

## SUGGESTION SELLING

Maintaining and building a clientele is crucial for future sales. The actual sale is just the beginning of a relationship with the customer. To keep customers, it is important to make a good impression, get to know your customers, and provide excellent customer service. One significant part of this process is suggestion selling.

**Suggestion selling** is selling additional goods or services to the customer. It involves selling other items to customers that will ultimately save time and money or make the original purchase more **appreciated**. It is important to the sales process because it helps to improve customer satisfaction, and it increases sales for the business.

Consider the customer who buys an electronic toy for a child, takes it home, and only then realizes that batteries are needed for it to function. That means another trip to the store before the child can play with the toy. The salesperson might have had a sure sale with a suggestion to buy batteries.



### As You Read

**Predict** What makes some companies better than others in creating loyal customers?

### BENEFITS OF SUGGESTION SELLING

Suggestion selling benefits the salesperson, the customer, and the company. You benefit because customers will want to do business with you again, so your sales will increase. Since salespeople are often evaluated according to their sales figures, you will be viewed as an effective salesperson. Your customers benefit because they are pleased with their purchase. The company benefits because the time and cost involved in suggestion selling is less than the cost of making the original sale.

Selling is a process of persuasion, so the principles of persuasion apply to it. A counter clerk at McDonald's will ask you whether you would like a drink, French fries, or a hot apple pie with your meal. The clerk is using a suggestion selling approach.

“ The actual sale is the beginning of a relationship with a customer. ”

Consider the two purchases in the following chart. The second purchase includes an extra item suggested by the salesperson. Note that the extra time spent on suggestion selling significantly increased the firm's net profits. Expenses rose, but not in proportion to the sales **volume**. There are two reasons for this. First, less time and effort are needed for suggestion selling compared to the initial sale. Second, certain business expenses (such as utilities and rent) remain the same despite the extra sales activity.

Purchase 1		Purchase 2	
Pants	\$75	Pants	\$75
		Shirt	\$35
<b>Total</b>	<b>\$75</b>	<b>Total</b>	<b>\$110</b>
<b>Cost of goods</b>	<b>-\$37</b>	<b>Cost of goods</b>	<b>-\$55</b>
<b>Gross Profit</b>	<b>\$38</b>	<b>Gross Profit</b>	<b>\$55</b>
<b>Expenses</b>	<b>-\$12</b>	<b>Expenses</b>	<b>-\$15</b>
<b>Net profit</b>	<b>\$26</b>	<b>Net profit</b>	<b>\$40</b>

## RULES FOR SUGGESTION SELLING

Here are five basic rules for suggestion selling:

- 1. Use suggestion selling after the customer has made a commitment to buy but before payment is made or the order written.** Introducing additional merchandise before the sale has been closed can create pressure for the customer. The only exception to this rule involves products whose accessories are a major benefit. If you are showing a retailer a new type of video game system, you may need to tell the retailer about the exciting new video games that will be sold in conjunction with that new system.
- 2. Make your recommendation from the customer's point of view and give at least one reason for your suggestion.** You might say, "For your child to enjoy this toy immediately, you'll need two AAA batteries."
- 3. Make the suggestion definite.** In most cases, general questions invite a negative response. Do not ask, "Will that be all?" Instead say, "This oil is recommended by the manufacturer for this engine."
- 4. Show the item you are suggesting.** Merely talking about it is not enough. In many cases, the item will sell itself if you let the customer see and handle it. You may place a matching purse next to the shoes the customer has just decided to buy, adding some commentary. You might say, "This purse matches your shoes perfectly, doesn't it?"
- 5. Make the suggestion positive.** You could say, "Let me show you the matching top for those slacks. It will complete the outfit beautifully." You would certainly never say, "You wouldn't want to look at scarves for your new coat, would you?" Such a negative statement shows a lack of enthusiasm or a lack of confidence on the part of the salesperson.

## SUGGESTION SELLING METHODS

Suggestion selling methods are: offering related merchandise, recommending larger quantities, and calling attention to special sales opportunities.

**Figure 15.1** shows examples of different ways to use suggestion selling.

## OFFERING RELATED MERCHANDISE

Suggesting related merchandise, also known as *cross-selling*, increases the use or enjoyment of the customer's original purchase. Cross-selling is probably the easiest suggestion selling method. The related merchandise can be a good or service. For example, accessory items can be sold with the original purchase—perhaps a tie to match a new suit or a service contract for a new appliance.

## RECOMMENDING LARGER QUANTITIES

Suggesting a larger quantity is often referred to as *up-selling*. This method works in retail settings when selling inexpensive items or when savings in money or time and convenience are involved. You may tell a customer who wants to buy one pair of socks, "One pair costs \$4, but you can buy three pairs for \$10."

In organizational sales situations, the salesperson may suggest a larger quantity so that the customer can take advantage of lower prices or special considerations like free shipping.

## CALLING ATTENTION TO SPECIAL SALES OPPORTUNITIES

Salespeople are obligated to communicate special sales opportunities to their customers.

In retail sales, routinely inform your customer of the arrival of new merchandise. You could comment on a special sale by explaining, "We're having a one-day sale on all items in this department. You might want to look around before I process your purchase."

In organizational sales situations, sales representatives show new items to their customers after they have completed the sale of merchandise requested. Thus, the salesperson has an opportunity to establish a rapport with the customer before introducing new merchandise.



### Reading Check

**Identify** Describe a scenario in which you would use up-selling.

## FIGURE 15.1 Suggestion Selling

Suggestion-selling involves selling other items to customers that will ultimately save time and money or make the original purchase more enjoyable. Let's see how suggestion selling methods might be used by a sales representative that sells goods and services for pets.

**UP-SELLING** A salesperson who sold these dogsled harnesses may suggest larger quantities to make a customer eligible for special discounts.



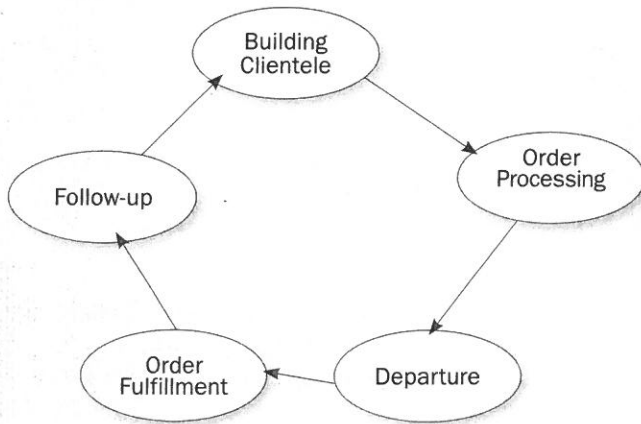
**CROSS-SELLING** The salesperson should suggest related items of merchandise. For dogsled owners, dog grooming services might be suggested.

**SPECIAL SALES OPPORTUNITIES** When a company runs a special promotion on products unrelated to the original purchase, or wants to introduce a new product or service, like pet photography, it is up to the sales representative to share that information with the customer. These might be suggested after making the original sale.



# MAINTAINING AND BUILDING A CLIENTELE

Making a sale is the first step in maintaining and building a clientele. Maintaining a clientele is necessary for repeat sales, which are necessary for businesses to be successful. Also, satisfied customers often help generate new customers by telling others about their positive experiences. It also costs more to find new customers than it costs to keep current customers satisfied. Positive customer- or client-relations require a lot of attention after the sale. After-sale activities by the sales and customer service staff, as well as planning for future sales, are key factors in building a clientele.



## AFTER-SALES ACTIVITIES

The time you spend with your customer after a sale is just as important, if not more important, than the time you spent making the sale. After-sale activities include order processing, departure, order fulfillment, and follow-up. All these activities need to be handled in such a way that the customer wants to do business with you again. Satisfied customers become steady customers, which is a goal in selling: to generate repeat business.

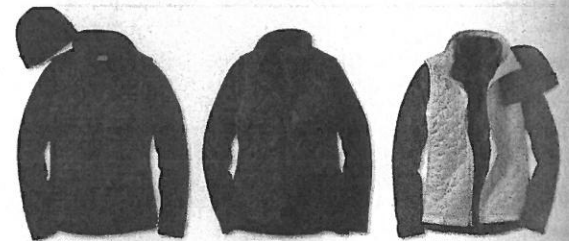
## ORDER PROCESSING

In retail selling, bag the merchandise with care. Products such as glassware may require individual wrapping before bagging. Expensive clothing may be left on hangers and enclosed in special bags made for that purpose. Work quickly to bag your customer's merchandise and complete the payment process.

In business-to-business sales, complete the paperwork quickly and accurately. Review the order with your customer and leave the customer with a copy of it along with your business card.

## Cross-Selling

Selling related merchandise is an easy method of suggestion selling. *What is the key to suggesting related merchandise, as clearly identified in this L.L. Bean catalog page?*



A. Plum Berry  
B. Black  
E. Black/Purple Night

A. Green  
B. Pacific Blue  
E. Pacific Blue/Lily Pond

A. Ivory  
B. Sea Rose  
E. Pomegranate/Chestnut



A. Blue Reef  
C. Green Leaf  
F. Pacific Blue/Lily Pond

A. Black  
C. Sugarplum  
F. Sugarplum/Pomegranate

A. Chartruss  
C. Tansy Blue  
G. Yellow Jasper/Multistripe

Great alone, better together



A. Black Coffee  
D. Yellow Jasper  
H. Lily Pond/Yellow Jasper

A. Cottage Red  
D. Chocolate  
H. Chocolate Brown/Pomegranate

A. Deep Mallard  
D. Ivory  
H. Cream/Aqua

## DEPARTURE

Before customers depart or before you leave your clients' offices, reassure your clientele of their wise buying choices. If an item needs special care or specific instructions, take the time to educate your customer about it. You may want to remind the customer, for example, that to get the best results from a Teflon-coated frying pan, it should be preheated. When selling new automobiles, this would be a good time to show your customers how to work some of the electronic devices, such as the GPS system. This extra time spent with customers helps ensure customer satisfaction.

Always thank your customers. Even when a customer does not buy, express your gratitude for the time and attention given to you. Invite customers back to the store, or ask for permission to call again in the near future.

## ORDER FULFILLMENT

In organizational selling situations, order fulfillment is based on the purchase order or sales order. If a purchase order involves special instructions, salespeople need to communicate those special instructions to other company employees. This helps to ensure that everything is done to the customer's precise specifications.

For example, salespeople may alert the shipping department when part of an order is to be shipped to different locations or at different times. Salespeople may speak directly with the manufacturing manager regarding specifications for embroidery of a customer's name on employee uniforms. The salesperson's attention to these details can avoid potential problems with the current sale and future sales.

In a retail store, order fulfillment is a simple process of the customer paying for merchandise and carrying it away.

In telemarketing or online sales, order fulfillment gets more complicated. It includes taking the order, financial processing (such as credit card information), picking the right product, packing it well, and shipping it according to the customer's preference. In some companies, fulfillment also includes customer service, technical support, managing inventory, and handling returns and refunds. Success often depends as much on appropriate fulfillment strategies as it does on having the right product at the right price. Some of the most successful online retailers have established their own fulfillment centers to ensure prompt delivery. Amazon.com, BarnesandNoble.com, and Dell® Computer all have their own fulfillment centers. Another approach is to outsource fulfillment to a third party.

## MARKETING CASE STUDY

### Selling Fitness at Equinox

Equinox Fitness is an upscale fitness club with locations in several U.S. cities. Its original system of developing and following up on leads was paper-based. Frustration with the outdated sales system created a high turnover of sales staff. It was clear that selling fitness memberships had to move into the computer age.

#### Microsoft Solution

Equinox had a lot of information about its customers, so it knew its target market. But it needed a boost, provided by the Microsoft Gold Certified Partner, Customer Effective. This system improved the process of member applications, while gathering data for sales presentations. Equinox also created its own Equinox Selling Process (ESP), a sales training tool for staff at its clubs. ESP provides sales techniques and support to help the sales staff close membership sales.

#### English Language Arts

**Evaluate** Discuss with a partner the risks and benefits involved in making a system-wide change to an established selling process. What are the advantages of using modern technology if the trade-off is having to retrain the entire sales force?

**NCTE 12** Use language to accomplish individual purposes.



This allows a company to concentrate its efforts on marketing the products. The goal in all forms of order fulfillment is to make the customer happy.

## **FOLLOW-UP**

The follow-up includes making arrangements to follow through on all promises made during the sales process. It also includes checking on your customer's satisfaction with his or her purchase. Here are a few follow-up ideas:

- ▶ Call the shipping department to confirm a special delivery date.
- ▶ Check to make sure that delivery occurs as promised.
- ▶ Call the customer and explain any delay.
- ▶ Phone customers a week or two after the purchase to see if they are happy with the selection.
- ▶ Send a thank-you note with your business card attached.

## **CUSTOMER SERVICE**

The role of customer service cannot be emphasized enough as a part of developing selling relationships. Salespeople do their job generating new customers. Customer service is needed to keep those customers happy. Businesses recognize the importance of customer service.

Employees provide excellent customer service to maintain their clientele. Customer service has many dimensions. It includes offering a variety of special services and handling customer complaints.

## **OFFERING SPECIAL SERVICES**

Many customer services are designed to keep customers loyal by providing ongoing communication with them and help after the sale. Some of these special services include e-mail and social media interaction, online support, special retail and vendor services, and customer training.

## **E-Mail and Social Media**

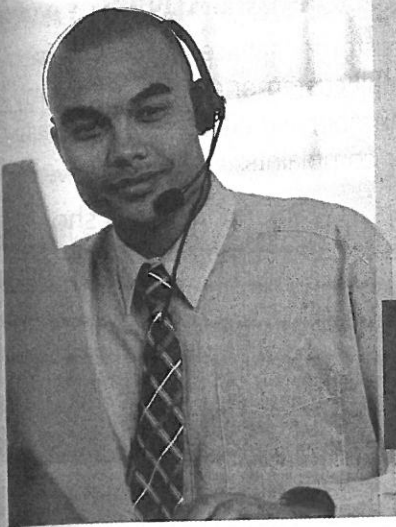
Businesses have recognized the benefits of keeping communication lines open with customers on an ongoing basis. Some use e-mail to provide customers with information regarding new products and special promotions on a regular basis. Businesses are legally required to get permission to send customers email. Customers must "opt-in" and agree to receive the emails. A business must also give customers the opportunity to "opt-out" if they no longer want to get emails from the company.

Social media opportunities include weblogs (blogs), Facebook®, Twitter®, and other Internet platforms that permit businesses to create a dialogue with customers on a frequent basis.



Proper handling of after-sale activities helps to ensure customer satisfaction with the entire shopping experience. **What else should the salesperson do before the customer departs?**

## **After-Sale Activities**



The goal of customer service, whether handled by a customer service department or by the salesperson, is customer satisfaction and retention. **Why is customer service an important part of sales?**

## Customer Satisfaction

Company CEOs may blog about new products and services. Facebook and Twitter allow companies to interact with customers. Businesses on Facebook may create games or other special activities to engage customers. Customers' comments recorded on Facebook and Twitter often get responses from the company. This ongoing dialogue between the customer and the company provides customers with a personal response. It also helps companies address unforeseen problems they may not have discovered otherwise.

### Online Customer Support

Many retailers and manufacturers offer answers to frequently asked questions (FAQs) on their respective Web sites. Their Web sites may also provide a link to a customer service center. This link allows customers to ask questions and receive replies via e-mail or a phone call from a customer service representative. This online customer support is extremely useful with products that require installation or manipulation.

### Special Retail Services

Many retailers offer a bridal and/or baby registry. Engaged couples and expecting parents select items they like, and that list is made available to anyone who wants to buy them gifts. In some auto dealerships, specific customer service representatives are assigned to each customer to handle appointments and questions with auto problems and regular servicing. Merchandise returns and customer inquiries are often handled by a special customer service department.

### Special Vendor Services

Large retailers may require vendors to provide additional services as part of their sales agreement. Some of those services may include keeping track of retail inventory, providing merchandising services, restocking promotional materials, and designing packages to meet their shelf-space requirements. A retailer that is very important to a vendor may employ its own staff whose sole responsibility is servicing that one big account.

### Customer Training

When a product is purchased by a company that requires instruction before using it, hands-on training may be provided to customers. Apple®, Inc., offers everyone who purchases an Apple computer one year of free training.

More advanced instruction may be offered to companies when a new computer software program is installed. Key employees may attend classes provided by the vendor. Instead of formal classes at the company's headquarters, the training may be held in the customer's place of business or at a convenient location for the customer.

Manufacturers that sell products for resale may provide training materials to retailers' and wholesalers' sales staff. Computer-aided instruction, videos, training manuals, and other items may be used to educate the retail sales staff about a product's features and benefits. The manufacturer's sales representative may also provide personal instruction about how to handle customer questions and possible objections.

## Career Chatroom

### Nadja Specht

Chief Marketer  
Nuvota, LLC

#### What do you do at work?

I teach small business owners marketing fundamentals, using plain language, through marketing workshops, coaching, and consulting. This allows those who are unfamiliar with new terms and technology to understand how they can use today's marketing tools to attract customers. I want clients to get the marketing knowledge they need to make decisions independently so they can sell their products effectively.

#### What is your key to success?

It helps to have a great education, the right professional experiences, and to learn from mistakes. Beyond that, the key is to follow my instincts, believe in myself, and have endurance.

#### What skills are most important to you?

Analytical thinking: being detail-oriented and comfortable with number crunching. Conceptual thinking: not getting overwhelmed by details and unknowns, but creating a high-level conceptual framework. Emotional intelligence: being able to listen and adapt to clients' different personalities and needs to deliver quality service.



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## HANDLING CUSTOMER COMPLAINTS

A manufacturer often has customer service representatives that handle telephone and e-mail customer complaints. Many companies also provide 800 numbers so customers can easily contact them with questions or complaints.

In business-to-business sales, customer complaints should be relayed to the sales representatives responsible for those customers. In some cases, the personal attention of the sales representative is required to ensure complete customer satisfaction and to maintain good relations with the customer.

How these complaints are handled is crucial to maintaining clientele. Customers expect immediate action when they file complaints. Positive customer-client relations require compassionate and understanding customer service personnel and sales associates who are problem solvers. The main goal is customer satisfaction.

In some cases, going the extra mile may be needed to keep a customer. For example, if a customer complains that a product is defective, you may have to replace it or offer a full refund. If the wrong product was delivered, you may have to use an overnight delivery service to get the product to the customer in time. In essence, you need to do whatever is necessary (within reason) to solve the problem and make the customer happy.

## PLANNING FUTURE SALES

Successful salespeople strive to develop relationships with their customers and work to improve their sales techniques. Getting to know a customer personally is helpful when making future sales calls. To become an effective salesperson, self-evaluation is imperative.

## KEEPING A CLIENT FILE

You can use the time immediately after the sale to plan for your next encounter with the customer. Take notes on your conversation with the customer. Keep this in a file for future reference. In retail sales, note a customer's preference in color, style, and size, as well as the person's address and telephone number. In business-to-business selling, record personal information on the buyer's marital status, children, and hobbies to assist with future sales visits. Record changes in buying patterns that may lead to future sales. Note any future service dates for appliances or cars so that you can send a reminder when the time comes. Be sure to inform your company of any changes you uncover, such as changes in personnel responsible for buying, as well as address or telephone changes, so that company files can stay up to date.



## EVALUATE YOUR SALES EFFORTS

Even if your company has a formal method of reviewing your efforts, you should conduct your own evaluation. In your evaluation, consider the following:

- ▶ What were the strong points of your sales presentation?
- ▶ How could you have improved your performance?
- ▶ What would you do differently next time?
- ▶ What can you do now to solidify your relationship with your customer if you made the sale?

Asking yourself these questions can help you improve your selling skills as well as your business skills in general. They will enable you to look forward to your next sales opportunity. That kind of attitude will help you become more effective with each sales contact. It will also help you become more successful in building a strong relationship with your customers.

Some businesses send questionnaires or call customers to check on how well they were treated by the sales and service staff. The results of these surveys are passed on to salespeople so they can improve their sales techniques.



### After You Read Section 15.2

## Review Key Concepts

1. **Explain** how suggestion selling benefits the salesperson, company, and customer.
2. **Name** three related items that could be used for suggestion selling after a customer's decision to buy a tent for camping purposes.
3. **Discuss** what a salesperson should do as a follow-up to a sale.

## Academic Skills

### English Language Arts

4. Assume you are training a new salesperson. Prepare a written plan that covers suggestion selling, after-sale activities, and planning for future sales. Use a product of your choice to provide examples of related merchandise to suggest and examples of how to build a relationship with customers after the sale.

### Mathematics

5. You sold a \$460 item via the Internet to a European customer, a Japanese customer, and a customer in New Zealand. Use the chart below to calculate the total amount due for the product with duties and customs for each of the three customers.

	Europe	Japan	New Zealand
Duties & Customs	20%	9%	50%

**Math Concept** **Ways of Representing Numbers** A percentage can be represented by a number that is less than one.

**Starting Hints** To solve this problem, convert each of the percents to a decimal by moving the decimal point two places to the left, or divide them by 100. Multiply \$460 by each of the decimals to determine the duties and customs charges for each country. Add the duties and custom charges of each country to \$460 to determine the total cost for each customer.

For help, go to the **Math Skills Handbook** located at the back of this book.

**NCTE 12** Use language to accomplish individual purposes.

**NCTM Number and Operations**  
Understand numbers, ways of representing numbers, relationships among numbers, and number systems.

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Check your answers.