

Understanding Ag Sales: A User's Manual

Developed by National FFA Ag Sales Career
Development Event Committee

Troy Selman, Superintendent

Understanding Ag Sales -- A User's Manual

Introduction

Ag sales is a career development event provided by the FFA to introduce students to the potential of ag sales as a career and to prepare better future consumers.

Sales representatives in many companies are among the most unique jobs in agribusiness. They are among the few positions where the sales person is "in charge" of his or her day. Everyday is a "campaign." There are leads to pursue, customers to visit, sales opportunities to present and follow-up activities to complete. All of these activities require preparation and planning.

The successful sales person is more than a "glib" speaker; he or she must be a better listener.

Buying Behavior

The successful sales person needs to understand buyer behavior. People do not simply buy a product; they decide to buy a product. Few purchases are impulsive, except at the retail level. Generally sales representatives involve the sale of non-impulse items.

The basic steps of buyer behavior are as follows:

1. Need Identity – Purchases are made because the buyer has a need for the product or wants the product. Advertising and merchandising may assist the buyer in identifying and expressing the need or want. A sales person may assist in identifying a need for a customer.

2. Information Search – Once an interest has awakened in a buyer he or she begins to gather information about the product to satisfy the need or want. This information is basic: price, availability, suitability, dependability, etc.

A good sales person assists in this phase. It is also important for the sales person to determine if the buyer is in a heightened awareness mode (that is really interested in buying) or information gathering mode (that is deferred buying). Buyers use all means of information gathering: friends, family, advertising, newspapers, industry magazines, brochures and sales people.

3. Information Evaluation – Information gathering tends to be an overwhelming experience. Generally it leads to too much information rather than too little information. The information needs to be filtered if a buying decision is to be made.

Buyers use many types of filters: opinion of friends, opinion of current product users, family members and even sales people.

4. Purchase Decision – After filters have been applied to the information it is altered into “personal knowledge.” At this point the buyer has a general idea of what he or she needs or wants. Now it is a matter of seeking a “comfort level”, this means:

Buyer need/want + Product match + Perceived Affordability = Purchase

The sales person is highly involved at this stage.

5. Post-Purchase Behavior – This is an important stage for a sales person’s involvement. After the purchase has been made, it is very natural for the buyer to wonder if the decision was too hasty, if a better price could have been found, etc. This is called “buyer’s remorse.” The more expensive the purchase, the more deeply the buyer second guesses the decision. It is essential for the sales person to follow up a sale to answer any questions the buyer may have to assist the buyer through this phase.

Sales Process

Understanding buyer behavior is essential for all successful sales people. Identifying what stage the buyer has reached provides a signal for the sales person to assist.

The only way to discover the stage a buyer is in is to ask questions to see if you can assist the search, the filtering process or the decision. A parallel activity for the sales person is the sales process. The sales process reinforces buyer behavior.

1. Pre-Approach – This step may also be called prospecting. It involves characterizing and/or qualifying your potential customer. It involves matching buyer behavior to the sales process.

- a. **Characterizing the buyer** – What stage of the buying process is the buyer in? Is the buyer pursuing a need or a want? (A need is essential; a want is a desire.) Is the buyer acting alone or with someone else, family, friends, colleague? Is the buyer prepared to make a decision or still searching for information?
- b. **Qualifying the buyer** -- Is the buyer able to make a purchase decision or acting on someone's behalf? Is the buyer able to afford the product? Is the buyer willing to make a decision?

2. Approach – Establishing an opportunity to present your product to the buyer or to present the buyer with information useful to the buying decision. Where is the buyer in the new product adoption spectrum? (Adoption spectrum like buyer behavior)

- Awareness of product
- Interest in product
- Evaluate suitability of product
- Inclination toward product and sale
- Adopt or reject product

In ag sales, representatives approach individuals who are knowledgeable about products and the industry, accustomed to new technology and advancements and understand the need for efficiency and profitability. In other words, sales representatives work with sophisticated customers. A successful sales person never talks “down” to a customer.

3. Presentation – An industry standard is a presentation format known as the “FAB presentation.” FAB presentation means Features + Advantages + Benefits.

The format will vary with the sophistication of the customer but will involve the following steps. The sales person in a conversational tone, using aids (flip chart, computer graphics), presents the following.

a. Customer/Industry Background – It is important to demonstrate to the buyer that you understand his or her needs/wants, his or her place in the industry and the demands that industry and its environments is placing on your prospective buyer. Demonstrate that the presentation is really about helping them to help themselves, their company and potentially their careers.

b. Your unique position to assist customer – You represent a company that has a reputation and history for assisting individuals like your prospective buyer. You need to emanate confidence to supply this assistance. If you are new, it is important to rely on the history of the firm. During the sales presentation you “are” the company. Companies want you to emanate confidence; not desperation.

c. FAB – Present features of your product that are suitable to the customer, advantages your product will provide to the customer over other products and the benefits to be gained by your customer's agribusiness through adopting or using your product.

There is no limit to the number of items that may be presented in an FAB presentation; however, most people “tire” of long lists, so it is advisable to keep the list to three items but never more than five.

If your pre-approach work was accomplished successfully, you will rarely ever need to mention more than three, if they are well targeted.

4. Questions/Objections– A good sales presentation should generate questions. If no questions occur then the sales representative should generate one or two to reinforce the FABs. Silence after a presentation is rarely a good sign. It is not a sign of acceptance.

Successful sales representatives encourage questions and know how to handle objections. There are many ways to handle objections but it is useful to consider an objection merely another form of question. In other words, turn an objection into a question. Objections are indicators that a portion of your presentation was not clear to the potential buyer. Use the objection to clarify and enhance understanding.

5. Trial Close/Close – The purpose of the sales presentation and all the knowledge gained about a customer is to gain the sale.

a. Trial Close – During the question phase of the presentation, depending on the inclination of the questions, it is useful to attempt a trial close. This involves a suggestion by the sales representative to begin to “write up” the order to get an idea of price, conditions, etc. If the buyer is agreeable the trial close becomes the close.

b. Close – Ask for the sale. Many inexperienced sales people neglect to ask for the sale as if it may surprise the buyer. Both of you know the purpose of the visit; therefore there should be no hesitation to ask for the sale. If the buyer is hesitant or unsure, more questions may be needed. If the hesitancy persists it may be necessary to suggest another visit. Do not waste the opportunity.

Damage Control: Potential Errors in Sales Presentation.

1. Talked too much. Successful sales people learn to talk “enough,” not too much. **Listen to the customer.**

2. Did not classify or qualify buyer adequately. No substitute for thorough research. Understand how the customer buys.

3. Product knowledge. You must know your product line better than anyone else. Your competitor should not know more than you about your product line.

4. Industry knowledge. It is vital to know what is happening in your customer's business, as well as your industry. He or she does. How else do you present an FAB presentation?

5. Out sold. You are not the only sales representative in the world, there are other sales representatives. Never forget your competitors, the buyer knows who they are; however, never talk against your competitors.

6. Forgot to sell/close. Often inexperienced sales people become so involved in establishing a relationship with the potential buyer, making all the points of the presentation and handling questions/objections that they forget to ask for the sale.

7. Forgot business basics. Apply basic business principles; understand your potential customer's bottom line. If you forget your customer's bottom line, he or she is not going to add to yours.

8. Lost sale. Failed to follow up with customer to answer any post sale questions.

Remember

Nothing matters more than sales. Management fads, technology trends, product innovation – they all mean nothing without a strong and growing top line.

(Inc. Magazine, April, 2010)