



Learner Guide

LP5: Contact Centre Customers and Sales Techniques

SAQA ID 10326: Identify customers of Contact Centres; NQF Level 4, 4 Credits

SAQA ID 10323: Implement Contact Centre specific sales techniques to generate sales through a
Contact Centre; NQF Level 4, 12 Credits

SAQA ID 10324: Describe features, advantages and benefits of a range of products or services; NQF
Level 4, 6 Credits

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Programme Overview

Welcome to this learning programme that will lead you to greater understanding of:

- identifying customers of Contact Centres
- implementing Contact Centre specific sales techniques to generate sales through a Contact Centre
- describing features, advantages and benefits of a range of products or services

As you work your way through the learning programme you will gain competence against the following Unit Standard:

Programme	LP5: Contact Centre Customers and Sales Techniques
Unit Standards	SAQA ID 10326: Identify customers of Contact Centres; NQF Level 4, 4 Credits SAQA ID 10323: Implement Contact Centre specific sales techniques to generate sales through a Contact Centre; NQF Level 4, 12 Credits SAQA ID 10324: Describe features, advantages and benefits of a range of products or services; NQF Level 4, 6 Credits

This learning programme is **intended for** all persons who need to:

- Identify customers of Contact Centres. This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry
- Implement Contact Centre specific sales techniques to generate sales through a Contact Centre. This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry
- Describe features, advantages and benefits of a range of products or services. This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry

Programme entry level requirements

It is assumed that people learning towards this Unit Standard are already competent in:

- unit standards in Contact Centres at NQF Level 2 or equivalent
- language, numeracy, literacy and communication at NQF Level 4 or equivalent

Programme Outcomes

This learning programme is outcomes-based which means we take the responsibility of learning away from the facilitator and place it in your hands.

Learning will begin in the workshop where you will identify the skills and knowledge you require in order to meet the specific outcomes and assessment criteria contained in the unit standard.

In this learning programme, we will be covering the following **learning outcomes**:

Module 1: Identify prospective customers and establish their needs	Module 2: Identify sales opportunities, client types and needs
<ul style="list-style-type: none"> • Develop sales contacts and networks in terms of providing information for the identification of prospective customers • Identify customers in terms of established methods • Establish a consultation method to identify customers • Establish opportunities for assessment and qualification processes 	<ul style="list-style-type: none"> • Identify sales opportunities • Accurately identify client needs within an industry specific context

Module 3: Cross-sell products in a Contact Centre	Module 4: Close sales in order to meet targets	Module 5: Establish and build the customer base
<ul style="list-style-type: none"> • Generate multi sales as per industry specific requirements • Adhere to company specific procedures and industry regulations • Accurately provide all product related information • Determine and communicate product features, advantages and benefits • Describe physical specifications of features, advantages and benefits 	<ul style="list-style-type: none"> • Meet the client's needs • Confirm and authorise the sale according to company specific procedures and legislative requirements • Ensure that the number of sales closed complies with company specific targets 	<ul style="list-style-type: none"> • Identify prospecting methods to establish and build customer base • Establish information needs in accordance with present and prospective customer base • Establish processes for recording and assessing customer information • Establish the customer database and maintain it to integrate customer and sales information

During the workshop you will complete a number of class activities that will form part of your formative assessment. In this you have the opportunity to practice and explore your new skills in a safe environment. You should take the opportunity to gather as much information as you can to use during your workplace learning and self-study.

The workshop will be followed by summative assessment tasks to be completed through self-study in your workplace. In some cases you may be required to do research and complete the tasks in your own time.

Assessment

It is important to note that the onus is on you, as the learner, to prove your competence. You therefore need to plan your time and ensure that your Portfolio of Evidence is kept up to date and handed in timeously.

A Portfolio of Evidence is a collection of documents of work you have produced to prove your competence. You will compile your portfolio from activities, tools and checklists associated with the unit standard and relevant to the unit standard being assessed.

You will be given the following documents to assist you in creating a portfolio of evidence:

- **Learner Guide:** The Learner Guide is designed to serve as a guide for the duration of your learning programme and as the main source document for transfer of learning. It contains information (knowledge and skills required) and application aids that will assist you in developing the knowledge and skills stipulated in the specific outcomes and assessment criteria. The learner guide also indicates the formative assessment class activities that you need to complete towards your Portfolio of Evidence.
- **Learner Workbook:** The learner Workbook contains all the class activities that you will be completing to show formative learning. These will be assessed as part of your portfolio of evidence as formative assessment. You will be handing in the Learner Workbook as part of your Portfolio of Evidence.
- **Learner Portfolio of Evidence Guide:** The Learner Portfolio of Evidence Guide provides details about the assessment, such as the assessment preparation, plan and specific summative assessment activities that you need to complete in the workplace.

Both formative and summative assessment is used as part of this outcomes-based learning programme:

- **Formative Assessment:** In order to gain credits for this Unit Standard you will need to prove to an assessor that you are competent. The Class Activities throughout your Learner Workbook are designed not only to help you learn new skills, but also to prove that you have mastered competence. You will be required to develop a Portfolio of Evidence to hand in to an assessor so that you can be assessed against the outcomes of this Unit Standard. Where you encounter a Class Activity icon, you must complete the formative assessment activity in the Learner Workbook. Comprehensive guidelines for the development of your Portfolio of Evidence may be found in the Learner Portfolio of Evidence Guide for the particular learning programme that you are working with.
- **Summative Assessment:** The NQF's objective is to create independent and self-sufficient learners. This means that you will also be required to do independent research and assignments, such as Knowledge Questions, Practical Activity (completed in the workplace), Witness Testimony and Logbook.

The assessment process is discussed in detail in the Learner Portfolio of Evidence Guide. When you are ready, you will advise your mentor that you are ready for assessment. He or she will then sign off the required sections in the Learner Portfolio of Evidence Guide and you will be able to submit your Portfolio of Evidence for assessment. The summative assessment activities placed in the Learner Portfolio of Evidence Guide for your convenience. If any of your assessment is conducted using observation, role plays or verbal

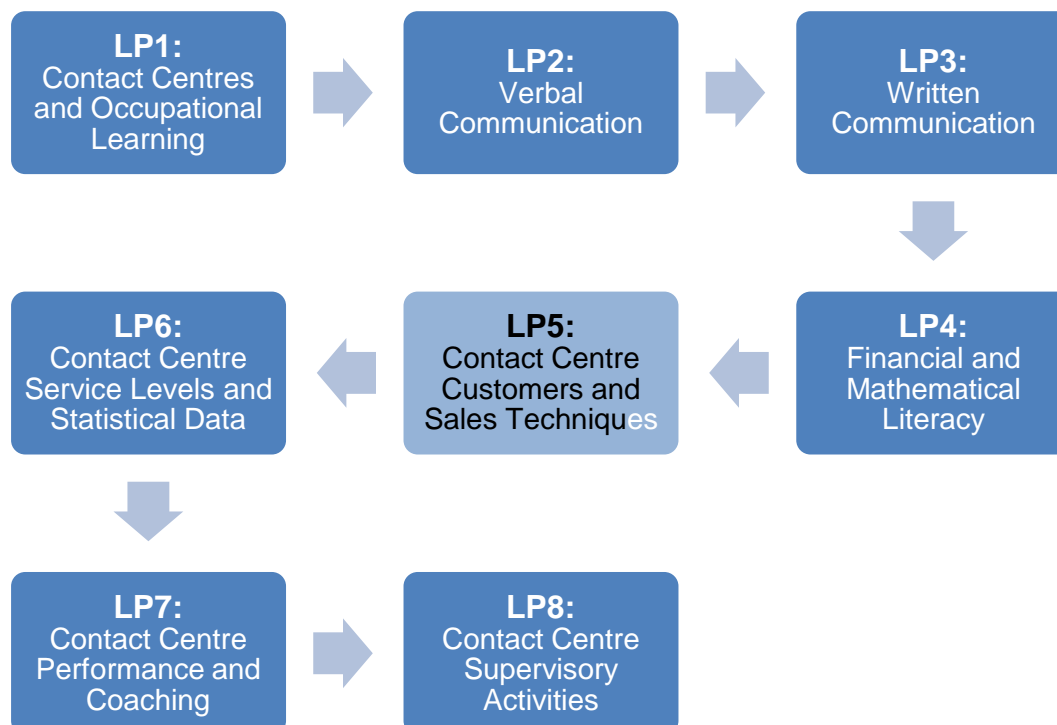
assessment, place a signed copy of the checklists, once completed by your mentor or line manager in your Learner Portfolio of Evidence Guide, as indicated.

The Training Provider will assess your portfolio. If successful, you will receive the credit value of this learning programme. The entire assessment process is explained in the Learner Portfolio of Evidence Guide and you are urged to read this guide as soon as possible as it explains the assessment process in detail and clarifies your rights and responsibilities to ensure that the assessment is fair, valid and reliable.

If you are not successful, you will receive all the guidance needed to resubmit your Portfolio of Evidence within a specific time period, as per the Training Provider requirements.

Learning map (delivery structure)

Assessment	←Formative Assessment→ 30%		←Summative Assessment→ 70%	
Learning activities for 220 hours of notional learning	Contact Learning Theory input Formative assessment (workbook activities): group activities, simulations	Prescribed reading, support, coaching	Learning and application at the workplace	Summative assessment in PoE: knowledge questions, practical workplace activity, Witness Testimony, logbook
	49 hours	17 hours	130 hours	24 hours
	↓	↓	↓	↓
	←Compilation of Portfolio of Evidence→			
Complementary workplace practices		Coaching and Mentoring; Performance Management		



Learner Support

Please remember that as the programme is outcomes based – this implies the following:

- You are responsible for your own learning – make sure you manage your study, practical, workplace and portfolio time responsibly.
- Learning activities are learner driven – make sure you use the Learner Guide, Learner Workbook and Learner Portfolio of Evidence Guide in the manner intended, and are familiar with the Portfolio requirements.
- The Facilitator is there to reasonably assist you during contact, practical and workplace time of this programme – make sure that you have his/her contact details.

Module 1

Identify prospective customers and establish their needs

After completing this module, the learner will be able to identify prospective customers and establish their needs, by successfully completing the following:

- Develop sales contacts and networks in terms of providing information for the identification of prospective customers
- Identify customers in terms of established methods
- Establish a consultation method to identify customers
- Establish opportunities for assessment and qualification processes

Identify prospective customers and establish their needs

The current business environment is changing and for every business organisation the most important and critical job is to identify their prospective customers. The ever evolving and dynamic business environment creates challenges for businesses implementing new marketing strategies without identifying their potential customers.

Organisations struggle to define their prospective customers because they are unable to filter them out from a large base of the target audience. The real question is who out of the whole large scale of a target audience really stand out as a prospective customer?

Prospective customers are defined as the particular section of the market to which the brand successfully reaches out with reduced marketing efforts, less degree of engagement and less sales cycle conversation. Less engagement efforts that trigger relevant conversation with the target audience gives a brand, an edge in the competitive market of products and services.

Organisations must identify prospective customers and understand their needs and wants to improve the odds of making a sale

Customer sales are the lifeblood of a business, contributing directly to the company's bottom line. Before closing a sale or launching promotional activities, organisations must first understand the needs, wants, and habits of their target audience. Identifying these prospects or potential customers early in the process is key to keeping a company's sales pipeline full. Generating a steady flow of prospective customers into this sales pipeline builds consistent revenue streams, ensuring longevity for the organisation.

1.1 Develop sales contacts and networks

Having a sales network can help you to get more leads, and therefore grow your business and generate more revenue and income for you.

Business networking¹ is an effective low-cost marketing method for developing sales opportunities and contacts, based on referrals and introductions - either face-to-face at meetings and gatherings, or by other contact methods such as phone, email, and increasingly social and business networking websites.

The shortened term 'networking' can be confused with computer networking/networks, which is different terminology, relating to connection and accessibility of multiple computer systems.

A business network of contacts is both a route to market for you, and a marketing method. Business networking offers a way to reach decision-makers which might otherwise be very difficult to engage with using conventional advertising methods.

In addition, business networking brings with it the added advantage of recommendation and personal introduction, which are always very helpful for developing business opportunities.

Business networking is a way for you to make the maxim, "It's not what you know; it's who you know..." work for you.

The principles and techniques of business networking are mostly common sense. Many of the behavioural principles apply also to business and relationships generally, and specifically to selling, managing, coaching, facilitating, etc.

¹ <http://www.businessballs.com/business-networking.htm>

Networking is important in sales², whether you are selling products, services, or yourself -- you as a potential consultant, partner, or someone they will refer to other potential contacts.

It is critical is just going out there and make your presence known. Advertise yourself during the introduction. Discuss how you can other businesses, develop sales leads, or simply network to meet others. It's a very basic form of advertising, but still the cheapest.

The key focus of your networking should be the building of business relationships. Sales will often follow but first you have to put down the cornerstone by establishing business relationships that provide you with the opportunity to meet other people and expand your contact list.

How to Network to Increase Sales: Whom to Network with – and Where

The first step to networking to increase sales is to select the right group, the right people, or the right event to join or attend. You have to target your market. You want to be mingling with the people who are interested in what you bring to the table, in what you have to say.

Determine the top 10 contacts that you want/need to meet. Before you add a networking event to your calendar, take a few minutes to consider your networking strategy, Bentley³ says. "Who are 10 people you really need to get to know?" he says. "Be clear as to why you want to meet them and what they can do for your business. Most importantly, be sure that you have thought through in advance what value you can deliver to make such a connection is worthwhile for them as well."

Figure out how to meet them. Now that you have identified key contacts, set about figuring out where will you find them and have an opportunity to interact with them? "Do they frequent events and business outings to which you have access?" Bentley says. "If you don't have access, do you know others who attend these events and could sponsor your participation?" Breakfasts, lunches, cocktail hours, and even taking your pet to the dog park are all potential opportunities to get know the right people for your business.

Look at the program or attendee list for conferences or trade shows and scope out who is going to be there -- which vendors, competitors, or industry gurus -- and make a mental list of to whom you should be introducing yourself. "It's something everyone should be doing -- keeping an eye out for who is there and what your target market is," she says. "They can be competitors, people with whom you could potentially have partnerships or affiliations with."

There are other ways to meet people to network with, as well. Bentley suggests creating a "Business Tree." "List your top 10 contacts across a sheet of paper, and make a list below of all the people you know," he says. "Draw lines connecting the people you know to people on your top 10 whom they know. You might be surprised at how many points of connection you already have with those you have identified as your top 10."

² From: <http://www.inc.com/guides/2010/08/how-to-network-to-increase-sales.html>

³ Craig Bentley, an executive coach and senior communications consultant with Bates Communications, Inc., a Boston-based communications consulting firm.

Prepare for meeting your top prospects. It's always important to make a good first impression, especially when networking for business. "When you have engineered an opportunity to meet one of your top prospects, don't give your normal 'elevator pitch' - after all, who wants to be 'pitched' to?" Bentley says. "Rather, think about making a connection. What is important to them? What can you offer that will make their life better? Do your homework to learn as much as possible about this individual and his or her business and key business issues."

Have a great conversation. Make sure you've taken the time to prepare an introduction of yourself and your business and also prepared some great questions to ask before you engage your networking prospect. "Too often, we try to impress others with what we know, with what we do, and how we can solve others' problems," Bentley says. "And we do this over and over even if we come to recognize that this approach doesn't usually work very well. You want them to talk about themselves while you listen attentively, guiding the conversation by your questions, not your explanations."

You can talk about anything -- a new report about the industry, the conference, the weather. Make sure it's a professional and interesting and memorable conversation. Be prepared. Remember, you still need to "understand what you're selling and what you're working for."

How to Network to Increase Sales: Follow up with Your Networking Contact

While many communication tools are great time-savers, they have resulted in business becoming more and more impersonal. "If you want prospects and others to notice you, be sure you keep the personal touch," Bentley says.

It's important to follow up on making contact with a networking prospect. Send a handwritten note. Send a card. Send an e-mail or even an invitation to become a contact through a professional online social network. Strike while the iron is hot. Don't let more than a week go by before following up the meeting. Calling someone after six months would most likely result in a: "Who are you again?"

Each business relationship needs to be judged independently as to what step you need to take next. If you discussed business during your introduction and left it that you would follow up and schedule a meeting, a call and/or follow-up e-mail are appropriate. If you send an initial e-mail or note and don't hear back, you may want to place a call or send another e-mail, perhaps with some industry news that is relevant to what you discussed. But don't persist to the point of being annoying.

Over time, it may be appropriate to take a moment to send a handwritten note to congratulate others on a business development or personal success or send a card to express a personal concern or to let them know that you are thinking of them. "As you look to build your networks, these personal gestures will get you noticed much more quickly than another e-mail blast or similar high-tech touch," Bentley says.

If you are going to drive higher sales growth for your business, you must make a dedicated and continuing commitment to networking. Constantly revise your top 10 list, Bentley says, adding new names as you successfully connect with those on your list. "If you stick to your game plan, your networking will become a profitable use of your time," he says, "and will help you increase sales for years to come."

1.1.1 Providing information for the identification of prospective customers

Developing sales prospects involves networking, referrals and lead generation. One of the most common ways to develop sales prospects is cold calling or canvassing. Sales representatives gather market data about prospective customers from public lists and target them for sales presentations. Prospects are also developed through advertising inquiries, including web-based forms that allow potential customers to submit their contact information.

Lead generation is one of the most commonly used tactics when developing sales prospects. It can take on a variety of forms, but essentially involves soliciting a certain number of individuals or businesses to see if they have interest in learning more about a company's products and services. Generating leads often involves verifying specific information that demonstrates the individual or business may have a need for the company's products.

For example, a distributor of health insurance for senior citizens may call a registered list of individuals in the area that have identified themselves as being 65 or older. The next step in the lead generation process might be to ask those individuals whether they currently have health insurance coverage and what types they may be interested in. Some of the qualifying questions may ask about insurance costs, what respondents expect from an insurance plan, and whether they would be interested in listening to a presentation about alternative carriers.

Due to the fact that many consumers find unsolicited phone calls to be an intrusion, online and traditional advertising can provide less invasive methods of lead generation. Sales prospects respond to advertisements by requesting additional information from a company's toll-free number or a local office. Contact information is obtained from these potential customers and stored in a database for further follow-up and solicitation. Some of these solicitation forms may include direct mail and e-mail.

Many companies that provide services in a specific local area may use flyers or door-to-door solicitation in order to gain potential sales. Canvassers will distribute flyers to homes that are not currently using the company's products or ask if they are currently using the service of a competitor. Distributing samples to non-customers is also a prospecting method that some companies use to gain additional customers. In addition, calling on former customers who have discontinued service or product use is another commonly used prospecting technique.

Professional networks can provide a customer base. Sales prospects are sometimes obtained by word-of-mouth referrals from others who have used the company's products or services. For example, a landscaping company who handles commercial accounts may get additional referrals by attending trade shows or advertising in trade magazines sponsored by professional affiliate organisations.

CRM is now a commonly used term to describe the process of managing the entire selling process within a department or organisation. Computerised CRM systems enable management of prospect and customer details, contacts, sales history and account development. Well known examples of CRM computerised systems are Sage's ACT!, which claims (as at 2006) to be the world's most popular CRM system, and Front Range's Goldmine. Chief elements of a CRM system or strategy, (since the term is used to describe the process and methodology as well as the system) are:

- Compilation and organisation of data (prospects, customers, product, sales, history, etc.)
- planning, scheduling and integrating customer development activities and communications

- analysis and reporting of all sales related activities and data

Good CRM strategy and systems are generally considered necessary for modern organisations of any scale to enable effective planning and implementation of sales (and to an extent marketing) activities.

1.2 Identify customers in terms of established methods

Identifying your customer begins with formulating a value proposition. You have to be able to answer this question: “To whom is this proposition of value?” When trying to answer this question, it helps to simplify matters by breaking the market down into components.

There are various methods to finding out who your customers are. You can ask them to fill out a survey in your store or online. Track where they go throughout your web site using analytics software to confirm the information or products they are interested in. Conduct focus groups. Talk to your sales team. These are just a handful of suggestions to utilise in discovering who your customers are.

Write down the top 4 to 7 different types of customers you have. Include their purchase process, what's important to them, how they benefit from doing business with you, how they'll feel during and after the business transaction, and what their fears may be, and so on.

This step is very important in understanding your customers. How one customer may approach the purchase process will be very different from another. You will understand the most important thing to them, what they need to hear from you, and so on. Once you understand how each follows the purchase process, you will be able to recognise the type of customer upfront and speak to them in their language.

Within markets, not all groups of customers are the same - they do not have the same taste, and incomes or want the same things. It is helpful to think of a market as an orange. When you look at the orange from the outside you see a shiny orange skin that all looks the same. However, when you peel off the skin you find that it is made up of a number of segments, each of which exists within the whole. The segments in an orange are more or less identical, but in markets, by contrast, they are different in terms of size and character.

A segment, therefore, is a group of consumers⁴ who share common characteristics that are different from other groups. Different segments may require different versions of the product, they may pay different prices and they may buy the product in different places.

The most common way of segmenting a market is by demographics. Demography is the study of population. Demographic segmentation recognises that different sections of the population have different buying patterns and preferences to others. For example, there is a difference in taste and spending patterns between the old and the young, between men and women, according to locality etc.

There are three broad categories of customers who could buy your product: individuals, channels (intermediaries), and organisations. Each of these categories can be further broken down into smaller segments. This is called market segmentation - picking out the particular groups of people or organisations that benefit from your product, so you can better sell to them.

⁴ Read more: <http://businesscasestudies.co.uk/argos/identifying-customers-and-meeting-their-needs/>

Organisations can be segmented by:

- Industry
- Size
- Function
- Level
- Type of individuals within the organisation

Many segmentation schemes are combinations of the above list. Industry classifications can assist in determining market segmentation. The Standard Industrial Classification Coding System (SIC) is used by business and government to classify business establishments according to its primary type of economic activity (process of production) in South Africa. If a company identifies a potential customer but is uncertain what industry that customer belongs to, using the industrial classification from the SIC can provide more detailed information on the specific business activities of that potential customer.

A distinction is often made in business between the internal and external customers of an organisation. The external customers of a retailing business are the shoppers who want to be served in an efficient and friendly way. Internal customers are fellow employees that we work alongside in a place of work. If we treat them as customers then we help them to serve external customers well.

1.2.1 Principles for identifying the customers of Contact Centres

A contact centre (also referred to as a *customer interaction centre* or *e-contact centre*) is a central point in an enterprise from which all customer contacts are managed. The contact centre typically includes one or more online call centres but may include other types of customer contact as well, including e-mail newsletters, postal mail catalogues, Web site inquiries and chats, and the collection of information from customers during in-store purchasing. A contact centre is generally part of an enterprise's overall customer relationship management (CRM).

A contact centre would typically be provided with special software that would allow contact information to be routed to appropriate people, contacts to be tracked, and data to be gathered.

An inbound contact centre is operated by a company to administer incoming product support or information inquiries from consumers. Outbound contact centres are operated for telemarketing, solicitation of charitable or political donations, debt collection and market research.

Through contact centres, valuable information about company are routed to appropriate people, contacts to be tracked and data to be gathered. It is generally a part of company's customer relationship management (CRM). Today, customers contact companies by telephone, email, online chat, fax, and instant message.

1.2.2 Methods and techniques for identifying the customers of Contact Centres

A **contact centre** is a facility used by companies to manage all client contact through a variety of mediums such as telephone, fax, letter, e-mail and increasingly, online live chat.

Distinct from call centres, that purely handle telephone correspondence, contact centres have a variety of roles that combine to provide an all-encompassing solution to client, and customer contact. Contact centres, along with call centres and communication centres all fall under a larger umbrella labelled as the contact centre management industry. This is becoming a rapidly growing recruitment sector in itself, as the capabilities of contact centres expand and thus require ever more complex systems and highly skilled operational and management staff.

The majority of large companies use contact centres as a means of managing their customer interaction. These centres can be operated in two major ways, the first, by having an in house department responsible for the day to day communications with customers, the second to outsource customer interaction to a third party agency.

Contact centres can also offer a number of different services. One of the most popular is the support or help desk, which regularly answers technical questions from customers and assists them using their equipment or software. Frequently, support desks are used by companies in the computing, telecommunications and consumer electronics industries.

Equally important are the customer service contact centres that answer specific queries relating to customer issues, in the banking and utility sectors these are frequently used to answer customer questions relating to their account or payments, this type of service may even be used to respond to customer complaints and undertake retention strategies for dissatisfied customers.

Finally there are contact centres that carry out sales and marketing activities; these can be performed through cold calling strategies and increasingly through live chat applications on company websites.

Begin by identifying your target customers. Who are they? What do they need from your company? How, and at what times or places do they interact with your company — what are the “points of service delivery”?

- Cluster or segment target customers based on their common behaviours.
- Determine the priorities of your customer “clusters”.
- When possible, focus on customers with high current or future value — for example, someone who frequently accesses your services. A comparable example is a frequent flier program — airlines offer a higher level of service (such as early boarding privileges) to their frequent flyers, while still meeting the needs of their other passengers.
- To target the highest level of service to your “frequent flyers”, you also need to identify the best ways to serve non-target customers, those to whom it is expensive to provide services, or those who might be better served by other means. This is a necessary part of a customer focus. One example: a fire department could discourage residents from contacting the department to remove cats from trees by charging a R50 fee for performing the service, and by advertising their busy emergency call load.

Determine what target customers want (not just what they need right now) by considering these techniques:

- online customer satisfaction surveys
- phone or e-mail survey
- in-person meetings or focus groups
- user testing
- channel analytics (web, phone, etc.)

Determine how target customers prioritise their "wants". Generally, customers want timeliness, convenience, quality products and services, variety or selection, and protection or security. However, each company must identify what is most important to **its** customers.

Weigh how important the customer-identified "wants" are to your company. Are the services something that the company does, is capable of doing, or wants to pursue?

Determine how well your company can meet your customers' "wants" in comparison with competitors. You may think you don't have competitors, but more than likely you do, especially if you're producing consumer-related information for the public. Be mindful of who's doing similar work — if competing organisations meet or exceed customer expectations, it changes the customer's frame of reference and increases their expectations.

Determine which "wants" would most positively impact your company's bottom line (for example, increased compliance with a regulation, more loyalty and trust, or a desired customer behavioural change), and whether those "wants" should be targeted for improvement.

Knowing your customer and identifying their needs and wants is an extremely important part of maximizing your business. For your business to be profitable, you must have a desirable product or service. But just how do you identify your? There are several factors that go into this process, and thousands of market research companies that get paid to take this load off your shoulders. However, there is a way to assess your target market yourself and customize your products or services to their needs.

Items you will need

- Spreadsheet software
- Surveys or questionnaires
- Prices for drawings

Step 1

Research the customer base that has frequented your business. You can do this by having customers fill out surveys or having a drawing based on customers submitting their business card.

Step 2

Use that data to determine the basic demographics of your current customer base. It's a good idea to find out their interests as they pertain to your business so you can get an accurate picture of the kinds of products or services are important to them, as well as the correct way to market to them.

Step 3

Use your demographic data to capture new customers not frequenting your business. For example, if you find out that your current customer demographic is married women age 30 to 45, with children, you can assume that there's a good chance you can cultivate more customers with the same demographic. Advertise where you think this demographic gravitates, such as through Parent Teacher Associations, youth sports team sponsorships, and targeted online advertising in that demographic.

Step 4

Use your marketing dollars to maximize business without excluding potential customers. Just because they're not in your target market doesn't mean you shouldn't try to capture their business. As Inc.com suggests, use target marketing to allow you to focus your marketing dollars and brand message on a specific market that is more likely to buy from you than other markets.

Step 5

Consider the psychographics of your target market. Characteristics such as personality, attitudes, values, interests, and lifestyles can define where you want to spend your marketing dollars. For example, if you find that the characteristics that define your customer include an interest in fine arts, you can place advertisements in local arts venues and program brochures.

Step 6

Listen to what your customers are saying about your business and your competitors. You can do this by setting up polls or surveys on social media or by constructing consumer panel groups. By knowing what they really think, you can begin to tweak your advertisements, promotions, and sales around what your customers think you should be doing, which, in essence, is what you need to be doing.

Step 7

Find out where your customers are frequenting and their lifestyle trends by asking that information on your initial data-collecting survey. If you have a social media presence, look at the profile pages of your fans. If your business caters to a younger market, bets are that they spend a major chunk of their day online. If your business has an older generation, they'll still probably be online but probably read the newspaper as well. Assess where your customers are spending their time, and then make sure that your business is visible in those places.

Step 8

Pick out a "brand evangelist" to market for you for free. The best advertising is word-of-mouth from a credible source, which is what a brand evangelist - a customer who has a very high opinion of your business and "sings your praises" to everyone they know - does. One way to do this is to set up a consumer advisory board or panel and solicit their advice on improving your products or services. Consumers who sit in on this board or panel will naturally become a brand evangelist.

1.3 Establish a consultation method to identify customers

Another way of identifying customers is by consultation. In this method you help prospective customers to identify their needs so that they use your company to satisfy those needs. In the consultation method, the CSR who speak to the customer, needs specialised knowledge of the products/services offered by the company. They can help the customer to identify his/her problem and then offer a solution. The CSR can contact the customer at a later stage with specific information needed to sell the product/service. For example, in an insurance company the CSR can consult with the customer about various types of insurance. During the conversation the CSR can establish what type of insurance needs the customer has. Is it house insurance, car insurance, life insurance, etc.? When the customer gives an indication of his/her needs, the CSR can work out the details and quotation and provide the customer with the information.

How do you choose the right consultation methods? The first thing to remember is that in consultation there is no silver bullet – it is very much a case of horses for courses. At a high level you will need to consider:

- Who you are trying to consult
- How complex is your issue or project
- What stage are you at – outline ideas or detailed proposals
- How many consultees are involved
- Are there hard to reach or seldom heard groups to consider

Quantitative versus Qualitative

There are a myriad of methods available to consult people – both qualitative and quantitative. Some methods are best suited to consulting large numbers of people and others clearly better suited where numbers are small but where in depth information is required.

Quantitative methods are based around surveys to provide statistical information from samples of people which, if carried out properly, can be extrapolated out to the population as a whole. Options include:

- Postal surveys
- Online surveys
- Telephone surveys
- Face to face surveys

Qualitative methods such as interviews and focus groups are more interactive and discursive designed to get a more detailed understanding of views and issues. There are a wide range of qualitative methods available but all need to be used with care and with professional support. Methods include:

- Focus Groups
- Individual interviews
- Paired interviews
- User Groups
- Workshops
- Exhibitions

How to Choose

Your approach must suit your needs. In addition to the high level points highlighted earlier you will need to consider:

- What are you trying to achieve?
- Do you simply need information or do you need to engage with people?
- What is your budget?
- What are your timescales?
- What resources – specialist and otherwise – do you have?
- What kind of feedback do you need?

Seldom Heard/Hard to Reach

Increasing emphasis is placed on hard to reach groups or the seldom as they tend to be called these days. These groups include:

- Elderly people
- Younger people
- Non-English speaking people
- Impoverished communities
- Disabled people
- Special interest groups such as environmentalists, clubs and societies, and business interests

And we should not forget probably the hardest to hear group of them – the entire silent majority – after all this group probably contains all the people who are supportive or at least neutral towards the proposed development.

Online Consultation

The use of online consultation is growing rapidly. Online consultation systems make it possible to engage and consult large numbers of people in new and exciting ways.

Online consultation methods are wide ranging and growing in number and effectiveness. Website can be used to run online surveys and as a mechanism for informing people. Sophisticated online analysis tools make analysis and presentation of results much easier.

However online consultation should never be seen as the ultimate, all embracing consultation method – it is not. The very real danger is that significant social groups will be excluded if too much reliance is place on this method of consultation. A range of groups will simply be missed including:

- Lower income groups
- Older people
- Or simply the technophobes of this world



1.4 Establish opportunities for assessment and qualification processes

One of the biggest problems that sales people face every day is waste. In particular, wasting their own valuable time in chasing prospects who will never become customers. You can beaver away all day, talking to prospective customers for most of the time, and still go away empty-handed. Worse, you can spend ages chasing a few or even one prospect to no avail.

In the end, the only value you have created in such situations is negative, wasting your time, your employer's time and also the prospective customer's time. Yes, they may come back, but most of the time they won't, and fruitless hope is just another waste. In selling, you spend not just your time but also your emotions, so a lost sale is also wasted energy.

Qualifying is the process of assessing prospective customers to determine appropriate action.

This is usually to decide whether it is worth putting any effort into the sale. It also may to determine whether to visit the customer, conduct business over the phone or otherwise apportion effort proportional to the value that may be gained from the customer.

Qualification is a gatekeeping activity. When a customer is qualified, it passes over a defined threshold into a different state or level.

When you first meet/call with prospective clients, you need to qualify them - in other words, you need to see whether the product/service you sell meets their needs. To help you remember what to ask during this stage of the selling cycle, use this creatively spelled acronym - NEADS:

- **N:** What does your prospect have now?
- **E:** What does your prospect enjoy most about what she has now?
- **A:** What would your prospect alter or change about what she has now?
- **D:** Who is the final decision-maker?
- **S:** Tell your prospect of your goal to help her find the best solution.

Types of qualifying

Qualifying in is the process of determining whether to initiate work on selling to the prospective customer, bringing them into the sales funnel. Once in the funnel you will be making potentially large investments in the customer in the hope of achieving closure.

The first step in qualification is in qualifying in. This means deciding whether or not to talk at all with a prospective customer. In some ways, it is the most important stage: imagine how much more you would sell if most of your selling time led to a purchase.

One of the problems with qualifying-in is that you may have a large number of leads to filter down to the shortlist you will allow through the door.

Criteria

All choices use a criterion with which to select and it is a good idea to clarify what criteria you will use when qualifying in. For example this might include a sale value above a certain amount and a probability of closing the sale within a given timescale.

Qualifying is a difficult art at the best of the times, and in many ways, Qualification criteria are more difficult than other forms of qualification.

When you have identified criteria, you can create a numeric value for each deal by *scoring* and *weighting* criteria using a Prioritisation Matrix.

Here are some of the criteria you can use (though do also consider others that are relevant to your situation):

Probability

The probability of the sale can go up and down, and should be tracked, even as a finger-in-the-air 'high, medium or low'. Indicators of the probability can also be tracked, for example the number of people at a presentation and the positive comments from influential customer supporters (and also negative comments from detractors).

Worth

The worth of the deal is not necessarily its gross revenue. More likely to be of interest to the sales person is the commission that will be gained from the sale. If the sales person's employer has got their commission structure right, the benefit to the company will be proportional to the benefit to the sales person.

Worth can also be assessed in terms of the additional sales and profit that may be generated once the customer has made an initial purchase. There is also value in other aspects, such as when you secure a known brand as a customer and are able to refer to this fact in your promotions.

Timescale

The likely time when a deal will be completed also affects its value, with deals closer to today usually being worth more than deals that will not come to fruition for several months or even years.

If you are paid based on achieving a monthly target then this can become more complex as you need to manage the arrival of deal closure needs to at least get you across the target threshold for each month. Beyond this, it can be a tricky dance to orchestrate closure to maximise bonuses.

Effort

Generally speaking, you should be ready to put more effort into deals that will return a higher value. If you find yourself working hard on moderate deals, it may be reason to qualify them out.

A problem that can happen is when you have your sales funnel full of slow or small deals, each of which needs a little bit of attention. The result can be a 'death by a thousand cuts' as you chop and chase, keeping the plates spinning, but for limited overall reward.

In the High Probability Selling approach, a key criterion is that the prospective customer is very likely to buy. This is particularly effective when you have many possible customers and are able to ask them key questions to determine their need and ability to buy.

Process

As well as criteria it is worth considering the process of qualification. This may include:

- Gathering of data from reliable sources about the prospects.
- Initial quick thinning down of obvious non-contenders.
- Early phone call or visit to prospects to gain more detail about their situation, need and desire.
- Scoring of contenders, for example using a Prioritisation Matrix.
- Follow up visit to get more information, for example to understand customer's internal buying process and political hurdles to overcome.
- Passing off of lower value contenders to telesales.
- Making the list of non-contenders available to other sales people.

This list is for a business-to-business selling. In retail sales the qualifying-in that decides which customer to approach is much simpler and includes:

- Customer Body Language is language that indicates readiness to buy. (this cannot be observed when qualifying a customer over the phone)
- Goods are being handled or examined.
- Customer looking around seeking assistance.
- Well-dressed person who looks affluent.

Qualifying out is the process of deciding when to give up on a customer and eject them from the sales funnel. For various reasons this can be psychologically more difficult than qualifying in.

If you have various categories of customer you can also qualify them in and out and between these.

Once your potential customer is in the sales funnel, you have three routes: convert the potential into an actual by closing the sale, get rejected by the customer (they walk away) or qualify them out of the funnel (you walk away).

Qualifying is a difficult art at the best of the times, and in many ways, qualifying out is more difficult than other forms of qualification.

How to qualify out?

Continuous questioning

Qualifying out means that you have to continue to assess every deal before it has reached fruition to determine whether it is worth spending more time on it. Just because it seemed worth continuing yesterday, it does not mean it will continue to be worthwhile tomorrow.

Use careful criteria

Rather than using intuition and guessing what to keep and what to reject, use explicit qualification criteria and an assessment method that allows you to make a conscious and rational decision.

Competing attention

The key reason why a deal should be qualified out is that you will be better served by spending more time on a more profitable deal.

Why sales people do not qualify out

The fear of loss

Ideally, deals are qualified out as soon as possible, but this is not always easy. The fear of losing a sale can often lead to sales people leaving deals in the funnel far too long and wasting time that is better spent elsewhere.

The nagging doubt is 'What if I'd kept on a bit longer? Would I have made the sale?' The fear of loss thus leads to sales people investing and wasting time on deals that will never come to fruition.

The sunk cost

Another reason why sales people fail to qualify deals out of the sales funnel is that they have invested a significant amount of time already in the prospective sale and yet continue to do so, even when the prospect is not really worth the continued effort.

This sunk cost leads sales people to hang on like a gambler who has already lost a fortune yet continues to throw good money after bad.

Facing failure

Qualifying out is effectively an admission of failure to effectively qualify in. When a deal is qualified out, it is thus easy to turn your back on it. After all it hurts to think of the waste of your time and errors of judgment in allowing it to stay in the funnel for so long. But to do this is to miss a trick.

If you can pause to analyse the reason why they were not qualified out earlier, you can improve the value creation of your sales funnel.

1.4.1 Methods and techniques for assessing customer profiles

For a developing business it is very important to understand who are the best customers, how to find more customers like these and where to find. Customer profiling is the best strategy to accomplish this. We need an all rounded understanding of methods and techniques for assessing customer profiles. It helps to find valuable new customers, enhance the profitability by retaining existing customers and also identify low valued customers so as to minimise the cost to reach them. Customer profiling is a behavioural relationship marketing technique which includes a variety of marketing strategies ranging from simple one's to most complex one's.

Assessing customer profiling starts with identification of relevant information regarding all the satisfied existing customers and then try to target new prospects with matching profiles. The profiles of customers can be categorised differently according to some influential variables present in their profile.

For example, let's examine the following two customer profiles:

1. This profile shows, the customer is married and has two children. He lives in a high society area and continuously read Economic Times newspaper.
2. This profile shows, the customer visited the supplier's site regularly for 3 months, but has never visited in last 2 weeks.

The first profile clearly indicates that the customer characteristics are demographic. The demographic profiles always help the suppliers to attract the customers and generate good revenue in the amateur stages of projects; these projects are basically online projects. The first profile will be interesting for someone inside the organisation who is in advertisement department or who is involved in deciding the content and matter of websites.

The second profile can be depicted as a behavioural profile. The basic questions arise regarding to this profile should be, will they buy again? Will they visit again? A behavioural profile indicates the prominence of the relationship with customer in near future hence these profiles are crucial for organisations that focus on retaining more customers to increase their business value. Although behavioural profiles are more prominent than demographic but a combination of both provides a powerful and strong database to decide the customer characteristics in efficient way. The following steps depict an ideal profiling technique:

- Gathering demographic related and influential information from existing customers.
- Encapsulate this information in profiling database to each customer record.
- Attach more relevant information like behavioural characteristics (recent purchases, sales historical view etc.) and some other related information to each of the profiles.
- Implement the variables and strategies that determine the best and worst customers.
- Applying these effective variables to non-customers' profiles to identify valuable prospects.

The above process is involved ideally for simple profiling which can become complex for complex strategies. After profiling is completed the customers are then segmented according to segmentation variables. Every customer has individual preferences, needs and behaviour associated with products which are different from other customers. Substantially it becomes impossible for suppliers to manage customers separately on individual characteristics; hence they pool customers into separate segments according to the type and variables they have in common.

Invalid or wrong information passed while profiling process will result in suboptimal decisions and unworthy consequences and could fetch customer dissatisfaction and could even lead to customer defect. Hence all the information and data should be validated and corrected before profiling is done. Customer profiling is the basis of market research techniques and is proved to be the most useful strategy under any circumstances in customer acquisition approach.



Class Activity 1: Identify prospective customers and establish their needs

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

Module 2

Identify sales opportunities, client types and needs

After completing this module, the learner will be able to identify client types and needs, by successfully completing the following:

- Identify sales opportunities
- Accurately identify client needs within an industry specific context

Identify sales opportunities, client types and needs

In business, being able to read people and quickly get a sense of who you're dealing with is an invaluable skill. It turns your encounter with a client into an opportunity to catch a glimpse of the upcoming project and how it will need to be handled. It is one of the building blocks of a professional relationship.

"You cannot manage a quality service organisation unless you understand the nature of what you are providing, fully realise what your customers want from you and how they perceive you from the start."

W.Martin: Managing Customer Service, Crisp, 1989

Once you have identified who your customers are, you need to assess what they need from your product or service.

Most customer needs can be divided into four basic categories:

1. The need to be understood
Customers need to feel that the message they are sending is being correctly received and interpreted
2. The need to feel welcome
Customers need to feel that you are happy to see them
3. The need to feel important
Customers like to feel important and special
4. The need for comfort
Customers need physical and psychological comfort

By knowing who your customers are, you are more able to meet their needs.

Contact Centre sales procedures, guidelines and policies

A good outbound sales process can have a ripple effect throughout your company, your customers and even yourself, according to sales expert Donna Fenn. When your outbound sales process is effective your company gains confidence in your abilities, your customers rely on you as a source of valuable information and your income and confidence go up. Inside and outside sales representatives can both benefit from a good sales process. An in-depth understanding of Contact Centre sales procedures, guidelines and policies will help drive successful sales campaigns.

Know Your Product

One of the main aspects of an outbound sales process is to know your product well enough to sell it. That means understanding how your product works, what the features are, what the upgrade options are and how your product can benefit your customers. Once you get yourself into a customer location, or get a decision maker on the phone, you will need to create a smooth presentation to put confidence in the client. Part of a smooth presentation is being able to answer questions about your product with the appearance of being an expert.

Know Your Approach

A good telemarketing outbound sales professional has scripts that she works from to help give knowledgeable information in a format that works. An outside sales representative has a process that she follows to help her customers feel at ease, introduces the product and moves toward a close. Both the telemarketing script and sales approach need to be constantly updated. Remove portions of the script that don't work and replace them with key phrases and experienced-based approaches that do. If a certain phrase confuses customers then work to create a replacement that helps move the sales process along. Have a structured approach to your outbound sales to help you stay focused.

Know Your Customer

An outbound sales professional should always research a customer before making that first contact. To know what to say to a client when you make that first contact, and understand how your product can help the client, you need to understand the client's business and how the client interacts in the marketplace. Find out if the client is a market leader or a secondary supplier. If your product can help make the client's business process easier, then come up with a return-on-investment that will make the client interested. Comprehensive research on a client can make the outbound sales process much more effective.

Know Your Angle

Researching the client can tell you how your product can fit into the client's business; developing an angle requires more detailed preparation. Once you know how to sell the product to the client, you need to determine how you will position the product to make it appealing. It can be the client is in a battle with the competition regarding pricing. Therefore, your angle will be lowering the cost of production rather than increasing product quality. The general overview you create is your product can help the customer's manufacturing process. The angle is that you can help lower their costs to make them more competitive with the competition.

While a CRM system is an integral part of both sales and marketing initiatives, it can't stand alone as a "sales process". The most important thing to understand about CRM is that it accounts for what your sellers do. It won't, by itself, change how sellers behave. The real challenge is getting sellers to follow consistent, best practice process and procedures. Bringing about this kind of change requires 1) insight into your customer's buying cycle, 2) organisational alignment, 3) coaching reinforcement and 4) the right mix of supporting technology.

1) Aligned to the customer buying cycle: A sales process is futile if it doesn't align with critical, pre-determined events in a target customers' buying process. Each stage of your sales process should consider your prospect's interests, motivations, actions, and influencers. Once this is understood and anticipated, you can align sales activities to best address buyer objectives, dynamics, and participants at each stage.

2) Organisational alignment: For each sales stage, sellers should be efficiently guided to a pre-determined set of selling activities, content, and behaviors known to drive results. This enablement effort comes from across the organisation and typically includes Marketing, Product Management, Sales, Sales Operations, Training, and even Finance or Customer Service. If each function doesn't have proficient working knowledge of the sales process, and doesn't align and coordinate their approach,

then you risk conflicting agendas, confusion, and competition for the mindshare of the seller.

3) Reinforcement through front-line sales leadership: The role of front-line sales leadership can't be overstated. The expectations set by front line sales managers and their ability to lead by example is the most sustaining driver of change in an organisation.

4) The right mix of supporting technology: Sales organisations that drive meaningful results via their sales process take a multi-pronged approach to technology. CRM is deployed in conjunction with a sales process, with additional technology platforms designed to bring that sales process to life and embed it within the organisation. Sales enablement technology often becomes the go-to source for seller productivity and effectiveness, and where usage data can then be automatically harvested and linked back to CRM.

World class sales organisations stand apart for two reasons. First, their sales process maps to their customers' buying process. Second, they don't treat sales process as a once-a-year training event. Rather, their sales process gets supported with organisational alignment and reinforced through all other systems – CRM, sales enablement, front-line coaching, and underlying analytics to interpret and gain insight. When this is the case, sellers will experience the value of being fully-enabled and engage more consistently in a process proven to yield your best possible business outcomes.

Here's how you build a sales process for your start up from the ground up.

1. Begin customer outreach as soon as possible

The best thing you can do to develop your sales process is to get out there as early as possible. That Lean Start up mentality works just as well in sales as it does for development.

Spend a week, even a few days, picking up the phone and cold-calling your customers and getting a feel of how to communicate best with them. During these early calls you'll get a sense of their challenges, objections you might face, hopefully how a good call should go as well as direct customer feedback about your product. You might even realise a key aspect of your product that needs to be tweaked before you push hard into the market.

As a founder, you absolutely need to do this before handing it off to someone else. Conducting preliminary outreach to your customers will help you better understand your customer, their needs and your market place, as well as refine your product as you develop your sales process.

2. Do a full walkthrough of a close

Walk through simulated conversations that begin with finding the lead and travel through the complete sales process – ending with handing the customer off to your support team. Do this with colleagues who understand your space, then try your pitch on someone who doesn't. Outsiders quickly notice problems and inefficiencies.

These scenarios not only give you great practice before implementing your process, they'll help you identify gaps in it. Say on your first call you get a customer's credit card, then what? How do you process the payment? Who do they speak to next? Mock calls are a great way to practice your pitch and refine the logistics of a sale. This is obviously best to do before you deal with a ton of customers, and look like an idiot because you don't know how to use Stripe.

3. Establish qualifying criteria

Qualifying criteria is a list of traits that makes a lead a good fit (qualified) to buy your product. Sounds easy enough, but lots of young companies have no idea what they need to know about a customer to make a sale.

So how do you develop qualifying criteria and track them?

Common criteria for leads are:

- Does your product solve their pain point?
- Does your product save them money/cost?
- Does your product save them time?
- Is your product in their budget?
- Are they using a competitor's product and paying for it?
- How fast can they make a buying decision?

It's best to develop just five criteria based on what you *think* you need to know about a buyer, and then reach out to a subset of customers. Identify those five criteria in the customers, and then see if the criteria need to be expanded, or even cut down, to know they would be a good fit. Once you close a few deals, look back at the deals and figure out what you really needed to know in the first conversation to mark someone as "qualified" and move the deal to a close.

Do not get into the habit of marking every lead qualified, because "you had a nice conversation." Most folks are nice over the phone, and the myth of getting chewed out by a lead is the exception rather than the rule. Remember, a qualified deal is very different than an "active opportunity." A qualified lead should be a prospect that matches all of the criteria to purchase your product, and one that has expressed interest in learning more and speaking again.

An active opportunity is a qualified lead with a value attached to it. This means that you have communicated the cost of the product/service to the prospect, they understand it, and have expressed that it is within their budget.

4. Establish a sales script

A good call script is a way for you to guide a customer through your sales process from start to finish, while showing them the value of your product/service.

A good call script typically has the following sections:

- Introduction
- Qualifying questions
- Q&A about features, pricing, and next steps
- Asking for the close
- Managing customer objections
- Establishing next steps

Developing a script is an iterative process, but begins with research. Know your product and how it fits into the market, and find a way to convey that as simply as possible to the customer. It's important that your script incorporates your qualifying questions (so you know they're a good fit), common pain points, and benefits around which to position your solution. It's also important to include objections that your future sales reps will encounter during their calls.

5. Establishing a conversion funnel

Here's an example of the ideal basic conversion funnel: calls/emails → reaches → qualified buyers → closed deals

A conversion funnel should be built with a “reverse” approach. Establish a range of deals you'd like closed over the course of a week or even a month. Then ask yourselves — to close that many deals, how many active opportunities/deals do I need to qualify in order to achieve that goal? This is called a conversion rate.

This will help you determine how many qualified opportunities you need to achieve in order to reach your “closed deal” goal. But how many scheduled calls or demos do you need to perform each week in order to achieve the desired amount of qualified opportunities?

Using the conversion rates you've estimated (be conservative), determine how many calls/emails, or leads generated, you need each week in order to schedule that target amount of calls.

It's important to note that the amount of calls or emails you need to send each week is pretty large — this is the top of the funnel. In turn, this might mean that your “closed deals” goal might be too large. Start with a number you believe to be attainable, but aggressive. Work through the entire process and reach the goals you set out at the beginning of the week.

Once you've done that, start increasing your goal by 10 percent each month. You need to have 10 percent month-over-month growth to really have a healthy funnel as a start-up.

6. Optimise implementation

Sales doesn't end with the close — as a sales person you need to make sure that the customer is successfully integrated, and this means a clean handoff to your support team. As you develop your sales process, communicate with your customer success team and check in with your customers to see how they're doing. As a founder, you'll quickly find out ways to improve your process and ensure that your customers stick around. This is also crucial in order to secure customer references — integral in bringing in new business down the road.

7. Iterate, iterate, iterate

Just because something works, doesn't mean it's the best way to do it. Make sure you are constantly stress testing your process to figure out what's broken. Maybe your script is still a bit clunky, or emails don't generate the response rates you'd like, or your conversion rate is too low. Don't get stuck doing something because it works “well enough.” Lack of iteration is what prevents companies from making a good sales process great.

It's crucial that companies formally develop a sales process. Early customer engagement can provide some of the best insights as you look to improve your product or service. Only once you've developed this repeatable process, and know it works, you can confidently hand-off sales to a director that can refine the process even more.

You need to be willing to manipulate this sales process, adapt it to your purpose and execute it with confidence.

Let's look at the following 7-step sales procedure and guideline of selling

The 7 Steps of Selling: The Only Sales Strategy You'll Ever Need

1. Greeting the customer

Greetings can build rapport. Be friendly and introduce yourself. Speak clearly and slow enough for people to catch what you are saying. Don't let the customer waste time by having to ask you to repeat your name again.

2. Understanding their needs

Ask open ended questions and listen carefully. To get someone talking you need to ask the right type of question. If you ask a question that has only a yes or no answer, then that's exactly what you'll get. Where do you go from there? An open ended question is where you ask a pointed question that requires thought and a longer response.

Your next most important skill after crafty question creation becomes listening. Pay attention to what they are saying, this will help you reform new questions which will lead to creating a mental check list of their needs. I find it's often helpful to restate their needs in a casual way to let them know you understand.

3. Restating and confirming

Confirm that you understand what the customer is looking for by restating their request.

4. Formulating a solution

In order to take control of a sales situation and turn it around you need to have something solid backing you up. That something solid is always going to be your product knowledge. Product knowledge is something that's very personal to each sales person. Some people are quite adept at lots of storing facts and figures in their heads, other people just need to cliff notes version to get them up to speed.

Whatever it is, you still need some in-depth familiarity with the product you're trying to sell before you can sell it with confidence. Daily learning is required in sales as the environment changes so often. The mobile phone scene for instance changes weekly. It can be quite daunting for a new sales person starting to sell phones. This is the same for any industry.

When pitching the solution, make an initial suggestion and let your customer choose to hear more about why that would suit them. This is one of the most important times to be aware of your customer's body language. Start making your way through the needs and wants of your customer addressing the most important needs first. This is the time to state why this is the best solution for them.

5. Asking for the sale

Now that you've pitched your solution you're at that awkward stage of asking for the sale and this is where 80% of sales people trip up. Asking for the sale can sometimes feel a little uncomfortable. What you have to remember is that they're expecting you to ask. When you ask for the sale you're giving them permission to say "yes". If you've done your job well asking the right types of questions and keeping in mind what their true needs are then it's really a logical conclusion to the discussion.

6. Closing the deal

The process of closing the deal needs to be easy to conduct – make sure your business processes reflect that. There's nothing worse than having a willing customer and having so many delays that they lose confidence and reconsider.

Reassure your customer, thank them for their business and tell them they've made the right choice. There's not much more to this stage really.

7. Linking in your whole business

When you're busy closing the deal, it's simple to ask them if there is any other things you can help them with. Some sales people like to discuss their current arrangement for products or services that they know they can offer alternatives for. In this way, you can offer an incentive to switch, upgrade or purchase something they wouldn't normally have considered – it an opportunity to create a deal that is too sweet to resist.

2.1 Identify sales opportunities

One of the tasks of sales and marketing⁵ is to identify sales opportunities and sell more. Scouting around for new business is a difficult task, especially in today's crowded marketplace. Here are few tips to help you zone in on new business opportunities.

Create better profiles

To find new business, you need to know who is out there with a need for your product or service. You need to find the right kind of customer who can make your product successful.

- Who are you targeting? (Businesses, individuals, income groups, etc.)
- What are their pain points/what keeps them up at night?
- What is the outcome they are trying to achieve through your product?
- What do they care about?
- Where are they located?
- What concerns do they have before making a purchase? (price, quality, post-sale service, etc.)

Create a clean, targeted customer profile so you can identify groups of people with a want and need for your product. Once that is done, engaging with them becomes easier.

Ask for referrals

You have an existing customer base and some loyalists...so get them to work for you! Ask your loyal customers for referrals. When a recommendation comes from a trusted source, a prospect is more likely to buy. Ask your clients to recommend your business to other businesses or customers who may need your product/service. What you need to remember when it comes to referrals is that you have to wait it out. Make sure your existing client is fully satisfied with your services and has established

⁵ Information from: <http://jesubi.com/identify-sales-opportunities/>

a relationship of trust. And once they do recommend you and bring in extra business, be sure to offer them incentives. Offer something of value to those customers so that they will not only sing your praises, but continue their association with you as well.

Spot the triggers

Another great way to unlock sales opportunities and increase sales is to identify the steps and best practices that generate businesses. Do face to face meeting work with one client? Do phone conversations work better with another? Do certain days of the week garner better responses from clients over other days? By pinpointing these triggers, you can replicate those steps to create more sales opportunities.

Prospecting. Qualifying. Building rapport. Designing a solution. Crafting a proposal. Delivering presentations. Sales meetings. Forecasts. Networking. The list of things that a sales professional does in a typical day is enormous and very dynamic. If one day finds a sales rep focused to prospecting, the next will probably find her attending customer needs and designing proposals.

With so many things that need to be done in the course of a business day, it is no wonder why sales professionals get caught up in the daily grind, lose their focus, lose sales and deliver sub-par results.

The truly successful sales professionals know that every day is an opportunity to improve their business, increase their skills and to earn more customers. With this in mind, they've learned to limit their focus to 3 things. Just 3 things that they commit to everyday.

If you are overwhelmed with the many tasks that you are expected to complete in a business day, realising that accomplishing these 3 will find you accomplishing everything else that you need to do in order to earn success.

Start a New Sales Cycle

Every day, if you could start a new sales cycle, through prospecting, networking, attending conferences or asking for referrals, you will have a full pipeline of potential sales and will never need to scramble to close a deal when the end of the month arrives. Having a full pipeline prevents being over-aggressive when dealing with the prospects you do have and affords you greater peace of mind and a better overall attitude.

Advance a Sales Cycle

One of the most common issues that both rookie and experienced sales professionals create for themselves is leaving sales opportunities alone to die a slow death. Usually out of fear, sales reps do all the steps to start a sales cycle but are reluctant to move the sales opportunity to the next step.

Very few sales opportunities will advance themselves but will instead remain in the sales step that the sales professional left them in. Your daily task is to identify at least one sales opportunity that you have that has not been moved to the next level, and focus on moving it to the next step.

Often times, the only thing needed to advance a sales cycle is a simple phone call to the prospect. The danger is if you call only to ask "how is everything going?" and do not bring something new to inspire the customer to move forward. People are simply too busy to take calls from sales professionals who call just to say "hi." Decide what

you think the customer needs in order to move to the next step and deliver that when you call. In other words, don't call just hoping that the customer has magically decided to move forward and has been waiting by the phone for your call.

It doesn't happen like that in the real world of professional sales.

Close a Sale

The first two daily tasks are relatively easy to do and shouldn't cause too much stress. The final step, Close a Sale, takes a bit more intestinal fortitude. That is if you haven't done a good job with the first two steps and haven't done them consistently.

The reason that closing a sale is stressful for most sales professionals is that they feel the "have" to close the sale because they don't have enough potential sales in their pipelines. Each of their closing opportunities are too important to risk losing and, if lost, they won't hit their sales quota.

Not having a full pipeline of potential sales puts you at a severe disadvantage and causes you to show up for the closing meeting less than at your best. You will be nervous, afraid to take risks, be less resourceful and less effective. All things that put your sale in jeopardy.

There are hundreds of closing techniques that sales people learn, but none is as effective as the Assumptive Sale. The Assumptive Sale, as the name implies, finds the sales professional assuming the sale based on the fact that he has done all the work needed, answered all the objections, designed the perfect solution and has earned the right to ask for the customer's business.

Assuming that a sale is made before asking for the sale demands that you've earned the sale and puts you in a position of positive-strength. Your focus is on a "win-win" with which both you and the customer gets what is expected and deserve.

The final thing to do every day is to close a sale, This could mean either actually closing the deal and earning a customer or losing a sale. Some sales will be lost and some customers will simply never buy from you. But, if you have enough sales cycles in your pipeline, a lost sale will lose much of its sting and will allow you to focus more on more realistic sales opportunities.

2.2 Identify client types

Clients or as most organisations⁶ like to call them, customers play the most significant part in business. In fact the customer is the actual boss in a deal and is responsible for the actual profit for the organisation. Customer is the one who uses the products and services and judges the quality of those products and services. Hence it's important for an organisation to retain customers or make new customers and flourish business. To manage customers, organisations should follow some sort of approaches like segmentation or division of customers into groups because each customer has to be considered valuable and profitable.

Customers can be of following types:

1. **Loyal Customers-** These types of customers are less in numbers but promote more sales and profit as compared to other customers as these are the ones which are completely satisfied. These customers revisit the

⁶ Information from: <http://www.managementstudyguide.com/types-of-customers.htm>

organisation over times hence it is crucial to interact and keep in touch with them on a regular basis and invest much time and effort with them. Loyal customers want individual attention and that demands polite and respectful responses from supplier.

2. **Discount Customers-** Discount customers are also frequent visitors but they are only a part of business when offered with discounts on regular products and brands or they buy only low cost products. More is the discount the more they tend towards buying. These customers are mostly related to small industries or the industries that focus on low or marginal investments on products. Focus on these types of customers is also important as they also promote distinguished part of profit into business.
3. **Impulsive Customers-** These customers are difficult to convince as they want to do the business in urge or caprice. They don't have any specific item into their product list but urge to buy what they find good and productive at that point of time. Handling these customers is a challenge as they are not particularly looking for a product and want the supplier to display all the useful products they have in their tally in front of them so that they can buy what they like from that display. If impulsive customers are treated accordingly then there is high probability that these customers could be a responsible for high percentage of selling.
4. **Need Based Customers-** These customers are product specific and only tend to buy items only to which they are habitual or have a specific need for them. These are frequent customers but do not become a part of buying most of the times so it is difficult to satisfy them. These customers should be handled positively by showing them ways and reasons to switch to other similar products and brands and initiating them to buy these. These customers could possibly be lost if not tackled efficiently with positive interaction.
5. **Wandering Customers-** These are the least profitable customers as sometimes they themselves are not sure what to buy. These customers are normally new in industry and most of the times visit suppliers only for confirming their needs on products. They investigate features of most prominent products in the market but do not buy any of those or show least interest in buying. To grab such customers they should be properly informed about the various positive features of the products so that they develop a sense of interest.

An organisation should always focus on loyal customers and should expand or multiply the product range to leverage impulsive customers. For other types of customers strategies should be renovated and enhanced for turning out these customers to satisfy their needs and modify these types of customers to let them fall under loyal and impulsive category.

2.3 Identify client needs within an industry specific context

Effective selling is all about solving problems. If you size up your client or customer properly, and properly sell the product and its benefits to them, (i.e., solve their problem), then you've won half the battle already. You have to get organised, approach your potential customers and ask them questions that will help both you as the sales person and the customer. The questions that you need to ask the customer have to be the right questions and give you answers - and after asking the questions you have to listen carefully. If you listen to your customers, they will give you the

information you need to help them solve their problem and give them what they are looking for in a product or service.

But remember - most of the time, customers don't know what they want and do not know what their problems are. This means they don't really know what they are looking for, or that they even need a particular product. This is where you as a salesperson come in, armed with problem defining questions that will let the customer know that they do indeed need a particular product or service and that yours is the right one to purchase.

Key Questions

There are 8 key questions that are fundamental in identifying customer needs. These are:

1. What exactly is the business problem the customer is facing? This involves finding out the problem by understanding and analysing the market.
2. What is the duration of the problem? Is the problem a short term or long term problem?
3. What are the consequences if the problem persists? This includes what will happen if the problem is not identified and dealt with.
4. What steps have been taken to tackle the problem?
5. If certain measures were taken to deal with the problem, what has been the result?
6. What is the cost to deal with this problem? This is where you tell the customer how much they would benefit financially if they were using your company's products.
7. What budget is available to fix the problems?
8. Who are the person involved in the decision-making and how the decision to purchase will be made?

Once the prospective customer has answered these questions to the best of their ability, can you move forward and offer them the most cost effective products or services.

There are also other ways of categorising what customers want and value. One of these is called the RATER scale. This is made up of five elements:

- **Reliability**
"Do what you say you will do, reliably and consistently"
Relates to timeliness, consistency, regularity, accuracy
- **Assurance**
"I need to be confident of the knowledge and courtesy of your staff"
Relates to competence, knowledge, respect, credibility, honesty, confidentiality, safety, security
- **Tangibles**
"Make sure your facilities, equipment, communication materials look attractive and are user friendly"
Relates to appearance of facilities, staff, communication facilities
- **Empathy**
"Treat me as an individual, in a caring and empathic way; understand my

needs"

Relates to access to staff and information, clear, appropriate and timely information, individualised attention

- **Responsiveness**
"Be flexible and willing to help me; resolve my problems promptly and effectively"
Relates to prompt service, willingness to help, problem resolution

At this stage, you have only guessed what your customers want from your company. However, most companies have both formal and informal methods of assessing what the customer actually wants.

The following is a list of sources companies use to find out about their customers:

- Letters of complaint
- Warranty or insurance claims
- Focus groups
- Formal market surveys
- Statistics reports
- Staff surveys
- Contacting the customers
- Test marketing new products
- Other

Not all of the sources are appropriate for every industry.



Class Activity 2: Identify sales opportunities, client types and needs

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

Module 3

Cross-sell products in a Contact Centre

After completing this module, the learner will be able to cross-sell products in a Contact Centre, by successfully completing the following:

- Generate multi sales as per industry specific requirements
- Adhere to company specific procedures and industry regulations
- Accurately provide all product related information
- Determine and communicate product features, advantages and benefits
- Describe physical specifications of features, advantages and benefits

Cross-sell products in a Contact Centre

Contact centres are a land of missed opportunities. Every call whether inbound or outbound is an opportunity to make a sale or to build a pipeline for a future sale. At the very least there is scope for selling a bigger quantity (selling up) or to sell additional products / services (cross-selling).

Organisations have realised that growing a business and winning sales in a fiercely competitive environment requires proactive programs to drive revenue. With the contact centre serving as a strategic focal point and hub for thousands of customer interactions that can be converted into sales, its role is undergoing a revolution. Through successful cross-selling and upselling, the contact centre is helping to drive revenue. The result is that the traditional view of the contact centre as a cost centre is increasingly being replaced with the realisation that it is a profit centre ' with the contact centre becoming a core strategic operation that can contribute to enterprise goals for profitability and the bottom line.

3.1 Generate multi sales

Although organisations realise that cross-selling/upselling strategies are essential to generating new revenue, contact centre managers are having difficulty introducing this concept to employees who were originally hired and trained to focus on service. Encouraging agents to recommend related products and/or upgraded services during inbound calls is no easy task. To generate multi sales as per industry specific requirements would require agents to adjust their mindset. Here is some guidelines⁷ to help agents make that all important mind shift to help them generate multi sales through cross selling and up-selling.

1. Prepare for each call

Helping your customer to buy more products and services that are beneficial to them is first class customer service

Decide in advance what customer commitment you would like by the end of the call. Is it an order or is it commitment to the next stepping stone? - E.g. to take another follow-up call next week or an introduction to the real decision makers or influencers. Prepare your opening and the questions which need to be asked to define needs and wants for your propositions (see below).

2. Know your sales propositions

To take a simple, neutral example, if your product is a coffee cup that keeps the coffee warm 4 times longer than an ordinary cup. Define the potential WIFM ('what's in it for me?') for the customer. It could be that the user loves hot coffee and won't drink it cold. This means that every time they have to take a call or are interrupted they have to re-visit the vending machine. This might take them 5 minutes which on an average day could cost them 20 minutes total. (1hr 40mins per week). What else could they be doing with their time? What's the opportunity cost and what's the direct cost in terms of salary? Once these costs are quantified they represent the real value of your proposition.

⁷ From: <http://www.quantum-sales.com/Content/Publications/crossselling.aspx>

3. Define the questions to be asked

Have a list of questions to ask that lead to defining needs and wants for your propositions. Customer needs are logically based. For example, I need a car to get me from A to B and almost any car will get me there. I want a BMW because I enjoy the kudos and prestige. Needs are the tip of the iceberg and are very easy to identify (by you, and your competitors too!). Wants are much harder to access and the seller needs to develop the trust of the customer which is built on personal credibility and trust coupled with the ability to ask intelligent, incisive questions; and of course, harnessing the skills to actively listen to the answers in order to summarise the customer's needs and wants accurately and concisely.

4. Motivate the customer to answer your questions

Many 'chat-show' hosts are not particularly good at questioning and yet their guests are open, and usually effusive with the information they give. Why? Because they are motivated to do so because they are usually there to promote a book, film or suchlike. To facilitate a similar environment when making or receiving calls we must: a) take control of the call and b) motivate the customer to answer our questions. For example: "Mr Brown, in order for me to make sure that I tell you about the products and services that are most relevant to you, may I first of all ask you some questions to define your potential requirements?" Or, "Mr Brown, to enable us to ensure that we are an effective provider for ABC Limited it is essential that we have an up to date picture of your situation and requirements, so would you mind if first of all I ask you a few questions?"

5. Summarise customer needs and wants

Before presenting your idea, product or service, summarise the customer's needs and wants using the following structure:

- Thank the customer for giving you the information
- Ask them if it would be helpful to summarise the key points to check your understanding of their requirements
- Feedback the key points from your notes if appropriate (the customer will probably correct any misunderstandings en route)
- Check that you have a reasonable and accurate understanding and ask them if they have anything to add.

6. Present relevant propositions

Based on the accepted summary, only present the ideas / products / services that are relevant to the customer. Link the advantages of your propositions to the customer's needs and wants. Avoid the 'pitching' of irrelevant propositions. Emphasise the benefits - the 'pay-offs' in relation to their needs and wants. As you present, test the customer's commitment, e.g. "how's it sounding so far Mr Brown?"

7. Have relevant proofs to hand

Through the above process you will generate a good match between the customer's requirements and your offering. To gain the customer's commitment you need to develop their belief that your solution will work. Your claims need substantiation or

evidence to overcome any customer doubt or scepticism. Good examples of proofs are: customer references; case study materials; charts; brochures; product information sheets; press releases etc.

8. Expect objections and prepare for them

Objections are a sign of genuine customer interest. Without them, sales are rarely made! It's imperative that we unearth any objections as the one to fear most is the one we don't know about! Most objections raise their heads regularly and can be anticipated. Get together with your colleagues and develop 'best of breed' answers.

9. Develop an information base

Unless you are dealing with a 'one-off' contact / sale, develop an information base on the company / individual. Whether on a sophisticated CRM system or on 'shoebox' record cards, keep details of all previous conversations, in particular their needs and wants. Develop a check list of the background information you would like to collect for each customer. Use this as an aide memoire for the questions to be asked in conjunction with the ones required to define needs and wants for your offering.

10. Follow-up and keep the initiative

Every "no" gets you closer to a "yes." Based on your conversion ratios and average sales value work out how much each "no" is worth. It can be quite motivational! A "no" today is not necessarily a "no" forever. Gain the customer's commitment to the next stage even if it's only to take a follow-up call in 6 months. Never rely on the customer to come back to you (usually they don't). Keep control of the sale and keep the momentum going. If all else fails, qualify the customer out and get on with something else. This in itself is a win.

In summary, you will 'sell-up' and 'cross-sell' more effectively by following these practical guidelines. Furthermore, evidence strongly indicates that customers will more readily buy into your company's added-value across-the-board if you successfully integrate the guidelines into your sales approach.

Sales techniques in a Contact Centre

Many of today's contact centres have evolved from customer service centres to operations handling both service and sales. Phone sales techniques fall into one of three basic categories: cold calls, warm calls and inbound calls. The technique you should adopt as your primary sales strategy depends on the needs of your business, as well as your sales abilities. For example, if you handle rejection well and excel at winning over people, cold calling might be the best option. But if you are more skilled at designing compelling marketing campaigns, it might be more effective to focus on generating inbound sales calls.

Cold Calling

Cold calling targets potential customers with whom you've had no prior contact. This technique makes many salespeople uncomfortable because they know how annoying and disruptive unsolicited phone calls can be. Worse, rejections are common during cold calls: only 20 percent of unsolicited calls result in a sale, according to the book "A Systematic Approach to Professional Selling," by Ira S.

Kalb. Cold calling requires a thick skin and the ability to push past people's initial defenses.

Warm Calling

Warm calling involves customers who already have information about your product because some form of interaction primed the potential customer before the actual sales call. For example, a common technique is to send potential customers a sales letter outlining the benefits of your service or product, along with a message telling the customer to expect a phone call. If you have the resources to send such letters, warm calling is preferable because it gives customers time to study what you're offering. It also notifies customers they will be receiving a phone call from you, removing some of the awkwardness of an unsolicited sales pitch.

Inbound Calls

If customers call you, your chances of making a sale could increase to 80 percent, according to Kalb. You can motivate customers to call you by advertising temporary bargains or similar incentives. However, the disadvantage of relying on inbound calls is that you'll have relatively few customer interactions, which might not be the best strategy for your business. For example, if you're willing to make numerous cold calls, that might result in more sales than spending time devising ways to convince customers to call you.

No matter which technique you choose, it's vital to plan out exactly what you want to say. First, clarify the specific objective of the phone call, such as convincing the customer to make an appointment. Second, prepare yourself to overcome typical obstacles, such as initial disinterest or irritation at being interrupted at home. Third, practice your sales pitch so it sounds natural and friendly. This last step will take some time, but your pitch will improve as you gain experience dealing with a variety of customers.

In difficult economic times, ramping up sales in the call centre can provide another outlet to help companies meet sales quotas and drive sales effectiveness. Mark Hunter also known as The Sales Hunter in the industry, suggest the following Phone Sales Techniques:

- 1. Your tone of voice matters more than you think.** If your tone of voice⁸ is flat and lacks any sense of enthusiasm, how do you expect the other person to ever show interest in your call?
- 2. Use the person's name.** People always love to hear their name, so use it. In a typical telephone call, I want to use the other person's name (almost universally that means the person's *first* name) three times.
- 3. Unless there is no other way, avoid negotiating anything over the telephone.** Since you can't see them, you don't have the advantage of using body language as a tool to help you negotiate.
- 4. If you do have to negotiate over the telephone, use pauses and your tone of voice in the same manner as you would in a face-to-face negotiation.** Don't allow yourself to be sucked into a quick negotiation just because you're on the telephone.

⁸ Taken from: <http://www.telesalesmaster.com/1457/miscellaneous/>

5. Show the same level of respect to the gatekeeper or other any other person who answers the phone as you would show to the person you're looking to talk to.

6. Use descriptive words that paint a picture when you're talking. Remember, the other person can't see you, so it means the picture you paint has to come with the words you say and how you say it.

7. Always have the person's name and the name of their company on a piece of paper in front of you as you call. Last thing you want to do is to accidentally forget who you're calling just as they answer.

8. Limit the background noise. Some background noise is fine, but the last thing you want the other person to hear when you're calling is loud music or the sound of informal activities going on in the background.

9. If the phone call is important, stand up when you make it. It's amazing how much energy and focus you'll have if you stand to make an important phone call.

10. Never be the first person to hang-up the telephone. Always allow the other person to disconnect first. You never know when the other person might just share with you one more important piece of information.

11. Be quiet when the other person disconnects. Many times a person will think they have ended the call when they have not actually disconnected. You might just surprise yourself with what you hear from the other end.

12. Don't be distracted by email or other items popping up on your computer while you're making a call. Be focused. Because you can't see them, it's easy to become distracted with your eyes. Allowing yourself to become distracted may easily cause you to miss a key point.

13. Reaffirm everything. Again, because you're only communicating with your voice means you must very reaffirm everything.

14. Use open-ended questions as a way to build the dialogue. Just because you're talking with someone on the telephone does not mean you can't use open-ended questions.

15. Don't make an important telephone call from a telephone that is not stable, whether that be a cell phone with spotty coverage or a weak handset. Quality counts and it represents you.

16. Always answer the telephone with both enthusiasm and at a pace (words per minute) that allows the other party to know exactly who it is they're talking to. Too many times people who answer many phone calls each day get into a habit of answering quickly, resulting in their words slurring together, making it hard for the other party to hear who they're talking to.

17. Keep a mirror on your desk to allow you to see yourself talking. It's amazing how much energy you'll put into a phone call when you can see yourself.

18. Talk with your hands, as it allows you to convey more energy in your voice. Use a high-quality headset to allow you to talk with your hands.

3.2 Adhere to company specific procedures and industry regulations

Company policies and procedures establish the rules of conduct within an organisation, outlining the responsibilities of both employees and employers. Company policies and procedures are in place to protect the rights of workers as well as the business interests of employers. Depending on the needs of the organisation, various policies and procedures establish rules regarding employee conduct, attendance, dress code, privacy and other areas related to the terms and conditions of employment.

Industry regulations refer to Government regulation of an entire industry. The most common industry regulation has been in airline, railroad, trucking, banking, and television broadcasting. The objective of industry regulation is for a regulatory agency to keep a close eye on an industry's prices and product to ensure that they don't start a monopoly and take advantage of consumers. Unfortunately more than a few of the regulatory agencies have been prone to work too closely with those they regulate, in large part because regulators move freely between industry and agency. The agency often ends up working for the industry and running what is effectively a legal monopoly that raises prices, prevents competition, and gouges consumers.

Complying to these procedures means conforming to a rule, such as a specification, policy, standard or law. Regulatory compliance describes the goal that corporations or public agencies aspire to achieve in their efforts to ensure that personnel are aware of and take steps to comply with relevant laws and regulations.

Due to the increasing number of regulations and need for operational transparency, organisations are increasingly adopting the use of consolidated and harmonised sets of compliance controls. This approach is used to ensure that all necessary governance requirements can be met without the unnecessary duplication of effort and activity from resources.



Class Activity 3: Cross-sell products in a Contact Centre

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

3.3 Provide product related information

Access to detailed Product Information is imperative in today's Sales Environment. Consumers expect rich data and images to make purchase decisions while agents require analytical data to make realistic and beneficial offers to customers. Agents must be able to accurately provide all product related information when the customer asks for it. As a result of increased information demands, the need for product data accuracy and consistency is a necessity. Product Information touches many business groups across an organisation - IT, sales, merchandising, marketing, accounting and more. The precise flow of product data greatly affects the efficiency and success of the entire enterprise. Implementing a Product Information Management (PIM) Solution enables product data collaboration and synchronisation across all corporate systems. When supplier, sales and customer information is available enterprise-wide from one repository, a 'Single Truth' - exists and data consistency is achieved.

All businesses have access to an extensive pool of knowledge - whether this is their understanding of customers' needs and the business environment or the skills and experience of staff.

The way a business gathers, shares and exploits this knowledge can be central to its ability to develop successfully. This doesn't just apply to huge multinational companies. Knowledge management can benefit everyone from a local newsstand to a manufacturing firm.

Your sources of business knowledge to help you gain an in-depth understanding⁹ of industry specific products and/or services offered could include:

- **Customer knowledge** - you should know your customers' needs and what they think of you. You may be able to develop mutually beneficial knowledge sharing relationships with customers by talking to them about their future requirements, and discussing how you might be able to develop your own products or services to ensure that you meet their needs.
- **Employee and supplier relationships** - seek the opinions of your employees and your suppliers - they'll have their own impressions of how you're performing. You can use formal surveys to gather this knowledge or ask for their views on a more informal basis.
- **Market knowledge** - watch developments in your sector. How are your competitors performing? How much are they charging? Are there any new entrants to the market? Have any significant new products been launched?
- **Knowledge of the business environment** - your business can be affected by numerous outside factors. Developments in politics, the economy, technology, society and the environment could all affect your business' development, so you need to keep yourself informed. You could consider setting up a team of employees to monitor and report on changes in the business world.
- **Professional associations and trade bodies** - their publications, academic publications, government publications, reports from research bodies, trade and technical magazines.
- **Trade exhibitions and conferences** - these can provide an easy way of finding out what your competitors are doing and to see the latest innovations in your sector.
- **Product research and development** - scientific and technical research and development can be a vital source of knowledge that can help you create innovative new products - retaining your competitive edge.
- **Organisational memory** - be careful not to lose the skills or experience your business has built up. You need to find formal ways of sharing your employees' knowledge about the best ways of doing things. For example, you might create procedural guidance based on your employees' best practice. See the page in this guide: create a knowledge strategy for your business.
- **Non-executive directors** - these can be a good way for you to bring on board specialised industry experience and benefit from ready-made contracts.

⁹ From: <http://www.infoentrepreneurs.org/en/guides/importance-of-knowledge-to-a-growing-business/>

3.4 Determine and communicate product features, advantages and benefits

FAB stands for Features, Advantages and Benefits. For every product feature, write out the advantage over your competitors, and the benefit to the customer.

For example:

Feature - Paint made from process "XYZ" that bonds volatile hydrocarbons

Advantage - Paint that doesn't give off a strong smell like the competitor's product

Benefit - Safe to apply around children

In marketing messages, focus on the **benefit the customer will feel**. In the example above it should convey the convenience of applying paint without evacuating the house. A picture of a parent and child painting together would work.

The reason is that although you might be proud that you hold the patent for making a widget better than anyone, the customer doesn't really care. They do care about emotionally bonding with their child as they paint together.

3.4.1 Identify and clarify product/service features, advantages and benefits to facilitate the communication of product information to sales clients

Customers only care about what a product can do for them. Effectively communicating product information to sales clients will help with the overall sales process

Here are the actionable steps to help use the product/service features, advantages and benefits to sell:

1. Identify your product's promise to get your prospects' attention

Identify an immediate benefit associated with your product, relate how it affects prospects on a personal and emotional level, and use this to come up with your product's promise.

2. Highlight what your product does to convince customers they need it

Research your customers' problems, come up with content like headlines and videos that explains how your product can solve them, and feature it on your website.

3. Keep your message consistent so it sticks with your customers

Highlight your product's features and benefits in detail after the headline, and focus on your product's promise whenever you're talking about it.

4. Upload screenshots to show off your product's features

Make screenshots big, use a magnifying circle to highlight specific details, and when applicable, add annotations to describe your product's features.

5. Feature social proof and product testimonials to build credibility

Keep track of the press that you receive, ask clients to give testimonials about your product, and bold important parts of the testimonials to emphasise them.

6. Use clear calls to action to encourage clients to buy or try your product

Use clear and convincing calls to action, offer trials or previews of your product if applicable, and feature them prominently on your website.

Sources for obtaining product/service features, advantages and benefits information

Knowledge is power and for retailers, product knowledge can mean more sales. It is difficult to effectively sell to a consumer if we cannot show how a particular product will address a shopper's needs.

Objections made by customers may¹⁰ be struck down with factual information regarding the product. That information usually comes in the form of product knowledge. Being well versed in not only your products, but similar products sold by competitors, allows you to easily counter objections.

How to Gain Product Knowledge

- Marketing Literature
- Sales Reps
- Training Sessions
- Testimonials
- Role Playing
- Practical Use

It is important to understand how the product is made, the value of the product, how the product should and can be used, and what products work well together.

What to Know About Your Products

- Pricing structure
- Styles, colours or models available
- History of the product
- Any special manufacturing process
- How to use the product
- Product distribution and delivery
- Servicing, warranty and repair information

It may take a while to easily articulate your product knowledge, especially with new products, but over time you'll become comfortable and confident in providing the correct information to customers. That confidence will pay off in improved sales results.

Nearly all sales experts agree that knowing at least the basics about your product is critical to selling it effectively. However, understanding your product is even more helpful. The difference between product knowledge and product understanding? 'Knowledge' is the facts and figures, while 'understanding' is about realising how those facts and figures affect the product owner.

Product knowledge vs. product understanding is quite similar to the contrast between features and benefits. And just as "features tell, benefits sell," a salesperson who focuses on product knowledge without product understanding misses the mark. For example, someone who sells cars probably knows all about the latest model's acceleration features, the available paint colors, and whether it comes with a V6 or

¹⁰ From: <http://sales.about.com/od/wheretostart/a/Understanding-The-Product-Creates-Sales-Success.htm>

V8 engine. All of the above come under the category of product knowledge. But the salesperson who understands his product knows what each of those factors will mean to different prospects. He knows that high acceleration will be attractive not only to the teenager who yearns for speed but also for the suburban mom who wants to be able to safely merge onto a busy freeway.

Product knowledge is absolutely essential for salespeople, but by itself it can create a bad case of “expert-itis,” especially in salespeople with a highly technical product or service. The result is often a salesperson who carries forth at length about product specifications that mean little or nothing to most prospects. An addiction to industry jargon is another common side effect. In extreme cases, these aspects of expert-itis can make a salesperson's pitch completely unintelligible. And if your prospect can't understand what you're saying, she's not likely to buy from you!

Product understanding, on the other hand, allows a salesperson to present these technical details in terms that make sense to prospects. So a new computer with dual-core processors and two terabytes of hard drive storage could be pitched to a prospect as “...a computer that has plenty of room for all those movies you like to download, and still runs really fast!”

The best way to make the leap between knowledge and understanding is to use the product yourself. If your company gives you access to your products for free, then by all means take as many as you can and use them as much as possible. If you can also get copies of your competitor's models, so much the better – you'll be able to explain exactly how your product is different and (hopefully) better.

If your company can't or won't give you the product to try for yourself, then the next best option is to do a little market research. Set up appointments with a few of your best customers and ask them to tell you about their experiences with your company's products. Try to make it clear that you want brutal honesty, since there will almost always be ways in which your products are both good and bad and the more you know about both aspects, the better.

In many ways, product understanding goes hand in hand with prospect understanding. The more information you have about both your products and your potential customers, the better you'll be able to fit one to the other... the less time you'll waste with matches that are doomed from the start... and the happier your customers will be.

3.4.2 Record and document product/service features, advantages and benefits for future use

Using knowledge in your business¹¹ isn't necessarily about thinking up clever new products and services, or devising ingenious new ways of selling them. It's much more straightforward.

Useful and important knowledge already exists in the business. It can be found in:

- the **experience** of employees
- the **designs and processes** for your goods and services
- your files of **documents** (whether held digitally, on paper or both)
- your **plans** for future activities, such as ideas for new products or services

The challenge is harnessing this knowledge in a coherent and productive way.

¹¹ Information from: <http://www.infoentrepreneurs.org/en/guides/importance-of-knowledge-to-a-growing-business/>

Existing forms of knowledge

- You've probably done **market research** into the need for your business to exist in the first place. If nobody wanted what you're selling, you wouldn't be trading. You can tailor this market knowledge to target particular customers with specific types of product or service.
- Your files of **documents** from and about customers and suppliers hold a wealth of information which can be invaluable both in developing new products or services and improving existing ones. Ensure that your employees document product/service features, advantages and benefits to be kept in a product library for reference.
- Your **employees** are likely to have skills and experience that you can use as an asset. Having staff who are knowledgeable can be invaluable in setting you apart from competitors. You should make sure that your employees' knowledge and skills are passed on to their colleagues and successors wherever possible, e.g. through brainstorming sessions, training courses and documentation.

Your understanding of what customers want, combined with your employees' know-how, can be regarded as your **knowledge base**.

Using this knowledge in the right way can help you run your business more efficiently, decrease business risks and exploit opportunities to the full. This is known as the **knowledge advantage**.

How could you record and document product/service features, advantages and benefits?

Product brochures¹² offer an opportunity to differentiate your offerings from those of your competitors. However, a critical aspect of differentiation will be clearly and concisely providing the relevant information needed to make a decision. Let's start by discussing the meat of any good product brochure – the features and benefits.

The features section is the most important of the brochure. This is where you need to clearly and concisely explain what the product does. Buyers are looking not only to understand how a product benefits them but also what the product does. If the prospect doesn't understand what features the product provides then the benefits are meaningless.

For example, suppose you are told that you could buy a car that has "excellent safety ratings," "economic fuel consumption" and is "amazingly fun to drive."

Would this convince you to test drive the car? No, because you don't even know what type of vehicle it is. You would probably ask questions such as:

- Is the vehicle an SUV, a sedan, a compact, a station wagon?
- What size engine does it have – four, six or eight cylinders?
- How many doors does it have – two, four, five?
- What is the gas mileage for city and highway usage?
- What is the entertainment system – does it include iPod connectivity?

Buyers use features to narrow down choices. If you were told there was a software application you could buy that would reduce inventory, improve customer service and lower your costs, would you take an appointment with the vendor? Probably not

¹² Read more: <http://outsideinmarketing.wordpress.com/>

without knowing whether the software was a word processor, enterprise resource planning application or a relational database platform.

Communications professionals are right to state that there needs to be a focus on benefits. Historically, product managers have written brochures that are primarily feature-oriented. However, the answer is not to eliminate feature statements and only write benefits. You need to do both well.

What should you write about features?

- Select the four or five most compelling features to focus on. Don't write about eight or ten different features.
- Provide a two to three sentence description of each feature. Avoid having inconsistent lengths in your feature descriptions. For example, it appears strange when one feature has eight sentences of detail, but the others only have two sentences of detail.
- Tease the reader. Rather have the reader walk away with a few questions still to be answered than to stop reading the brochure mid-way because it is providing too much detail. In the former case the prospect is likely to contact you to seek out answers. The latter case could lead to unpredictable results.

Benefit statements are critical. Benefits can be extremely powerful in a brochure, but only if they are adequately explained. One of the biggest mistakes with benefits statements is that writers use too many sweeping generalisations without providing specifics on how and why. For example, every technology vendor claims that their products can "accelerate time to market," "improve customer service," "lower cost structures" and "enable additional revenue generation opportunities." But many companies don't explain how the features provided in the product help to achieve these benefit statements.

If your product legitimately offers these benefits then it should be easy to explain why and how it does so. Otherwise, the claims will be quickly dismissed as vendor marketing hype.

Also, be sure your features are features and your benefits are benefits. It is tempting to mix the two. The reason we encourage writers to split the two is actually more for the writer than the buyer. By forcing people to distinguish between benefits and features, they will spend more time refining the messaging. And the result will be more compelling positioning.

3.4.3 Contact suppliers to assist in the clarification of features, advantages and benefits

Suppliers are essential to almost every business¹³. Without raw materials to make what you sell or manufacturers to provide what you resell, you will have a tough time growing. There are also many supplies and services your business consumes as part of general overhead, from paper clips to Internet access. It is essential to build the kind of relationship with your supplier that allows you to contact the supplier to assist in the clarification of features, advantages and benefits.

Suppliers and vendors-the terms are used interchangeably here-can do much more than merely supply you with the materials and services you need to do business. They can also be important sources of information, helping you evaluate the potential of new products, track competitors' actions and identify promising opportunities. Vendors can turn into partners, helping you cut costs, improve product designs and

¹³ Read more: <http://www.entrepreneur.com/article/66028#ixzz2bMXerEAc>

even fund new marketing efforts. If you don't make selecting good suppliers and vendors a part of your growth plan, you're likely to regret it.

Suppliers can be divided into four general categories. They are:

1. *Manufacturers.* Most retailers buy through company salespeople or independent representatives who handle the wares of several different companies.
2. *Distributors.* Also known as wholesalers, brokers or jobbers, distributors buy in quantity from several manufacturers and warehouse the goods for sale to retailers.
3. *Independent craftspeople.* Exclusive distribution of unique creations is frequently offered by independent craftspeople who sell through reps or at trade shows.
4. *Import sources.* Many retailers buy foreign goods from a domestic importer, who operates much like a domestic wholesaler. Or, depending on your familiarity with overseas sources, you may want to travel abroad to buy goods.

It is important to develop a productive ¹⁴and professional relationship. The following tips will help you maintain positive relationships with your suppliers:

- Talk regularly and honestly with your suppliers. Good business-to-business relationships rely on strong, two-way communication. Where possible, you should look to make face-to-face contact with suppliers or their representatives.
- Set up standardised ordering processes that both parties can easily understand and follow. Ensure that the supplier understand the need to provide comprehensive information on features, advantages and benefits of products that will allow salespeople to promote the products better.
- Bring any problems or concerns immediately to your supplier's attention.
- Pay your accounts on time. If you cannot make your payments in time, make sure you let your supplier know before the due date.
- Avoid making unrealistic demands for products or services. Constantly changing or rushing orders will frustrate your suppliers.
- Return defective goods promptly.
- Monitor and review your supplier's performance and measure it against their competitors. Be prepared to negotiate the terms of trade from time to time.
- Be sure to carefully examine the reasons for problems before cutting ties with a supplier. Introducing new products, changes in freight and updating ordering process can cause temporary disruptions. Like everyone else, suppliers will have ups and downs in their business. Loyalty may earn you understanding during your own tough times.

Developing a good relationship with your suppliers is essential for good stock control.

By developing closer relationships with suppliers you will find them able to keep you well informed on new trends and technologies. Suppliers will have useful information

¹⁴ Information from: <http://www.business.qld.gov.au/business/starting/supplier-stock-management/finding-right-suppliers/choosing-suppliers-business>

on what they are sourcing long before the information becomes common knowledge.

3.4.4 Establish communication processes with existing and potential sales clients that are consistent with identified buyer information

Being in a position to focus on your most valuable customers might sound like a luxury. After all, many small businesses are grateful for customers of any kind.

But every business finds that some customers are more valuable than others. This can be for a range of reasons, from the size of their purchases to the relative ease of managing their account. Successful businesses are generally those that identify these customers, build relationships with them and work to bring in new customers with a similar profile.

The benefits of understanding your customers

Understanding your customers helps you to sell more. The more you know about them and their needs, the easier it is to identify opportunities to sell them new products and target them with appropriate offers.

Profiling existing customers also makes it easier to find new ones. You can look for similar prospects, and sell to them in a similar way.

However, you must make sure that you comply with data protection regulations for any personal information on existing and potential customers that you collect, keep and use. There are specific rules for e-commerce.

You can use the information you have on customers to improve efficiency. Keeping a central record of customer details and sales reduces errors and speeds up transactions.

You can also improve customer service. Better access to information helps you deal with customers more quickly. You can tailor product offerings and provide personalised treatment. The right information makes it easier to identify and resolve any problems.

Finally, understanding your customers helps your planning. You can predict what they will buy, and estimate how much stock you need. Linking customer management to purchasing can dramatically improve profitability.

Learn about your customers

Your customers are a valuable source of information, so you should aim to collect data that lets you identify your customers and how they behave. This will vary depending on your customer profile. If you sell to individual consumers, you might want to know about their age, gender, income and so on. For businesses, you might want to know what industry they operate in and their size.

You should also try to find out what they think about you and your products and services. For example, learn what they like and dislike and why they choose to use you.

If you have just a few important customers, it's worth getting detailed feedback from them. Companies that sell to individual consumers sometimes use customer surveys.

If you sell online, you can use your website to capture some information automatically.

Of course, as well as collecting the information, you need to store it. The most effective way is to use a central database.

However, you must make sure that you comply with data protection regulations for any personal information on existing and potential customers that you collect, keep and use. There are specific rules for e-commerce.

Make customer information available

Making customer information available to employees can make them more productive. For example, you could give sales staff access to financial systems so that they can check orders and payments. You need to decide what information different employees might need, and how to make it available to them.

Technology can help. For example, you can share correspondence and other information on your computer network. Using caller recognition, staff can view an incoming caller's details and purchasing history before even answering the phone. Integrated IT systems help different parts of your business to share what they know.

It's important for information to be accurate. It's a good idea to update records regularly, taking care to delete duplicate entries. You could also consider giving customers online access, so that they can update their own details themselves.

You must ensure that any confidential or important information is protected against misuse or accidental deletion.

Remember you must also comply with data protection rules for any personal information on existing and potential customers you collect, keep and use. This may affect your IT systems and which staff have access to the information.

Analyse your customers

The right information will let you build up a useful profile of your customers. This typically includes the following:

- who they are - the age and gender of individual consumers, or industry and business size for corporate customers
- what they think and believe, what interests them and their opinion of you and your product
- their purchasing behaviour - which products they buy, where they buy them, when, and how they pay

Profiling your customers in this way helps you group them into different segments, each of which can be approached separately. For example, you might produce customised products or services for different segments. You can also focus the way you market to different groups of customers.

You can use specific IT software to help you collect and analyse your data. For example, linking customer records to your accounting system makes it easier to see how profitable different customers are.

What makes your customers valuable?

Analysing your customers allows you to identify those who best fit your business priorities. These will depend on your strategy - for example, if you are launching a new product your aim might be to build sales as quickly as possible, whereas if you have cash flow problems you might value customers who pay quickly.

However, most businesses want customers who are as profitable as possible. Customers tend to be more profitable if they:

- buy high-margin products
- pay full price without negotiating discounts
- place a small number of large orders rather than many small orders
- do not cancel or amend orders
- pay on time, without being chased for payment
- do not require extensive after-sales service

By analysing your records you can assess how profitable each customer is. In some businesses, just a few customers are responsible for almost all the profits. Some of your largest customers might be among your least profitable. You may even find that there are some customers you would be better off without.

You can use all of this information to establish communication processes with existing and potential sales clients that are consistent with identified buyer information for the more profitable customers

Enhance the customer experience

Looking after your customers helps build customer loyalty. Selling more to existing customers can be far more cost-effective and profitable than finding new ones.

However, you will still need to divide your time up between finding new customers and selling more to existing ones depending on your business.

Focus on your most valuable customers

- Tailor your products and service to meet their specific requirements. If a customer prefers delivery before noon, organise your delivery schedule to make sure that happens.
- Don't stretch yourself too thin. Make sure enough time is given to managing each of your key accounts.
- Identify and resolve problems quickly. It is better to under-promise and over deliver, but make sure you always live up to your promises.
- Keep in touch. Let them know when service contracts need to be renewed or when better deals become available.
- Build personal relationships with key decision-makers.
- Consider offering preferential terms - e.g. a bulk discount.

Technology can help you improve the service you offer. For example, you might be able to let customers track deliveries through your delivery company's website. You can use your website to provide useful information, such as product details or instruction manuals. Also, ensure that staff are given adequate customer service training - they can make or break your reputation with customers.

Market more effectively

The more you know about your customers, the more effectively you can market to them.

Understanding your customers lets you tailor your marketing to different segments. You can ensure that each customer gets the right marketing messages, at the right time. Advertising and other promotions can be more effective if they are targeted.

This also affects the type of media you use. For example, if you market to 15-24 year olds, you might consider marketing via text messaging, using "viral" emails or by sponsoring music events. Viral marketing or "refer-a-friend" email campaigns allow people to forward on promotional emails to friends, thereby increasing market reach for your business. But remember you must comply with privacy and e-commerce rules for emails and texting.

You can also improve your sales with a more targeted approach of communication. Understanding your customers helps you see which of their needs your product can satisfy. You may, for example, be able to up-sell, explaining why a higher priced product would suit them better. You may also find opportunities to cross-sell other products that fit their profile. For example, if you know why they are buying a particular product, you can tell which other products they may also need.

Technology can help automate some of these processes. For example, you can set up different mailshots or emails to go to different customer segments. E-commerce software can allow you to offer discounts to particular customer groups, or send selected customers "e-coupons" to use in your online store.

Find new customers

Understanding who your most valuable customers are helps focus your efforts to find new customers. Often, the most effective approach is to look for similar prospects.

At the same time, diversification is important. It's risky relying too heavily on just a few key customers. Even if you have many customers, it's risky if they are too similar. A change in circumstances could mean that all of them reduce their purchases at the same time – e.g. if your three largest customers are based in the US, a change in the exchange rate could see them drastically reduce their orders.

As markets change, you should regularly review your marketing strategy. Particular market segments may become less profitable as competition increases. Customers' requirements may change, for example, as individual consumers become older.

Continually review how valuable your existing customers are. Over time, customers who used to be highly profitable might demand lower prices. Other customers may increase their turnover with you as they grow. See the page in this guide on what makes your customers valuable.

Keep an eye on customers' future potential as well. It may be worth nurturing a relationship with a small customer with high growth potential. Working with your customers can also help you identify ways to develop new and improved products.

Being able to communicate effectively with clients is easily one of the most important aspects of selling. The communication process starts immediately as you'll need to learn what the client wants and expects from you, and as you get to know more about their business. The need for communication will continue through every phase as you and the client work together to create relationship that will be effective for the business. After the sale is completed, it's likely that you'll provide some customer support at least occasionally, so the need for good communication will always exist.

In this section we'll take a detailed look at the topic of communicating with clients. Many of the tips that are mentioned can apply to communication in general, but this comes specifically from the perspective of a seller/client relationship.

1. Start with a Solid Foundation

By taking the time up front to communicate with the client and to build this solid relationship you can save time and avoid miscommunication later. It's a good idea to have some sort of intake process that you go through with clients to get through this stage; it can help to make sure that you don't miss out on any important points.

Some clients may be hesitant to dedicate much time for this type of communication. When that is the case it can be helpful to explain that all of this is important in order for you to give service that will truly work for their business and for their customers. Emphasise that taking this time up front can help to make the process smoother and quicker, and to avoid costly mistakes.

2. Have a Method or a System

If you are just responding to emails or phone calls as they come in with no records or organisation, chances are you could benefit from putting a system in place.

If you're working with several clients at one time it can be very challenging to remember exactly what was said by which client and what was done at different points. There is no right or wrong method, but you could consider using a resource that is intended for customer service, or you could develop your own system and processes to keep track of communication. At a very minimum you should have folders in your email to keep track of messages from and to specific clients.

Without a system you will probably find yourself scrambling to find out what was said about different aspects of the project. Having a record is always good because it will avoid the need to go back to the client when it's not necessary and it will also help to protect you in case there is some type of dispute down the road.

3. Do More Listening Than Talking

The client's needs are all about them, their business, and their customers. For this reason it is important to emphasise the need to listen and let them provide you with the information that will help you to do the best job possible. Of course there will be plenty of times where the clients should be doing the listening, but especially during the initial stages when you are just getting to know about their business, be sure to place the most value in listening to what they have to say.

4. Don't Be Afraid to Ask Questions

Misunderstandings will always lead to wasted time, so don't be afraid to ask the client questions that will help you to get on the same page. Your customers are busy, just like you are, so they may be in a hurry when you are talking to them, but don't let that discourage you from getting the information that will help you to do your job for them.

Many clients won't give a lot of information to you about their business or their customers unless you ask because they may not see the need for you to fully understand their business. In most cases they just don't stop to think about all of the communication that is needed, so you may have to be proactive and ask a number of questions.

5. Be Patient with Your Explanations

As you are explaining to customers, whether it is the sales process or the product features, be patient. Clients appreciate sales people who show patience and a willingness to explain things in a way that they can understand, without putting them down.

6. Explain Your Reasons and Thought Processes

As you give your opinions throughout the process it is important that you also explain to the client why you are giving that advice. Clients will often want you to do something that you don't think is a good idea. When those situations arise, rather than just doing it the way they want or doing it your way with no explanation, take the time to demonstrate to them why you think it is important and what the potential impacts can be.

Clients will typically see things as they appear on the surface, but from your experience you may know that there is more to be considered in the situation. When this is the case you need to explain to the client the other factors that are involved and why you feel a certain way.

7. Give Advice When Needed

Sales people really are consultants to clients as well. Clients (at least most of them) know that you have more expertise in the area than they do and they'll trust that you are interested in doing what is best for them and their business. There will be situations where you will need to be willing to give them advice on a particular decision that needs to be made, or situations where you should add some of your own ideas for making the project better.

Don't be afraid to advise clients based on your professional experience. Most clients will respect your opinions and appreciate that you are looking out for their best interests.

8. Avoid Jargon

One of the biggest frustrations for clients is when sales people talk to them with terms and phrases that they don't understand. You should avoid using terms that they are unlikely to understand (or at least explain what they mean).

As you work with clients you will get a better understanding for how knowledgeable they are, and you can adjust your communication accordingly. Some clients will have a very good understanding and will be able to communicate without the need to explain everything, and others will have very little knowledge or experience related to your product and services.

9. Avoid Assumptions

Assuming that the client understands certain things or that they want something a particular way can lead to miscommunication. If you're unsure about something, take a minute and ask the client rather than assuming and causing frustration and unhappiness later.

10. Use Examples When Possible

One thing that can really help your communication, particularly when you are explaining things to clients or giving them choices, is to use real-world examples. Explaining options over the phone or through email can be challenging, and at times ineffective. By using examples to help, you can make things more clear for clients and get more accurate response and avoid misunderstanding.

11. Make Your Communication Count

Because your clients are busy, most of them will not want to be constantly receiving emails or phone calls about products. One lesson you should learn is to make the communication count. Try to put your questions together in one email rather than sending 4 different emails in one morning with one question each. Additionally, make an effort to be as clear as possible when you communicate so there is no need to go back and forth several times just to understand the issue at hand.

Because clients value their own time, they will appreciate if you maximise the time that you have in communication and if it requires them to respond to less emails or take less phone calls. This also goes back to the need for good organisation and having a system to keep tabs on the communication. If you forget what a client told you, you can either go back through your records to find out yourself or you can contact them to ask again. Of course, it's preferable to not have to go back to the client when it's not necessary.

12. Put it in Writing

One of the reasons that email communication is effective is because it gives you and the client a record of what has been said. There may be times where it is necessary for customer service or for legal purposes to have a record of what was said, by whom, and when. Aside from email, other types of CRM tools can also help for record keeping.

For situations where you are talking to clients on the phone, it's a good practice to type notes after you get off the phone to summarise what was discussed, and of course you will want to include the date and the names of the specific people that you spoke to. While you may not be able to prove that what is in your notes was actually discussed, it is still better than not having record at all, and it can be just as effective when you need to go back through the records for your own purposes. Another option is to send a summary of the conversation to your clients by email. This may be overkill for short calls just to discuss one point, but it could be helpful with longer, more detailed calls, and it could also help clients to have an account of the conversation for themselves.

13. Keep it Professional

While you are communicating with clients, whether it is face-to-face, telephone, or email, always stay professional. Clients will expect you to conduct your business in a professional manner, so avoid things that could cause them to see you differently. That's not to say that you can't get to know your clients on a more personal level, but remember that what you say and write can impact your relationship.

3.5 Describe physical specifications of features, advantages and benefits

If you don't understand what you're selling, you are going to suffer. You won't know the best customer fit for your product, so you won't be able to do a good job of qualifying prospects. You won't know all the product's benefits, which means you'll be constantly missing chances to woo prospective customers. And if a prospect asks you a technical question, you won't know the answer... which takes away your option of presenting yourself as an expert or a consultant. Selling without product knowledge is like running a marathon with one leg tied behind your back.

3.5.1 Communicate information relating to product/service features, advantages and benefits to sales clients

In consultative selling you act as a consultant: you help identify the needs of your client, and then suggest products and solutions that meet those needs. Consultative selling demands a higher level of trust and credibility than some other sales models. So, it's a great model to use simply because that foundation of trust is probably already there – if you're selling an idea to the executive board, your boss, your team, or current clients and customers, you've hopefully got a good relationship already in place, and you can use this to your advantage. Also, because consultative selling focuses on helping your audience (rather than helping yourself to make a "sale"), it's more natural and intuitive.

Connect your audience and your product with benefits – Great marketers and salespeople understand that there's a distinct difference between features and benefits. This is because your audience cares about only one thing: "What's in it for me?" So, it's crucial to know the key differences:

- Features are what your product or idea does. For instance, the new accounting software you want everyone to use is fast and easy, and it has real-time reporting. These are the features of the software.
- Benefits are what those features mean to your audience. For instance, the accounting software's benefits are that people will have more time to do other tasks, they'll be less stressed when they're using the program, and they'll get up-to-date information from the system.

Features are boring, and people have to think quite hard to see the possibilities within them. But when you translate those features into benefits, you make an emotional connection with your audience.

When you're doing your preparation, focus on identifying the benefits of your idea or product, so that you can communicate that information to your client. Understand the needs of your client – Identify problems that your product or idea will help solve, and needs that it will address. This will directly impact the way you pitch, or sell, your idea. If you're speaking with people who are not in your industry, make sure you use words and terms they can understand.

Highlight your Unique Selling Proposition (USP) – People buy the best possible solution that meets their needs and their budget. Make sure that you highlight what makes your product, idea, or project uniquely relevant to them.

Communication processes for existing and potential sales clients

Every business needs new customers, but don't ever forget that your easiest and most predictable source of new revenue is right under your nose: It comes from the loyal customers who already know your company. Acquiring new customers is expensive (five to ten times the cost of retaining an existing one), and the average spend of a repeat customer is a whopping 67 percent more than a new one. So, sure, put some energy into new business development, but make sure your salespeople know that coming up with creative ways to sell more to your current customers is just as important.

When your company communicates with your existing customers the process can involve many different people within both organisations using a variety of different methods. The main tool that is used is an order that is communicated by your customer to your sales department. However this is only one of many communications that should be managed. To ensure that your company can provide the best customer service experience possible the use of customer relationship management (CRM) software should be considered.

Typical CRM software¹⁵ will allow you to track and organise its contacts with its current and prospective customers. The software allows your employees to store information about customers and customer interactions which then can be accessed by employees in different departments within your company.

There are three areas which your company interacts with your existing customers.

- **Front Office Contacts** - These involve the direct contact your employees have with your customers which can include phone calls, e-mail, instant messages and face to face communication.
- **Back Office Operations** – These are processes that are used to facilitate the front office, such as finance communications, marketing, customer billing and advertising.
- **Business Contacts** – Your employees will interact with customers and suppliers through networking, industry events and trade associations.

Key Elements of CRM

CRM can be broken down into a number of different components which many software vendors have developed packages for. For the most part, there are three areas which are core to successful customer relationship management; Customer Service, Sales Force Automation and Campaign Management.

Customer Service

The customer service function in your company represents the front office functions that interact with your customers. These are the business processes that allow your company to sell products and services to your customers, communicate with your customers with regards marketing and dealing with the after sales service requirements of your customers. Each interaction with the customer is recorded and stored within the CRM software where it can be retrieved by other employees if needed.

¹⁵ Information from: <http://logistics.about.com/od/forsmallbusinesses/a/CRM.htm>

Sales Force Automation

Your company's sales department is constantly looking for sales opportunities with existing and new customers. The sales force automation functionality of CRM software allows the sales teams to record each contact with customers, the details of the contact and if follow up is required. This can provide a sales force with greater efficiencies as there is little chance for duplication of effort. The ability for employees outside of the sales team to have access to this data ensures that they have the most recent contact information with customers. This is important when customers contact employees outside of the sales team so that customers are given the best level of customer service.

Campaign Management

The sales team approach prospective customers in the hope of winning new business. The approach taken by the sales team is often focused in a campaign, where a group of specific customers are targeted based on a set of criteria. These customers will receive targeted marketing materials and often special pricing or terms are offered as an inducement. CRM software is used to record the campaign details, customer responses and analysis performed as part of the campaign.

Communicating with potential customers

Successful sales managers¹⁶ are busy people. Looking at their calendar you would rarely find an empty spot longer than an hour or two. The tasks they perform are also numerous: searching the internet, contacting clients by e-mail or fax, cold calling, visiting, preparing presentations and so on. If we take a closer look to all these tasks, we would clearly see that they can be classified into 2 main categories:

- 1) Creating the database of potential clients
- 2) Turning potential clients into real (the ones that actually buy)

The first group of tasks seems more or less understandable: you need to search the web, attend trade shows, read specialised industry magazines. To some point – all tasks of the first group can be completed by a set of standard procedures which should be repeated on regular bases. While with the second group of tasks – the situation is totally different. This is actually where all the creative potential of a sales manager can be shown. Every client is unique and standard actions won't bring many orders unless the product is a deficit and the demand is not fully covered. Below we'll discuss some approaches how to turn potential clients into real ones using the creativity and thinking outside the box.

Let's assume we've found a company on the web and according to its production range – they should be using a product or a service we're selling and see how we should be working with them in order to become their supplier or a service provider.

The first logical step would be to establish the contact. In fact – lots of people choose the career of a sales manager because they enjoy interpersonal communication. However, if you are not a socialisation fanatic, or even if you are a bit shy talking to unknown people – it is even better, cause eventually your job will help you to become more confident in your communicational skills and you'll start enjoying it.

Your communication tool box might consist of emails, fax messages, phone calls, video conferences and personal visits. Each of those tools has their pros and cons, so don't rely on one method only, rather use a combination of them. Some of your

¹⁶ Read more: <http://business.wikinut.com/>

clients might prefer emails, others like phone calls - that is why to make the communication process more efficient, always keep in mind your client's preferences.

To build up some confidence before sending your first e-mail or before your first phone call – consider the following:

- Convince yourself that you are delivering useful information that might be very helpful – so no place for feeling sorry about taking their time
- Try to communicate with some portion of humour (smiling to people is a good habit even if you are speaking via the telephone or writing an e-mail)
- Before contacting someone – try to understand how they might use your product and what benefit it would bring to this particular company
- Visualise the process (for example imagine how people are glad that you've finally called them, how long they've been waiting for the product like yours, they smile and are being very nice to you) – this is a very strong technique as it helps you enjoy your job even more

Proper communication is a key to success in sales. Staying in touch with potential clients you're building a business relationship between your companies. That is why – use every opportunity to be in contact with your potential and real clients.

Methods and techniques for describing features, advantages and benefits

Features, attributes and benefits¹⁷ (FAB to sales professionals) are used in sales to help sell the product or service. Writing about these needs careful explanation, as attributes and benefits are quite similar. It needs to be made clear what the differences are and how they work during a sales conversation.

1. Describing a "feature" linked to sales means, for instance, if you are selling a pencil sharpener, a "feature" is the blade; it could also be the size of the hole, or both holes if it is a double sharpener. The "attributes" of these features are that it can sharpen your pencils quickly and different sizes of pencil. The "benefit" is that you have neatly sharpened pencils. So describing a feature you need to indicate that it is a part of the product or service description --- e.g. features on a car would be power steering, electric windows and air conditioning; on a cell phone, large screen, touch and e-mail access.
2. Writing about "attributes" (also described as "advantages"), you need to mention with the car the power steering makes it easy to handle, electric windows are easy to use and air conditioning keeps the inside of the car at the right temperature. For a cell phone, having a large screen is an advantage for viewing the Internet or watching films or video clips, high density colors enhance the viewing experience, a touch phone is easy to use and having e-mail access with sounds lets you know each time an e-mail arrives.
3. Describing benefits, you have to think about how people will actually benefit from these features and attributes. Power steering makes the car more comfortable to drive, air conditioning keeps your body comfortable and electric windows make it easier to access parking-ticket machines or speak to someone. With a cell phone, the benefits to having a large screen and being able to see the Internet clearly include not having to strain your eyes. High density colours also make it easier to see. Touch phones save time as everything is so easy to get to, especially if you happen to have arthritis or

¹⁷ Read more: http://www.ehow.com/how_8203315_write-features-attributes-benefits.html#ixzz2bMpv56pO

some other problem with your fingers. Being able to access your e-mail while you are out and about is a valuable benefit --- which is why BlackBerry phones became so popular. It allows you to deal with problems or queries immediately instead of waiting until you get back to the office.

4. Concluding you can reiterate that a feature is part of the product or service specification, the attribute is what is actually does and the benefit is what it does for you.

Ronald Marks¹⁸, Ph.D., a professor of marketing at the University of Missouri discuss the ability to convey benefits over features using a tool he calls Product Analysis Worksheet in his book “Personal Selling: An Interactive Approach,”.

The way it works is quite simple. Product benefits usually consist of four principal levels. They are features, advantages, motives, and benefits. Each layer has its own set of attributes and characteristics, which varies depending on the product type and the market to which the product caters. To illustrate, here’s a description of each layer:

Features - what products have. For example, say you sell accounting software. You can say, “This accounting software has a reporting feature.”

Advantages - what features do. To continue our example, “Reporting provides real-time, on-demand, updated mission-critical information to key personnel.”

Motives - what motives do features satisfy? For example, “Cost-savings, greater control, increased production, better decisions, etc.”

Benefits - what those features mean. This is where you attach the advantages you outlined to specific motives those features satisfy. To continue our example... “With this powerful reporting feature, managers are able to keep their finger on your company’s financial pulse at all times, thereby reducing costs by as much as 50%, maintaining greater control over expenditures, increasing their output by 10-20 times at any given time, and avoiding making decisions that could cost them thousands if not millions of rands — all in just a few clicks.”

What does this do? By digging deeper and communicating what benefits really mean to your audience, it adds weight, purpose, meaning, relevancy, and power behind the benefits you initially come up with. It gives your benefits legs. Obviously, coming up with a list of benefits may be easy if you know your product well enough. But describing them in a way that’s appropriate for, and directly related and targeted to, specific audiences is not an easy process.

Market research helps to solve that challenge. In fact, researching your market before you put pen to paper or electron to screen is the most important component of good copywriting. Not the headline, not the offer, and not the price.

3.5.2 Ensure that communication to sales clients meets their needs and requirements

Inevitably, maintaining¹⁹ a secure customer base depends on your company's ability to communicate with its clients properly. When you put effective communication techniques to work in your customer service department, you reduce the risk of losing customers. Many small business owners and sales professionals see an

¹⁸ - See more at: <http://michelfortin.com/the-oft-confused-features-and-benefits/#sthash.UyXVZCkw.dpuf>

¹⁹ From: <http://www.beyond.com/articles/communicating-effectively-with-sales-clients-12473-article.html>

increase in customer retention levels shortly after applying efficient, friendly contact strategies, some of which are completely free to implement.

The most effective communication techniques can be put to work well before a sale is made and can continue to make an impact long after your customer leaves the store. Ensure that you begin to form a solid connection with the client before he or she signs on the dotted line. Solid connections don't just help retain existing customers - they also create marketing opportunities. Word of mouth, for example, is a powerful advertising scheme; however, it also travels slowly. If you build a core number of enthusiastic customers to further your cause, you may be able to increase the efficacy of your good reputation.

This type of business relationship doesn't happen by accident - effective communication techniques take strategic planning. If you want to implement a system-wide change in the way you and your staff approach and handle clients, customer communication management tactics come into play. Effective communication techniques have also proven to improve staff morale. Happier customers are much less likely to talk to employees in an impersonal or rude manner. In fact, effective communication techniques can be as gratifying for personnel as they can be for customers.

In some cases, customer communication management can be enhanced with software. This type of approach can be very effective if you handle a variety of clients on a consistent basis. If you sell software online, for example, it can be prudent to stay in touch with consumers after the initial purchase. Doing so can help ensure your reputation as a caring business. If you regularly reach out and offer existing customers helpful advice and information, they are more likely to trust you.

When customers trust the businesses with which they interact, they are much less likely to seek services or buy products elsewhere - even if they can save money by switching to another vendor. Consumers still value solid relationships with reliable companies - even in the age of instant gratification. If you run a large business, you may want to consider a software solution to help you remain in touch with your clients; if you're a smaller company with fewer clients, you might prefer managing your customer service manually. Effective communication techniques enhance loyalty and improve staff morale - best of all, they're often free to implement.

3.5.3 Detail features, advantages and benefits in accordance with supplier information

Using the information provided by the supplier, you need to describe the features, advantages and benefits of the product or service you sell to the customers. Here is what you need to keep in mind:

Features - Features are the attributes that describe your product or service in detail. Here's what you need to include when describing your product's features:

- Product descriptions, including size, weight, colour, etc.
- Technical details
- Product specifications
- Anything else to do with describing the details of your product or service.

Benefits - Features describe your product, but the benefits solve a problem for the customer or fulfil a need. In essence, the benefit sells your product or service. Here's what to include when describing your product's benefits:

- How will your product or service solve a problem for the customer?
- How will your service fulfil a client's need?
- In what way is your product better than the competition's?
- Is your price better than the competition's?
- Will your service improve the customer's life? Make her happier? Reduce risk? Make him more productive? Reduce costs in the long run?
- Does your product last longer than the competition's?
- Any other selling features that are appropriate

When compiling your own list of features and benefits, be sure to include any and all that apply to your service or your product. Just remember, the feature describes the product while the benefit sells the product.

3.5.4 Link features, advantages and benefits together and make it fit

The distinction between the terms *benefits*²⁰ and *features* is an important concept in developing and marketing a product or service. *Features* are characteristics that your product or service does or has. For example, some ovens include features such as self-cleaning, smooth stovetops, warming bins, or convection capabilities.

Benefits are the reasons customers buy the product or service. For example, the benefits of some ovens to buyers include safety, ease of use, affordability, or - in the case of many ovens that feature stainless steel casings - prestige.

Just like products, services differ from one another in having distinctive features and benefits, though these differences may not always be so obvious to potential customers. One building contractor may use master painters while a second uses labourers to paint. Both will tell you they do painting, but one has master painters (a feature) and produces a better-looking paint job (a definite benefit).

Every product or service has a purpose. For example, the purpose of an oven is to bake raw food, but not all ovens have the same features and benefits.

The uniqueness of a product or service can set it apart from the competition. Features can communicate the capability of a product or service. But features are only valuable if customers see those particular features as valuable. You want products or services with features which customers perceive as valuable benefits. By highlighting benefits in marketing and sales efforts, you'll increase your sales and profits.

It's important to remember that customers buy products and services because they want to solve a problem or meet a need. Consciously or unconsciously, your customers will always be asking the question, "What's in it for me?" Your product and service offerings have to deliver solutions and satisfy needs, or they won't be successful.

Given that benefits are ultimately more important to your customers than features, it is imperative that you understand the benefits your products and services provide,

²⁰ Information from: <http://www.entrepreneurship.org/en/resource-center/productservice-features-and-benefits.aspx>

emphasise these benefits in your sales efforts, and update your products and services when new or additional benefits are desired by your customers.

Think about how automotive manufacturers advertise. To sell minivans, they don't emphasise the layout of the vehicle or its carrying capacity. They show images of happy families loading their kids, sports equipment, and toys into the vehicle. They emphasise the benefits above and beyond the features.

Here are some other examples emphasising benefits beyond the features:

- A Web site shopping cart vendor who offers hosted solutions to medium-sized businesses can emphasise the convenience and time-savings of not having to maintain a Web site. It's selling convenience, not software.
- A carpet company might be more successful if it illustrated how its carpets could help create attractively decorated interiors. Pictures of beautiful rooms could be more beneficial than a stack of carpet samples or a list of fabric features. It's selling beauty, not carpets.
- A consulting company might focus its marketing efforts by highlighting its end product—improved performance and increased profits—not its consulting methods. It's selling profitability, not consulting.
- A manufacturer of computer printers might emphasise less hassle or less wasted time rather than emphasising reliability or quality. It's selling ease-of-use, not printers, and not quality.
- A salmon fishery might emphasise the health benefits of eating salmon. It's selling health, not fish.

When Do Features Matter the Most?

Features always matter because they provide your customers with hints about how well your product or service will deliver its benefits. Although benefits are generally more important than features, there are some times when features make all the difference:

- When all the products in a category provide the same basic benefits, a unique feature may provide a competitive advantage. For example, when all boom boxes played tapes and CDs, the one with the bass booster stood out even though the benefit to the consumer was minimal. As another example, when all leadership consultants referred to similar performance improvement outcomes, the ones who developed online diagnostic tools distinguished their work from competitors.
- When products or services can be easily compared with competitors'—as the Internet makes increasingly possible—consumers can choose products and services with the most features. Thus, even though most cell phones will provide its owner with the same general benefits for communication, a person considering which cell phone to buy may not choose a certain model if it is missing a feature not found on a competitor's phone. For example, if one phone has Bluetooth connectivity and a second one does not, consumers may choose the one with this extra feature even if they don't even know what Bluetooth connectivity is. It's not that such connectivity is important, it's just that it is so easy to compare the feature sets.

***Class Activity 4: Provide product related information***

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

Module 4

Close sales in order to meet targets

After completing this module, the learner will be able to close sales in order to meet targets, by successfully completing the following:

- Meet the client's needs
- Confirm and authorise the sale according to company specific procedures and legislative requirements
- Ensure that the number of sales closed complies with company specific targets

Close sales in order to meet targets

The best way to meet your sales revenue targets or sales goals is to break down your sales budget into bite-sized pieces, on both a quantitative and qualitative basis.

Quantitative means by the numbers and qualitative means quality or calibre, for example how well your products and services meet your customers' needs.

In many industries right now, making sales is very tough, in some cases almost impossible. Salespeople are frustrated and demotivated, sandwiched between the pressure of meeting targets and their customers' reluctance to buy. Traditional sales techniques are not getting the required results.

We need to explore a new approach to selling, which utilises more of the current technology and psychology. This does not mean that the basics of selling have changed or should be discarded. It means that the psychology of buying needs to be taken into account.

4.1 Meet the client's needs

When we're a customer²¹ in a shop or a client of a company, we like help, respect, understanding, satisfaction, and value for money, action, friendly service. So whether you're dealing with a colleague's or a multimillion-rand client's request, you will have to satisfy these four basic needs: the need to be understood, the need to feel welcome, the need to feel important and the need for a comfortable environment.

So here are the top ten tips to help you meet those needs and guarantee that your clients remain your clients:

1. **Listen carefully to what they are telling you.** Put aside any negativity or previous experiences involving them and focus on their current situation and issues.
2. **Remember (or write down) your clients' names** and points about them to refer to the next time you meet or speak on the telephone. This will help build a positive client relationship and positivity will likely be returned next time they have to speak to you.
3. **Always be pleasant, even if clients are not pleasant to you.** Most of the time it is not you personally they are being unpleasant to; it is simply that you are the person who is dealing with their needs on this occasion.
4. **Graciously receive and handle any concerns, complaints or problems.** Use positive feedback words like 'I understand' or 'Yes, I see' to show you are really listening.
5. **Provide service 'above and beyond' what they expect of you.** So rather than 'It doesn't work like that' or 'We don't do that here', try giving them some other options to consider – things that will work or things that you do at your firm.
6. **Smile, even during the times when you don't feel like it!** The mark of a professional is the ability to be positive, friendly and helpful in every situation, even when your personal life is driving you over the edge!
7. **Accept their changes to plans, deadlines and bad news positively.** Consider what you can now do rather than what you can't. Remember, whilst

²¹ Read more: http://www.legalsecretaryjournal.com/?q=meeting_the_needs_of_clients

it's true they may need to know what isn't possible, their real need is to get things done!

8. **Be proactive by providing suggestions and guidance.** It's not the one thing you do 100% better that will meet your clients' needs; it's the hundreds of things you can do for them just 1% better that will keep them coming back for more.
9. **Always do what you say you're going to do, and do it on time.** And if you can't keep to an agreed deadline, keep them informed of what is going on before the deadline expires.
10. **Always remember:** Clients are not the icing on the cake; they are the cake!

A sustainable business for uncertain times addresses clients' needs as directly as possible and does not create more needs in the process.

Negotiation skills and techniques

Effective negotiation²² helps you to resolve situations where what you want conflicts with what someone else wants. The aim of win-win negotiation is to find a solution that is acceptable to both parties, and leaves both parties feeling that they've won, in some way, after the event.

There are different styles of negotiation, depending on circumstances.

Where you do not expect to deal with people ever again and you do not need their goodwill, then it may be appropriate to "play hardball", seeking to win a negotiation while the other person loses out. Many people go through this when they buy or sell a house – this is why house-buying can be such a confrontational and unpleasant experience.

Similarly, where there is a great deal at stake in a negotiation, then it may be appropriate to prepare in detail and legitimate "gamesmanship" to gain advantage. Anyone who has been involved with large sales negotiations will be familiar with this.

Neither of these approaches is usually much good for resolving disputes with people with whom you have an on-going relationship: If one person plays hardball, then this disadvantages the other person – this may, quite fairly, lead to reprisal later. Similarly, using tricks and manipulation during a negotiation can undermine trust and damage teamwork. While a manipulative person may not get caught out if negotiation is infrequent, this is not the case when people work together routinely. Here, honesty and openness are almost always the best policies.

Strong negotiators master written, verbal and non-verbal communication. They adopt a conscious, assertive approach to their communication.

Good negotiators are:

- flexible
- creative
- aware of themselves and others
- good planners
- honest
- win-win oriented
- good communicators.

²² See more at: <http://www.mindtools.com/CommSkill/NegotiationSkills.htm#sthash.LHhIQo3M.dpuf>Strong

Assertive communication

During a negotiation, you may choose to use a passive, aggressive or assertive communication style. Using an assertive style will help increase your chances of negotiating successful outcomes for your business.

Passive communicators are inclined to use ambiguous language, adopt under-confident body language, and give in to demands too easily.

Aggressive communicators take a confrontational approach that tends to alienate other parties and destroy negotiations.

Assertive communicators, however, are both confident and considerate. These communicators are more likely to keep discussion going and facilitate mutually beneficial agreements. They adopt a strong, steady tone of voice. They are factual, rather than emotional or critical. They describe their views, starting sentences with 'I', rather than direct criticisms starting with 'you'.

Tips for effective negotiation

Don't:

- confuse negotiation with confrontation - you should remain calm, professional and patient
- become emotional - remember to stick to the problem, don't make it personal, and avoid becoming angry, hostile or frustrated
- blame the other party if you can't achieve your desired outcome.

Do:

- be clear about what you are offering and what you need from the other party
- be prepared - think about what the other party needs from the deal, and take a comprehensive view of the situation
- be consistent with how you present your goals, expectations and objectives
- set guidelines for the discussion and ensure that you and the other party stick to them throughout the entire process
- use effective communication skills
- prepare for compromise
- strive for mutually beneficial solutions
- consider whether you should seek legal advice
- ask plenty of questions
- pay attention to detail
- put things in writing.

Preparing for a successful negotiation

Depending on the scale of the disagreement, some preparation may be appropriate for conducting a successful negotiation.

For small disagreements, excessive preparation can be counter-productive because it takes time that is better used elsewhere. It can also be seen as manipulative because, just as it strengthens your position, it can weaken the other person's.

However, if you need to resolve a major disagreement, then make sure you prepare thoroughly. Using our free worksheet, think through the following points before you start negotiating:

- **Goals:** what do you want to get out of the negotiation? What do you think the other person wants?
- **Trades:** What do you and the other person have that you can trade? What do you each have that the other wants? What are you each comfortable giving away?
- **Alternatives:** if you don't reach agreement with the other person, what alternatives do you have? Are these good or bad? How much does it matter if you do not reach agreement? Does failure to reach an agreement cut you out of future opportunities? And what alternatives might the other person have?
- **Relationships:** what is the history of the relationship? Could or should this history impact the negotiation? Will there be any hidden issues that may influence the negotiation? How will you handle these?
- **Expected outcomes:** what outcome will people be expecting from this negotiation? What has the outcome been in the past, and what precedents have been set?
- **The consequences:** what are the consequences for you of winning or losing this negotiation? What are the consequences for the other person?
- **Power:** who has what power in the relationship? Who controls resources? Who stands to lose the most if agreement isn't reached? What power does the other person have to deliver what you hope for?
- **Possible solutions:** based on all of the considerations, what possible compromises might there be?

Style is critical

For a negotiation to be 'win-win', both parties should feel positive about the negotiation once it's over. This helps people keep good working relationships afterwards. This governs the style of the negotiation – histrionics and displays of emotion are clearly inappropriate because they undermine the rational basis of the negotiation and because they bring a manipulative aspect to them.

Despite this, emotion can be an important subject of discussion because people's emotional needs must fairly be met. If emotion is not discussed where it needs to be, then the agreement reached can be unsatisfactory and temporary. Be as detached as possible when discussing your own emotions – perhaps discuss them as if they belong to someone else.

Negotiating successfully

The negotiation itself is a careful exploration of your position and the other person's position, with the goal of finding a mutually acceptable compromise that gives you both as much of what you want as possible. People's positions are rarely as fundamentally opposed as they may initially appear – the other person may have very different goals from the ones you expect!

In an ideal situation, you will find that the other person wants what you are prepared to trade, and that you are prepared to give what the other person wants.

If this is not the case and one person must give way, then it is fair for this person to try to negotiate some form of compensation for doing so – the scale of this compensation will often depend on the many of the factors we discussed above. Ultimately, both sides should feel comfortable with the final solution if the agreement is to be considered win-win.

Only consider win-lose negotiation if you don't need to have an on-going relationship with the other party as, having lost, they are unlikely to want to work with you again. Equally, you should expect that if they need to fulfil some part of a deal in which you have "won," they may be uncooperative and legalistic about the way they do this.

Handling objections by customers

When you're talking with a potential customer²³, that customer may raise objections to completing the sale. Here are the most common objections you're likely to encounter, along with suggestions on how to overcome them:

- **Your customer doesn't need your product or service.** A primary objection that customers raise is that they don't really need what you're selling. Get some details about what exactly puts them off — it may be something else entirely, such as price.

If the customer really has no need for what you're selling, you should have determined this when assessing their wants and needs. If he's just come to realise that he has no need, then why is he wasting your time? Let him go.

- **Your customer lacks the authority to make a decision.** This is the pass-the-buck excuse. The customer is afraid to make the decision and wants to hang the responsibility on someone else. This is a common stall tactic and tells you that the customer needs more information.

Try to determine what information the customer needs, provide it, and then ask again for the order. You may also persuade the person to buy on the condition that if the person who has authority says no, the customer can return it. Or you can simply ask to speak to the decision maker.

- **Your customer isn't comfortable with deciding right away.** Buyers often try to cop out by saying they need some more time to think things over in the comfort and privacy of their own homes. This is a good sign that you haven't yet established enough trust for them to buy.

To build trust, offer a guarantee. This immediately undercuts any grounds for the objection and reduces the fear of making the wrong decision. Customers can often exchange a purchase for a store credit or an upgraded product, making them happy and keeping their money in your business.

²³ Read more: <http://www.dummies.com/how-to/content/how-to-handle-customer-objections-to-buying.html>

- **Your product or service isn't a priority for your customer.** Financially responsible shoppers attend to their hierarchy of needs in the order of those needs.

If your customer has other priorities that are more important, help him or her identify an option that's affordable, or encourage him or her to come back when the situation has changed.

- **Your presentation hasn't persuaded your customer.** Sometimes, prospects are simply not persuaded by your sales presentation.

If this happens to you, your sales presentation probably needs some work. You haven't sold your customers on the value of your product or service, and how it differs from the competition.

- **Your customer has no good reason to change.** If you're trying to persuade someone to use a different product or service, or buy it from a different supplier, you have to account for inertia — a body's natural resistance to change position.

Answer the question, "What's in it for them if they change?" Customers choose a different product, service, or supplier either because they're unhappy with their current product or service, or they need what the new product or service can do for them.

Customers' objections²⁴ are a normal part of the sales process. Here are 8 ways to develop the skills and strategies to handle objections effectively and be more successful in selling.

1. Confidence

Confidence is critical in all aspects of the sales process but especially when handling objections. People assess your confidence by your body language in 3 ways:

- Your manner: remain calm, welcoming the concern.
- Your expression: don't panic or look alarmed but equally don't be dismissive or overconfident.
- Your tone of voice: remain serious and unwavering, conveying your wish to resolve the customer's concerns.

2. Listening skills

Never respond to an objection until you are sure you understand it. Listen attentively, it will show your sincerity and desire to understand the concern. Let the customer do the talking! Make eye contact; be aware of your facial expression, posture, and stance. Take notes and refer to them. Stay focused on the customer; be sensitive to their feelings, noting their body language, and facial expressions. Don't interrupt but try to summarise when appropriate using your notes to show you were listening.

3. Acknowledge the customer's concern

Never ignore the objection always acknowledge it. Be sincere and empathise, go with the flow, not against it. Mentally walk with the customer. If applicable use reference stories and validate the concern.

²⁴ Information from: <http://integratis.com/channels/8-tips-for-handling-customer-objections-during-the-sales-process/>

4. Question

Ask questions to clarify your grasp of the customer's concern. Make this dialogue two-way, verifying you both share and understand the objection and its' root cause. Use open questions to help you to explore and probe. For example: *"Who else do you think would be concerned about this?"* Use closed questions to help you get straight to the point: For example: *"This sounds as though it's a big issue for you right now, am I right?"*

5. Restate

Restating often uncovers a hidden objection because it shows you care and encourages customers to talk further, revealing other concerns. First paraphrase the initial objection to reinforce your sincerity. Then summarise the subsequent dialogue focusing on how you have clarified the concern. Finally state the real objection, as agreed to by the customer during the discussion reconfirming your understanding of the issue. At this point consider a 'trial close' – *"if I was able to put your mind at ease on this issue, would that mean that you are comfortable with the remainder of what we have discussed?"*

6. Respond

Responding is especially critical if the objection is linked to a competitive comparison. A good response can demonstrate that you can do all that the competition can do....and more! Be confident and positive in your response or agree to return to the issue later; either later in the meeting (whenever possible), or in a later meeting (in which case you should set this meeting up before closing the call. Then confirm that the customer is satisfied and comfortable with your response.

7. Appropriate responses

If the customer is sceptical provide proof regarding what you have told them and always answer any misunderstandings. If there are product concerns, emphasise product benefits and value. If it appears that a decision is not going to be made create a sense of urgency, stress the business benefits and always check you are talking to the right person!

8. Know when not to respond

Don't respond if you don't fully understand the objection, keep asking questions until you do. If you realise that you will need to address the concern later in the meeting, seek the customer's agreement to do so. When you don't have a convincing response agree a plan with the customer to address the issue later, checking you have grasped the main objection and have addressed all other concerns. If you have to adopt this approach, make sure you make an appointment to get back to the customer.

4.2 Confirm and authorise the sale

Confirming the sale simply requires a summary of the terms in plain English. It can be done when the order is completed or in a follow-up call after the order has been accepted by your employer. Your employer must confirm and authorise the sale according to company specific procedures and legislative requirements. If the sale is not a cash sale but on credit, your company must comply with the National Credit Act, 2005 (Act No. 34 of 2005). To confirm the sale, you can call the customer. Use the following example to help guide your confirmation call.

Bill, I just wanted to confirm your order for two Super Sharp Deluxe units at our discount price of R1234.00 each plus shipping, for arrival at your Main Street plant by the 15th. Is that correct?

When's the best time to confirm a sale?

Either once the order is written or just before you place it in your employer's system. It's easier to make changes to an order before it is entered into the system. In addition, it offers you an opportunity to up-sell by offering needed supplies or materials. "The unit comes with enough supplies for 30 days at no extra charge, Bill. Would you like to include an additional 60-day supply and earn the same discount?"

Verifying Satisfaction

No one likes surprises. If your buyer is unhappy with the purchase, the problem will fester until your next sales call - or the buyer will call customer service or you to resolve it. Don't let it go that far. Instead, as soon as the order is received and you know it is either in use or in stock make a call to the buyer to verify that it solves the agreed-upon problem.

If the sale is simply replacement inventory, you only need to call periodically to ensure that the buyer is satisfied with products and services received. If, however, the purchase is a performance product - one that is supposed to do something for the buyer, such as a cold welder - contact the buyer as soon as you believe it is in operation. In fact, for big-ticket items, you might even be on hand when the product arrives so you can verify satisfaction in person.

Verification is easy. Just review the problem that you both agreed upon and the assurances you made about your solution. Does it do what you said it would do? Does it solve the stated problem? Your long-term sales goal is not to just earn customers, but to develop *satisfied* customers.

Handling Buyer's Remorse

What if your buyer gets cold feet and calls you before the delivery to cancel it? It happens in sales, especially when selling one-time buys such as homes and new cars. The buyer gets home, thinks, "What have I done?" and evaluates all of the negative sides of making such a big decision.

What can you do about buyer's remorse? First, by making sure that the buyer moves through each of the selling stages in this chapter, you are minimising opportunities for buyer's remorse. You are moving the prospect through the process at her own pace, summarising as needed, and getting an agreement before moving on. Even so, some buyers will regret the purchase.

Whatever you do, don't argue about the sale. Instead, help the buyer to understand that buyer's remorse is a common malady when purchasing large-ticket items for the first time. In fact, many salespeople who work with first-time buyers will defuse the possibilities for buyer's remorse by explaining what it is once the sale is made. Others will offer to discuss the decision process with anyone the buyer requests, such as an influential relative or friend.

The best method of handling buyer's remorse is to pleasantly help the buyer review the problem and solution - to summarise the sales call. Don't take it personally and don't make it personal. Just review the points of agreement. Resell the product or service including benefits. If you've followed the sales process as outlined, chances are great that you can easily avoid or overcome buyer's remorse and reach customer satisfaction.

Getting Referrals

Once you know that your buyer is satisfied with the purchase, ask for referrals to new prospects. "Mr Smith, I'm glad to hear that you really love your new car. Are any of your friends or relatives who have seen it interested in more information about it?"

How you ask for referrals will depend on what you are selling and how. In all cases, anytime a buyer expresses satisfaction with your product or efforts, thank him or her, then immediately ask for a referral. Be sure to ask for permission to contact the person and mention your name. And don't forget to ask for contact information. Your future sales will depend not only on your satisfied buyers, but also on your referral prospects.

4.3 Ensure that the number of sales closed complies with company specific targets

A sales target is the number of products you need to sell to make a desired profit. Sales teams thrive on well-defined sales targets.

Sales targets allow you and your sales staff to:

- set clear goals
- pursue incentives and bonuses that motivate and reward
- keep measuring, challenging and improving your sales performance.

Reliable sales targets also help you track your sales progress within each period, and adjust your sales goals to meet your market and business needs. You can set targets by market segment, by region and for each member of your sales team.

Your sales targets are a part of your sales plan, and are used to achieve the performance goals you set in your marketing plan. The sales team must ensure that the number of sales closed complies with company specific targets

Specific and realistic sales targets will help your sales team perform confidently, consistently and with a clear understanding of your expectations. Choosing the right type of targets - and involving your team in choosing these targets - can help you achieve your sales goals and grow your profits. A sale includes but is not limited to:

- Rand value,
- units,
- sales

Sales targets by product

Setting specific goals for each product is a simple and effective way to meet your monthly sales budget.

Product sales targets usually list the number of products you need to sell, as well as the targeted average sale price you need to get, to achieve a budgeted profit.

Sales targets set by product also include other important business information, such as stock and storage requirements.

Example sales targets table

Set out your sales goals by product or service, identifying the profit you need to make from each product sale and the volume of sales you anticipate.

Product or service	Gross profit margin	Expected sales volume (per month)
This column itemises products by line or item, depending on the types of products or services you offer.	<p>This column identifies what percentage of every rand the business needs to keep from each sale.</p> <p>The gross profit margin is the percentage by which sales revenue exceeds the costs of producing and selling.</p>	This column identifies the number of sales targeted per item.

Sales targets by market segment

Businesses that target their markets clearly and accurately are more likely to achieve good sales figures.

The 80:20 rule is an important rule for sales planning. Also known as the 'Pareto principle', it means you will generally make 80% of your profits from 20% of your customers. Studying your market and identifying the profitable 20% will help you target and achieve successful sales.

Market segmentation - or segmenting your market - is a good place to start in setting effective sales targets. However, setting sales targets by market segment can be quite challenging.

Segmenting your market means grouping together customers with similar needs and characteristics, and customers who respond in similar ways to your products or services. For example, a hardware store might group its customers into 2 segments:

- home handymen and DIY customers
- building industry professionals.

Customer researchers often choose to group market segments by:

- geographic (region of the world, country, state or territory)
- demographics (age, gender, sexual orientation, family size, income, occupation, education, socio-economic status, religion, nationality)
- psychographics (personality, lifestyle, values, attitudes).

Using your marketing plan as a guide will help you to achieve your sales targets by pitching your products and services to these characteristics of your market segments.

Sales targets by region

Businesses with area or travelling sales representatives most commonly set sales targets by region - removing the difficulty and frustration of setting and monitoring individual targets for large numbers of products.

These businesses find it easier to set a rand figure target per region, covering the whole product range and all the customers in that region.

Regional targets are 'big picture' targets. Because they cover large customer numbers and don't specify product sales, you need to keep them simple - one figure per area.

Setting sales targets

Your sales targets will grow with your business. Good sales planners set targets in areas that will drive business growth. For example, if the market is chasing compression gym-wear, they increase their targets for compression gym-wear.

In setting sales targets you need to:

- consider the profit margins each of your sales will achieve (there's little point reaching your sales target figure but shrinking your margin to achieve it)
- be realistic - your targets must be supported by marketing plan information
- keep all your business costs in mind and plan for growth.

Gross profit margins

Gross profit margin is the percentage of each rand that is profit. Knowing your gross profit margin helps you identify products making the most profit, so that you can focus your sales targets on them.

Use these simple steps to work out a product's gross profit margin:

- Determine your sales revenue (the total amount of money your product sells for).
- Determine your gross profit - the product's sales revenue minus the cost to make or supply the product.
- Divide your gross profit by your sales revenue.
- Multiply the result by 100.

The result will be a percentage that is your product's gross profit margin.

You can use this process for each of your products to determine your product profit margins and identify your most profitable products.

While any profit is good profit, smart businesses concentrate on achieving higher sales targets for their more profitable items, rather than making 'broad' product sales with a thin margin.

Break-even point

Your break-even point is the number of units of your products or services that you need to sell to cover fixed costs such as rent, electricity, insurance and wages.

You can determine your break-even point by itemising all of your known, fixed annual costs, and then working out the volume of sales (in units) required to cover those costs.

The break-even point is calculated by the following formula:

Break-even point = fixed costs ÷ contribution margin

The contribution margin is the rand amount of each sale that can go to fixed costs and profit:

Contribution margin = sales price - variable costs

For example, your most profitable product sells for R40. Your variable costs (costs involved in producing this product) total R15. Your contribution margin is:

$$\text{R40} - \text{R15} = \text{R25}$$

You estimate your fixed costs to be R38 500 per year. Your business has a break-even point of:

$$\text{R38 500} \div \text{R25} = 1540$$

This means you need to sell 1540 units per year before you make any profit.

Minimum sales requirements

Minimum sales requirement is the point at which both your fixed costs and your profit goal are covered by your gross profit. You work this out by calculating how much of your products or services you need to sell to cover fixed costs, your salary and your desired profit:

Minimum sales requirement = (fixed costs + profit goals) ÷ gross profit margins

For example, if your desired profit is R25 000, fixed costs are R38 500 and gross profit margin is 64%, the calculation for your minimum sales requirement is:
 $(\text{R38 500} + \text{R25 000}) \div 0.64 = \text{R99 218}$

Therefore you need to make R99 218 to achieve your desired profit.

When working out your desired profit, keep in mind your aim is to achieve a fair return on the funds you have invested in the business, in addition to your salary. Once you've calculated your break-even point, decide what you consider to be a reasonable return on investment (ROI) and a fair salary for the owner and/or manager of the business (i.e. you).

Costs that could affect your profit

Consider all the related costs involved in achieving your minimum sales requirements. Marketing and production or supply costs can affect the amount of sales you need to make a profit.

Your marketing must be sufficient to generate your desired sales volume, and your production processes must be capable of delivering those sales.

Sales strategies

You must have sales strategies in place to meet your targets. There are a range of strategies you can use, including how you will:

- keep existing customers (e.g. a customer rewards program)
- attract new customers (e.g. advertising)
- sell more to existing customers (e.g. up-sell).



Class Activity 5: Close sales

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

Module 5

Establish and build the customer base

After completing this module, the learner will be able to establish and build the customer base, by successfully completing the following:

- Identify prospecting methods to establish and build customer base
- Establish information needs in accordance with present and prospective customer base
- Establish processes for recording and assessing customer information
- Establish the customer database and maintain it to integrate customer and sales information

Establish and build the customer base

The goal of any business is to market and sell their products and services to customers who would pay for it. No business can survive without customers. Attracting customers is a task for the marketing department. They would use marketing campaigns to advertise specific products. If the offering is for a specific type of customer, they could contact the customers directly with an offer. This could be done through an outbound call campaign. Another method of attracting customers could be word of mouth.

Customers are the lifeblood of a business, so building a strong rapport with them is imperative to the success of almost any company. Through good times and bad, a solid relationship with your customer base will help ensure that your business continues to flourish. That's why many of today's most successful companies are being built around outstanding customer service. Developing strong relationships can take time and dedication, so employing the right customer relations strategies is critical.

Many people view the necessities type sales approaches as genuine and reasonable contact from a company that may have something to offer. This is because the prospect can immediately see that they have a need for this service because it is something they already use.

Cold calls

Cold calling is the marketing process of approaching prospective customers or clients — typically via telephone, by e-mail or through making a connection on a social network — who were not expecting such an interaction. The word "cold" is used because the person receiving the call is not expecting a call or has not specifically asked to be contacted by a sales person. A cold call is usually the start of a sales process generally known as telemarketing.

While cold-calling isn't the most popular job, it can be an effective tool to increase your customer base. Try these tips to make your cold-calling more effective:

- Call outside of traditional business hours – those you do get on the line will typically have more time to talk
- Don't be afraid to leave a voicemail – it will be the first message your prospective client hears in the morning
- Remember to make a follow-up call if the prospect doesn't respond within a few days

Network

Carry your business cards at all times - you never know when you'll meet a potential client. Search online for events in your city and commit to attending at least one networking event every month.

Advertise online

Many consumers search online before making important purchases, and shopping for financial services is no different. Why not market yourself online? If that's not your style, search out Web sites that offer free sales leads and online advertising.

Get referrals

The best time to ask for a referral is once you've closed a deal or made a sale. Don't be shy; show your confidence in being able to provide your clients' contacts with the same level of personalised service and expertise that you just gave them. Once you get a referral, make sure to contact the person as quickly as you can.

Build on what's already established

Consider joining a reputable firm, like Nationwide Insurance, that gives you access to a large, untapped customer base. Only 5% of Nationwide's big book of business has been cross sold, leaving 95% of its existing customer base virtually untapped.

Don't underestimate the written word

While you may view direct mailers, newspaper ads and faxes as "old school" prospecting methods, they still make an impact on prospective clients.

Visit trade shows

Target the shows where your potential customers will likely be. Don't give a generic sales pitch - strike up natural conversations and leave business cards in the hands of decision-makers. Also, don't forget to get contact information so you can follow up.

Create your nest

Nesting is a proven financial sales prospecting method where you target a specific organisation or industry. You then rely on referrals and networking within the organisation until you have a solid "nest" of clients.

All businesses begin with no customers²⁵. These start-ups begin with an abstract idea that slowly evolves into something someone will buy. As these products evolve from abstract ideas into primitive objects that are then further refined, the business that created the product begins to gain customers. The satisfied customers become the repeat buyers and core customer of the company. This is the process that creates the customer base. The main buyers of a company are rarely set in stone. Most often, successful start-ups begin with low-end or down-market customers with low income and low costs. As the products or services that are being bought are polished and remade, a company gains higher-end customers who gain interest in the product as it reaches higher levels of functionality, use, and/or value of some kind. As the shift to these higher priority customers continue, they begin to be a larger source of income for the company, and slowly become the main base whom the business lends the most importance. This process, of moving from low-end customers to more expensive and more profitable customers, is known as up streaming, and is an integral part of the theory of disruptive innovation.

Businesses work very competitively to keep their core market intact. The sellers will research their buyers to increase customer awareness. Keeping products customer oriented has become so huge a priority, in fact, that it has become a large focus of business schools to teach all types of business administrators, from manager to marketer, to keeping the customer in mind for the improvement and creation of

²⁵ Information from: http://en.wikipedia.org/wiki/Customer_base

sellable products. It is very rare for an established company to lose its core customers to incumbents, and it has been stated that when an established company loses their consumer base via sudden and straightforward methods, it was not an ingenious move of the incumbent that allowed this to happen, but rather a result of the established company “dropping the ball.”

Throughout the lifespan of one company, the people that are being sold to are studied so that they can be provided with more attractive products or services. The main market doing the buying is, of course, that company’s consumer base. Analysing and understanding such customers is the main method of keeping them, and is why most assets are poured into Research and Development (R&D).

R&D is the process by which old products and new ideas become refined into better, more profitable packages. It consists of a lot of customer data: interviews, observation, product testing, and plenty of questions. Innumerable details are dug up to gain an insight into who the core customers are, and what they want or need. This is where brand creation, market consideration, and market testing comes into play. Anything that the customer base will not buy will not be made.

How a company listens to their customers is vital. Listening to what they say they want and providing that is a sure-fire means to failure. It turns out that it’s not as simple as just listening, because customers often do not know what they want or why they want it. Customers do not really understand the creation process, and should only be asked concise questions that a company’s R&D team can make into something their customers would value. It is through this careful insight into customer minds that a business improves their product and gains more buyers and more revenue!

5.1 Identify prospecting methods to establish and build customer base

The customer base is the pot or pool of customers the company sells products and services to. Having a large customer base will contribute to the success of a company.

What is a Sales Prospect? From WiseGeek.com: “Prospects are potential customers for a given company that have gone through a process of qualification and who have expressed at least a small amount of interest in doing business with the company.” From my point of view, a prospect is nothing more than a potential customer. This means that every current and past customer was once a prospect.

To build and increase the customer base, companies use prospecting methods. In prospecting, you go through the customers on the customer base and contact them with your offer. This works very well when the product that you sell is consumable, i.e. it runs out or gets used up and needs to be replaced. If you have customers who buy their printer cartridges from you on a regular basis, you need to contact them when it is time to replace them.

Prospecting includes offering another or newer products that goes with the product the customer buys. For example, you now stock printer paper, so you can offer paper to the customer that buys printer cartridges from you. This is called cross-selling.

Prospecting also includes approaching new customers to sell products to for the first time.

There are three main methods of prospecting.

1. **A shotgun approach**, in the context of marketing, is a strategy where a promotional campaign for products or services targets as large of an area or population as possible. Some typical strategies under the shotgun approach include paying for advertisements on popular televised events, buying ad space across multiple websites and sending out mass mailings and emails.
2. **The semi-focused approach** is where you have some pre-qualifiers for the prospective customer. For example, if you are selling wireless data contracts, you will phone all your customers that have current cell phone contracts. You do not check if they already have a data card. This approach is not very effective and there might be very little reward for a huge amount of effort.
3. **The focused approach** means that your intended target market is very specific. You have created a set on conditions as qualifiers for the campaign. This allows you to focus on customers who are more likely to purchase the offered product. Using the above example again, you have done some data mining to discover which customers bought data cards from your company or which customer purchase pre-paid data bundles on a regular basis. With this method you will be more successful.

One of the best assets of any long-term business²⁶ is its strong customer base. Building this customer base takes time and skill, and it's one of the greatest challenges of a new small business. Your business cannot succeed without customers. There are some key steps you can take to build and develop a large, solid customer base for your new business.

Business Cards

Spend extra money to create unique business cards. Hand these out to everyone who steps through your door. Have these distributed at important locations related to your business. If you're in the travel industry, put your cards at hotels and airports. If you're a flower shop, deposit cards at wedding stores and greeting card shops.

Catalogues and Brochures

Keep your print and online catalogues up to date. If your business doesn't require a catalogue, keep your brochures up to date. Place a stack of free catalogues at good locations around town. If you sell carpet and home kitchens, put your catalogue at home repair shops and busy locations.

Partnerships

Make a deal with that store to also refer business to them, or buy some products from them. In return for their help in distributing your catalogues, you will refer customers back to them. In our carpet layer's example, you can refer your customers back to the home appliance shop for other changes to their newly carpeted rooms. It's a good partnership.

²⁶ From: <http://voices.yahoo.com/building-solid-customer-base-business>

Expos and Conventions

Set up tables or booths at expos and conventions related to your business. A businessman that owned a book store, used to set up a booth at other book conventions. The point wasn't just to sell products, but more importantly to give out as many business cards and catalogues as possible.

Local Good-Will

Sponsor a local event, especially if it relates to your small business. If you're a sports clothing store, sponsor a marathon or other sporting event. Also sponsor charity events. This creates a lot of goodwill within the community. A chain of book stores in my home town sponsors a blood drive every year. This helps get them some free advertising and creates a good image of them in the community.

Advertising and Networking

Spend as much as your budget will allow for advertising. Do it wisely, in the most effective locations. Also, network as much as possible. Get happy customers to refer their friends. Spread the word wherever you can, and build a network that expands.

Customer Mailing List and Database

Invite customers to join your mailing list. Never make this mandatory, and don't be pushy about it. If they're interested in joining, you will mail them special coupons and holiday greetings. This is a good way to remind them of sales and specials, and thus remind them to come and support you!

Website

Your website needs to be kept up-to-date and well maintained. This should go without saying, but we see websites every day that are far out of date, with information from last year. That looks bad for your business.

Loyalty Programme

Start a loyalty programme, such as membership cards that offer a discount. These keep your existing customers coming back, and encourage them to tell their friends about your business. Keep the current customers happy, and word will spread. This will build your new customer base faster than anything else.

5.1.1 Company / organisational procedures for establishing and building customer base

Organisational procedures refer to a series of laid down rules and regulations outlined in an organisation's code of conduct in regard to dealing with certain issues. These procedures form the basis within which an organisation operates and differs with diverse organisations. To be successful you would need a comprehensive understanding of company / organisational procedures for establishing and building customer base.

All businesses produce and rely on large volumes of information - financial records, interactions with customers and other business contacts and so on. It's too much to keep track of - let alone use effectively - without the right systems. Many growing businesses find using established organisational procedures and standards one of the most effective ways of introducing best practice when building a customer base.

Responsibilities and tasks can be delegated as your business grows, but without solid management information systems you cannot manage effectively. The larger your business grows, the harder it is to ensure that information is shared and different functions work together effectively. Putting the right infrastructure in place is an essential part of helping your business to grow.

Documentation, policies and procedures also become increasingly important. Quality control systems can be an important part of driving improvements and convincing larger customers that you can be relied on.

Organisational procedures for establishing and building customer base should include Customer base optimisation. Customer base optimisation is used by companies to refer to using a full set of information about customers and prospects. This determines not only campaign-level policies - whom to target for which products and when to do it - but total optimisation of marketing and sales decisions.

The information includes not only standard marketing and sales information - such as identities, needs, buying and service histories - but also information related to the specific category. The most critical information needed relates to the customer's requirements for different types of product or service, how often they need them, and how they would like to buy them.

Optimisation is a very advanced form of customer value management - which in turn is a combination of up-selling, cross-selling and retention. In theory, optimisation starts at the highest level - namely deciding which overall marketing and sales objectives to adopt for an existing customer base and/or a defined prospect base. Indeed, it must start at this level, for if it starts in any other way, then optimised decisions will come into conflict with marketing and sales objectives.

Optimisation also focuses on products - selecting which products to launch to an existing customer base or a defined prospect base, which particular mix of those products to offer to particular customers or segments, in what order and in what volumes. Again, if product decisions are not optimised, other decisions will tend to be adversely affected. Optimisation also supports better decisions on which customers a company should seek to retain - today and in the future - and which prospects to avoid or seek to recruit.

Also, if decisions have been made on non-optimisation grounds, the cost of imposing these constraints can be investigated. This means a company can review constraints for their removal or moderation because of their negative effect on profit. It also means that instead of individual product managers or sales managers competing against each other to meet targets; they can work as a team to optimise joint value.

Procedures for building a customer base could include the following:

1. Spread the word about your business. Send emails, advertise and ask for referrals from your existing customers. Offer referral incentives or gifts to build goodwill.
2. Ask for the contact details of your customers and keep them updated. For example, when a customer buys a cell phone from you, collect their number. You can do so through a feedback form as well. If you manage a website, you

can ask for contact details through registration or a log-in form. This will enable you to send emails to your customers.

3. When your customers share their contact details, they expect something valuable in return, so provide useful information in your emails.
4. Offering coupons is a great way to build traffic. Offer coupons for anything that might benefit your customers, and put limitations on such coupons to make your customers take an immediate action.
5. Offer free gifts or incentives to existing customers. Announce such offers on your website or in emails so that new customers know the benefits of becoming a registered or regular customer.
6. Create a new website or a sister website to support your established website or business. This will help you to build more links and contacts.
7. Advertise your business through online or offline advertisements. Make yourself visible.
8. Create a logo or slogan for your business. They're memorable and they communicate your message quickly and succinctly.
9. Send festive emails or offers on special occasions such as Christmas and New Year.
10. Gather testimonials; ask others to speak well of you and use it to your advantage

5.2 Establish information needs in accordance with present and prospective customer base

Each company have specific information requirements from their customers. These needs will be based on the products and services that the company offers. The information requirements must be identified when the computerised customer database is planned. Since multiple departments will use the customer database for different purposes it is imperative that the requirement specification include all of their input.

The most important thing is that the information from the customers must always be correct. Ensure that the customer details are accurately captured. The person performing the data capture must check all the spelling, numbers, dates, addresses, e-mail addresses and any other information the customers give them. Inaccurate or wrong information is useless and can cause misunderstandings and loss of revenue.

5.3 Establish processes for recording and assessing customer information

In today's industry, we refer to the recording of information as information capture. Information capture is the process of collecting paper documents, forms and e-documents, transforming them into accurate, retrievable, digital information, and delivering the information into business applications and databases for immediate action.

Similar to business information, customer information is sourced through multiple channels, consumer touch-points, proprietary and public information. Moreover, customers are very aware that industry is tracking them at a granular level – by brand preference, warranty card registrations, product and service transactions, online

behaviour, demographic information and lifestyle stage. In fact, customers expect that information gathered will be used to personalise the next interaction or communication they receive from businesses from whom they regularly purchase.

Collecting and storing information about customers is essential to tailoring your customer service program and growing your business. However, there are legal requirements regarding what you can do with the information you have collected. It is important for companies to establish processes for recording and assessing customer information.

Privacy

Any customer information that you collect must comply with business privacy laws, whether you use this information or not. The laws also cover how you can store and use the information.

Collecting and recording information

When collecting information about customers, try to find out what your customers are buying, why they are buying, and how often they are buying. Include any potential customers who have made enquiries about your goods or services. Record this information onto your customer database. This is usually done by the contact centre agent that talks to the customer when they call. Alternatively, you could have an outbound campaign to call customers and ask for this information.

There are also many other ways to collect information on your customers, including:

- order forms
- enquiries
- complaints
- warranty cards
- customer rewards programs
- customer satisfaction surveys
- feedback cards
- customer competitions
- your website.

Order forms

Order forms let customers order a specific product or service that your business is unable to supply immediately, and are a good way to collect customer information.

If your business stocks products with specific 'release dates', consider using pre-order forms to collect customer information. By filling out a pre-order form, a customer makes a commitment to buy a product and will often pre-pay for it.

Enquiries

It's good business practice to record the details of any customer enquiries so you can follow them up. Enquiries also give you an opportunity to collect customer information and mention your website, mailing list or social media pages.

Recording complaints

Use customer complaints as a way to collect customer information. Not only can you record the complaint, but also who made it, why, which staff member heard the complaint and what was done to resolve the problem.

Warranty cards

If your business has products or services that come with a warranty, you can use warranty cards to collect and store your customers' information.

Customer rewards program

You can collect customer information by implementing a customer rewards program. For example, a customer VIP club could require customers to give you their details - they then receive 10% off purchases over R100.

Customer satisfaction

To collect information on customer satisfaction, you could use survey cards where customers rate, for example, aspects of your service out of 5. The back of the card can ask for the customer's personal details.

Feedback

Feedback cards can also be used to collect information. You can ask for feedback on specific aspects of your business or leave it open-ended, like a suggestion box. Again, the back of the card can request personal details. Share any positive or negative feedback you receive with staff.

Customer competitions

Customer competitions are an easy way to collect personal information. For example, have customers place their business cards in a box to go into a monthly draw to win a R200 voucher.

Your website

You can use a business website to collect customer information through a 'contact us' form for general enquiries, or by allowing customers to sign up to a mailing list (if you have regular news or updates).

Storing information

You must store information carefully and in accordance with privacy guidelines.

Remember that customer information is confidential and must be stored securely. Create a plan for how customer information is to be stored and share it with all staff.

A simple way to store customer information is to use an electronic spreadsheet. If you have more detailed information, a customer relationship manager (CRM) database might be more suitable. A CRM can help you analyse customer information to find purchasing trends and identify your best customers.

Maintaining customer information

Customer information is only useful if it's up to date. It's important to regularly check the accuracy of your customers' information, and update it where necessary.

Using stored customer information

Make sure you ask your customers if they would like to receive information or updates from you, and give them the option to opt-out. If you spam customers without their consent they may react negatively to your business.

You must know and listen to your customers, and then get the right information to the right people at the right time. While numerous companies engage in aspects of gaining customer information through intelligence, few integrate it into immediate action. This is only accomplished by assessing customer information. Here are the steps to assessing customer information.

Analyse the right customer information

What does the *right* intelligence look like? There are typically four areas:

1. **Macro metrics:** The primary metrics an organisation uses to measure the overall health of customer relationships and employee teamwork. Macro-level metrics are used to drive strategy
2. **Correlation:** The understanding of how movement in the macro customer metric affects a key financial metric (i.e., top-line revenue).
3. **Drivers:** Known touch points and factors along customer journeys that most affect the macro metrics, journey stage progression, and the perception of your company in the consumers' minds.
4. **Segmented data:** Not all prospects, customers and data are the same. Some are more valuable than others and segmentation can help clarify value.

Develop a single relationship metric

Your organisation needs a macro metric. Optimally, this metric will correlate with a financial metric and also be predictive of future performance.

Demonstrate ROI

It's critical to quantify your customer experience management efforts in financial terms. If you're in a large organisation, it can be difficult to get the support of finance executives for customer service strategies without sound metrics that correlate to revenue.

The earlier you can tie customer experience management efforts to key financial metrics such as top-line revenue and show ROI, the sooner you'll gain the depth of commitment needed to actually make significant changes, and if desired, transition to a customer-centric culture that establishes a competitive advantage.

Gather customer information at “listening posts”

Your macro relationship metric and your financial correlation are key metrics on strategic levels. However, to impact these metrics, you typically have to improve the experiences and touch points at a tactical level – where customers encounter them along their journeys with your organisation.

A productive way of gathering customer information to improve these experiences is through listening posts. A listening post is any point along a customer journey where the organisation collects customer feedback, like a survey. For example, the survey at the end of a call to a call centre is a listening post to gather feedback on the performance provided during that phone call.

Make customer information relevant to the recipient

The right information is relevant information; this is where segmenting the information is valuable. If an employee is receiving irrelevant customer feedback, it's human nature to tune out that feedback. The relevance of available intelligence is critical to all levels of decision-makers. Make sure customer information educates or is actionable. Make sure the information can do one or both of the following:

- Helps the employee understand something important about customers and their responsibilities.
- Helps the employee take specific action based on the information.

It's important for those acting on touch point or experience intelligence to see and understand how the information and their prospective action matches up to additional metrics and strategies.

Building the competency to generate and deliver the right customer information to the right people at the right time enables your organisation to establish a closed-loop system to address time-sensitive, individual customer issues. This also helps solve problems at the root cause, improving consistency. Listening posts attuned to the customer help in the planning and building of more customer-centric and efficient customer journeys.



Class Activity 6: Establish the customer base

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook

5.4 Establish the customer database

Building a customer database requires many skills²⁷. However, from a management or marketing perspective, there are four important non-technical skills that you may not hear much about in these days of "database" hype:

- **Communication** - All users and other participants must be honest with themselves and each other as to the needs, uses and limitations of such a system. This includes formalised documentation of perceived database needs, as well as informal day-to-day brainstorming. Put aside the old rules and look at your needs with fresh eyes. Operational people can be particularly helpful in the design stage, because they have to deal with the results of poor data design and retention.
- **Common sense** - Know your business. Each issue must be thought through, identifying the options that make the most sense for your business. If you do not know the answer to a particular issue, find someone who can help. Database design is rapidly evolving as new solutions are developed.

Sometimes technical experts, both internal and external, can become bogged down in the search for the "perfect" solution, ending up with one that is not entirely practical. Retain your ability to step back from the "experts." After all, you know the most about your business. The final decision rests with you after you have thoroughly evaluated the options.

- **Creativity** - If some need appears to be impossible to meet in a cost effective manner, seek other options. If building an on-site database, be creative in thinking through your specific needs. If, like most people, you find it more cost efficient to use an outside service bureau, work with the technical experts there to find creative applications of their existing systems for your particular needs.
- **Attention to Detail** - What appear to be small decisions can lead to inefficiency and high cost if not thought out carefully. No matter how advanced the technical aspects of your database, they will be worthless if they result in a clever solution to the wrong problem. Remember, you are the one who knows what you need.

"Customer Database" Defined

"Database" is a word that is often used and misused by today's direct marketers. There can be many nuances to its interpretation. For the sake of this manual, it will be defined in the following way:

A compilation of data about each consumer who has interacted with the products and/or services offered by a company, division, or catalogue. A database maintains individual data elements that can be brought together in an efficient manner to create useful information. They can be manipulated in order to meet many needs of an organisation, including product fulfilment, customer service, the generation of management reports, quantitative research, and the selection of customers for subsequent contact.

Here, "customers" are assumed to be individuals or companies that have responded to you via mail or telephone. They are qualified buyers because they have spent money on your product. This makes them most likely to purchase again, and should

²⁷ From: http://www.wheatongroupplc.com/library/02_01_90.asp

allow you to contact them profitably in the future. They form the basis of a successful direct marketing operation.

Inquirers are different from customers in that they have identified themselves as having some interest in your product, but they have not committed themselves. Inquirers might include those who respond "no" or "maybe" to sweepstakes offers, spend a nominal sum for a special introductory offer, or request a free catalogue.

Data Uses

It is important to understand the criteria by which you should select data worth keeping. Simply, the more useful the data will be, the more worthwhile it is to keep.

Start by thoroughly examining your needs. Put them in writing, forcing yourself to be very specific, thereby generating thorough internal discussion. That will give you important clues as to what data should be maintained.

- Needs should be translated into dollar benefits wherever possible. This will help you more clearly prioritise your options and may give you important insights into your data needs.
- Separate "nice-to-know" from "have-to-know" in order to establish clear priorities.

There are many reasons to create a database, but it is important for everyone involved to understand the specific rationale behind such an undertaking. Many companies create a customer database in order to help them meet one or more of the following corporate objectives:

- Acquire new customers at a specified percentage of their expected lifetime value.
- Generate increased list rental income.
- Fulfill a strengthened commitment to customer service.

In terms of day-to-day usefulness, a database can be designed to accomplish a number of important functions, such as:

- Select names for customer mailing (based on segmentation).
- Generate management reports.
- Tie sales into inventory management.
- Maintain names in consistent format for suppression on outside lists.
- Enhance customer research to better target prospecting efforts.
- Increase list rental revenue by augmenting the selects available.
- Improve the ability to base financial forecasts on actual data.
- Generate more detailed input for the evaluation of test results.
- Improve order turnaround time.
- Speed up and clarify customer service efforts.

Data to Be Kept

As mentioned earlier, it is generally impractical to keep all possible data relating to the business. The decision to retain particular data elements should be based on the following criteria:

- Appropriateness to the business and the ability to help achieve objectives.
- The offsetting cost of storage, maintenance and access time.

A customer database is constructed from a variety of sources, depending on your particular business.

There are certain primary types of data that should be included for each customer and are, therefore, the foundation of any new system. You must take these building blocks and add to them as appropriate for you. Although not comprehensive, the following basic types of data elements should generate additional ideas specific to your business:

- Recency (e.g., date of last purchase).
- Frequency (e.g., total number of purchases).
- Monetary value (e.g., net sales to date).
- Product category (e.g., footwear, electronics).
- Catalogue (for multiple catalogues under one corporate database).
- Relationship with company:
 - First purchase.
 - Customer service contact codes.
 - Purchases through other distribution channels.
 - Purchased gifts for others (and tie to the giftee records).
 - Credit card usage & card name.
 - Credit information.
- Miscellaneous types of data:
 - Size of apparel.
 - Presence of children by age.
 - Presence of personal computer at home, by brand.
 - Demographic overlay data.

Customer database²⁸ can eliminate a great deal of paperwork for a business, providing a single repository for valuable client information that can be used by sales teams, customer support personnel and even the accounting team. While it is possible to buy software products that provide basic formats for this type of database, customised databases can be created by keeping a few basics about form and function in mind.

1. **Purchase database creation software.** Choose a product that is compatible with the word processing and other software tools used in the business. This will make it easier to import or export data from other sources, making it

²⁸ Information from: <http://www.wikihow.com/Create-a-Customer-Database>

possible to avoid entering a large amount of data into the newly created database.

2. **Determine the type of information that will be housed in the customer database.** Most designs will include information such as company name, mailing address, physical address, contact name, telephone and fax numbers, and email addresses. Additional data such as information on contract terms, pricing, and notes on pending tasks associated with each client are often included in the data captured and maintained in this type of electronic resource.
3. **Consider the possible uses for the database.** Along with providing a centralised resource to retrieve important data, think in terms of what types of reports could be created using the data, or if the database is intended for use as a resource in generating mailing labels, email lists, or even lists to use in fax broadcasting. Keeping this in mind will help in determining how to name each of the fields that will house data, and ease the process of creating report formats that pull from those fields.
4. **Organise the data fields.** Create a simple template that follows a logical sequence when it comes to entering names, addresses, and other contact information. Doing so makes it easier to move from 1 field to the next with a minimum of interruption and complete the entry of a new customer record within a reasonable period of time.
5. **Set authorisations on each of the fields.** This includes identifying which fields will be included on report formats as well as which can serve as the basis for sorting or searching the database entries. Assigning the right authorisations to each field will expedite retrieval of the right data when and as it is needed.
6. **Prepare report formats.** A few basic formats that can be used frequently will often be sufficient, although key users can be granted the ability to create customised reports that include fields relevant to the user's job position and level of access to customer data.
7. **Establish login credentials and access rights.** A workable customer database includes the ability to create login credentials that allow only authorised employees to access the information. Going further, assigning different levels of rights makes sure that each user is able to view, change and enter data relevant to his or her job responsibilities, but is not able to view other information that is of use to other personnel.
8. **Review and test the customer database before release.** Try using the beta version with a small group of employees to make sure each of the functions work as envisioned. Use the findings of this test group to iron out any issues with performance, format and ease of use. Once all the issues are addressed and resolved, the final version can be rolled out to the entire company.

Basic Database Organisation and Planning

No matter what physical form your database may take, optimal organisation of the data into logical sequence and/or group is critical to its effectiveness. If you are a catalogue business, you will likely need the following logical groups of data.

If you are able to build a relational database, each group would be separate, but tied together by unique numbers or other identifiers:

- **Basic information** - Used as base that ties all customer information together; basis for name selection if segmentation techniques have been applied. Examples: Name, address, customer number, point score.
- **Purchase history** - Used to generate sales reports; develop scores. Examples: Original source, additional sources, items, returns, dollars spent, dates of purchase.
- **Promotion history** - Used to generate response reports by list and medium; acts as a suppression file for specific categories of promotions. Examples: Catalogues mailed, key codes mailed.
- **Service history** - Used to generate customer service reports; manage bad debt; help evaluate quality and value of each customer. Examples: Codes for complaints, excessive returns.
- **Miscellaneous data** - Used for list rental; customer research; scoring. Examples: Change of address (including last address), name change (including previous name), gift purchase ("ship to" different name at different address; including a code to identify the related gift recipients), overlay data.

One of the most significant decisions concerning a database is the choice between internal or external database resources. Factors that should help you make an informed decision include:

- **Cost alternatives** - It can be cheaper to use an outside service bureau than to build and maintain your own system. In any event, some aspects of any system will have to be internal, to meet timely requirements for customer service or management reporting.
- **Expertise** - You need access to a knowledgeable systems expert.
- **Service** - Your needs must be a priority for the staff assigned to fill them.
- **Technology** - Applications software at the leading service bureaus is likely to be more sophisticated than any developed in-house.
- **Quantity of raw data** - This will directly affect the number of options available.
- **Control** - Your database is a significant asset. You will want to be sure that it is in trusted hands that understand your business needs and objectives.

By creating a database, you will be starting from scratch. This may be a welcome challenge after years of working with an out-of-date system. After all, direct marketing is data driven. One of the big benefits of building a new database is that data has to be thoroughly examined to see if it warrants inclusion.

- It could be very helpful to design your new management reports first. This step would help insure that each piece of data is included that will be needed to generate them.
- Be sure that all levels of personnel are included across organisational functions.

Everyone will have to live with the new system for a long time, so they need to participate in it, which will make them more supportive and understanding.

The form in which the data is kept can be as important as the data itself. Common oversights related to the form include:

- Data fields that are too small, particularly for the name and address. Do not short change your ability to identify your customers on other lists or hurt deliverability further by having to truncate these crucial data.
- Data that take up more space on the record than necessary. Use codes where appropriate in order to save space (e.g., title codes, gender codes).

Companies often have elaborate procedures and controls within certain departments, such as finance or even marketing, but the database is often under the jurisdiction of many. It is imperative that controls are put in place so that a specific aspect will not be changed solely for one person's or group's expediency.

- Techniques for changes and updates should be approved by someone who understands both the needs of the marketers and the technical people.
- Changes must be communicated to all key areas of the organisation. Many marketers have had rude surprises when changes have been made — either because of very independent systems personnel or unconcerned or ignorant marketing personnel.
- Once again, teamwork and communication are critical at all levels and across all departments.

There is no one blueprint for building a database. Of course, there are basic design rules, but the needs of your business must be met in a way that is most cost effective for you. In the long run, one of the most important things that you can do is to be actively involved, lending and encouraging support throughout the company for this powerful business tool.

Here is an example of a Contact Management Database that was build using MS Access:

5.4.1 Maintain the customer database to integrate customer and sales information

A well-maintained database will help you keep your business communications, products and services relevant, valuable and timely. When databases are old and inaccurate, they can cost your business money and potentially customers. Ensure you have up-to-date information in order to make the most of your marketing spend and stay in communication with your clients. Here are ten²⁹ rules to help with maintaining your customer database:

Rule 1 – Keep it simple

A major obstacle to the successful maintenance of customer data is the perverse desire to “know everything” about the customer. Remember, what you’re striving for is good basic information. You want to know how to contact the right person in the customer’s organisation. You don’t have to know their spouse’s name or the birthdates of their children. Generally, nine simple bits of information will suffice:

- *Company name*
- *Contact’s first name*
- *Contact’s surname*
- *Contact’s designation or work title*
- *Direct telephone number (land line)*
- *Switchboard number (if different to direct number)*
- *Cell phone number*
- *Fax number*
- *Email address*

Rule 2 – Get it Right

For the database to be credible, all of these items should be correct. Begin by making sure the company name is correct. It’s surprising how many people pedantically add “(Pty) Ltd” to the company name, but ignore spelling errors or forget to update the name when it changes. It’s also vital to record the contact person’s name accurately –especially in a multicultural society like South Africa, where common names in one part of the community are unfamiliar in another.

Rule 3 – Stick to Standard Data Formats

You can make erroneous information stand out by recording all data the same way. For example, South African telephone numbers conform to a ten-digit format: a three-digit area code followed by a seven digit subscriber number. To ensure that telephone numbers aren’t treated as real numbers in Excel spreadsheets, (making 011 234 5678 appear as: 1.12E+08) separate the digits with hyphens to produce a 12-character string in the format: xxx-xxx-xxxx. Incomplete telephone numbers or numbers with too many digits are easier to spot when this standard format is used. It’s also advisable to keep first- and surnames in separate fields. Duplicate entries can then be identified by using a simple sort.

²⁹ Information from: <http://www.interfaceonline.co.za/ten-rules-for-maintaining-your-customer-database.html>

Rule 4 – Eliminate Duplication

Nothing tells customers you haven't a clue who they are more than sending them multiple communications about the same thing. Duplication is hard to avoid (especially when contact information is captured by different people) but it's relatively easy to eradicate and therefore inexcusable to condone. Duplication often arises when Rules 2 and 3 are broken. By not getting the customer's details right and not sticking to the same format, the same person may appear in the database as John Smith, Smith J and Jonathan Smit – i.e. three entries rather than one.

Rule 5 – Strive for Completeness

This is linked to Rule 1 (Keep it Simple). Once you've decided that a specific piece of information is important enough to be stored in your customer database, it should be recorded for every entry – blank fields are unacceptable. The only valid excuse is if the item does not apply (e.g. if the person doesn't have an email address). Even then, you should record the fact that there's no email address rather than leaving the field blank.

Rule 6 – Date Each Entry

Information highly perishable and, like milk, it ought to have a sell-by date. Every time a new record is added or an existing customer's details are modified, the date of the change should be recorded. This allows old (i.e. suspect) information to be readily identified and either updated or removed altogether.

Rule 7 – Resist Unnecessary Clutter

Remember that the purpose of the database is to promote communication with existing customers. Don't clutter the list with useless contacts. Not everyone you meet is a customer. The person who gave you their business card on the golf course might not even be the right person to deal with in their organisation. Rather follow up and find out who you *should* be talking to and record *that* person's details. Likewise, don't add supplier- or competitor names to your customer database. If you want to keep track of them, start new databases for competitors and suppliers.

Rule 8 – Restrict Permission to Add or Modify Customer Data

The customer database is a shared resource and careless attention to detail by a few individuals will reduce its usefulness to everyone in your organisation. To protect the integrity of this strategic asset, the authority to add to- or modify the customer database should be restricted via a password-protected user interface. Even commonly-used applications such as Microsoft Excel provide such protection measures.

Rule 9 – Update and De-Clutter Regularly

Despite your best efforts, information contained in your customer contact database will get out of date over time and clutter will accumulate. You should therefore introduce a process to systematically verify- or update each contact's details at least once a year. More frequent updates may annoy the customer, while less frequent contact increases the likelihood of your customer data being inaccurate.

Rule 10 – Hire a Professional to Do It

Carrying out a systematic update of the client database is not a trivial exercise and simply adding the task to someone's existing job description virtually guarantees that it won't get done. To get it thoroughly cleaned and updated, you should outsource the job to a company that specialises in this field. It may cost money, but you can rest assured that it won't be shelved because operational priorities get in the way.

Your existing customers are your company's greatest source of new business. And yet once they are on your books, their contact details often remain static. Over time, this vital information becomes outdated as telephone numbers change, key personnel are promoted or retire, or companies are taken over and undergo name changes. In most companies it is assumed that these details are somehow automatically updated, or that someone in the organisation will see to it that the customer database is kept up to date. Sadly, this is a task that is often overlooked, resulting in customer records that are highly suspect.

This affects your company's efficiency in communicating with its customers. From the mundane compilation of a Christmas card list to the critical business of inviting key decision makers to your next product launch, up to date customer details are vitally important.

A highly effective customer relationship management system will encompass and enhance all aspects of customer interface, from sales and marketing to customer service: existing client relationships become stronger and new client relationships evolve more quickly - all core requirements of business success. To ensure that all the relevant customer interaction information is contained in the customer database, you must integrate all customers and all sales information. This will ensure that the customer is always correctly identified and their needs anticipated, based on the information on the database, when they make contact with the company.



Class Activity 7: Build the customer base

Please follow the instructions from the facilitator to complete the formative activity in your Learner Workbook



Reflection

Individually, complete the formative activity in your Learner Workbook



Facilitator Observation Checklist

The facilitator will provide you with feedback about your participation during the class activities in your Learner Workbook

Summative Assessment

You are required to complete a number of summative assessment activities in your Learner Portfolio of Evidence Guide. The Learner Portfolio of Evidence Guide will guide you as to what you are required to do:

- Complete all the required administration documents and submit all the required documentation, such as a certified copy of your ID, a copy of your CV and relevant certificates of achievement:
 - Learner personal information form
 - Pre-assessment preparation sheet
 - Assessment plan document
 - Declaration of authenticity form
 - Appeals procedure declaration form
- Place your complete Learner Workbook (with the completed Class Activities) in the specified place in the Learner Portfolio of Evidence Guide.
- Complete the summative assessment activities in your workplace:



Knowledge Questions

Individually, complete this summative activity in your Learner Portfolio of Evidence Guide



Practical Activities

Individually, complete this summative activity in your Learner Portfolio of Evidence Guide



Witness Testimony

Individually, complete this summative activity in your Learner Portfolio of Evidence Guide



Logbook

Individually, complete this summative activity in your Learner Portfolio of Evidence Guide

Once you have completed all the summative activities in your Learner Portfolio of Evidence Guide, complete the Assessment Activities Checklist to ensure that you have submitted all the required evidence for your portfolio, before submitting your portfolio for assessment.

References and Further Reading

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- http://www.1000ventures.com/business_guide/marketing_knowing_customer.html
- <http://www.ehow.com/>
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- <http://marketing.about.com/od/relationshipmarketing/>
- <http://toolboxes.flexiblelearning.net.au>
- <http://www.thecallcentreschool.com/call-centre-tools/call-centre-articles/>
- <http://mspmentor.net/sales>
- <http://www.thepacepartners.com/articles/289-identifying-prospective-clients>
- <http://www.goprintandpromo.com/article/>

Unit Standard details

10326



SOUTH AFRICAN QUALIFICATIONS AUTHORITY
REGISTERED UNIT STANDARD:
 Identify customers of Contact Centres

SAQA US ID	UNIT STANDARD TITLE			
10326	Identify customers of Contact Centres			
ORIGINATOR				
SGB Marketing				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Marketing	
ABET BAND	UNIT STANDARD TYPE	PRE-2009 NQF LEVEL	NQF LEVEL	CREDITS
Undefined	Regular	Level 4	NQF Level 04	4
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2018-07-01	2023-06-30	SAQA 06120/18
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2024-06-30		2027-06-30		

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry.

The qualifying learner is capable of:

- ☐ Identifying prospective customers and established their needs.
- ☐ Establishing and building the customer base.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

- ☐ Learners accessing this unit standard or qualification will have demonstrated competency against unit standards in Contact Centres at NQF Level 2 or equivalent.
- ☐ Learners are expected to have demonstrated competency in language, numeracy, literacy and

communication at NQF Level 4 or equivalent.

UNIT STANDARD RANGE

□ This standard applies to Contact Centres that are in-bound and/or out-bound within a commercial or emergency context and will include appropriate subject matter in the area in which the learner chooses to operate.

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Identify prospective customers and establish their needs.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

1. Sales contacts and networks are developed in terms of providing information for the identification of prospective customers.

ASSESSMENT CRITERION 2

2. Customers are identified in terms of established methods.

ASSESSMENT CRITERION 3

3. A consultation method to identify customers is established.

ASSESSMENT CRITERION 4

4. Opportunities for assessment and qualification processes are established.

SPECIFIC OUTCOME 2

Establish and build the customer base.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

1. Prospecting methods are identified to establish and build customer base.

ASSESSMENT CRITERION 2

2. Information needs are established in accordance with present and prospective customer base.

ASSESSMENT CRITERION 3

3. Processes are established for recording and assessing customer information.

ASSESSMENT CRITERION 4

4. The customer database is established and maintained to integrate customer and sales information.

ASSESSMENT CRITERION 5

5. Customer profiles are assessed to identify factors in relation to the market place in which they operate.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

The relevant Educational Training Quality Assurance Body (ETQA) will accredit providers offering learning towards this standard.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

- ☐ A broad understanding of principles, methods and techniques for identifying the customers of Contact Centres.
- ☐ A comprehensive understanding of company / organisational procedures for establishing and building customer base.
- ☐ An all rounded understanding of methods and techniques for assessing customer profiles.

Critical Cross-field Outcomes (CCFO):**UNIT STANDARD CCFO IDENTIFYING**

- ☐ Identify and solve problems pertaining to the identification of customers and the establishment of a customer base.

UNIT STANDARD CCFO COLLECTING

- ☐ Collect, evaluate, organise and critically evaluate information to assist in the accurate identification of the customers of Contact Centres.

UNIT STANDARD CCFO SCIENCE

- ☐ Use science and technology in the establishment of a customer database.

UNIT STANDARD CCFO CONTRIBUTING

- ☐ In order to contribute to the full personal development of each learner and the social and economic development of society at large, it must be the intention underlying any programme of learning to make an individual aware of the importance of: being culturally and aesthetically sensitive across a range of social contexts.

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

ID	QUALIFICATION TITLE	OLD LEVEL	NEW LEVEL	STATUS	END DATE	QUALITY ASSURING BODY
93996	Further Education and Training Certificate: Contact Centre Operations	Level 4	NQF Level 04	Reregistered	2021-06-30	As per Learning Programmes recorded against this Qual

10323

**SOUTH AFRICAN QUALIFICATIONS AUTHORITY****REGISTERED UNIT STANDARD:****Implement Contact Centre specific sales techniques to generate sales through a Contact Centre**

SAQA US ID	UNIT STANDARD TITLE			
10323	Implement Contact Centre specific sales techniques to generate sales through a Contact Centre			
ORIGINATOR				
SGB Marketing				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Marketing	
ABET BAND	UNIT STANDARD TYPE	PRE-2009 NQF LEVEL	NQF LEVEL	CREDITS
Undefined	Regular	Level 4	NQF Level 04	12
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2018-07-01	2023-06-30	SAQA 06120/18
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2024-06-30		2027-06-30		

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry.

The qualifying learner is capable of:
 Identifying client types and needs.
 Cross-selling products in a Contact Centre.
 Closing sales in order to meet targets.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners accessing this unit standard or qualification will have demonstrated competency against unit standards in Contact Centres at NQF Level 2 or equivalent.
 Learners are expected to have demonstrated competency in language, numeracy, literacy and communication at NQF Level 4 or equivalent.

UNIT STANDARD RANGE

□ Sales includes but is not limited to Rand value, Units, sales.

This standard applies to Contact Centres that are in-bound and/or out-bound within a commercial or emergency context and will include appropriate subject matter in the area in which the learner chooses to operate.

Specific Outcomes and Assessment Criteria:**SPECIFIC OUTCOME 1**

Identify client types and needs.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

1. Sales opportunities are identified.

ASSESSMENT CRITERION 2

2. Client needs are accurately identified within an industry specific context.

SPECIFIC OUTCOME 2

Cross-sell products in a Contact Centre.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

1. Multi sales are generated as per industry specific requirements.

ASSESSMENT CRITERION 2

2. All product related information is accurately provided.

ASSESSMENT CRITERION 3

3. Company specific procedures and industry regulations are adhered to.

SPECIFIC OUTCOME 3

Close sales in order to meet targets.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

1. The client's needs are met.

ASSESSMENT CRITERION 2

2. The sale is confirmed and authorised according to company specific procedures and legislative requirements.

ASSESSMENT CRITERION 3

3. The number of sales closed complies with company specific targets.

ASSESSMENT CRITERION RANGE

Sales includes but is not limited to Rand value, units, sales.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

Learning programmes leading to the acquisition of these credits will be accredited by the relevant Education, Training, Quality Assurance Body (ETQA).

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

- ☐ An in-depth understanding of industry specific products and/or services offered.
- ☐ An in-depth understanding of Contact Centre sales procedures, guidelines and Policies.
- ☐ A basic understanding of basic sales techniques in a Contact Centre.
- ☐ A broad overall understanding of negotiation skills and techniques.
- ☐ A general understanding of handling objections by customers.

Critical Cross-field Outcomes (CCFO):**UNIT STANDARD CCFO WORKING**

- ☐ Work with others as part of a team in order to finalise and close sales.

UNIT STANDARD CCFO COLLECTING

- ☐ Collect, analyse and critically evaluate client information in order to accurately identify client needs.

UNIT STANDARD CCFO COMMUNICATING

- ☐ Communicate effectively when responding to client needs.

UNIT STANDARD CCFO SCIENCE

- ☐ Use science and technology effectively to access and generate relevant product and industry specific information systems.

UNIT STANDARD CCFO CONTRIBUTING

- ☐ In order to contribute to the full personal development of each learner and the social and economic development of society at large, it must be the intention underlying any programme of learning to make an individual aware of the importance of: being culturally and aesthetically sensitive across a range of social contexts when implementing specific sales techniques.

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

ID	QUALIFICATION TITLE	OLD LEVEL	NEW LEVEL	STATUS	END DATE	QUALITY ASSURING BODY
93996	Further Education and Training Certificate: Contact Centre Operations	Level 4	NQF Level 04	Reregistered	2021-06-30	As per Learning Programmes recorded against this Qual

10324

**SOUTH AFRICAN QUALIFICATIONS AUTHORITY****REGISTERED UNIT STANDARD:****Describe features, advantages and benefits of a range of products or services**

SAQA US ID	UNIT STANDARD TITLE			
10324	Describe features, advantages and benefits of a range of products or services			
ORIGINATOR				
SGB Marketing				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Marketing	
ABET BAND	UNIT STANDARD TYPE	PRE-2009 NQF LEVEL	NQF LEVEL	CREDITS
Undefined	Regular	Level 4	NQF Level 04	6
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2018-07-01	2023-06-30	SAQA 06120/18
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2024-06-30		2027-06-30		

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This unit standard forms part of the qualification, National Certificate in Contact Centre Operations NQF Level 4. Learners working towards this unit standard will be learning towards the full qualification, or will be working within a Contact Centre environment, where the acquisition of competence against this standard will add value to learner's job. This unit standard is intended to enhance the provision of intermediate level service within the Contact Centre industry.

The qualifying learner is capable of:

- ☐ Determining and communicating product features, advantages and benefits.
- ☐ Describing physical specifications, features, advantages and benefits.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

- ☐ Learners accessing this unit standard or qualification will have demonstrated competency against unit standards in Contact Centres at NQF Level 2 or equivalent.
- ☐ Learners are expected to have demonstrated competency in language, numeracy, literacy and communication at NQF Level 4 or equivalent.

UNIT STANDARD RANGE

□ This standard applies to Contact Centres that are in-bound and/or out-bound within a commercial or emergency context and will include appropriate subject matter in the area in which the learner chooses to operate.

Specific Outcomes and Assessment Criteria:**SPECIFIC OUTCOME 1**

Determine and communicate product features, advantages and benefits.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

1. Product/service features, advantages and benefits are identified and clarified to facilitate the communication of product information to sales clients.

ASSESSMENT CRITERION 2

2. Product/service features, advantages and benefits are recorded and documented for future use.

ASSESSMENT CRITERION 3

3. Suppliers are contacted to assist in the clarification of features, advantages and benefits.

ASSESSMENT CRITERION 4

4. Communication processes are established with existing and potential sales clients that are consistent with identified buyer information.

SPECIFIC OUTCOME 2

Describe physical specifications of features, advantages and benefits.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

1. Information relating to product/service features, advantages and benefits is communicated to sales clients.

ASSESSMENT CRITERION 2

2. Communication to sales clients meets their needs and requirements.

ASSESSMENT CRITERION 3

3. Features, advantages and benefits are detailed in accordance with supplier information.

ASSESSMENT CRITERION 4

4. Features, advantages and benefits are linked together and are made to fit.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

The relevant Educational Training Quality Assurance Body (ETQA) will accredit providers offering learning towards this standard.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

□ A broad understanding of sources for obtaining product/service features, advantages and benefits.

- ☐ A comprehensive understanding of methods and techniques for describing features, advantages and benefits.
- ☐ A broad understanding of communication processes for existing and potential sales clients.

Critical Cross-field Outcomes (CCFO):

UNIT STANDARD CCFO IDENTIFYING

- ☐ Identify and solve problems pertaining to the communication of products, features, advantages and benefits.

UNIT STANDARD CCFO COLLECTING

- ☐ Collect, evaluate, organise and critically evaluate information to enable the determination and identification of features, advantages and benefits.

UNIT STANDARD CCFO COMMUNICATING

- ☐ Communicate effectively when presenting features, advantages and benefits so that sales clients needs are met.

UNIT STANDARD CCFO SCIENCE

- ☐ Use science and technology when sourcing, describing and presenting product features, advantages and benefits.

UNIT STANDARD CCFO CONTRIBUTING

- ☐ Contribute to the full personal development of each learner and the social economic development of society at large, by making it the underlying intention of any learning programme to make the individual aware of the importance of knowing the features, advantages and benefits of a range of products.

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

ID	QUALIFICATION TITLE	OLD LEVEL	NEW LEVEL	STATUS	END DATE	QUALITY ASSURING BODY
93996	Further Education and Training Certificate: Contact Centre Operations	Level 4	NQF Level 04	Reregistered	2021-06-30	As per Learning Programmes recorded against this Qual