

Chapter 12 Selling Overview

Section 12.1 The Sales Function



Real-World Application Technology and Sales

Directions Use the situations described below to think of ways technology may help companies improve sales and better connect with their customers. Study each situation and answer the questions that follow.

1. Research indicates that if you include contests, sweepstakes, or some other form of interactive plan within a social media Web site, results improve. One of the reasons for the success is that members of the social media site can invite other social network friends to participate. A new restaurant has opened in town and the owner has asked for your help in creating a Facebook page. Describe an interactive campaign that will generate a “buzz” within the social media network and drive customers to the new restaurant.

2. A fashion apparel retailer wants to use a customer e-mail list to solidify its relationship with its customers. Suggest a plan to use the e-mail list to generate sales and keep customers loyal.

3. A manufacturer wants its sales staff to be able to access the computer’s records while on the road and visiting customers. What is your recommendation?

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Study Skills Enhance Your Learning

Directions Read the tips for enhancing your learning and think about how you can use them to improve your knowledge of the subject matter. Write a sentence or two to answer each of the questions about the main ideas in Chapter 12.

| Enhance Your Learning |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Conduct Internet research on topics of interest you are learning about in class.• Talk to people who work in the area you are studying and ask them relevant questions.• Read business publications to keep abreast of trends in marketing and technology. |

- Conduct Internet research on topics of interest you are learning about in class.
- Talk to people who work in the area you are studying and ask them relevant questions.
- Read business publications to keep abreast of trends in marketing and technology.

1. Why is selling an important marketing function?

2. How is the marketing concept related to the purpose of selling?

3. What technology and marketing programs help customer relationship management?

4. How would you describe the role of a sales manager?

5. Why do salespeople have to be ethical?

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Section 12.2 Sales Careers



Real-World Application Which Selling Career Is For You?

Directions Study each type of sales position noted below. Write a sentence about your qualifications and interest in the position. Write another sentence or two to evaluate the sales position as a potential career option. Note what you what you would change in the job description to make it better fit your interests and future lifestyle.

1. Retail sales position. The retailer is looking for individuals who are friendly and service-oriented. No experience is necessary—will train. Part-time and full-time employees needed; must be able to work weekends and evenings. Wages are based on level of experience. The retail offers advancement into management positions for interested and qualified employees.

Qualifications & Interest: _____

Career Evaluation: _____

2. Inside sales position. A lighting and fixtures wholesaler is looking for an experienced salesperson; and is offering salary of \$60,000 plus commission and bonuses. Customers are electricians, building contractors, and retailers; who require individual attention.

Qualifications & Interest: _____

Career Evaluation: _____

3. Outside sales position. A manufacturer of pharmaceuticals is looking for candidates with a minimum of a Bachelor's Degree and two or more years of direct selling experience in the healthcare industry. Excellent written and oral communication skills are required. Must be able to travel, which may include overnight and weekend travel. Salary, commission, and bonuses as well as a car allowance and expense account are part of the employment package.

Qualifications & Interest: _____

Career Evaluation: _____

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Section 12.2 Sales Careers



Study Skills Preparing for Class

Directions Read the tips for preparing for class. Write a sentence or two to answer each of the questions about the main ideas in Chapter 12.

| Preparing for Class |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Come to class with your homework completed. • Skim any material you have read to prepare for class. • Review your notes from the previous lecture. • Always have your notebook and pen or pencil ready for note taking. |

1. What is the key factor that sets personal selling apart from other form of promotion?

2. How are retail customers pre-sold and how does that affect the salesperson's job?

3. How do inside and outside sales positions differ in organizational selling situations?

4. What does the Do Not Call Registry legislation prohibit?

5. What are the seven steps of a sale?

6. What factors determine whether a customer will use extensive, limited, or routine decision making when making a purchase?

7. What are three characteristics of effective salespeople?

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◇ DECA Connection Role Play

Situation: Your school store wants to increase sales by ten percent when compared to last year's sales. You have been asked to come up with a realistic plan to help achieve that goal. The first step is to get customers to visit the school store. So, your plan may involve social media, e-mail, mobile devices, and possibly a partnership with some of the vendors. Since students without previous work experience will be working in the school store you need to prepare a simple, one-page written agreement that includes basic responsibilities and stresses the importance of being honest and ethical employees. Also include the marketing concept and customer decision making so these novice salespeople know how to provide the level of customer service required. For example, some customers will know exactly what they want and others will require more assistance. To ensure your plan's success, it needs to include the role of the school store manager who must do the training, scheduling, motivating, and overseeing of the sales staff.

Activity: You are to prepare your ideas for the school store. Once you have completed your plan you are to present it to the school store manager (judge).

Evaluation: You will be evaluated on how well you meet the following performance indicators:

1. Explain the nature and scope of the selling function.
2. Explain business ethics in selling.
3. Describe the use of technology in the selling function.
4. Explain the nature of sales management.
5. Prepare simple written reports.

Scoring: Assume each performance indicator is worth 20 points ($20 \times 5 = 100$ points). Use the evaluation levels listed below for judging consistency.

Excellent (16–20) Participant demonstrated the performance indicator in a professional manner; exceeds business standards.

Good (10–15) Participant demonstrated the performance indicator in an acceptable manner; meets minimal business standards; there is no need for additional formalized training at this time.

Fair (4–9) Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training is required to improve.

Poor (0–3) Participant demonstrated the performance standard with little or no effectiveness; a great deal of formal training is needed.

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Academic Integration: Mathematics Using and Analyzing a Spreadsheet

Directions Follow these steps to complete the spreadsheet and analyze the sales performance and compensation for the sales staff.

- Open your spreadsheet software program on your computer.
- Create a spreadsheet like the one below using your spreadsheet application.
- Write formulas to calculate the salespeople's bonuses, commission, and total salary. Then copy the formulas to the remaining rows. Bonuses are only offered for sales that exceed ten vehicles sold in the quarter ($\# \text{ vehicles sold} - 10$). The commission rate is five (5) percent on dollar sales ($\text{dollar sales} \times .05$). Total Income is the sum of bonuses and commission.
- Provide totals for each column and note the spreadsheet function or formula used.
- Save your work. Print a copy of your work if you have been instructed to do so.

Analyzing Sales and Sales Staff The sales manager for a car dealership is responsible for projecting sales for the next quarter of the year and coming up with a plan to motivate the sales staff. The spreadsheet below lists the salespeople and the respective sales in dollars and units for the first quarter of the year. Salespeople are paid a five percent (5%) commission on sales. They can also earn a \$100 bonus for each vehicle sold over their unit (vehicle) sales goal of ten (10) vehicles for the quarter.

| Salesperson | Unit Sales Goal | Units Sold | Bonus (\$100 per unit sold over goal) | Sales in Dollars (\$) | 5% Commission on sales | Total Income |
|---------------|-----------------|------------|---------------------------------------|-----------------------|------------------------|--------------|
| Adams, G. | 10 | 11 | | 315,200 | | |
| Barnes, A. | 10 | 13 | | 570,000 | | |
| Clark, H. | 10 | 12 | | 504,000 | | |
| Gomez, L. | 10 | 18 | | 738,000 | | |
| Heller, D | 10 | 16 | | 632,000 | | |
| Horn, J. | 10 | 10 | | 420,000 | | |
| Kapsaskis, C. | 10 | 15 | | 651,000 | | |
| Kelly, S. | 10 | 10 | | 495,000 | | |
| Levy, B. | 10 | 17 | | 535,500 | | |
| Milici, F. | 10 | 14 | | 544,600 | | |
| Yamba, Z. | 10 | 19 | | 700,520 | | |
| Yang, M. | 10 | 10 | | 397,000 | | |
| TOTALS | 120 | 165 | | | | |

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Academic Integration: Mathematics Using and Analyzing a Spreadsheet *(continued)*

Directions Refer to the completed spreadsheet on the previous page to answer the questions below.

1. Which salesperson had the highest total income?

2. Which salesperson was paid the most in bonuses?

3. Was the salesperson who earned the highest total income the same as the one who earned the most in bonuses? Explain.

4. What was the average price of the vehicles sold that quarter? What was the average dollar sales figure per salesperson?

5. What percent of total sales were bonuses?

6. After analyzing all the data for this quarter, what change would you suggest for next quarter's sales goals and bonuses to motivate the sales staff to increase sales in the next quarter? What other ideas might you recommend the sales manager consider?

Chapter 12 Selling Overview



Chapter Vocabulary Unscramble and Fill-in-the-Blank

Directions Unscramble the letters and write the vocabulary term on the lines provided. Then write the correct terms again on the blank lines in the sentences to complete the definitions.

| | |
|-----------------------|-------|
| alses atoqu | _____ |
| ocdl lcal | _____ |
| agelttnmrkeie | _____ |
| ildsfyio | _____ |
| allc otrrpe | _____ |
| ctriaeef | _____ |
| orplsed | _____ |
| nionraagoatiz nelilsg | _____ |
| pisteueisrq | _____ |
| asrpnelo llegnsi | _____ |

1. Companies can _____ their relationships with customers by following up after sales.
2. Gabriella was ready to telecommute after she was able to _____ her computer with the office system.
3. Raoul was unable to meet his _____ because of the downturn in the economy.
4. Many employees feel that _____ is the best way to boost company profits.
5. Insurance companies make appointments with company managers at their headquarters, using _____ to get customers.
6. Office supply businesses often rely on _____ to sell their products by long distance.
7. Often sales representatives are required to make a _____ to a potential customer when they are unable to get an appointment.
8. Freda considered the expense account and company car excellent _____ of her job as a pharmaceutical salesperson.
9. A good salesperson makes certain that his or her _____ is complete with all the information of the visit with a potential client.
10. Conner was _____ on the big-screen television set before he even got into the store because of the manufacturer's attractive ads on the Internet.

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Test-Taking

Directions Study the Test-Prep Tips and think about how you can use them to improve your test scores. Take the practice test. Circle the letters of ALL choices that accurately complete each of the following sentences.

Test-Prep Tips

- Multiple-choice questions may present you with answers that seem partially true. The correct answer(s) is the one that is completely true.
- Read all answers carefully. Some may seem identical, but a different word can make all the difference between right and wrong.

1. Customer relationship marketing involves
 - a. finding customers
 - b. recruiting qualified sales personnel
 - c. keeping customers satisfied
 - d. routine decision-making
2. The purpose and goal of selling is to
 - a. help customer make satisfying buying decisions
 - b. create an ongoing relationship with customers
 - c. generate sales for the company
 - d. help the company make a profit
3. A sales order or purchase order
 - a. is not a legal agreement so it is not enforceable
 - b. is the same as an invoice
 - c. is a legal agreement between a buyer and seller
 - d. is the same as a warranty and guarantee
4. After greeting the customer face-to-face, the next step in the sales process is to
 - a. close the sale
 - b. determine the customer's needs
 - c. overcome the customer's objections
 - d. perform suggestion selling
5. Car allowances and expense accounts are considered
 - a. perks of a job.
 - b. only for salespeople in a company
 - c. reasonable benefits for all sales positions
 - d. perquisites of a job.