

Selling Agricultural Products and Services

DO YOU HAVE a favorite store at which to shop? Most people, when happy with a store, return to give the store additional business. The success of an agricultural business depends not only on initial sales but also on continuing sales. The key is the customers' level of satisfaction.



Objective:



Describe the processes associated with the selling of agricultural products and services.

Key Terms:



customer relationship management
relationship marketing
salesmanship
salesperson
selling
touch point

Agricultural Sales

Businesses increase revenue when their products or services are traded for money with customers. The sales process closely relates to a business's marketing efforts, advertising, promotions, and public relations. Marketing, promotions, and the like lead customers to the selling process.

CHARACTERISTICS OF AN EFFECTIVE SALESPERSON

The actual process of **selling** involves a salesperson using problem-solving techniques to find out what a customer needs, providing the customer with applicable choices, and allowing

the customer to choose the best option for his or her situation. A **salesperson** is someone who works for the business and assists customers in finding what they need or want. An effective salesperson is able to describe product features, demonstrate how products or services work, and show customers the available product options.

In addition to selling, most salespeople are required to receive payments, give change and receipts, bag purchases, handle returns, stock shelves, mark price tags, take inventory, prepare displays, and clean the store.

Salespeople are required to continually learn and understand product changes, promotions, and sales.

In some sales jobs, salespeople are required to have special knowledge or skills. This is true of those jobs that deal with expensive or complex items. Seed and agricultural equipment salespeople must learn about the products' capabilities in many environments and how the products will react in a variety of conditions.

Employers stress that salespeople provide courteous and efficient service to customers to create positive experiences and build long-term relationships. It is also important for salespeople to enjoy working with others. They must have the tact and patience to deal with difficult customers and situations. Salespeople must have the ability to communicate clearly and effectively. The ability to speak more than one language may be helpful in some geographic areas or lines of work.

Salesmanship is the practice of learning about and satisfying customer needs. Salesmanship involves being efficient, fair, and sincere and is meant to create or maintain a long-term relationship with the customer.



FIGURE 1. Salesmanship involves building relationships.

RELATIONSHIP MARKETING AND TRADITIONAL SALES

It costs much more for a business to attract new customers than it does for it to retain existing customers. Some sources say it costs up to five times more! Because of the cost of attracting new business, a high value is placed on building strong relationships with customers throughout the selling process so that they become repeat customers.

Relationship Marketing

Relationship marketing is the most popular way to build a business of long-term customers through sales. **Relationship marketing** includes the marketing and selling activities that build and manage solid, trusting relationships with customers. This type of marketing is generally aimed at larger customers that the company needs to maintain as repeat customers. Usu-

ally one person in the business is assigned to each major customer. This person may have many businesses to work with, but he or she is able to fulfill each customer's needs and stay up on that customer's activities.

As in the traditional selling process, the customer ultimately pays the business for the exchange of a product or service. Unlike the selling process, though, relationship marketing attempts to create a more meaningful and rich contact with the customer over many touch points. A **touch point** is an interface the customer has with a company before, during, and after a sale. Touch points can include advertisements, in-store browsing, viewing of the company Web site, a call from a company representative, the customer's purchasing experience, and post-sale follow-up from the company.

Relationship marketing is very important when the company's competition offers very similar alternative products or services. Often the customer chooses which product to buy based on his or her feelings about the company.

There are important skills an effective salesperson must possess with relationship marketing. A few are listening carefully to the needs of the customer; being honest with the customer; caring about the customer as a person, as well as the business he or she represents or the need the customer has as an individual; and not pressuring the customer or pushing a product or service onto the customer. Others are always being friendly, reacting quickly to customer needs, offering products and services for a good price, and maintaining regular contact with the customer.

Customer Relationship Management

Technology is available to help maintain and manage customer relationships in a relationship marketing environment. **Customer relationship management** (CRM) is the method a business uses to store, track, and organize its contacts with current and prospective customers. Software is available to handle this information for the company. Ultimately, CRM allows a business to improve the service it provides its customers and to use the information in its marketing efforts.

Similarities Between Relationship Marketing and Selling

- ◆ Money is exchanged for a product or service.
- ◆ A customer's needs are met.



FIGURE 2. Money is exchanged in both relationship marketing and selling.

- ◆ The salesperson must be friendly, listen carefully to the customer's needs, and react quickly.

Differences Between Relationship Marketing and Selling

- ◆ Relationship marketing generally focuses on existing customers; selling involves new and existing customers.
- ◆ Relationship marketing typically involves high-priced items and services in markets with significant competition; selling involves all price ranges and all product types.
- ◆ Relationship marketing requires a considerable investment of time per customer to maintain the relationship; selling does not require an investment of time above the actual sale itself.
- ◆ In relationship marketing, one person from the company takes care of a customer; in a regular sales situation, anyone from the company can handle the transaction, as there is little to no history with the customer.
- ◆ In relationship marketing, the salesperson maintains regular contact with the customer; in traditional selling, little or no personal contact is made outside the sale.

THE CUSTOMER BUYING PROCESS

Often businesses focus only on how to sell the products or services they have. The step they miss is putting themselves in the shoes of their customers and evaluating how the customers will decide whether to purchase the company's offerings. A customer's decision to purchase a product represents a process. The process to buy may happen almost instantly, or it may take several weeks or months of research and evaluation. The important point, though, is that making a purchase is not a single event. It is a progression.

The five steps in the buying decision process are (1) identify a want/need, (2) research, (3) evaluate options, (4) make a purchase, and (5) evaluate the purchase.

Identify a Want/Need

The decision process always begins when a potential customer realizes he or she has a need or want.

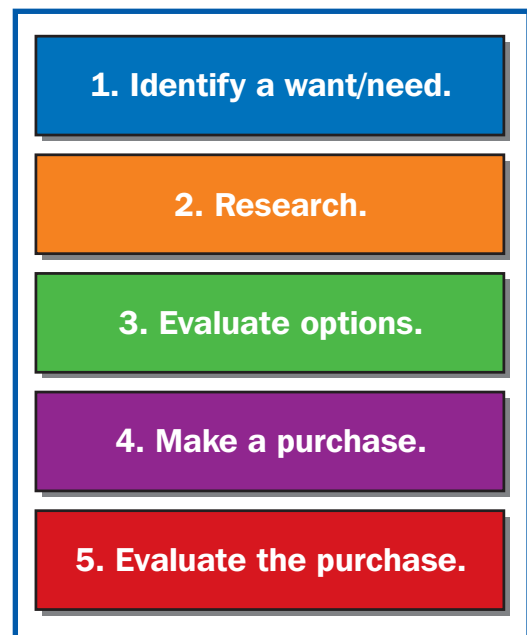


FIGURE 3. The five main steps in the buying decision process.

Research

After determining need, the customer will explore the possibilities. What's available on the market? What features and benefits do the products or services offer? What does each option cost? What brands/colors/accessories/etc. are available? Are warranties available?

Evaluate Options

After collecting the information about what products and services are available and the variables that make each unique, the customer refines and evaluates all the buying criteria. He or she narrows the options to the few best alternatives. Finally, the customer reaches a decision and chooses his or her best or favorite option.

Make a Purchase

This is the point in the buying process where the customer takes action and makes a purchase.

Evaluate the Purchase

After making the purchase, the customer studies the product or service and re-evaluates whether it was the right decision. Is it a good value for the money spent? Does it have all the features and benefits needed? Is it easy to use? Does it meet the customer's need?

Summary:



The sales process closely relates to a business's marketing efforts, advertising, promotions, and public relations. The actual process of selling involves a salesperson using problem-solving techniques to find out what a customer needs, providing the customer with applicable choices, and allowing the customer to choose the best option for his or her situation. Salesmanship involves being efficient, fair, and sincere and is meant to create or maintain a long-term relationship with the customer.

Relationship marketing is the most popular way to build a business of long-term customers through sales. Relationship marketing includes the marketing and selling activities that build and manage solid, trusting relationships with customers.

Customer relationship management (CRM) is the method a business uses to store, track, and organize its contacts with current and prospective customers.

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Checking Your Knowledge:



1. What is selling?
2. What skills should a salesperson possess?
3. What is relationship marketing?
4. How does relationship marketing compare with traditional sales?
5. What are the five steps of the purchasing process?

Expanding Your Knowledge:



Visit with your family about a recent major purchase, such as a television, cell phone plan, car, etc. During the conversation, ask what steps your family took in making the purchase. Did the buying decision process include the five steps discussed in this E-unit?

Web Links:



What Is Relationship Marketing?

<http://www.joe.org/joe/1988fall/a9.php>

20 Essential Traits Needed for All Sales Executives

<http://ezinearticles.com/?20-Essential-Traits-Needed-For-All-Sales-Executives&id=148242>

Consumer Buying Behavior

<http://www.udel.edu/alex/chapt6.html>

Sales

<http://managementhelp.org/sales/sales.htm>