each feature demonstrated, and each objection answered. Several of these secondary sales must be made before a salesman can secure an order.

**3. Commit the Prospect Frequently.**—To make sure that a prospect understands and agrees with him on each point, a salesman tests a buyer's interest by asking questions worded to provoke a favorable response. Typical committing questions are, "That advantage is very apparent, don't you think?" and "Isn't that the way it should be considered?" When worded tactfully, these questions permit a salesman to "take a prospect's temperature" and determine whether or not he is ready to buy.

Prospects may reveal their agreement with a salesman by their voluntary remarks, as "I think that this automobile is the best looking car I've seen on the road." A buyer may reveal his receptiveness by his attitude and attentiveness.

If a prospect does not understand a salesman's explanation and does not want to show his lack of knowledge, he may nod his head in agreement or say "Yes" to a committing question. Such a false commitment may be deceptive. However, a salesman soon learns to distinguish between sincere commitments and false responses by the manner in which they are made. To discourage a salesman, a prospect may agree with everything he says. Experienced salesmen handle "yes men" by attempting to "smoke out" their objections or discover their real resistance. If a buyer continues to "yes" a salesman in responding to committing questions, the prospect may be asked a definite "No" question, as "Would you ride in an automobile with faulty brakes?"

If commitments are sought after each important sales point has been made, a salesman saves time and ensures satisfactory progress toward an order.

**4. Use a Reserve Selling Point.**—Some salesmen keep one or more sales points in reserve to use in the event that a prospect hesitates to buy. The reserve point may be a unique or distinctive feature of the product calculated to make a strong impression. If a buyer can be convinced of the importance of a reserve feature and made to realize that it cannot be found on any competitive make, his favorable decision may be secured.

A reserve selling point may be a distinctive appeal or product feature which may not have been discussed in the salesman's presentation.

**5. Ask for the Order Often.**—Many salesmen are reluctant to give a prospect the opportunity to say "No" for fear that a sale cannot be consummated. As a consequence, they fail to ask for an order and lose sales to competitors who are not afraid to ask prospects to buy. "Not one salesman in five makes a habit of asking his prospects to buy during the first interview," says David R. Osborne.

Confidence and courage are indispensable characteristics in getting favorable buying decisions. If a salesman has made a thorough presentation of his product, answered objections con-

vincingly, and demonstrated clearly, he need not fear to ask a prospect to buy.

Some salesmen follow a policy of asking for an order at least four times during an interview. If salesmen would ask prospects to buy during the first interview, a greater number of sales could be closed on the first call.

### Problem I

#### SECURING ACTION IN AN INDUSTRIAL SALES INTERVIEW

Parker Nettleton, representing Carter Paint Company

The Carter Paint Company, Cleveland, Ohio, manufactures and distributes a complete line of paints for interior, exterior, marine, and industrial purposes. The company separates its sales organization into two divisions: one sells paints to wholesale and retail hardware and paint stores; the other sells industrial paints direct to industrial concerns and mill supply firms.

The industrial division employs 20 salesmen to call on large users of paint and to work with mill-supply salesmen. Eighty per cent of the production of the company is sold by this division. A competing company makes about 25 per cent of the total industrial paint sold in the country and the Carter Company manufactures about 10 per cent of the industrial paint sold, approximately the same volume as two other paint manufacturers.

Carter salesmen call from three to four times a year on the principal industrial concerns in their territories. The competitive situation is so severe that there is much price-cutting. As a result, industrial buyers usually secure estimates from several paint companies before ordering large quantities.

In the following interview, salesman Nettleton, who has represented the Carter Company in New England for five years, is discussing a quotation with the purchasing agent of a large Boston public utility. This is the second call made by Nettleton on this buyer within a week.

1. SALESMAN: Hello, Mr. Buyer, getting colder this morning.
2. BUYER: Yes, it was chilly this morning.
3. SALESMAN: I've been working on that quotation now for a week and I just finally got an answer this morning. We had to go into quite some detail to get it, but we got it. We went into several short cuts in manufacturing and larger quantities and things of

that sort, save a few pennies here and there, and I just got an answer this morning from Mr. Blank, our general manager; so he told me to come in and see you about it and find out about the contract.

4. BUYER: Well, of course, I don't know what we're going to do. I know we are going to do over those two buildings in Springfield. There's an order over to your mill for six drums to Springfield. Start right there.
5. SALESMAN: Yes. I don't know what they're going to do, make a one-coat job or not. Do you know?
6. BUYER: Two coats from what I understand over there and two coats from what they're doing in the other plants.
7. SALESMAN: I see. What do they figure?
8. BUYER: They figure about 5 gallons for a two-coat job. About 3 gallons for the first coat and about 2 for the second.
9. SALESMAN: Do you want to write that up on the basis of up to 5,000 gallons?
10. BUYER: We'll be glad to go along with you. We'll take the stuff as fast as it comes along and you can make it up.
11. SALESMAN: Oh, we'll probably make anywhere from 500 to 1,000 gallons. (Telephone rings and buyer engages in conversation.)
12. BUYER: Orders have been placed with you for 500 gallons for Springfield and 600 over here.
13. SALESMAN: Yes, those two came in.
14. BUYER: Yes. Well, now there's six more in the works.
15. SALESMAN: I see. I didn't see those. Last week when I went back trying to chisel that price, our manufacturing costs at that time, I don't mind telling you, were 84½ cents.
16. BUYER: Yes.
17. SALESMAN: Well, that's why I'm back with that price of 90 cents. It positively couldn't be any cheaper as we didn't want to change the materials.
18. BUYER: Yes.
19. SALESMAN: Now, we went all through the whole thing and we've had the factory on the line and everybody else all the way through the line on raw materials, and we've chiseled a penny here and there so that we could hold that 90-cent price. That's quite a job on account of the oil it takes and that fluctuates like a "son of a gun," but now it happens to be a fairly nominal price.
20. BUYER: Yes.
21. SALESMAN: Well, that's why they wanted me to get a contract on it right now, because there's no doubt that everything is going to increase.

22. BUYER: That's right.
23. SALESMAN: All I've been doing for the last month is going around to all my customers, trying to get contracts through on stuff. What do you think on the other buildings? Are you willing to place contracts for the rest of them?
24. BUYER: Yes, sure.
25. SALESMAN: All right. I'll line them up right now so we can get this low price, while we can.
26. BUYER: O.K. What colors are we buying from you?
27. SALESMAN: Dark green for the outside and grey inside. I suggest that you order everything all the way through the line. Run up through the whole line. I'd like to get them in right away before we get this notice of higher prices.
28. BUYER: O.K. All right, I'll do that.
29. SALESMAN: I'll tell them to draw up that contract. We got that settled.
30. BUYER: Yeah. Send that in, right away.
31. SALESMAN: O.K. Good-by. Much obliged. Now I'll get out of your way.
32. BUYER: Good-by.

### Questions

1. Did the salesman secure a favorable buying decision in this interview? What?
2. What methods did the salesman use in securing the buyer's contract? Were they sound? Explain.
3. Should another method of closing have been used? What?
4. At what stage of the interview did the salesman secure a decision? Was it the proper time?
5. Was it necessary for the salesman to secure a signed order? Explain.
6. Did the salesman prepare the way for future relations? How?
7. Did the salesman leave the buyer properly? Explain.
8. Did the buyer give the salesman any indicators of acceptance? What?
9. Did the salesman secure any minor decisions? What?
10. Was the prospect committed during the interview? How?
11. Did the salesman ask for action more than once? Explain.
12. Was a reserve selling point used? What?

### Problem II

#### GETTING ACTION IN A DEALER INTERVIEW

Benton J. Fuller, representing Farnsworth Fish Company

The Farnsworth Fish Company, established in Boston, Mass., in 1901, packs and distributes dried and canned fish, including

mackerel, herring, lobster, and codfish, direct to institutions, wholesalers, large direct buyers, and chain food stores throughout the country. The company does little advertising and relies on the quality of its product to secure sales volume and meet the keen competition of several larger fish packers serving the same market.

Benton J. Fuller is one of 10 salaried wholesale salesmen, employed by the Farnsworth Company. These men are located in the principal wholesale food markets and cover that trade regularly. Salesman Fuller's headquarters are in Albany, N. Y., and his territory includes the entire state of New York, except New York City, and Pennsylvania excluding Philadelphia.

In the following dialogue, salesman Fuller is interviewing in Buffalo the buyer of a small chain of five high-class specialty food stores located in Buffalo, Rochester, Syracuse, and Utica, N. Y. This chain has never bought Farnsworth products.

1. SALESMAN: I'd like to interest you in fish cakes. I see that you've got Doe's (a nationally advertised brand) in stock.
2. BUYER: Well, we're getting two for 29 right now.
3. SALESMAN: We've got fish cakes at a price of — a dozen on ours, the same size and just as good as Doe's. Of course, Doe's advertise a little bit more than we do.
4. BUYER: Well, we put Buxton's (a nationally advertised brand) in. They thought they had better ones than Doe's. We didn't think so though. 'Course, they've got a price about like yours.
5. SALESMAN: I really think ours comes right up to Doe's fish cakes, positively, because I know, in fact; I've got three ex-chain-store managers who have opened up stores of their own and tried them out and say they're just as good as Doe's.
6. BUYER: Uh, huh.
7. SALESMAN: I think that's a pretty fair advertisement if chain-store men will say it.
8. BUYER: Of course, there's only one way to tell those things and that's to open them up and eat them.
9. SALESMAN: Yes, sure. Well, listen—
10. BUYER: But unless we thought it was an awful lot better than some, we might not be interested in them, as fish cakes are a relatively small item with us. The others got the advertising and they're in demand.
11. SALESMAN: I see that one of your competitors had them advertised for a dime.

12. BUYER: Well, we don't mind.
13. SALESMAN: No, I don't imagine you worry about them.
14. BUYER: Yeah, we do, but I mean we'd sell them for a dime if we thought it had any profit in it.
15. SALESMAN: Do you get any call for the smoked herring in the 2½ and 3½ size?
16. BUYER: We had that herring smoked. We do a pretty good business, I would say, in that.
17. SALESMAN: There's some smoked herring on a platter down in the fish department.
18. BUYER: I would say, for that reason, our canned fish business isn't what it would be for a store that does our volume. It would be better if we didn't have so much fresh fish business. We take in lots, our sales running somewhere around a couple of hundred pounds of lobster meat a week, but it doesn't mean very much money.
19. SALESMAN: In canned lobster, five cases will last a long time.
20. BUYER: Yes, I imagine it would, sure.
21. SALESMAN: Well, listen, I'm going to ask you to sample some of our codfish cakes—I've got 'em downstairs now.
22. BUYER: Well, just leave one of each and I'll sample them for you sometime when I get a chance.
23. SALESMAN: All right—as soon as possible. I'd appreciate it because I'd like to sell you some codfish cakes. Mmm. How do you buy the boneless herring? In the 10-pound boxes?
24. BUYER: I don't know the fish at all.
25. SALESMAN: Oh! The fish—you don't have anything to do with the fish?
26. BUYER: No.
27. SALESMAN: That's one headache less for you. Well, listen, I'll shoot some out with some of our samples for you.
28. BUYER: Just one of each—sure, I'll try 'em out.
29. SALESMAN: The proof is in the tasting you know.
30. BUYER: That's right. Good-by.

### Questions

1. Why did the salesman fail to secure a favorable buying decision in this interview?
2. Should the salesman have attempted to secure an order?
3. What decision did the salesman secure from the buyer? Was this a wise move on the part of the salesman?
4. If you disapprove of the salesman's method of "closing," what should have been done?



5. Should the salesman have used an order blank in seeking a favorable decision? How?

6. Did the salesman "leave the door open" for future dealings with the buyer? How? Was this sound?

7. Did the buyer give the salesman any indicators of acceptance? What?

8. Did the salesman secure any minor decisions? What? If not, what decisions might have been sought?

9. Was the buyer committed during the interview? If not, how might he have been committed?

10. Did the salesman ask for action? If not how should this have been done?

11. Did the salesman have the right personal characteristics for securing buying action? If not, what characteristics did he need?

12. Was a reserve selling point used by the salesman? If not, what might have been used?

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## CHAPTER XX

### CULTIVATING CUSTOMERS

#### I. CULTIVATING CONSUMER CUSTOMERS

##### WHY CULTIVATE USERS? .

“Never forget a customer and never let a customer forget you,” says William E. Holler, general sales manager, Chevrolet Motor Company, and his opinion is emphasized by Matthew S. Sloan, former president of the Brooklyn Edison Company, who said, “Don’t forget the people who made you in the days of your prosperity; they can break you.”

Although all salesmen recognize the importance of keeping their customers, they often overlook and forget the old buyers in the competition for new accounts, and in their anxiety to get an order and hurry on to the next prospect. Many customers, secured at a considerable expenditure in time and effort, are disregarded or treated with indifference while salesmen scramble madly for new business.

Bernard Lichtenberg, public relations counselor, says:

In a day when the customer is king, it would seem almost beyond belief that sellers would maintain an air of independent aloofness, of open indifference, if not supercilious hauteur toward old customers. A more than cursory glance shows the emaciated bodies of buyers, underfed by salesmen, the carcasses of customers who died from lack of nourishment and stimulation, and the ghosts of patronage, now only a list of names.

To illustrate the importance of retaining and cultivating old customers, their worth has been estimated for various types of retail businesses. The annual purchases of an average clothing customer make him worth \$85 to a clothing retailer; the average shoe customer is worth from \$35 to \$68 a year, depending on the size of his family; the average furniture customer is worth \$87 a year, after he has made his main purchase; the average department-store customer is valued at \$362 a year; and the average

Ford automobile owner is worth \$215 a year to the dealer from whom he bought a car.

While these estimates are a relative indication of the annual worth of a customer to a retail merchant, they do not take into consideration the additional cost in a salesman's time and effort plus the advertising to secure the customer originally.

The number of forgotten customers on the books of retail establishments is large. Analysis of the purchases of 2,000 retail charge customers of a large department store showed that 60 per cent had lapsed or were inactive. A similar study of the charge accounts of a successful retail store showed that 27 per cent were inactive for at least a year or more. The turnover in consumers is a more serious problem than the turnover in merchandise.

A large majority of consumers discontinue buying because of neglect by salesmen. A questionnaire sent to inactive customers by a large retail store showed that 70 per cent drifted away for no particular reason; 5 per cent were influenced by friends to buy elsewhere. Only 15 per cent of them stopped buying because of grievances and 10 per cent were influenced to buy elsewhere by lower prices of competitors.

A salesman who maintains contact with customers makes many repeat sales. A satisfied customer is his best prospect. It is easier to retain a customer who has formed the habit of buying from you than to win a new one away from his former affiliations. A salesman of repeat essentials can make more sales and earnings by cultivating his present customers than by seeking new ones. A survey of the owners of a well-known make of automobile showed that 43.3 per cent had bought the same make of car two or more times and 58.5 per cent were planning to buy the same make again.

The good will of customers created by consistent, friendly cultivation is an intangible but invaluable asset to a salesman. He cannot long be successful if he fails to win and keep the good will of his customers. Owners can be helpful in recommending a salesman and his product to their friends and associates. From 40 to 50 per cent of the sales of a well-known electric refrigerator are made through the influence of present owners.

A satisfied customer is the best advertisement for a product or service. Every owner is proud of his possessions and is eager to discuss them with others. Around luncheon tables, at bridge

parties, or wherever people congregate, small talk often concerns various products or services. Customers who are kept well informed about the latest features of a product can advertise it most effectively to their friends and acquaintances. A famous motor-car manufacturer recognizes the importance of such recommendations by advertising, "Ask the man who owns one."

Satisfied customers are an excellent source of new prospects. Many companies have developed special plans whereby salesmen can secure the cooperation of owners in locating possible buyers. By getting permission from customers to use their names and quote their opinions, a salesman can use these references as an excellent entering wedge in opening interviews with prospects.

Dissatisfaction can be forestalled if a salesman will call upon customers to make adjustments, correct product faults, and see that proper mechanical service is secured.

#### WHICH USERS SHOULD BE CULTIVATED?

Good salesmen call at least once a year on every customer; some salesmen see each of their customers as often as once a week or several times a month. Certain customers, however, require more attention than others. A salesman who serves a large number of customers must obviously select certain ones for preferred cultivation. Those selected for development are the ones whose replacement needs are greatest, who are most influential, and who are able to assist a salesman. New customers are entitled to preferred attention from a salesman to ensure their understanding of the operation of the product and the importance of proper maintenance.

To ensure systematic cultivation, complete and accurate card files of customers must be maintained by a salesman. Owner record cards are filed alphabetically and distributed in a daily follow-up file for regular attention. They show the customer's name, address, products used and dates of purchase, mechanical service received, and the calls by the salesman who sold the customer.

#### WHEN TO CULTIVATE USERS

Owner cultivation begins when a sale is closed and ends only when a buyer no longer needs a salesman's product or service. When a salesman receives an order, he may briefly show the new

customer how to use the product. A large manufacturer of cooking utensils instructs its salesmen, "The first service call is to be made immediately at the time of sale in order to really cinch your order. Be sure that your customer knows and understands the five rules on the new method of cooking."

Many salesmen of home appliances and industrial equipment always arrange to be present when their product is delivered to a new customer to ensure its receipt in good condition and as ordered. A customer may be resold briefly on the product at time of delivery, reminded of the importance of regular maintenance, and instructed in proper operation. To ensure a new customer's complete satisfaction, a call by the salesman at time of delivery pays big dividends in good will and owner cooperation.

If a salesman cannot be present when a product is delivered to a new customer, he may call the next day to see if the product arrived in good order and is operating satisfactorily. Salesmen representing a well-known make of electric refrigerator are instructed in checking up new customers, as follows:

Let it be your unchanging rule to make your first call on a new customer on the next day after the refrigerator is delivered. Your whole purpose during this call should be to create a favorable impression by letting the customer know that you are interested in her satisfaction with the refrigerator and in seeing that she is entirely satisfied with the service rendered by you and your company.

Another cultivation call may be made on a new customer from two weeks to thirty days after delivery of the product. The purpose of this call is to determine whether or not the product is rendering satisfactory service to the buyer and to enable the salesman to begin capitalizing on the good will which has resulted from his personal attentions and the satisfactory performance of the product.

After the first two cultivation calls, the number of calls to be made on a new owner depends on the response received from the customer, the amount of the sale, and the repeat sales possibilities. A customer may easily become annoyed by too many such calls. However, a salesman who has a legitimate reason for calling and renders the customer a definite service is always welcome. A leading automobile manufacturer advises its retail salesmen to make cultivation calls at a frequency of 7, 21, and

42 days after delivery of a new car. Owners are given helpful information for the care and operation of their cars on each call.

When sales are made on the installment plan, salesmen follow up customers as soon as all partial payments have been completed. At that time the buyer has available the amount of his monthly payments to apply on the purchase of another product. Through arrangement with the finance companies serving the customer, salesmen are notified automatically as soon as a buyer has completed his payments. A salesman may follow up a customer who has made six monthly payments and explain to him that he is now privileged to buy another article without making a down payment and that his new adjusted monthly payments will be only slightly higher because of the extended time the new installment contract has to run.

Regular contact should be made with all customers at least once a year and at more frequent intervals if the nature of the product and the cooperativeness of the customer demand that he be given more attention.

#### METHODS OF CULTIVATING USERS

A salesman can serve customers by instructing them in operation, by making adjustments, by ensuring that they obtain service, by acquainting them with improvements, by introducing new products or accessories, by showing them how to obtain greater use from a product. If these helpful objectives dominate a salesman's contacts with his customers, good will and cooperation will result.

**Instructing in Operation.**—Owner satisfaction and freedom from servicing depend largely on the proper use or operation of a mechanical product. If the buyer of a mechanical product has never owned a similar article before, use instruction is fundamental. Customers who have owned similar products may be reminded of the proper way to operate them to ensure fullest satisfaction. Salesmen sometimes find it necessary to give a new customer a short course of instruction in operation. A housewife, buying an electric refrigerator, may be shown how to defrost the freezer, oil the motor, arrange the shelving, and other simple but important adjustments. Operating handbooks are provided by most manufacturers of mechanical appliances for the guidance of customers. These books may be used effectively by salesmen in

instructing owners in proper operation. The "breaking-in" period in the life of most mechanical appliances calls for special care in operation which should be explained by a salesman. Some sellers of mechanical products maintain training schools for the instruction of the operators employed by owners of these appliances and salesmen may recruit enrollments in these schools.

**Making Adjustments and Minor Repairs.**—If a salesman of mechanical appliances is prepared to make small adjustments, he can save his customers service expense and secure their good will and cooperation. The sales representatives of a large manufacturer of cooking utensils are provided with service kits containing small parts and tools for making minor repairs to users' utensils. Salesmen of this company call on customers and offer to service their old utensils free of charge. As a result of this service, these salesmen secure repeat orders, names of prospects, and valuable testimonials.

The prestige of a salesman in the eyes of a customer is increased if he is able to make minor adjustments without calling for the assistance of the service department. A customer learns to look to a helpful salesman for mechanical aid and a close and permanent relationship is established which pays big dividends in good will and future sales.

If a salesman can make small adjustments, he is able not only to give a customer immediate satisfaction but to prevent major dissatisfaction resulting from continued annoyance with a trivial maladjustment. A small but persistent rattle in a motor car, if uncorrected, may prejudice an owner against a repurchase of the same make. Through contact with owners, a salesman has an unusual opportunity to prevent such small deficiencies from becoming major obstructions to repeat sales.

**Ensuring That Owners Receive Service.**—By reminding buyers of mechanical products to secure the free mechanical service to which they are entitled during the "breaking-in" period, a salesman ensures that the life of the product is prolonged and that the buyer obtains maximum satisfaction from its use. Proper and regular maintenance of a mechanical product is vital to its efficient operation. By advising owners to follow an adequate inspection schedule, a salesman can help his customers to avoid unnecessary and costly repairs. Many owners of mechanical products do not recognize the importance of preventive main-

tenance and are forgetful of and indifferent to periodic inspections. A salesman who reminds his customers to secure necessary service paves the way for repeat sales.

Many salesmen of mechanical products telephone their new customers at regular intervals for several weeks after delivery to advise them to have the product properly serviced. By checking the department records a salesman can keep himself informed regarding the amount of service received by customers and follow up those who require service.

Following the installation or delivery of a mechanical product, a personal call may be made by a salesman to deliver and explain his service policy to the new customer.

**Acquainting Customers with Improvements.**—To ensure that customers get the fullest satisfaction from their purchases, a good salesman informs them of the latest improvements in his product. These developments make it possible for an owner to effect economies in operation, secure added comfort, speed up performance, improve appearance, or enjoy greater safety. Marked improvements are being made annually in the design and construction of many products. They give a salesman an excellent opportunity to bring greater profit and satisfaction to his customers and at the same time secure their orders for replacement or accessory equipment.

Good salesmen circularize their customers regularly with advertisements describing new product features. Owners are invited to come to the salesroom to see a demonstration of such improvements. Salesmen also deliver accessories or new models to old customers for free trial use to show them the benefits of the improvements.

A product improvement gives a salesman a valid excuse for making a cultivation call on an old customer who is usually interested in knowing how he can get greater use or profit out of his present product.

**Increasing the Number and Variety of Applications.**—A customer may be using a product exclusively for one purpose, whereas there are many other possible applications that would bring the user greater satisfaction or profit. By discovering how a customer uses a product, a salesman often can make suggestions for new and more profitable uses for it and so win the good will of the owner.



A salesman of visible record systems, for example, sold an installation to a manufacturer to control collections and to reveal whether accounts were past due and what efforts were being made to follow up delinquents. The salesman studied the customer's business and found that the system could be used also for sales control or for measuring the accomplishment of salesmen. By suggesting this additional application, the salesman doubled the utility of the product to the customer and received an order for additional equipment.

Salesmen of electric refrigerators aid customers in increasing the use of that product by distributing free recipe books describing numerous ways to use an electric refrigerator in the preparation of frozen desserts and other foods.

**Supplying Helpful Information.**—A salesman may cultivate a customer by supplying him with helpful information to aid in the general conduct of his business and in his professional or home activities. The sales representatives of a large life insurance company, selling industrial insurance to housewives, distribute to customers numerous booklets dealing with such home problems as first aid, food preparation, and clothing.

**Miscellaneous Methods of Cultivating Customers.**—Numerous miscellaneous methods of cultivating customers are used by salesmen. One electrical appliance salesman staged an essay contest among his customers; another salesman ran a competition to determine the oldest user of his product in his territory; another asked users for their suggestions for the improvement of his product or service. A life insurance salesman cultivated policyholders to get their sons to buy life insurance and succeeded in selling 19 out of a total of 42.

Some salesmen cultivate customers regularly by sending them a company magazine and writing them letters asking for names of prospects.

### HOW USERS RECIPROCATE SALESMEN'S SERVICES

Not only does a salesman who cultivates customers secure good will and repeat orders but he also receives the assistance of users in the following ways: (1) names of prospects; (2) testimonials and references; (3) recommendations to friends and neighbors; (4) assistance in demonstrating the product.

**1. Names of Prospects.**—Customers are in a very favorable position to provide a salesman with names of prospects. Customers usually discuss their purchases with friends and acquaintances who often reveal that they are also considering similar purchases. By asking customers three questions: “Do you know of anyone who might be interested in a \_\_\_\_?” or “Have you any friends, neighbors, or relatives who have shown an interest in your \_\_\_\_?” or “Who among your neighbors or business associates is not using a \_\_\_\_?” a salesman can usually secure from each owner the names of one or more possible customers. By giving his customers a description of the qualifications of a good prospect, a salesman is more successful in securing their cooperation in locating the type of person he wishes to contact.

Many companies provide their salesmen with special plans for securing the cooperation of customers in locating prospects. One manufacturer cultivates users with an “owner-booster plan”; another features a “use the user campaign.” Many of these plans compensate customers for the names of those prospects who are eventually sold by salesmen. One oil-burner company pays a customer \$5 in cash for the name of each prospect who buys the product. An electrical appliance company rewards customers with gifts for their cooperation in providing salesmen with prospects. An insulation manufacturer gives each new customer a \$100 bond which carries 20 coupons representing \$5 each. Each coupon is to be filled in by customers with the name of a prospect and turned over to a salesman for solicitation. If the salesman succeeds in selling the prospect, the customer receives \$5.

**2. Testimonials and References.**—A satisfied customer is an excellent source of reference. If a salesman is alert for profitable or satisfactory experiences of customers, such as low current consumption, absence of service expense, or unusually long life of product, he can secure much valuable sales ammunition from users in the form of testimonial letters.

A large electric refrigerator manufacturer supplies retail salesmen with an attractive book titled, “My Refrigerator Friends.” Salesmen ask their customers to write their comments about the product in the book. In it are listed also the names and addresses of the salesman’s customers with the dates of their purchases. These books provide an easy way to get comments from customers

and are useful as sources of testimonials and references in closing sales.

**PERMUTIT USERS EXPERIENCE REPORT**

What features about Permutit appeal to you and your family most? Please check below.

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| Luxurious soap lather .....        | No more ring around tub.....        |
| Delightful baths .....             | Vegetables and pastries tastier.... |
| Better shampooing.....             | Tea and coffee tastier.....         |
| Makes shaving easier .....         | Saves food otherwise wasted.....    |
| Smoother skin .....                | Better for drinking.....            |
| Better for care of baby .....      | Saves soap.....                     |
| Easier washdays.....               | Keeps pipes scale-free.....         |
| Makes clothes softer, whiter ..... | Plenty of hot water.....            |
| Makes clothes last longer.....     | Saves fuel.....                     |
| Cuts down housework time.....      | Any others? .....                   |

Owners report that Permutit water softeners save them money in many ways. How much do you think it saves you per week? (Just use check marks)

**CHECK ESTIMATED SAVINGS PER WEEK**

	25c	50c	\$1.00	\$1.50	\$2.00	\$3.00	Over \$3.00
<b>SOAPS, SHAMPOOS, CLEANERS</b> (By eliminating soap curds, soft water cuts down soap and cleanser expenses -often more than half)							
<b>FUEL</b> (Soft water ends hard-water boiler scale, allows boilers to heat faster, saves 10% fuel bills sometimes)							
<b>PLUMBING REPAIRS</b> (No more scale to choke pipes, heaters, boilers. This saves plumbing repair bills)							
<b>CLOTHES, LINENS</b> (No more soap curds to damage fabrics, no more harsh scrubbing. So washables last 25-50% longer)							
<b>COSMETICS</b> (Soft water often saves as much as 25% on creams and lotions by ending hard-water skin troubles)							
<b>BOTTLED WATER</b> (A soft water filter ends need for bottled water. So put down all you used to spend for this)							
<b>OTHER SAVINGS</b> (Faster cooking? Savings on razor blades? Anything else?)							
<b>TOTAL</b>							

Perhaps you have noticed a saving in household duties because of soft water's faster cleaning. About how many hours a week do you save? (Just check)

1 hour..... 2 hours..... 4 hours..... 6 hours .. 8 hours .. 12 hours .. any more.....

REMARKS.....  
.....  
.....

Signed..... Address.....

Salesmen of a domestic water softener follow up customers and secure reports of the experiences of owners on the above report form. These reports are excellent sales ammunition in selling prospects. This is one way consumer customers can cooperate with salesmen.

Customers may also aid by permitting photographs to be taken of their installations or equipment in use. Pictures of the homes

or plants of well-known users are excellent material for sales portfolios.

Good customers may permit a salesman to use their names as references in seeking interviews and convincing prospects of the merit of the product. An owner list of impressive length and quality is an excellent selling tool.

**3. Recommendations to Friends and Neighbors.**—A satisfied customer is an excellent advertisement for a product and for the services rendered by a salesman. Buyers enjoy discussing their possessions and boasting of their equipment to friends and neighbors. The recommendations of owners are more readily accepted by prospects than are the claims of a salesman. A satisfied user often voluntarily recommends a product and a salesman to his friends who may be in the market.

Enthusiastic owners sometimes cooperate with a salesman by distributing samples of his product or advertising to their friends and associates. The endorsement of a satisfied user when accompanied by a sample or an advertisement often makes a stronger impression on a prospect than a salesman's presentation.

Sometimes customers will cooperate with a salesman by telephoning or writing their acquaintances or associates to seek interviews for him. A friendly owner may be willing to follow up a salesman's interviews by writing letters of recommendation to prospects at the request of the salesman. Owners often are willing to give a salesman's prospects information over the telephone or by correspondence about their experiences.

Owners may aid a salesman by supplying him with reports detailing their experience with his product. Salesmen of home water softeners ask customers to fill out forms, shown on page 515, reporting their experience with the product; these reports are then used in interviewing prospects.

**4. Assistance in Demonstrating the Product.**—Customers can aid a salesman in demonstrating to prospects. Industrial users often permit salesmen to bring prospects to their plants to see in operation the equipment bought from the salesman. Homeowner customers frequently aid by demonstrating oil burners, air conditioning, and other home equipment to prospects. Salesmen representing a large cooking-utensil manufacturer arrange with housekeeper customers to serve demonstration dinners or luncheons in their homes. Friends of users are invited to the luncheons.

and are later solicited by the salesmen to buy utensils like those demonstrated there.

A salesman may obtain permission from retail merchant customers to display or demonstrate his product to shoppers in the stores. A salesman sold a retail grocer a commercial refrigerator and arranged with him to demonstrate the household type of machine in his store. During the demonstration, the salesman obtained the names of numerous prospects who were later solicited and sold.

Many salesmen canvass intensively for prospects in the same neighborhood where their product is being installed. Salesmen representing a manufacturer of rock-wool insulation send direct-mail advertising to all homeowners in the neighborhood of a house in which the product is being installed. The salesmen personally follow up the advertising, referring to the installation in the neighborhood.

Demonstrations carried on by salesmen in the homes, factories, or stores of customers bring users and prospects together and afford an opportunity for potential customers to hear directly from owners about their favorable experiences with the product.

### HOW TO CULTIVATE A USER

In cultivating users, qualified salesmen apply the principles described in the preceding pages, following a simple five-point plan at the time a sale is closed, when the delivery is made, and following the delivery. These points are incorporated in the following routine which can be applied by a salesman of any product or service in securing the cooperation of his customers.

#### *Routine for Cultivating Users*

1. Describe benefits of ownership, when sale is closed.
2. Instruct in operation or use, when delivery is made.
3. Explain service and sell maintenance, after delivery.
4. Adjust complaints, after delivery.
5. Make periodic calls to ensure continued satisfaction, after delivery.

**1. Describe Benefits of Ownership When Sale Is Closed.**—Customer cultivation begins at the time a sale is closed. A salesman then briefly reviews the advantages of his product and

visualizes for the buyer the benefits he will enjoy as an owner. After a prospect has decided to buy, he may doubt the wisdom of his decision; then a salesman can resell the customer and prevent a possible cancellation of the order. A few words of appreciation expressed by a salesman who has received an order win the good will of a new customer and pave the way for future orders.

**2. Instruct in Operation or Use When Delivery Is Made.**—A few minutes taken by a salesman to instruct a new customer in the proper operation of a product ensure that the product will be used so as to give maximum satisfaction to the new owner. Such instruction also creates a favorable impression on a new customer by showing him that the salesman is interested in giving satisfaction. If a new customer has never owned a similar product, a salesman should not fail to give this instruction.

Salesmen representing a large automobile manufacturer instruct new car buyers by presenting them with a "User's Guide," saying, "This book was prepared by the factory to help you get the greatest amount of pleasure and service out of your new car. Such subjects as driving economy, care of your car, starting in cold weather, and suggestions for night and winter driving are covered fully. This book will be of tremendous help to you and I suggest that you read it carefully."

Many helpful operating suggestions may be made to a new customer by a salesman and often pay big dividends in good will and future business.

**3. Explain Service and Sell Maintenance after Delivery.**—Salesmen who are offering mechanical products can ensure satisfaction to new customers by explaining the importance of proper maintenance and regular inspections. Features of the service policy may be emphasized and new owners advised as to the correct way to prolong the life of their purchase. By explaining service to a new customer, a salesman can establish a service habit which will not only give a customer maximum satisfaction but also produce profitable service sales by keeping the customer in frequent contact with the seller.

**4. Adjust Complaints after Delivery.**—When a new customer takes delivery of a product, he may notice small scratches, soiled spots, or needed adjustments. Although these deficiencies are often insignificant, they mar his complete satisfaction at a time

when he is particularly conscious of the product. By calling on a new user shortly after he has received delivery, a salesman can easily adjust these small complaints and ensure the customer's complete satisfaction. Retail salesmen representing a large motor-car manufacturer advise their new customers on the proper care of the finish of the car.

If a salesman quickly corrects mistakes that may have occurred in delivery, the good will of a new customer is secured. The customer experiences no delay, loss of service, or expense in calling a service man or in sending the product to a service station, if the salesman makes the adjustment.

**5. Make Periodic Calls to Ensure Continued Satisfaction after Delivery.**—By calling on one or more customers each day, a salesman can keep owners satisfied, make repeat sales, sell accessories, secure names of prospects, and enjoy the cooperation of loyal customers. The number of such contacts to be made by a salesman depends on the amount of the sale, the repeat possibilities, and the attitude of the customer. A good salesman always plans to perform a definite service for each customer on cultivation calls.

## II. CULTIVATING DISTRIBUTOR CUSTOMERS

### WHY CULTIVATE DEALERS?

The same fundamental reasons which make it important that a retail salesman cultivate users apply also to the relations of manufacturer's salesmen with wholesale and retail distributors. The prosperity of manufacturers of specialties sold through wholesale and retail outlets depends on the success of their distributors. If a retailer can make money reselling a manufacturer's product, he will continue to buy the article and the producer will profit; if he cannot make money, he cannot buy the manufacturer's goods and both the maker and distributor suffer.

Progressive manufacturers recognize their responsibility to aid their distributor and dealer customers. "The present and future success of any manufacturer in the automotive business must be directly measured and limited by the success of that manufacturer's dealer organization," says Alfred P. Sloan, Jr., president of General Motors Corporation. "We have a problem. The problem consists of improving the profit position of all dealers,

particularly those who, for some reason or other, are in an unfavorable operating position."

A modern concept of the responsibility of a manufacturer's salesman for the success of his dealers is expressed by H. A. Jost, vice-president of International Cellucotton Products Company, "We have a new sales philosophy which is summarized in a slogan, 'Sell out of the store rather than into the store'."

The high turnover of retail outlets is shown by the fact that approximately one-sixth of the 90,000 meat markets, one-fifth of the 38,000 dry goods and department stores, and one-fifth of the grocery stores in the country went out of business during the four years from 1930 to 1933. Each of these failures represented the loss of a customer for numerous manufacturers, not to mention the financial loss from bad debts.

A manufacturer of household electrical specialties estimates that a retailer customer is worth \$1,200. In one year this concern lost 400 customers out of a total of 2,000 active accounts, according to Bernard Lichtenberg.

Many retailer customers who are not lost entirely become inactive and buy only a small portion of their requirements from manufacturers whose salesmen neglect to develop retail outlets. Many sales are lost annually by manufacturers' salesmen through neglect of distributors. R. B. Franken's survey of the purchases made by retailers from a well-known manufacturer of ten nationally advertised food products, showed that 18 per cent of this producer's outlets stocked only one item, an additional 16 per cent stocked only two items, 12 per cent more stocked as many as three. Over 20 per cent of the manufacturer's accounts were inactive, or had not bought for six months, and 20 per cent of the rest were considered lapsed.

Salesmen have many opportunities to increase sales through sound customer cultivation. A large dry goods wholesaler through the efforts of its salesmen restored more than 75 per cent of the "dead" accounts from a list of 1,600. In another campaign, salesmen of distributors, aided by advertising, restored a total of 1,739 accounts and added 2,981, a total of 4,720 new customers.

By neglecting distributor customers, a manufacturer's salesman loses not only the distributor's orders but also the time and effort originally spent in selling to lost customers. In addition, a salesman loses the influence of distributors on their trade.



By assisting wholesale and retail customers, a manufacturer's salesman becomes more favorably known to dealers and distributors and ceases to be "just another salesman." He improves his standing with customers as he is looked upon as a helpful, progressive salesman. His helpfulness makes it easier for him to obtain more of a dealer's time and to increase his sales.

The cooperation of a distributor or dealer in pushing the sale of a manufacturer's line is readily secured by a salesman who aids his customers in merchandising his product. By preparing local advertisements, arranging window displays, setting up floor and counter displays, and conducting store sales, a manufacturer's salesman can get the cooperation of a retailer by showing him how to increase his sales and profits.

A salesman who gives dealers sales assistance, advertising aid, or management advice not only wins their good will but automatically secures larger and more regular orders for a greater number of items in his line. Competition is met more effectively and merchants become more successful with the products of salesmen who assist them effectively.

#### SELECTING DEALERS FOR CULTIVATION

A good salesman calls regularly on each of his customers as frequently as the volume of their purchases demands. Although every customer is entitled to his assistance, practical necessity demands that a salesman spend his time and effort with those merchants who are potentially able to distribute the largest profitable volume of his product.

Dealers and distributors are selected for special cultivation according to the following factors: (1) present volume of sales of the product; (2) potential volume of sales of the product; (3) willingness to cooperate with the salesman; (4) store location on streets that carry the greatest volume of vehicular and pedestrian traffic; (5) the type of store: chain, independent, cooperative, some types being better outlets than others; (6) the kind of store according to principal line carried; (7) the size of store; (8) the merchant in greatest need of assistance; (9) progressiveness of the merchant; (10) type of store according to service offered, as cash-and-carry, delivery, credit, etc.; (11) competitive lines carried; (12) location of competing outlets; (13) length of time sold.

By qualifying his retailer customers for cultivation on the above factors, a salesman can readily determine which of them deserve special cultivation. Then he can save time and effort by concentrating his efforts on selected outlets. In addition to giving all customers a minimum amount of assistance, certain selected outlets should be chosen for close cooperation.

Salesmen of a well-known soft drink, sold through thousands of retail outlets, are instructed in cultivating certain customers, as follows: "Your present service to all dealers should be maintained, but the dealers on busy streets can be further developed by means of added sales effort, more dealer help, advertising material, and close cooperation at all times." The salesmen of this company are also advised to concentrate on dealers who have clean, attractive stores, who make an effort to sell the product, who feature attractions to bring customers inside the store, and who are sold on the value of the product.

By carefully selecting merchant customers for development, a salesman can avoid competitive jealousies between dealers, secure maximum cooperation, obtain larger orders and more frequent repeat sales.

#### WHEN TO CULTIVATE DEALERS

Dealer development begins when a customer places his initial order or signs a franchise. When a new dealer is enthusiastic about stocking a new line, he is most receptive to a salesman's suggestions concerning newspaper announcements, store displays, and other merchandising aids to resell the product.

If a salesman finds it impracticable to begin such development when the initial order is taken, he can call on the new dealer shortly after the first shipment has arrived to see if the goods arrived in good condition and adjust any mistakes which may have been made in filling the order. The salesman can see also that the new stock is well displayed and that the merchant and his salespeople are informed and enthusiastic about the new line. An advertising program may be discussed and an introductory sale may be planned.

After a merchant-customer has been initiated in the best methods of marketing a new line, a good salesman calls at frequent intervals to make sure that the merchant maintains sales effort behind the product. When a new account has been well

established, the frequency of a salesman's cultivation calls depends on the potentialities of the customer and the thirteen factors previously named. On each customer call an able salesman plans some definite cultivation and gives the merchant helpful suggestions for increasing his sales and profits.

#### METHODS OF CULTIVATING DISTRIBUTORS AND DEALERS

Salesmen can help dealer customers in three general ways: (1) sales assistance and counsel; (2) advertising assistance and counsel; (3) management assistance and counsel. Salesmen usually concentrate their efforts to develop customers by specializing on one of these three fields of retailing or wholesaling. Inexperienced salesmen confine their assistance to selling and advertising; experienced men are competent to advise customers on their management problems as well. The average salesman, however, is most useful to retailer customers in assisting them on sales and advertising problems with which he is most familiar.

Many progressive companies require their salesmen to promote specific programs of dealer development. The dealer development plan of a large manufacturer of electric lamps is called a "four-step plan" and includes (1) making window displays; (2) making store displays; (3) educating clerks to ask customers to buy; (4) educating dealers to do outside selling. The salesmen of this company aid dealers by persuading them to adopt these four merchandising methods.

Salesmen of a large manufacturer of home heating equipment concentrate their assistance to dealers on the four following activities: (1) making personal calls on prospects for the dealers; (2) selling the dealer on direct-mail advertising; (3) selling the dealer on doing local newspaper advertising; (4) selling the dealer on installing store and window displays.

Advertising materials created by manufacturers usually are sold to dealers at cost to enable them to carry out the advertising plans recommended by a salesman.

#### DETERMINING A CUSTOMER'S NEED FOR ASSISTANCE

When a salesman is not required to promote a standard development plan for dealers, he is confronted with the problem of deciding on the type of assistance to render to each customer. A salesman must answer, in regard to every dealer, the question,

“What does this dealer need to help him make money selling my goods?” A salesman must first discover the merchandising, advertising, or management difficulties of each of his dealers. Next he ranks these problems in the order of their importance. Then he selects the most important one for each customer, or the problem on which he can offer the greatest assistance, and gives suggestions on it. The salesman concentrates on the fundamental problem and ignores the other difficulties until he is ready to deal with them.

To determine a dealer’s business problems, a salesman asks tactful questions about the merchant’s difficulties, methods, or objectives. A salesman may also discover many weaknesses in a merchant’s methods by observation, or the customer may volunteer information about his problems. For example, a salesman asks a customer, “How are collections coming in?” and discovers that the merchant may need suggestions for collecting his accounts receivable. By observing a customer’s window displays, a salesman may find that the dealer is not making the best use of his windows and needs display suggestions. When a merchant-customer remarks, “My clerks are missing a lot of sales,” an alert salesman recognizes that here is an opportunity to instruct the salespersons in better selling methods.

#### RECOMMENDATIONS AND ASSISTANCE TO CUSTOMERS

After a salesman has analyzed a customer’s needs for sales, advertising, or management assistance, he makes specific suggestions to him for solving the most important difficulties.

The recommendations proposed by a salesman may involve one or more of the following activities which may be either carried out, supervised, or planned by the salesman:

##### 1. *Sales Assistance and Counsel.*

Special sales suggestions, as combination sales, one-cent sales, premium sales, store-wide sales, etc.

Compensating salespeople.

Selection of salespeople.

Training salespeople.

Conducting consumer sales.

Consumer calls with dealer’s salesmen.

Independent selling for dealer.

Outside selling by dealer’s salespeople.

Telephone selling suggestions.

- Sales contests.
- Supervising salesmen.
- Stimulating salesmen.
- Personal conferences with salesmen.
- 2. *Advertising Assistance and Counsel.*
  - Determining advertising appropriation.
  - Planning advertising campaigns.
  - Preparation or planning of the following local advertising media:
    - Newspaper advertising.
    - Direct-mail advertising.
    - Radio advertising.
    - Store and window displays.
    - Outdoor posters and signs.
    - Novelty or premium advertising.
    - Directory advertising.
    - Car card advertising.
  - Preparation of mailing lists.
  - Publication of publicity stories.
  - Arranging for product demonstrations.
  - Handling cooperative advertising.
  - Arranging distribution of handbills.
- 3. *Management Assistance and Counsel.*
  - Figuring selling prices.
  - Store organization and personnel.
  - Buying policies.
  - Interior store arrangement and equipment.
  - Store lighting.
  - Delivery service.
  - Stock control and sizing.
  - Credits and collections.
  - Accounting methods.
  - Adjustment policies.
  - Store records and system.
  - Inventory turnover.

In advising a merchant customer on one or more of the above activities, a salesman may take advantage of the assistance of his sales promotion department. Many manufacturers cooperate with distributors through sales promotion or special dealer service departments, such as the Merchants Service Division of the National Cash Register Company, which has assisted thousands of merchants in all parts of the world with their operating problems. Publications of dealer development departments are effectively used by many salesmen to excellent advantage in cultivating dealers. The floor covering division of the Armstrong Cork Products Company has published, "The Salesmanship

RATING SHEET FOR RETAIL EMPLOYEES

NAME OF EMPLOYEE \_\_\_\_\_ POSITION \_\_\_\_\_

RATED BY \_\_\_\_\_ POSITION \_\_\_\_\_ DATE \_\_\_\_\_

1. What is the effect of his personality upon people? Does he handle customers well?	<input type="radio"/> Generally well liked.	<input type="radio"/> Makes favorable impression	<input type="radio"/> Liked by intimate friends only.	<input type="radio"/> Unfavorable impression.	<input type="radio"/> Generally disliked.
2. How industrious is he? Does he stay on the job? Is he easily interrupted or does he have power of concentration?	<input type="radio"/> Very industrious, conscientious.	<input type="radio"/> Steady worker, good concentration.	<input type="radio"/> About normal.	<input type="radio"/> Requires constant supervision.	<input type="radio"/> Too much loafing.
3. Does he know his line, its selling points, and have sufficient trade knowledge?	<input type="radio"/> Exceptional knowledge well applied.	<input type="radio"/> Good training and experience	<input type="radio"/> Fair knowledge.	<input type="radio"/> Requires constant coaching.	<input type="radio"/> Knowledge inadequate.
4. Does he learn new duties quickly and retain this knowledge?	<input type="radio"/> Requires little teaching, quick to grasp new ideas.	<input type="radio"/> Retains instructions fairly well.	<input type="radio"/> Average coaching required.	<input type="radio"/> Requires great deal of instructions.	<input type="radio"/> Slow to learn, poor memory.
5. Does he think intelligently and make logical decisions?	<input type="radio"/> Thinks quickly and logically.	<input type="radio"/> Judgment usually sound.	<input type="radio"/> Makes a few errors in judgment.	<input type="radio"/> Inclined to be illogical.	<input type="radio"/> Generally mistaken.
6. Does he have initiative and creativeness?	<input type="radio"/> Offers many good ideas	<input type="radio"/> Above average	<input type="radio"/> Shows initiative occasionally.	<input type="radio"/> Waits to be told.	<input type="radio"/> Needs to be pushed.
7. Does he cooperate with others?	<input type="radio"/> Goes out of way to cooperate.	<input type="radio"/> Gets along well with associates.	<input type="radio"/> Acceptable.	<input type="radio"/> Reluctant to cooperate.	<input type="radio"/> Stubborn.
8. Is he in good health?	<input type="radio"/> Has lots of energy.	<input type="radio"/> No noticeable handicap.	<input type="radio"/> Normal health.	<input type="radio"/> Lacks vigor.	<input type="radio"/> Poor health handicaps work.
9. Does he take full advantage of selling opportunities?	<input type="radio"/> Successful in making extra sales.	<input type="radio"/> Usually alert to opportunities.	<input type="radio"/> Occasionally suggests other items.	<input type="radio"/> Needs constant reminders.	<input type="radio"/> Waits for customers to ask.
10. Is he willing to accept responsibility?	<input type="radio"/> Seeks it.	<input type="radio"/> Usually anxious to try.	<input type="radio"/> Willing to accept it.	<input type="radio"/> Accepts it reluctantly.	<input type="radio"/> Refuses responsibility.
11. Does he enjoy his work?	<input type="radio"/> Very happy in his job.	<input type="radio"/> Likes most of his duties.	<input type="radio"/> Satisfied.	<input type="radio"/> Would prefer other work.	<input type="radio"/> Dissatisfied.

Salesmen representing the International Shoe Company aid retail shoe merchants to improve the efficiency of their sales personnel by providing merchants with this form to rate their sales employees. After rating a salesperson, a merchant then holds conferences with the employee to discuss ways of improving his personal efficiency.

Guidebook," a 126-page manual for retail salesmen. The Waters-Genter Company has prepared six manuals for training retail salespersons of electrical appliances. Many other progressive companies have published similar excellent dealer development materials which can be used by salesmen in cultivating dealers.

Salesman also can secure valuable material for developing dealers from worth-while publications treating of retail problems and methods. The U. S. Department of Commerce has published numerous booklets relating to retailing, including "Retail Store Problems," "Measuring a Retail Market," and "Retail Store Planning." The National Cash Register Company publishes "Better Retailing, A Handbook for Merchants," filled with proved solutions to merchandising problems. These booklets may be distributed by salesmen to their customers.

Business magazines, serving every industry, are packed with practical plans for aiding merchants. Some salesmen read and clip worth-while articles from trade magazines and send them to selected customers for their information.

#### HOW TO CULTIVATE A DEALER CUSTOMER

In developing dealers, successful salesmen put into practice the principles previously described by following a simple plan of cultivation which can be applied by a salesman of any product sold through wholesale and retail distributors. This plan of dealer development includes four simple steps which have been incorporated into a four-point routine which may be memorized and practiced by salesmen in aiding their merchant customers to increase their sales and profits.

##### *Routine for Cultivating Dealer Customers*

1. Select accounts for development.
2. Analyze the difficulties of selected customers.
3. Present a plan for solving a major difficulty.
4. Aid the customer in carrying out the plan.

**1. Select Accounts for Development.**—By selecting those customers having sales, advertising, or management problems who are most likely to be receptive to assistance, and who offer the best possibilities for sales volume, a salesman can concentrate his development efforts where they will be most effective. Since

volume and profit do not permit a salesman to spend the same amount of time on all his customers, he must choose for development those dealers whose business is desirable.

Some companies classify their dealer customers, according to credit standing, progressiveness, volume possibilities, and other factors, into A, B, and C groups. A salesman whose customers are identified in this way has no difficulty in determining which of them justify special development efforts. If a salesman must use his own judgment in selecting customers for cultivation, he can rate the outlets for his product according to some of the 13 factors described on page 521 and check his ratings with his supervisor or manager.

In selecting certain dealers for development, a salesman avoids antagonizing competing customers by giving equal assistance to dealers serving the same area.

**2. Analyze the Difficulties of Selected Customers.**—Although some independent and self-sufficient customers may resent a salesman's efforts to help them, most merchants are flattered by his interest in their business and his willingness to assist them in making more money. Accordingly, an alert salesman has little difficulty in discovering the problems of his customers by asking tactful questions, listening to their complaints, and observing their methods. A qualified salesman who has the respect of his customers is usually taken into their confidence on many business matters and has an opportunity to become familiar with their difficulties.

In interesting himself in the problems of his customers, a salesman at the same time discovers many practical solutions for important difficulties and can apply them to similar problems of other customers.

By concentrating his attention on the fundamental problems of each customer and on those with which he is most familiar, a salesman can render the most effective service to his customers. If he has little knowledge of management methods, he will be more successful in confining his efforts to studying and attempting to solve the advertising or selling problems of his dealers.

A salesman may call in expert assistance to aid him in analyzing and solving the difficulties of a merchant customer. A large automobile manufacturer operates a business management department as one section of its sales organization, which collects



and analyzes, monthly, the financial statements of its retail dealers. This information reveals a dealer's difficulties and gives the company's salesmen an opportunity to aid in solving them. A manufacturer of floor coverings operates a department of retail management and merchandising to aid its salesmen in analyzing and overcoming the difficulties of its customers.

The profit and volume which a merchant can obtain on a salesman's product determine the amount and type of assistance that a salesman can render a dealer. A chewing-gum salesman, for example, cannot be concerned with his customers' problems of store lighting or accounting; he may, however, logically aid his customers in improving their counter or window displays.

Outstanding salesmen who are successful in cultivating dealer customers prepare a list of the principal difficulties of each selected customer and then attempt to aid each customer in solving his fundamental problems. Smart salesmen do not attempt to scatter their efforts over too many problems.

**3. Present a Plan for Solving a Major Difficulty.**—After a salesman has selected a customer's fundamental problem, he next suggests a practical solution to the difficulty. The solution suggested may call for a simple counter display or it may involve a plan for the complete reorganization of a customer's finances and management methods.

In presenting sales and advertising suggestions to a customer, a good salesman dramatizes his recommendations so that the dealer will be interested in the proposal and understand clearly the points brought out in the plan. Proofs of advertisements, actual examples of counter and window displays, photographs of displays in the stores of other customers, copies of direct-mail pieces and handbills, charts and diagrams, training booklets, motion pictures, and slide films may be used to dramatize the recommendations of a salesman.

The presentation of merchandising ideas is arranged at a time and place when the merchant can give his full attention to the proposal, which may be submitted in writing. Salesmen of a large oil company use an automobile trailer for merchandising conferences with dealers so that customers may not be interrupted by the details of their business.

After securing the acceptance of a customer to his proposal, a salesman secures a signed order from the dealer for the advertis-

ing materials, signs, direct-mail pieces, manuals, or other materials necessary to put the plan into operation.

**4. Aid the Customer in Carrying Out the Plan.**—When a distributor has accepted the suggestions of a salesman and has committed himself to an advertising program, store sale, or other merchandising effort, the salesman follows up his recommendations on subsequent calls to ensure that the plan is carried out as agreed upon. A merchant may lack the ability to execute a development plan or become so engrossed in other details of his business that the proposals of the salesman are forgotten. Accordingly, a salesman may have to install a window display, take copy for a handbill to a printer, or erect an outdoor sign to ensure that an advertising program which has been planned is put into operation. In persuading a merchant to initiate a direct-mail advertising program, it is often necessary for a salesman to see that a good mailing list of the customer's prospects is prepared so that the folders, letters, or mailing cards can be sent. Tons of expensive dealer aids are gathering dust in merchants' storerooms because salesmen fail to see that these promotion materials are put to use to increase sales and profits.

### Problem I

#### CULTIVATING DEALER CUSTOMERS

Thomas C. McAdams, representing Eastern Electric  
Manufacturing Company

The Eastern Electric Manufacturing Company, Syracuse, N.Y., manufactures and distributes a complete line of electrical appliances and specialties, including irons, washing machines, oil burners, refrigerators, and electric lamps. One division of the company specializes in the production and sale of electric lamps through wholesale and retail drug, hardware, department, grocery, and electrical merchants who are contacted by a specialty sales organization of 40 men. These salesmen operate out of company branch offices located in the principal cities of the country.

The Eastern Company invests \$400,000 annually in national advertising and window and store display materials which are distributed by its salesmen to retail merchants carrying the Eastern line. Salesmen are instructed to aid dealers by persuading them to use the store advertising produced by the company.

Thomas C. McAdams represents the lamp division of the company in New York City and calls principally on department stores and large retail buyers. He has been connected with the company five years and previously was associated with a competing lamp manufacturer.

In the following interview salesman McAdams is calling on the buyer of a chain of 30 specialty grocery stores, the Gem Stores, which have sold a good volume of the Eastern line of electric lamps for four years. The salesman calls regularly on the buyer every 30 days.

1. SALESMAN: Hello, Tom. Have you played golf lately?
2. BUYER: I played last night—nine holes; that's enough for a while.
3. SALESMAN: Yeah.
4. BUYER: Well, what have you got on your mind?
5. SALESMAN: Can I sell you any electric lamps? Here are two good store displays for the lamps. (Shows two displays.) Now, some of the other displays might be used instead of these two. I'd like to show you the others. Now that display (pointing to display) certainly could be used in some of your stores.
6. BUYER: These are your latest displays, is that it?
7. SALESMAN: Yes. We could loan 'em or give them, no charge. They are distributed the same as the lamps which are on a consignment so that protects you in the event of any question of return if they don't sell. A new price was fixed on April 1st. The discount for all sizes was — per cent on that date.
8. BUYER: You mean, we can return any unsold lamps without question?
9. SALESMAN: Well, that's what I mean. Anything like that could be worked out, but you would still be protected.  
This one here (pointing to display) I think is particularly attractive. The markets in Blanktown, Brownville, Sackstown use that. The Jonesboro Market uses it with great success. You can move it around to various parts of the store. It holds all the different types.
10. BUYER: Will the lamps light up?
11. SALESMAN: Yes, sir. You light those up there. You can light it on Saturdays and certain times in the fall you would want the light in your stores. I don't hesitate in recommending these displays to you and if you decide to make a change, we will be perfectly willing to do all the work as far as packing up the lamps, installing the displays, and the discounts will be exactly the same as you have at the present time.

12. **BUYER:** They may have a tendency to wake us up a little. It's something the customer can get a hold of and see what we've got on display.
13. **SALESMAN:** You use displays like these, don't you?
14. **BUYER:** We do from time to time, although our stores aren't display places like public markets and a lot of others. They have got lots of room and our space is very little. We don't have time to look for a loophole; there are lots of times when we don't have the space.
15. **SALESMAN:** It's a good profitable item; you'll find that just by pushing it one day, you'll find that you will make some money on those. It'll be worth while to start. Please sometime take just a Saturday and question each customer on the 'phone. Here is the order blank with the consignment feature, I told you about.
16. **BUYER (signing order):** There's not much difference on these lamps anyway.
17. **SALESMAN:** We believe everything is the same, but we feel that our merchandising devices are a little superior. Will you give this advertising to Miss Blue (supervisor of telephone sales)? I'll be out to see you again sometime. Thanks very much. I hope the lamps work out to your satisfaction.
18. **BUYER:** I'm sure they will. Goodby.

### Questions

1. In what way did the salesman cultivate the dealer in this interview? Was his method of development satisfactory? Criticize it favorably or otherwise.
2. Was the salesman wise in cultivating the Gem stores? Why?
3. Did the salesman time his cultivation correctly? Explain.
4. What other methods of dealer development might the salesman have used in this case?
5. Did the salesman analyze the dealer's need for assistance? How should the salesman have discovered the needs of the buyer?
6. In what ways can the dealer reciprocate the salesman's assistance?

### Problem II

#### CULTIVATING DEALER CUSTOMERS

Lawrence D. Davis, representing the Oxford Oil Company

The Oxford Oil Company, Hartford, Conn., distributes at wholesale a complete line of gasoline, lubricating oil, grease, fuel oil, and household lubricants, produced by a large refining organization, through 400 retail service stations individually owned and operated in Connecticut and Massachusetts.

The company supplies dealers with the advertising aids and merchandising suggestions prepared by the large refiner whose products it sells. The refiner is a large national advertiser. Two wholesale salesmen of the Oxford Company spend much of their time distributing advertising and doing missionary work with dealers. Another salesman sells fuel oil to industrial concerns and institutions.

Lawrence D. Davis has been associated with the company for the past five years in selling and serving the retail service station trade. The following excerpts from daily reports made by salesman Davis illustrate his development work with dealers:

**MONDAY:**

- Call 1. Stopped at station 22, R. Jones. Station is dirty, but both attendants starting to paint. I took out both oil racks and placed them in pump island and filled them with clean oil cans. I told both attendants to keep clean, shiny cans on racks and change them if they began to rust. Gave them an advertising banner to put up.
- Call 2. I arrived at station 40 and talked with Barnes, the dealer, about the place being cleaned and painted as he now has the paint. Very dirty and he has not gotten posts for his signs. Claims he has not had time yet.
- Call 3. Found both men at station 11 on duty cleaning up grease pit. Station looked clean, but needs some black paint to trim pumps. Suggested that some of the goods in showcase should be changed for fresh clean products. Both agreed that it would be taken care of. Went over the prospect list from their grease and lubrication cards and found they had gotten in seven prospects in two weeks. This is not good and both men agreed, but haven't enough ambition to get out and get more work. This station is not producing anywhere near what it should with either grease or gasoline.
- Call 4. Reached station 14 but Lane, the dealer, was not there and will be gone for a week. Station was clean and had first coat all over for "spring clean-up." The rest will be finished when he gets back.
- Call 5. Arrived at Baker's about 2:15. Spent until 3:20 going through his lubrication customers follow-up files and wrote down all names of customers whose cars had not been lubricated in 1939. This list was not large, so I pointed out the necessity of enlarging this file or his lubrication business would not increase. He is situated at a good location on main road but the neighborhood around him is only partly built up. He suggested getting a license book and checking numbers

of cars that pass regularly so that he might contact them for business. I thought this was a good idea.

**TUESDAY:**

- Call 1. Stopped at J. Jones' station and gave attendant copies of sales routine copied from *National Petroleum News*. Told him to give copies to Jones and other attendant. Noted can of oil I placed on station pump island was still there and in good shape.
- Call 2. Went on to Martin's. Spent the next half hour going over the station. Dirty, too many signs, needs paint. Is a hard station to keep clean due to dirt driveway. Stressed the necessity of cleaning up, rearranging signs, and keeping clean goods on display. Asked Martin how his lubrication file was and found he had just started one. Stressed need of this system with follow-up mail cards when customers were due. As his file was home, told him to bring it in and I would go over it and start it properly for him.
- Call 3. Arrived at R. Logan's station. Station clean and doing well. Logan expects to do 75 grease jobs this month which will be pretty good. Went over his bonus plan for his men and it sounds pretty good. Logan has three men working for him and this should be an added incentive to step up sales. He sets aside 10 per cent of price for doing a lubrication job, transmission flush, and oil change; 5 per cent of price for doing any one of three things separately or two together. This money goes in a pot and is divided equally among the three men. The man selling the highest dollar value of the three gets an extra \$10. Logan is going to try this out for the next month and I expect it to show results.
- Call 4. Drove to station 80. Went through lubrication files and wrote down all names not lubricated in 1939. Told attendant to contact these people either personally or with a card.
- Call 5. Reached Barton's station and found it fairly clean, but old and needs repairs badly. Barton has only been here four months but has been increasing business nicely each month. Has two good men working for him. If station could be remodeled I think he could do very well.
- Call 6. Drove to Toni's station. Toni is painted up, looks good, and is one of our best stations.

**WEDNESDAY:**

- Call 1. Drove to Harry Anthony's station 29. Harry was not there but both of his men were painting. He has gotten in trouble with one of his neighbors on account of the signs I had him put up beside the fence, as they were too high. The neighbor's wife put her head

out of the window, so I suggested if we lowered them would it be O.K. She consented so I hope this will straighten things out.

Call 2. Went to see Bill Williams. He was painting his pumps and when I asked him if he had made a sign, "6 gals. for 90¢," as had been suggested several days before, he said that he had not gotten it painted yet. He still did not want to reduce his price in line with his competitors even though he was losing business.

Call 3. Visited Watkins's station. Watkins was in and I went over station which was practically all painted and looked very good. Went over lubrication files and found he had gotten in 10 of his prospect lubrication customers which he had not yet lubricated in 1939. This is the best result on lubrication prospect customers anyone has had so far. Watkins does a good job anyway. Talked to him about the bonus system he uses for his four men to step up sales of accessories and I believe it is necessary to use such a system in all stations. Most accessories have from 15 to 30 per cent profit and if 5 or 10 per cent is given to the men in the station, it certainly steps up sales which otherwise I believe could not be gotten. It also shows the dealer which of his men are doing a good job from the amount of bonus paid. However, bonuses should not be so high that the operator does not get his share.

#### THURSDAY:

Spent morning checking up on each station's sales, and collecting additional data to distribute to dealers. I am collecting this data from the *National Petroleum News* and other publications and distributing to each operator such data as is helpful in sales or keeping their stations clean and painted.

I am preparing a bulletin to be mimeographed by the office, entitled "Routine Worth Doing in the Proper Operation of a Service Station." I have another bulletin in mind on "Points to Check for Cleanliness," which I will go over with each operator as soon as his station is painted. I believe that this type of thing will help to make our stations better operated and cleaner.

#### FRIDAY:

Call 1. Went to Watkins's with paint and inserts for the new signs.

Spent about 30 minutes putting decals on signs, which are transfers done with water.

Call 2. Arrived at Long's station. Stayed 10 minutes delivering some "Clean Rest Rooms" and "Credit Cards Honored Here" pole signs and checking how much he had done on painting.

Call 3. Arrived Wilmer Williams's station. Wilmer was not in so went to his house to collect \$3.50 for printed cards he had ordered.

Talked to Wilmer but had to go back to the station to collect the money.

Call 4. Drove to several stations to deliver printed sales matter and collect money for same.

### Questions

1. List the various ways the salesman cultivated his dealers as revealed by his reports. Were his methods of cultivation satisfactory? Criticize them favorably or otherwise.

2. What other methods of dealer development might the salesman have used?

3. Did the salesman select the proper dealers for development? How should dealers be selected, in this case?

4. Did the salesman analyze each dealer's needs for assistance? How could the salesman have discovered the needs of each dealer?

5. In what ways can these dealers reciprocate the salesman's aid?

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