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ESSENTIALS OF SELLING

by

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NORMAN J. COLLISTER
MERRELL M. DuBOIS
P. S. FASSETT
GEORGE E. HEBNER
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Edited by CHARLES W. LEWIS

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INTRODUCTION

SELLING is a splendid vocation for any man or woman who likes people. Good salesmen are well paid. With less average education, they often earn considerably more than clerks and accountants. Many a company treasurer has good reason to envy the pay checks he mails out to salesmen.

Selling cannot yet properly be called a profession, but when the importance of training and experience for salesmen is recognized to the same extent that it is for doctors, accountants, or electricians; and when a satisfactory code of ethical practices in selling is developed, it may attain that status. In no true profession would a man be expected to "make good" with so little preparation. However, industry is beginning to recognize that the chances of success in selling are decidedly improved by adequate educational backgrounds.

The importance of the salesman as an educator has scarcely been appreciated. What made America great? Was it the possession of raw materials? Was it our great development of the use of machinery in mass production and our resultant high standard of living? These things could never have developed if salesmen had not continuously created public demand and expanded the markets for the products of our mines, fields, forests, and factories by forever showing people something better, something more to want than they already had to make life easier, more pleasant, or more productive.

During the summer of 1943 the Small Industries Action Committee representing the Committee for Economic Development in Rochester, New York, held a series of luncheons to which, in rotation, they invited executives of three different small businesses each week. After about fifteen such luncheons it was quite apparent to Walter Niles, Chairman of the Small Industries Action Committee and Works Manager of the Electric Writing

Machine Division of the International Business Machines Corporation, that after the war these small businessmen would suddenly be faced with the acute problem of rebuilding their sales forces to prewar strength or greater.

Many of these small industries had completely transformed their facilities to produce on contract or sub-contract for just one customer: Uncle Sam. Many of their former salesmen had gone to war; others were busily expediting the procurement of materials or were working on production. Meanwhile those men were getting older and forgetting how to sell.

After managing Stromberg-Carlson's radio sales force, I, too, had been a production man for four years. However, it was my good fortune to be Chairman of the Sales Managers' Club of the Rochester Chamber of Commerce * as well as Vice-Chairman of the local Committee for Economic Development when Walt Niles came to me with this problem. He had already looked among Rochester's public, vocational, and business schools and found that the sales training material being offered was surprisingly meager—in fact, practically non-existent; whereas any number of schools stood ready to train draftsmen, screw machine operators, or engineers for the hungry, war-busy factories.

My immediate reaction was that the problem presented no difficulties. Here, represented in the membership of our club, are firms that have done extensive sales training for generations. All we need do is to write to a few of them, ask what they teach their salesmen, and just which subjects they feel would apply to salesmen in general whether concerned with industrial, wholesale, or retail sales of goods and services.

We were in for a shock. Our club wrote in August to sixteen of the largest Rochester firms, seeking their information. Eleven of them replied that they had nothing to offer, even though many said they had done consistent sales training before the war, but either they had not bothered to write out a formal course of training or their material was so out-of-date as to be unsatisfactory even to themselves, and they did not want to submit it. A twelfth manufacturer telephoned that he had nothing to offer but didn't want to say so in a letter! Four firms sent in good

* Now, the Sales Executives Club of the Rochester Chamber of Commerce.

material, but most of it was product information rather than basic selling principles—and rather specialized product information at that, such as how to sell glass-lined railroad tank cars.

Next, the Executive Committee of our Sales Executives Club wrote to six large eastern colleges and universities, some of which had graduate business schools. One of these was located in Canada. Here again we received a complete and prompt response, but the curriculums and other material that they sent in were meant primarily for training sales *managers,* not salesmen. They discussed how to select salesmen, how to assign territories, how to set quotas, how to interpret call reports. Our need was for material to help a man to work the territory assigned him, so that he could meet his quota and turn in adequate call reports on his way.

By this time we had an interesting project on our hands. We drew up a chart listing down the left-hand side sixteen subjects that we thought would be important to any kind of salesman: subjects such as how to close an order, how to handle objections, the pre-approach to a prospect, how to conduct yourself during the interview, when a price quotation is simply an offer and when it is a deal. Across the top, we listed the sixteen Rochester firms and the six colleges we had contacted and under each we put an "X" wherever the material they submitted had even partially covered a subject. The chart was a little blacker under the colleges, of course, but even there it was full of holes.

With chart in hand, we invited the sales managers of the sixteen large firms to a luncheon. We pointed out how little we had to offer to small businessmen. We asked if these large businesses would not need to rebuild their sales forces, too, and, if so, if these national sales managers were content to wait until the end of the war before tackling the job. To a man, they said that they were ready to tackle it at once, and that they would like to share the task among themselves, each studying one of the subjects that were listed, preparing a paper on it, and exchanging the papers among themselves. They agreed to share the results with the small businessmen; but, before doing so, they wanted to present their papers before a closed meeting of the members of our Sales Executives Club, asking the other sales managers to

"chew each paper to pieces" in discussion, then have the papers tried out in the classroom before making them widely available in book form. Arrangements were made with The Rochester Institute of Technology to digest the material in each paper and to use it in a course offered both to experienced salesmen and to brand-new postwar sales applicants. An announcement of this plan brought out an overflow registration necessitating two courses instead of one.

This was the birth of a series of Monday evening sales training clinics conducted by the Sales Executives Club of the Rochester Chamber of Commerce from October 4, 1943, to February 7, 1944. The meetings were held in addition to the regular program of Friday noon meetings. The clinics were held every other week, starting promptly at seven and ending at nine-thirty. Usually two papers were presented at each clinic, with frequent recourse to the blackboard and to the fine charts which many of the sales managers prepared at their own expense. I mention these details because the sales managers who prepared the papers tell me that *they* benefited more through their participation than anyone else. It is our hope that other clubs in the National Federation of Sales Executives will develop an equally satisfactory pattern and conduct their own clinics.

For further guidance of our sister clubs, let me say that we insisted that each paper be prepared and submitted at least one clinic (two weeks) in advance of its presentation. This policy later proved its value when one man was taken sick the day he was to deliver his paper; we were already prepared with two substitutes. Another valuable detail was the use of question sheets which did not require a signature, in order to stimulate complete and searching discussions.

Before the completion of the initial list of subjects, additional suggestions began pouring in, all of which were tested by our Executive Committee from the standpoint of *general interest to all types of salesmen.* It must be acknowledged from the start that any list of basic selling principles must be supplemented by product information on the specific goods or services of the individual employer. Our aim, however, was to develop—and to cover adequately—the minimum list of subjects that ought to be un-

derstood by every salesman. We included some subjects that are all too often neglected in the rush to select a good salesman and to send him out behind the counter or into the field to represent our firms. On this basis we closed our series of clinics after treating the twenty-two subjects that make up the chapters of this book.

Here, then, is good sales training material, gathered by twenty-two men experienced in their field, scrutinized for general interest by an Executive Committee, and supplemented by comments and criticisms from over a hundred additional sales managers.

The Rochester club was indeed fortunate; Rochester is the national headquarters for so many large firms that we had ample top-flight talent to draw upon. An exchange of views with the Kansas City Advertising and Sales Executives Club (which began a similar series of clinics early in 1944), with the New York Sales Executives Club (which conducted a refresher course for sales managers early in 1944), and with the officers of the National Federation of Sales Executives (who have endorsed our pioneer efforts) convinced the Sales Executives Club of the Rochester Chamber of Commerce that the groundwork was well laid.

When *Newsweek* published an announcement of the Rochester clinics on October 18 and hinted that the papers would be published, a flood of inquiries began coming in from soldiers, sailors, marines, merchant seamen, men in the Coast Guard all over the world, wounded men in hospitals, Army rehabilitation officers, schools, boards of education, other sales managers' clubs, private firms, and individuals. Subsequent publicity items in *Printers Ink, Sales Management, Retailing–Home Furnishing, Advertising Age, The New York Times,* and others gave sympathetic encouragement. Each new announcement brought a new group of inquiries, and as time went on, it became more and more certain that this book would have to be published.

We feel that this book is one that any man who sells can read time after time, with benefit from every reading.

LEE MCCANNE

Vice President and General Manager, Stromberg-Carlson Company
Regional Director, National Federation of Sales Executives

EDITOR'S PREFACE

IN THE Introduction, Lee McCanne tells how this book came into being as the result of the need for more effective material for training salesmen.

We who have had a part in creating it are aware of the fact that there are hundreds of books in the field of personal selling. Nevertheless, the members of the Sales Executives Club of the Rochester, New York, Chamber of Commerce, who, as part of their day-to-day work, have been facing and will continue to face the problem of getting results from field selling forces, felt keenly the need of a somewhat different approach in text material for sales training.

This book is the result of the combined efforts of this group of sales executives. They represent firms ranging from wholesale distributors to industrial giants with international distribution. Drawing on their own experience, they selected a group of topics with which they know practicing salesmen—their salesmen—must be fully acquainted. Each topic was assigned to a specialist in the field or to a member of the Sales Executives Club whose training and experience enabled him to write with the greatest authority and in the most practical manner.

As a result, this book presents that material, and only that material, which sales executives *know* is necessary for the proper training of salesmen. Some topics commonly included in texts on salesmanship have been omitted because they were not considered essential as basic training material. Other topics which are seldom, if ever, considered in sales training matter have been included as essential in creating the type of salesman which these men want to develop.

No person with the experience which these businessmen have behind them would be so naïve as to claim that this book can turn out finished salesmen. We are confident, however, that it can play an essential part in that process. The book is designed to provide a complete and rugged framework around which the sales

manager can build in creating salesmen. On this framework each individual firm can build the specialized knowledge of its product and its specific techniques which, combined with experience, *can* create the finished salesman.

Without this framework the rest of the structure is likely to be weak and flimsy. It is likely to be upset by the first storm of unusual conditions. Without it the salesman cannot profit fully from his own experience. He will be more likely to fail to appreciate the significance of what he sees and hears and does.

As editor, it has been my privilege to attempt to bring a greater degree of uniformity and continuity to the chapters, which were naturally somewhat diverse in character since all were written by different men, at different times, and in different styles. The excellence of the material is their contribution, not mine.

It is a pleasure to acknowledge the contributions of others to the editorial task. I am particularly indebted to each of the authors for his advice, co-operation, and understanding of the task.

The work of the publication committee of the Rochester Sales Executive Club was invaluable. This committee is composed of Lee McCanne, Vice President and General Manager of the Stromberg-Carlson Company, chairman and godfather to the entire project; Victor A. Noel, Sales Manager of the Ritter Company; and William A. Burdick, Director of the Rochester Sales Executives Club. Each of these men gave liberally of his time, and without their aid the task would have been immeasurably more difficult. I wish to express my appreciation also to Mr. Leonard T. Thomasma, Assistant General Sales Manager of the Todd Company, for his valuable suggestions.

To the University of Rochester I am greatly indebted for furnishing, in a spirit of public service, the substantial amount of secretarial assistance so essential to the completion of the work. Specifically, I am indebted to Dean J. Edward Hoffmeister of the University faculty, on whose judgment and experience in writing I drew heavily, and to Miss Marguerite Lyon of the University secretarial staff for correcting and typing the manuscript.

CHARLES W. LEWIS

Chapter I

WHAT IS A SALESMAN?

by

R. F. SHERIDAN
Sales Training Director—Electric Writing Machine Division
International Business Machines Corporation

MR. F. W. NICHOL, Vice-President and General Manager of The International Business Machines Corporation, is said to have answered the question, "What is a salesman?" by saying, "A salesman is a man who sells." This definition is simple and to the point. However, I want to approach the same question from a different angle. I will answer this main question by asking and answering four subquestions.

How do the Salesman's Activities Affect Society?

The activity of the salesman has been of primary importance in providing people with more goods, more different kinds of goods and better goods at lower prices. In short, his efforts have helped materially in raising the standards of living.

Invention alone is not enough to do this. Mass production under the factory system which is part and parcel of our surplus economy could not have developed without the aid of the salesman and his brother in the field of advertising. There was a time when many people believed that the automobile was an instrument of evil and should be suppressed. They argued that the creator had not intended that we dash along the countryside at the incredible speed of forty miles an hour—that to do so for any length of time would impair our health. The sewing machine was at one time frowned upon and the bathtub was not accepted as a boon to humanity without a struggle.

My point here is simply this. A new device may be invented and even put into production in factories, but until the salesman has convinced the public that it is desirable and beneficial it cannot contribute to an increased standard of living. The public must be persuaded to accept it, must be made to realize that the new thing will contribute to their comfort, welfare or happiness before there can be a demand for the product of the inventor and the factory. With few exceptions we have had to be persuaded and cajoled to accept and use new goods and new ideas. Usually such new things do not become a part of our everyday life for many years after they have been perfected mechanically. Even after a new commodity or idea has been accepted in some parts of the country or among certain types or classes of people, salesmen continue to induce more people in other areas to enjoy its use. Of course, I do not claim that the salesman is doing this for humanitarian reasons. He is trying to make a living, but in so doing he is helping society to enjoy new things that it had not used before and would not otherwise enjoy until much later.

Mass production—the great cost reducer—is in a very real sense dependent for its existence upon the salesman and his much maligned kin. The system of factory mass production is dependent upon mass markets. And mass markets do not develop automatically. People must be told about the product and induced to buy it before a mass market for an article—and hence, mass production—can exist.

There is another respect in which the salesman makes an important contribution to improving our standard of living. The inventor and the production man are, at present, necessarily far removed from the consumer of goods. The salesman whose work is with the consumer or user of goods is the one who is in a position to learn just what it is that the buyer wants—what changes he wants, what he does and does not like, what new conditions are developing that demand new goods or changes in the old ones. It is to the salesman's interest that his firm meet these new needs. If his firm falls behind, his cries are likely to be loud and doleful. In this way he carries back to the production men the

information that enables us to get the things we want and need sooner than we would otherwise. The salesman is, in a sense, the connecting link between the consumer and the producer. He is the modern pioneer, constantly seeking the new and the better.

Thus, part of the answer to the question, "What is a salesman?" is that he is an equal member of the great triumvirate of progress: the scientist, the manufacturer, and the salesman.

What Traits Should Salesmen Possess?

We might further define a salesman by identifying the traits which a good one possesses. We may not find universal agreement on all of them but we can list certain traits which good salesmen usually possess to greater or lesser degree. Of course, only the rare man possesses all these traits in perfect balance. Some of them may predominate in one man and others of the traits in another. Among the more important traits of a good salesman are the following:

1. Courage
2. Persistence
3. Initiative
4. Vision
5. Confidence
6. Ability for self-supervision
7. Knowledge
8. Enthusiasm
9. Tact
10. Friendliness
11. Honesty

From my own experience I would say that the following are most important: initiative, knowledge, enthusiasm, persistence, friendliness, and tact.

So, another part of the answer to the question "What is a salesman?" is that he is a man who possesses in some measure these traits of character and mind which we have just listed.

What Abilities Does He Possess?

A salesman, furthermore, is a man who possesses certain specialized abilities. In particular, I refer to the ability to conduct a sale properly. This involves several techniques which I will mention only briefly.

1. He must be able to approach a prospect and attract and hold his attention. No man can sell successfully unless he can do

this. Otherwise he will seldom have the opportunity to tell his story.

2. He must be able to present his samples or tell his story in such a way that he will create interest. Obviously, no prospect will act on a proposition unless the salesman can get him really interested in it.

3. He must be able to arouse in the prospect confidence in himself and in the company which he represents. One of the most important factors in doing this is his knowledge of the product or service he is selling and the way in which that product can benefit the prospect.

4. He must be able to arouse in the prospect a desire to own the goods or services which he is selling. This he does by his demonstration and teaching explanation in which he shows the prospect what his product can do for him, how it will do it, and why it is important that the prospect receive the benefits that the product or service can give him. There are, of course, a variety of ways in which a salesman can accomplish this general objective but in one way or another it must be accomplished.

5. He must be able to sense the point when the prospect's desire for the product is ripe to be turned into a sale and actually to get the order. While this step may be comparatively easy if the prospect is really a prospect and the previous steps have been carried on properly, it is one at which many salesmen stumble. There is a difference between the desire for a product and the actual signing of an order, and a successful salesman must have the ability to bridge this gap.

It should not be assumed that these specialized abilities are born in a man and that only a select few can have them. They are developed by training and practice in much the same way that a proper golf stroke is developed. While some may be more adept at learning than others, anyone who will try can develop them to a greater or lesser extent. In later chapters you will be given the groundwork on which you can successfully build up these abilities in yourself.

To our question "What is a salesman?" we can now add another part of the answer. A salesman is a person who possesses the ability to carry out the essential steps involved in selling.

What Principles and Facts Must He Understand?

A salesman, if he is successful, is a person who, from training or experience or both, has acquired an understanding of certain important principles and facts. Among the more important of these are the following:

1. He has learned that no prospect is changed from an indifferent listener to a satisfied customer except by going through the steps outlined above. This does not mean that all these steps must be taken on each call. Part of the job may have been done on a previous call so that at a given time the salesman may be able to start right in creating the desire for the product. Or interest and desire for the product may have been created by the company advertising. But at some time these steps must have been carried out before the prospect can be expected to buy.

2. He has learned that each step should be taken in a simple, orderly and dignified manner.

3. He has learned that the various steps are not separate processes but are all a part of one continuous process.

4. He has learned that a salesman does not do all the talking himself. The prospect's own ideas and opinions are of the greatest value in guiding the salesman—in showing him what he has accomplished and what he has yet to accomplish. Many salesmen have talked themselves out of a sale.

5. By the same token the salesman knows that he should not interrupt the prospect when he is talking. While he may try to guide the direction of the conversation he does not try to monopolize it.

6. He avoids a cock-sure, positive attitude. He must not be wishy-washy and must sometimes be firm, but he knows that the cock-sure, positive attitude often antagonizes the prospect.

7. In the first part of the interview he will inquire rather than attack. It is merely the part of common sense to find out the prospect's ideas and wants first.

8. He will re-state clearly and vigorously in his own words the gist of each objection as soon as it is advanced.

9. He will identify the main objection with one key issue, then stick to that issue and not wander.

A Salesman Is a Planner

A salesman carries a very high rate of overhead. By this I mean that his actual working time, which is only when in the presence of a prospect and actually selling him, consists of only a few minutes a day. In one business with which I am familiar, in normal times a salesman who will spend one hour a day selling in the presence of prospects will earn at least $5000 a year. That salesman carries an overhead of 875 per cent, based on a forty-hour week.

A good salesman realizes that he has few productive working hours in the sense that I have used the term. Consequently, he gives real thought to planning his day. He will route himself so that there will be no back tracking. He will work long hours at night preparing data and planning his activity so that he can use the business hours for productive sales effort.

A Salesman Is a Healthy Man

An overhead burden of 875 per cent cannot be carried by a man unless he is in tip-top condition. I believe that every salesman who is seriously engaged in selling as a profession pays some attention to his health. Otherwise, he is likely to lose his balance.

Practicing good hygiene and being temperate with food and drink is only the physical side of the health problem. A salesman's mental health is even more important. If you are not in a selling frame of mind you are, for all practical productive selling purposes, a sick man. This is one of the most difficult illnesses for a salesman to diagnose but it can be detected if he is honest with himself. The minute he finds he is giving more thought to a petty prejudice than to the benefits the prospect will derive from his products, he is mentally ill. Fortunately, diagnosis is a large part of the cure.

In answering the question "What is a salesman?" a number of characteristics have been brought out by which we can identify him. He is a man whose activity, in the aggregate, helps to raise the standard of living of society. He is a man who possesses certain personal traits which enable him to sell effectively. He is a man who has the ability to carry out the essential steps in selling.

He is a man who knows certain principles and facts essential to a successful career in selling. He is a man who plans his work carefully in advance and who keeps himself in tip-top physical and mental condition so that his productiveness will not be impaired.

Chapter II

APPEARANCE AND ITS INFLUENCE ON SUCCESSFUL SELLING

by

WALTER HICKEY
Vice President
Hickey-Freeman Co.

ANY material intended to fortify men for selling should give serious consideration to the influence of the salesman's personal appearance on the successful completion of a sale.

Appearance is of greater significance now than ever before. One important reason for this is the fact that our army was the best dressed, best equipped army in the world. Our soldier's equipment was a source of envy in every country in the world. Many wore the finest clothes they ever had owned. In addition, the sartorial training the men in our armed forces received through rigid army inspection has aroused a new interest in personal appearance. It will be reflected increasingly in consumer demand. This means that our customers and colleagues have a new interest in their appearance and the appearance of salesmen who call on them.

Good appearance is part of the pleasing atmosphere a salesman tries to create when he calls on a customer or prospect. He knows that it will help him win favor with his prospect and that it helps to make the prospect want to do business with him. He knows that it takes only ten seconds to make the right impression and that carefully chosen clothing, along with a well groomed appearance helps materially in getting the favorable attention of his customer. The reverse is just as true—since an unkempt appearance is a liability difficult to overcome. This applies from the time a salesman presents his card to the recep-

tionist until his sales interview is completed. I have heard that some executives ask their secretary, "What's he look like?" when a stranger is announced. If he "looks the part" the caller will surely get more consideration than if he is of questionable appearance.

In the 1920's a young graduate of Ohio State University decided to enter the retail business. He decided to offer his services to R. H. Macy and Company. Knowing that the Macy organization was most selective in choosing from the many college graduates who were anxious to become associated with their firm, he felt that his cause would be helped by making a good first impression on the Macy Personnel Manager to whom he was an unknown quantity. For this reason he invested approximately one hundred dollars of his limited funds in apparel for the important interview. He never regretted this expenditure. He was successful in being chosen for the Macy position and gives much credit to his purchase of new clothes. This man has been quite successful in the retail business and is now a prosperous merchant on his own account.

This man has never forgotten the helpful "recommendation" which his appearance gave when he obtained his first job after leaving college. Then it was a case where his appearance helped him to "cash in" on an opportunity for recognition. Now, as one who has arrived, he is equally careful of his appearance. It is evidence of continued alertness, which adds to his prestige and standing with his own associates, his customers and prospects.

So far, I have pointed out a few of the tangible benefits an individual may obtain from being well dressed and careful about his personal appearance. A neat, well groomed appearance also gives a certain intangible "lift" to a man's morale. He will feel better mentally, will have confidence in himself and will obtain a certain amount of comfort and pleasure from the feeling that he is presenting a pleasing appearance. After all, if we do not want to become involved with the city ordinance banning indecent exposure we have to wear clothing of some kind. It might just as well be the kind that will be an asset to us in our work.

Selection of Clothes

1. A man's *linen and tie* should be clean and have a fresh appearance at all times. Too much emphasis cannot be placed upon this matter of fresh, clean appearance. Avoid shirts that have frayed collars and cuffs. Sometimes we decide to give a badly worn shirt just "one more trip" before discarding it. This is a dangerous procedure that may react against us by marring an otherwise well-turned-out appearance. I shall not attempt here to formulate any rules as to the proper colors of shirt, tie, and socks to wear with a given color of suit. However, it might be well to check yourself on this point. An experienced salesman in any of the better clothing and haberdashery stores is likely to be able to give good advice in this connection. Or, you can doubtless buy a color chart in any department store to use as a general guide. If you care to go to the trouble to write to the Home Economics Department of your state university you can unquestionably get detailed and authentic information from them. In any case, it is of the utmost importance that your color combinations do not clash.

2. *Shoes and hat.* These items are the extremes in a man's outfit. They should be carefully selected and maintained. A ten or fifteen cent investment in a shine may often pay good dividends. Dingy looking shoes can spoil an otherwise perfect appearance. Your shoes will retain their shape better if you have shoe trees and use them whenever your shoes are not being worn. Likewise it is advisable to keep your hat clean and well-blocked at all times. Careful attention should also be given to the proper colors in hats to be worn with various outfits. Here again, the advice of your clothing salesman can usually be relied upon.

3. *Suit and outercoat.* These garments represent the most substantial items in a man's wardrobe—both from a point of cost and coverage. As such they should be given the greatest consideration when being purchased, as well as careful attention in being maintained. Remember, your suit is nearly ninety per cent of the "front" that you make when you call on a customer. If you will select a reputable store and establish a contact with a retail salesman in whom you have confidence and frankly

discuss your needs with him, you will benefit from the experience of the salesman. He will guide your selection and will assist you in selecting the right outfit.

A wide variety of cloths and patterns are offered in the average store. It is well to keep in mind what you want from a particular garment when buying. If long wear and service are paramount, select sturdy worsteds or twist cloths that "can take it" in a suiting; or durable weaves in an outercoat. Flannels, soft tweeds or a saxony in suits, along with fleeces in outercoats, must be considered more as luxurious items of apparel that supplement the basic needs of a man's wardrobe, or can be used for specific occasions. Furthermore, the stature and complexion of the individual must be considered. In this, too, the advice and help of a good clothing salesman will assist you to obtain the model, pattern and color that will be most flattering. Suffice it to say here that you will do well to buy the best that you can afford. Quality in clothes as in anything else is important.

A caution that is of the utmost importance to you as a salesman is to avoid flashy clothes or the extremes in current fashions. I do not mean by this to imply that you should dress in somber black. However, extremes in clothing and flashy colors or patterns are likely to center the attention of the prospect on your "fine feathers" to the detriment of his interest in what you have to present. Such clothes, under ordinary circumstances, may also impair the business-like, serious impression you want to make. There are circumstances under which this does not apply but it is a good general rule to follow. Shakespeare, a keen student of human nature, beautifully summarized the ideas which I have just expressed. In *Hamlet,* Polonius advises his son, Laertes:

> "Costly thy habit, as thy purse can buy
> But not expressed in fancy: rich, not gaudy;
> For the apparel oft proclaims the man."

Even though another's advice may be helpful in selecting suits and outercoats, do not overlook the importance of your individuality. You have a splendid opportunity to express your personality through the selection of your clothes. It is worth while to study your personal requirements—try different color com-

binations in shirts and ties. This will help you choose neckwear and furnishings that will be most flattering to your complexion. Many men can improve their appearance by wearing suits, hats and overcoats that are best adapted to their particular requirements. Only by a process of experimentation and study can you obtain the best results. The right combination will create a styleful individuality that will give a proper and even distinguished appearance.

Consideration of the specific needs and occasions for which you are buying will help get the best values possible. This should take into account seasonal or climatic conditions, as well as the occasion for which you are making your selection.

You will be most comfortable and do the best work in hot, sultry summer weather if you have lightweight clothing. It will make you feel better and you will be able to do a better job. The progress which the apparel industries have made recently in developing greater assortments in lightweight clothing will permit you to look just as well groomed in a lightweight suit as you do in your regular weight clothing. The lightweight fabrics in porous weaves, and lightweight, clear-finished worsteds give your body a chance to breathe and eliminate the "carrying charge" with which a regular weight suit will burden a man in the summer.

Another point regarding a man's appearance that is worthy of consideration is that he dress in keeping with the occasion, the type of work which he is doing, and the people from whom he is soliciting business. A man selling film to a movie producer can be less restrained in his selection of apparel than a salesman who must call on conservative investment firms. In other words, your selection of apparel should be guided by the type of business and the character of the individuals to whom you are appealing. It would certainly be inconsistent for an automobile salesman who is offering a chrome-covered sports model, to appear before his prospect in the drab garb of a mortician.

Maintenance of Clothes

Even when properly selected, your outer clothing requires some attention to keep it in good condition. Here are a few rules

and practices that will add mileage to your clothing, create some worthwhile economies for you, and add to your personal appearance.

1. Build a wardrobe that will take care of your complete needs. Have enough changes to permit a fresh appearance each day of the week. A man who possesses sufficient clothing to give this impression will find his clothing an economical investment that will pay substantial dividends. Woolen fabrics stretch under the strain of walking, sitting, and the hundreds of changes of posture that a man makes in a day. This is one reason they are ideal clothing. But the pressure to which they are subjected makes baggy sleeves and elbows. Suits will regain their original shape if given a day or two of rest between wearing. This will give the weave in the fabric an opportunity to reset itself and will reduce the need of frequent pressing.

2. When not in use, keep your suit or coat neatly centered on a hanger—preferably a shaped or slightly curved hanger made of wood. This will help the garment regain its shape after being worn.

3. Do not leave heavy or bulky articles in the pockets of your clothes when you hang them up. To do so may create unsightly bulges and prevent the garment from going back into its original shape.

4. If dirt and grit are allowed to work into the fabric of a garment it tends to reduce its wearing qualities. Occasional brushing eliminates this possibility.

5. Remove stains and soil spots promptly. Moths are less likely to attack clean wool.

6. Patronize a reliable dry cleaning establishment. The better treatment they are able to give your clothing will increase its value to you.

Under the heading of personal appearance many sales executives also consider the attractiveness of salesmen's sales kits or brief cases, along with the orderly presentation of the salesman's samples. This material, the product illustrations, reports and forms used in this work should be neat and appealing. They, too, can favorably influence the prospect and his attitude toward the salesman and his product. A salesman will get better atten-

tion if he presents a neat sample of his product and handles it with respect and pride.

Summary

Good appearance is more important now than ever before. While it is not, perhaps, the most important thing, it is important in influencing the first impression the prospect gets of you.

If you are neat and well dressed it gives a lift to your morale that helps give you confidence and poise as well as making a good first impression on the prospect.

Your shirt and tie should always be neat and fresh. Do not wear frayed linen. See to it that the color combinations of your ensemble are in good taste—the right color combinations.

Your shoes should be well shined. Use shoe trees to preserve the shape of them. Keep your hat clean and well blocked at all times.

In selecting suits and outercoats, if wear is important, select a fabric that can "take it." Pattern and color should be suited to your build and complexion. Seek the advice of a good retail clothing salesman, if necessary, on such points. For summer wear, select a lightweight fabric. You will feel better if you do.

The tone of your garments should be suited to the occasion, the type of prospects being contacted and the nature of the product. However, as a general rule, avoid flashy clothes and the extremes in fashion. This is a point of the utmost importance.

Give proper attention to the maintenance of your outer garments as well as linen, shoes, and hat and they will look better and last longer.

Chapter III

BUYING MOTIVES

by

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WHEN we study buying motives we are really considering a phase of psychology. We are attempting to find out what goes on in a prospect's mind that makes him buy and how we can use it for our purposes in selling.

A given prospect may have various mental attitudes toward your proposition. The ideal attitude from your viewpoint as a salesman is one of eagerness for your product or service. Or, it may be one of serious consideration of something which he *may* want, it may be doubtfulness, indifference or actual antagonism. In final analysis, the basic problem in selling is how to change a given mental attitude to that of eagerness, or at least willingness, to buy. I believe that a practical consideration of buying motives will help in solving this problem.

It is possible to divide the whole selling process into three basic steps: (1) finding out what your prospect wants, (2) convincing him that the want should be satisfied, and (3) convincing him that your proposition will satisfy the want most satisfactorily, both quality and price considered. This discussion deals with the first of these steps.

People Buy Want Satisfaction, Not Things

The rather vague and mystical term *buying motives,* put in plain English, refers to the wants—instinctive, impulsive or acquired—which make people act. We are conscious of a want and,

if the want is strong enough, we stop at nothing to acquire whatever goods or services are necessary to satisfy it. A friend of mine has a cat whose want for food is apparently very great although he seems well fed. This cat knows perfectly well that if he jumps up on the table to help himself to a nice morsel, punishment will be swift and sure. Yet I have seen him jump upon the table under the very eyes of his mistress, laying his ears back at the same time in anticipation of the outraged sweep of her hand. If, as a salesman, you could find a want in your prospect as strong as this cat's want for food, and could convince the prospect that your proposition could satisfy that want, nothing could keep you from a sale. Until you do find some want in your prospect's mind which your product will satisfy, and can make him conscious of it, no amount of rapturous praise of your goods or its price is likely to make a sale. This is just plain common sense that seems perfectly obvious. But it is an idea which many salesmen find it difficult to grasp.

People are basically and inherently selfish. As they grow older and wiser they may be able to subordinate or disguise this selfishness, but it is, nevertheless, always present and in action when people are confronted with alternatives and choices of action, and when decisions are to be made.

And it is this very selfishness which frequently prevents a salesman from enjoying the greatest possible success from his profession; for the salesman himself, being human, is just as selfish and self-centered as anyone else. This is true whether he is buying goods and services for his own consumption or whether he is acting in his professional capacity calling on prospects. He is inclined to think of *his* wishes, his product, and his problems.

Aloud or mentally, consciously or unconsciously, in every transaction involving a purchase, the man who parts with his money asks himself these questions:

"In what way will I be benefited if I buy?"
"What interest of mine will I promote by signing that order?"
"What is there in it for me?"

In other words, "What wants of mine will be satisfied?" We all know that this is true. When we ourselves are buyers we must

find satisfactory answers to these questions or we will not purchase. And get this particularly: in these questions the prospect is not concerned with the salesman, the salesman's company, or in his goods *as such.* His interest is in what he can see in the proposition that will help him in his own affairs. He is interested in what he can get out of the salesman's commodity—what he can gain from its resale or from its service or from its use. The prospect's chief concern is the manner in which he will profit, gain or improve his position. He buys benefits, not things.

This idea that people do not buy things for their own sake but buy "want satisfaction" or "benefits" is probably the most basically important idea in selling. The woman buying an antique is buying satisfaction for her desire for beauty, her desire to excel, her desire to imitate someone she admires, or some similar want. The businessman buying equipment is buying satisfaction for his desire for reduced cost, greater output, better quality, etc., all aimed at greater profit.

Consequently, your first job when you attempt to sell a prospect is to find out what he wants most that can be satisfied by your product or which your product will help to satisfy. This is easy to say but may require a lot of ingenuity, originality and intelligent thought to put into effective practice. That I cannot give you. Until you know what the prospect wants—what his desires and problems are—and have found a way to apply your product or service to his satisfaction or solution, you cannot expect to get him into a buying frame of mind or even to hold his interest. Why should he listen to you? He is interested in himself and not in you or your product. But once you have found out what it is your prospect wants particularly (a buying motive), you have only to show him how your product can satisfy or help satisfy that want and you at least have him to the point of "serious consideration" of your proposition. Here, incidentally, is where a thorough knowledge of your product, its applications and uses comes into play. Even if you find out what is the dominant want of your prospect, if you do not know enough about your product and its applications to connect it to the satisfaction of the want, you cannot sell him. When that is the case the knowledge of the buying motive is useless. Nevertheless, the

matter of finding the prospect's buying motive must come first.

Let us take a hypothetical situation by way of illustration. You are selling tabulating machinery. You have found out in your canvassing that a given prospect is very active in his trade association; he is called on frequently to make speeches and you have every reason to believe that one of his dominating wants—perhaps more important to him than making large profits—is to stand out as a leader in his field, to gain recognition from his competitors and associates. How can these two things be put together to your mutual advantage? Knowing your product and its uses, you shape your sales presentation around the idea of the contribution which the tabulating machine can make to gathering the data necessary for reporting significant facts about his and other businesses in the field and the contribution which it could make to furnishing factual data for his speeches and articles in trade papers, which others probably would not have. You would play up the idea that a leader in any given field has to know what he is talking about and be able to correlate the isolated facts that mean little to the average man, in such a way as to make them show him the trends in his industry. If the facts were as we assumed them to be and the application of your machine to his dominating want is plausible—I know nothing about the tabulating machine business—he cannot escape a real interest in and serious consideration of your proposition. If you can go on and take some specific cases and show him what the machine will do and at the same time point out some cost saving features which he can use as an excuse to the board of directors, you are in a fair way to get him into the attitude of actual eagerness to buy. But you have not sold a machine. You have sold him on a way of furthering the satisfaction of an important want. The machine was merely incidental. You have found which way the current is running and have swum with it instead of against it.

Some discussions of buying motives seem obscure and complicated and somewhat remote from the realities of selling. But this idea seems to me to be the most elementary common sense. Could anything be more natural, simple and logical than this idea that if you first find out what a man wants, and then show him how your proposition will help satisfy that want, you are well

on the road to selling him? By any other procedure you are really forcing the prospect to sell himself. He will not always bother to do so, needless to say.

Applying Your Product to the Want

We have already implied that before your knowledge of the prospect's want can be put to practical use, you must analyze your product to see just what it will do to help satisfy that want. I would like to go further into this matter.

Here again, your point of view is important. Consider *what your product or service will do,* not what it is, or how it is made, or who makes it, or how well it is constructed. Such things are important when it comes to showing your customer why your product will satisfy his wants better than a competitor's goods. But that must wait until you have aroused his interest in and desire for your product by showing him *what it will do for him.*

For example, on a commercial radio program sponsored by a toothpaste manufacturer the announcer recently made these statements about the product:

"It helps to remove dingy film."
"It penetrates the crevices."
"It washes away particles of food."
"It cleans and beautifies the teeth."

As you look at these statements, observe how they inform the prospective buyer what this tooth paste will *do.* The announcer is telling the world the *desirable results* we can expect through the purchase and use of his product—how it will satisfy our wants. And when we hear these statements is it not natural for us to want this toothpaste? We want these results. Naturally we want the article that gives them. We are learning of things that are interesting to *us.* He tells us how *we* can benefit or gain or improve *our* situation. He tells us what we can get out of his product. In short, he is looking at his proposition through the eyes of his prospects, telling him where *he* comes in! When a salesman does that, he is appealing to buying motives.

This is a lot different from talking about the *salesman's* interests—*his* company, *his* goods, and *his* concerns. In these statements the buyer's point of view is dominant. The salesman is

selling along the lines of least resistance! He has developed the buying motives of his prospect as they apply to his particular proposition.

Now look at another example. Regardless of the product, plan or service offered, it is easy to appeal to the prospect's buying motives if we look at our propositions through *his* eyes and ask ourselves what it will *do for him*—things of a favorable or desirable nature. Take the case of a salesman selling motor oil. In making his sales presentations he emphasizes these points:

"It gives a motor more pep and power."
"It provides a quicker getaway."
"It dissolves sludge, carbon, binding gum and motor varnish."
"It saves up to 15% in gas and oil."
"It frees sticky valves and rings."

Again the salesman is talking about what his product will *do* for the prospect. He is giving the prospect reasons why he should buy—answering the prospect's question: "What is there in it for me?"

The idea of talking to a prospect about the desirable results he can expect by buying and using the product or service a salesman offers seems perfectly obvious. But is it? Not if we look at some of the things salesmen and advertising men say about their products. Remember the nation-wide campaign carried on by one large oil company which, in effect said, "buy our oil; it has been mellowed a hundred million years?" Was there anything in this campaign that would make a prospect want to drive up to the nearest station and ask for a re-fill?

Here are two statements that a typewriter salesman might make to his prospects, which will illustrate the difference between the salesman's and the prospect's viewpoints. In the first example, the salesman says:

"You can't go wrong buying this typewriter, Mr. Jones. It is precision built by skilled mechanics. We use only the best materials and finest workmanship in its construction. The side plates are made of 20 gauge steel; the carriage is suspended on ball bearings and the machine is put through 88 tests before it passes our inspection," etc.. etc.

In the second example, the salesman says:

> "Your stenographers will turn out more work and better work with this typewriter, Mr. Jones. They will experience a new writing ease which will eliminate fatigue and add to their productivity. The style and design of letters will give your correspondence a better appearance and create a favorable impression for your company. It will last a long time and upkeep costs will be low because of its superior design and workmanship and the high quality materials used."

Looking back at the first example, we find the salesman was talking from the manufacturer's viewpoint. He had every reason to feel proud of his product, but he failed to tell the prospect what his machine would *do*—how it would meet his needs and satisfy his wants. The *prospect* is forced to interpret the statements regarding workmanship and construction into gains and advantages for his business. If he fails to do this, he does not see how he will profit by buying and will not decide to buy.

In the second example, the salesman appeals to the prospect's buying motives. It is not necessary for the prospect to listen to a lot of technical information and infer what it means to him. He is given reasons for buying—gains in greater productivity, a more pleased organization and improved relations with the recipients of his letters—things *he* wants. When he hears these things—spoken from *his* viewpoint—is he not more likely to become *interested* in the proposition?

When you tell a prospect of the interesting and desirable things your proposition will *do* for *him*—appeal to his buying motives—you are really making it worth while for the prospect to spend his time listening to your presentation.

How to Determine Prospect's Wants

Talk to the prospect

Probably the easiest and simplest means known of finding out the specific want or buying motive of a particular prospect to which your product can be applied is to talk with him and get him to discuss his wants and problems. In Chapter I Mr. Sheridan told you that one of the things which a good salesman

understands is the desirability of spending the first part of the interview in inquiring rather than attacking. He had this very thing in mind.

You may talk about some trade problem or recent occurrences in the prospect's business or everyday life and by astutely guiding the conversation and asking a few leading questions get a pretty good idea as to the problems and desires of the prospect. This can be done whether you are selling to consumers or businessmen. You may get results by discussing the problems of a competitor or any other customer—if you can do so without violating a confidence—and thus get the prospect started talking about a similar problem of his own.

There are numerous cases in which the members of a sales force who made such inquiries or discussions a habit maintained materially better sales records than those who did not. Of course, other factors may have been responsible to some extent but this particular point is usually of great importance. Of the three methods of finding the prospect's wants which are discussed here, this is by far the most frequently used and probably the most satisfactory and accurate.

Special studies

In some cases it may be desirable to make special studies of customer wants and interests as they pertain to a given product. This is especially likely to be worthwhile for a firm selling standardized goods to numerous customers whose problems and conditions of use are similar. However, this is not usually a thing that a salesman can do well for himself. Even in comparatively simple cases it is a highly technical job and should be done by specialists if accurate results are to be obtained. In other words, the management of your firm should make such studies if they seem practical and pass the information on to you and the other salesmen. However, if the management of your firm cannot or will not do such a job, you might find it worth your while to make a study of limited scope for yourself. It would involve going to a representative sample of users and asking them such questions as: "What do you like best about the product?"; "What influenced you most in deciding to buy this particular

brand?"; "What features of the product do you find most useful to you?"; "Why did you not buy certain competing brands?"; etc. If you find a thread of continuity among a majority of the answers, the chances are that you have a buying motive that will be useful. However, it is so easy to misinterpret the answers to such questions that there is danger as well as chance of benefit in your doing the job yourself.

Mr. Weaver, head of the Customer Research Division of General Motors Corporation, has added much to the effectiveness of the advertising and selling of that company's products by the very comprehensive and skilled studies he has made.

Applying lists of general buying motives

A third method which may be used in determining the wants of prospects under a given set of circumstances is to select from a list of fundamental buying motives those which your own knowledge and experience indicate would likely be significant in a given case. Such lists represent common reaction patterns of individuals and may be found in almost any book on sales psychology, salesmanship or advertising. They include such primary impulses as:

the desire for food and drink
sex desire
parental love
desire for security
desire for social approval, etc.

They also list a number of derived reaction patterns, based on the primary impulses such as:

the desire for health
the desire for saving or economy
the desire for profit
the desire for stylishness, et cetera.

Since such lists are easily available I will not attempt to list them in this discussion.*

* See, among others: Edward K. Strong, Jr., *Psychological Aspects of Business;* Albert T. Poffenberger, *Psychology in Advertising;* H. K. Nixon, *Principles of Advertising.*

This method is based on logical deduction and your own experience. For example, you know that a strong derived motive is the desire for saving or economy. After going over other motives, if you believe that it is logical to assume that this want is the strongest one to which you can apply your product, you develop your sales presentation around the contribution of your product to economical operation of your prospect's business. In any given case, you will probably find two or more motives which your judgment would tell you represent powerful influences motivating the prospect. Thus, your sales presentation would work on all of them or each could serve as the basis for presentations for different calls on the same prospect. Your knowledge of the peculiarities of the individual prospect should enable you to select the one or very few which would be most appropriate.

Summary

The basic problem in selling is to change the prospect's mental attitude from indifference or opposition to eagerness or willingness to buy. To do this you must find out what your prospect wants, analyze your proposition to enable you to show him how it will help him do what he wants to do.

To determine prospects' wants you can: (1) talk with them and ask them questions, (2) make special user studies of a statistical nature, or (3) apply lists of general buying motives which seem particularly apt in a particular case.

Chapter IV

CANVASSING FOR PROSPECTS

by

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What Is Canvassing?

SALESMEN and even sales managers do not always agree completely as to what they mean by the term CANVASSING. However, since we do not want to take time to quibble over terms I will simply say that for purposes of this discussion I will use the term to mean *searching for prospects.* By that I mean scrutinizing or examining the vast number of individuals or firms and sifting out the ones with whom you can do business. A person or a firm is a real prospect only when they need the product or service—can get benefit, pleasure, or profit from it—and can pay for it. In short, canvassing, as I will use the term, means finding people or firms who need and can pay for the product or service you sell. Convincing *them* that they need the goods is the job of the sales talk, which I will not consider.

One authority has said that a salesman might be called an entrepreneur, at least in so far as his own time is concerned. Mr. Webster says an entrepreneur is one who assumes the risk and management of business. A salesman risks the investment of his time in the business and must assume the responsibility of self-management. Therefore, as one who is, in a sense, a business entrepreneur it behooves the salesman to so manage his time and plan his activity as to accumulate assets as rapidly as possible. One of the greatest assets which a salesman can possess is a good

prospect list. So it is important to consider ways and means of building up such a list.

You may have ever so fine a line of products to sell. You may have the finest showroom in which to display your products. You may be assigned the richest territory in the city or country, as the case may be. You may be equipped with the finest sales tools that can be produced. You may be backed by the most convincing advertising. But you will not have a business—you will not be successful—without an active list of prospects. While it is conceded that a fine showroom and good advertising will in themselves produce some prospects, the difference between success and failure in many lines of business may be determined by how thoroughly and diligently the territory is canvassed and prospects sifted out.

Prospects do not just happen. They must be found. However, the saving grace of the situation is that prospects are usually almost everywhere and can be found everywhere. The salesman, having qualified in all other respects, must be a worker and must be alert. Successful canvassing requires these qualities.

The greatest single source of prospects is through census-taking or canvassing. Every salesman should recognize that finding buyers is likely to be his greatest selling problem and that in the proper solution to this problem lies one of the secrets of successful selling. He should also recognize that making a systematic survey of his territory will turn up more prospects than any other activity designed to find the buyer.

Obviously, canvassing for prospects for Fuller brushes would be vastly different than for player pianos. Nearly everyone has a need for brushes and most everyone can pay for them. While many would like a player piano, only a comparatively few would place the desire to own one above the desire, or need, to own hundreds of other objects or services or could find the money to pay for it. The degree of screening or sifting, therefore, will vary widely with the product to be sold, although the fundamentals will remain the same. In the first instance you will do the screening or sifting on your first call; in the last, most of the screening will be done before you call or you will waste much time.

General classification

Prospects might be considered as falling into three general classifications:

1. Prospects for retail sales or sales to the ultimate customer
2. Prospects for wholesale sales or sales for resale
3. Industrial or institutional buyers

Let us deal first with prospects for retail sales.

Canvassing for prospects embraces two general activities: (1) going through the territory for the purpose of examining and classifying areas or streets as *good, fair* or *poor.* (2) scrutinizing and sifting persons or families in order to *qualify* them as immediate prospects, future prospects, or no prospect, i.e., no application of the device or service to be made.

Canvassing Ultimate Consumers

Obviously no salesman can cover his entire territory in a short space of time. Consequently, it is more profitable to deal with the better sections and the immediate prospects first. However, one should not neglect the fair or poorer sections, nor the possibility of developing future prospects.

Canvassing should not be done in a haphazard manner. A definite procedure should be worked out. Doorbell pushing will mean prospects. The law of averages will work for the salesman and properly followed up doorbell pushing will ultimately mean sales. In our business (Gas Heating) fifty new calls should result in five prospects and every ten prospects usually result in one sale. This average will be better in some lines of business and, conceivably, in others it may be worse. Doorbell pushing is considered hard work but it does result in sales. The successful salesman will so manage his time that a portion of each day is devoted religiously to canvassing.

The best time

The best time to canvass is in the morning between 9:30 and 11:30. In the majority of homes the housewife has completed her early morning chores by 9:30 The house has been straight-

ened up and she does not feel sensitive about letting a stranger in. Also, more women will be found at home during these hours than in the afternoon. By taking census in the morning the salesman avoids contacting a home when some social activity may be in progress, and, furthermore, his afternoon and evening hours may be devoted to calls by appointment for presentation or closing the order.

Canvassing attitude

By now you should realize that canvassing is both desirable and necessary, and that now is the time to start. Therefore, it might be well to look for a moment into the canvassing attitude. If you, the salesman, approach your task with misgiving, with fear of being refused admittance and information, with actual distaste, and if you are mulling all this over in your mind as you walk along the sidewalk and up the steps, then you are actually beaten before you start. You will reflect your feelings and thoughts in every action and will probably get the kind of reception you anticipate.

Instead, make a game of canvassing. Realize that you are increasing your business assets, that you will make many interesting, friendly, and valuable contacts. Straighten out your own thinking with respect to census-taking and approach this important activity with the right mental attitude. Walk up the steps with your head up, your shoulders back, and actually welcome and enjoy the experience you are about to have. Try to develop new angles of approach, study the effect of opening remarks. Be friendly—smile—be courteous even in the face of a discourteous reception. You are certain to run into a sourpuss now and then, perhaps too often. The tendency will be to let it get you down and to lower your morale. But the very next call may be the one to dispel the gloom and pay a hundredfold for the heartbreaks of the past.

In domestic census-taking do not carry a briefcase. A briefcase is a salesman's identification badge and often increases sales resistance. The prospect card should be carried handily in the left side pocket, ready for reference and for jotting down pertinent

information. One should also have clean fresh literature in his pocket to present to the prospect.

Upon arriving at the door, give the bell one long ring, or better still, two short ones. Ringing in this manner commands attention and conveys to the listener the idea that the ringer is on a businesslike mission. After ringing, step back a few feet from the door, turn slightly away from the door, withdraw a fresh prospect card and have a pencil ready to start taking down the information you expect to gather. This attitude of readiness is important. It conveys to the prospect the idea that you are an efficient person and in all probability will not waste her time. As soon as the door is opened, smile and at the same time start the opening remarks of your approach.

The opening remarks of your approach should be designed solely to gain confidence, arouse favorable interest and get you into the house. It is impossible to make a census call properly unless you get into the house and gain the information you need. Hence, from your remarks you may naturally lead up to the request "May I come in."

When you have gained the necessary information and are ready to leave, ask about the neighbors. If you do not already have the name, now is the time to get it and to learn how to pronounce it correctly. This is the time, by friendly inquisitiveness, to get other valuable and pertinent information.

Canvass lists

A census call or canvass call is made to find a prospect and to gain information on which to qualify that prospect. Canvassing does not necessarily mean going from house to house. There are many different lists or sources of prospects and obviously a list best suited for canvassing for one product might be a waste of time for another. The Fuller Brush man sees the possibility of a market for his wares in every house and, owing to the nature of his product, can recanvass with equal success three or six months later. On the other hand, a salesman handling accordions might do well to eliminate homes where there are no growing children. Proper contact with the Board of Education or grade school Principals might provide him with an ideal canvass list. But this

canvass list is not a list of prospects. You must call on them and weed out those who have no need for your proposition before you have a prospect list.

I would like to mention a few possible sources of prospects for certain types of businesses by way of illustration. A list of home *owners* obtained from assessment rolls would constitute a modified house-to-house list which might provide a good canvass list for dealers in home insulation, oil burners, home decorating, patented roofing, etc. Generally speaking, calling on *renters* to offer this type of merchandise would be a waste of time.

Builder permits would provide an excellent list for dealers in furnaces, oil burners, venetian blinds, window shades, wall paper, paint and dozens of other builder items, but would probably prove worthless as a source of prospects for automobiles, radios or kitchen utensils.

A list of contributors to philanthropies such as a Community Chest might prove beneficial to dealers in many lines, particularly items considered to be luxuries.

At one time the Gas Heating Division of our Company compiled a list of customers using consistently 5,000 cubic feet of gas or more each month on the assumption that these customers were automatic-equipment minded and had an appreciation for the value of gas service. In each territory each week, letters introducing the salesman in the territory were mailed to approximately 50 of these, and on the following week the salesman called to present the subject of Gas Heating. We considered the benefits of this type of canvassing well worth the effort.

Referring to our own operation again, at one time we compiled a list of oil burner users from oil burner permits filed at the City Hall, all of which were more than 5 years old. It was assumed that many of these people having had a taste of automatic heating would be prospects for more modern heating plants.

Lists of users of other obsolete merchandise or appliances might be compiled and used as a rich source of prospects for new merchandise.

For example, tire salesmen may get an almost unlimited source of good prospects by simply looking for cars on the street with

worn tires, jotting down the license number and looking up the owner's name and address.

Use the user

On another occasion we mailed a letter to each Gas Heating customer, offering a gift of value in exchange for the names of five persons who might be interested in Gas Heating—preferably people who had seen the user's installation. Upon receipt of the list, the salesman called on the user to deliver the gift. On this call he questioned the user regarding the people whose names had been sent in. In almost every case a great deal of valuable information was obtained and in most cases the user signed a card which was used to introduce the salesman to the prospect. In several cities where this plan was tried, an unbelievable number of sales resulted. Here in Rochester the results were not up to those in some other cities. This was unquestionably due to the fact that our salesmen have consistently "used the user" as a source of prospects for several years. These are examples of special canvass lists and are but a few of what may conceivably be compiled.

There are many specialized applications of the house-to-house canvass. I will mention a few.

Spot canvassing

In this scheme, the salesman recanvasses the immediate area surrounding a recent sale—preferably at the time of installation of the merchandise. I believe all of the dealers in home insulation follow this policy with excellent results. The canvass of the immediate neighborhood is made while the blowing machine is actually in operation. I have known of oil burner dealers and distributors of patented roofing who use this plan regularly. The principal benefit lies in your ability to take advantage of the interest which the sale may have created among neighbors or those who are observing the installation.

Canvassing in pairs

It has sometimes been found desirable for salesmen to canvass in pairs, one salesman helping his brother salesman one morning

in his territory and receiving similar assistance in his own territory on the following morning. This method is often found beneficial where a new salesman is being trained.

Mass canvassing

A method of canvassing which might be termed mass canvassing has been successfully used by at least one firm in this city. Under this plan the entire sales force canvassed one day in Territory A, the next in Territory B, and so on, until several mornings had been spent in each territory. Personally, I can see little advantage in mass canvassing except in extreme cases as a morale builder for the weaker sisters of the sales force.

Bird dogs or junior salesmen

The use of bird dogs or junior salesmen for ferreting out prospects has been successfully used. Personally, I hold no brief for or against this method of canvassing. There are many factors to be considered including type of merchandise, method of presenting the item to the public, personalities of the men involved, etc. The general plan, however, is to have the bird dog canvass the territory equipped with literature or a simple sales story. He selects those who show some interest in the merchandise or service and, if possible makes an appointment for a senior salesman to call later. For some types of merchandise or services, grocers, mailmen, newsboys, insurance men, garage men, meter readers, etc., can be used as bird dogs merely by keeping their eyes and ears open while going about their own work. For example, electric or gas meter readers often see or are told of equipment needing repair or replacement.

Telephone canvassing

The telephone is often used as a medium for canvassing. Properly used, it will save time and enable the salesman to accomplish more. When the prospect is known to the solicitor and where friendly relations have existed over a period of time, it can be used to introduce a new product or for the resale of an old one. I personally believe the telephone has no place in cold

turkey canvassing. It may, however, prove beneficial in following up direct mail campaigns.

So far my comments have been confined to calling at the home —to a discussion of finding a domestic consumer prospect. Usually little or nothing is known about the prospect before the initial call is made. You attempt to pick up bits of personal or family information on the canvass call which will tell you whether the person needs or can use your product, and which will also enable you to build an intimate presentation of your product and the service it renders.

Canvassing Wholesalers or Retailers

Generally speaking, the problems involved are much the same as in your search for household prospects. However, the approach and the sifting or screening may be different. In this type of canvassing you must know more about your prospect before you call on him and also need to know something about the area he serves. You will want to contact the ultimate consumers of your products if they are known. You need to get their ideas as to the kinds or qualities of goods they want and find out what dealers they prefer to do business with. Call at the Chamber of Commerce, the Credit Bureau, the secretaries of trade or business organizations. Check the classified section of the phone book. From such sources you can usually get a satisfactory list of the firms in a given line of trade. If your product bears directly or indirectly on the use of gas or electricity, a visit to the local utility may be very helpful.

In order to find out whether—or to what extent—merchants in a given area will need and be able to pay for the particular goods you have to sell you need to know about the peculiarities in local demand and the ability of the buyers to pay for the goods. You should learn as much as possible about the following factors as they pertain to a given area:

1. General business conditions
2. Composition of the population (nationality, race, etc.)
3. Principal occupations
4. The need for your product or service
5. The ability to pay as indicated by incomes, wealth, etc.

If an area is suffering from depressed economic conditions, you would put down the stores in that community in the "fair" or "poor" classification and might want to concentrate your efforts in other communities. If your product is consumed primarily by certain nationality or racial groups you would find your market among stores in communities where such groups are concentrated. If your product is a high-priced luxury you will find a market for it among merchants in places where high incomes are common, not in poverty stricken communities or in the poorer sections of a given community. If you are selling overalls or farm implements, the merchants who would logically handle your goods are in the agricultural regions or among city merchants catering to farmers. Thus, the factors listed above are important in determining whether a given store in a given area *needs* and has customers who can pay for your product.

You should also learn all you can about the various wholesalers or retailers in an area. It should enable you to select the right one or ones to handle your goods. The following are among the more important factors to consider:

1. Are they aggressive?
2. Are they financially responsible?
3. Are they reliable?
4. How long have they been in business?
5. What type of clientele do they serve?
6. Are they receptive to new items and ideas?

These things are particularly important if you sell under an exclusive or limited agency system. In this case you are interested in picking out the one or few firms who can best distribute your product. If your purpose is to get your items in as many outlets as possible you are less interested in such qualifications. They should, even in the latter case, however, serve to indicate the firms on which you should concentrate your effort.

If you have obtained the information suggested above you are in a position to call on a dealer or prospective dealer knowing something of his market, his peculiar problems, the peculiarities of his needs, and the nature of his own organization.

Canvassing for Industrial or Institutional Sales

The kind of sale with which we are dealing here is the sale of materials, equipment, supplies, etc., to manufacturers, merchants, railroads, hotels, educational institutions, hospitals, etc. These are not sales to ultimate household users nor are they sales to merchants for resale. We are dealing here with the sale of goods to be further processed or assembled by a manufacturer, or equipment to be used in the operation of the business or institution rather than to be resold.

In some respects, prospecting for this type of sale is less difficult than for those already discussed and in some respects it is more difficult. In some cases, for example, prospects are confined to one industry which may be concentrated in a few locations and can be found with scarcely any effort. On the other hand such problems as that of determining whom you should contact and who influences the sale may tax the ingenuity of the best salesman.

To begin with, you should have as much information as possible on general economic factors such as those mentioned above in connection with canvassing wholesalers and retailers. You need this information to understand the needs and problems which your prospects are likely to confront. In addition to this information you must find the answer to several important questions before you have finished your canvassing job.

Who are the users?

In the case of highly specialized equipment this question may be very easy to answer—any firm engaged in a given industry, in which case your industry directory may be all you need. Or your product may be one which all manufacturers, regardless of their line, need. In that case your prospects are wherever you see a smoke stack. But in many cases your product will not be either as highly specialized or as generally used as this. To answer the question, "Who are the users or potential users of my product," you may have to answer two sub-questions. You may first have to ask yourself, "What kind of job or jobs will my product do," and then, "What kind of firms have such jobs to

be done." It may be that only those firms which have a certain kind of job to do are prospects and they may be in any one of a dozen or a hundred different lines but not in a dozen or hundred other lines.

Where are those firms located?

This question should not give you any great difficulty. Once you have determined the types of firms which are likely prospects for your product, it is just a matter of using industrial directories, telephone directories, or lists obtained from local and state Chambers of Commerce covering your territories.

This does not conclude the information you need to gather about your prospect. While there may be some disagreement as to what is canvassing and what is part of the pre-approach, it seems wise to leave the matter of gathering further information to the very capable handling of Mr. Johnston in his chapter on the pre-approach.

It would be well to keep this in mind, however. To complete the canvassing job, that is to find out whether the individual is a prospect, requires an actual call. The additional information needed before this call is made, particularly on business buyers, will be considered in the next chapter by Mr. Johnston.

Chapter V

THE SALES PRE-APPROACH

by

HAL W. JOHNSTON

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The Nature of the Pre-approach

THE sales pre-approach is concerned with the mental and physical preparations you should make from the moment you say, "I am going to call on and sell the XYZ Company," to the point where you walk through their office door. You have located and decided to call on a given prospect. Later you will actually face him, his secretary or his receptionist when you come to seek the interview. In the pre-approach we consider what you should do between these two points.

Having thus defined the subject, suppose we get down to brass tacks and discuss the fundamentals that *lie beneath* a proper sales approach—the knowledge or mental equipment that is helpful in the later stages of the sale.

Experienced salesmen know that the approach to a sale is of vital importance. It creates the first impression and the first impression is a lasting one. Therefore, the planning that goes into an original sales contact and the execution of these plans should be very carefully made. A haphazard, unplanned approach is usually ineffective. One that is planned and skillfully executed has the effect of a strong, sincere and cheerful handshake—it starts everything off right.

A successful salesman would no more think of going into a sales interview without preparation than a general would go into

a battle without a plan. The general must know the terrain over which he must fight. He must know as much as possible about the plans of his enemy. He must know what troops and equipment he has at his disposal, where they are and when they can be brought to bear on the enemy. He wants to know the same thing about the enemy troops and equipment. He must try to find out or to figure out the points of strength and the elements of weakness of the enemy. If the lines are thin at one spot, with artillery and tanks concentrated elsewhere, that is the spot to hit.

Likewise, the salesman must plan before he attacks if he is to be really successful; and good plans require knowledge—often a surprising amount and variety of knowledge.

What Knowledge Do You Need?

About your own product

A great philosopher and teacher once said, "Know thyself." The soundest sales axiom is, "Know thy product and thy prospect."

Never lose your enthusiasm for learning all you can about your product or service, and the way your customer can benefit in its use. Never bore him with detailed mechanical descriptions, but have them at your hand to use as good tools in building sales. Mr. Thomasma brought out this point beautifully in his chapter on Buying Motives. But, as he did, you must recognize the importance of knowing your product.

You cannot impress your customer with your sincerity unless you know your product so well that you can answer his most searching questions. Ask yourself questions frequently about your product or service in preparing yourself to make a contact. Read trade and technical papers consistently. Insist upon frequent contacts with your headquarters from which you can draw additional information about your product.

Absorb as much of the "romance" of your product as possible. Know your firm's business policies and its attitude toward customers and employees. Learn to weave this information into your "institutional" talks with customers. Never discount the basic value of warm human relationships, as indicated in these things

nor undervalue the importance of being able to "color" your sales presentations pleasingly when you are dealing with a customer, and such presentation seems opportune.

In a word—the better you know your product, the more interest and desire for it you can create, the better fitted you are to market it successfully.

About your prospect

Naturally a salesman in calling on a new account should learn in advance all he can about his customer, that customer's products and that customer's merchandising problems. Just as a hunter learns the habits of his quarry and makes sure he can catch him, so a salesman should learn the background and characteristics of the man and the business he is trying to help through selling.

In the "Buying Motives" chapter you learned that, fundamentally, the problem is to find out the exact nature of the business, how it is conducted, and how the product can be useful to or serve the consumer.

In selling most goods or services, a close inspection of the premises, if it is possible, or even an intelligent sizing up of the building or premises of a prospect will assist. The inspection of merchandising displays on the shelves of local stores, scanning the advertisements in local papers, trade publications or magazines may all yield valuable clues. You want to know as much about his property, his policies, and his problems as is possible.

Friendly relations with other supply salesmen likewise serving the prospect can bring you much valuable information, particularly about competition serving the account, financial responsibility of the account, the name of the man charged with the responsibility of buying what you have to offer, his authority, and as much as you can of his personality.

It will be well worth our while at this point to consider briefly some specific points of information about your prospect or the prospect firm.

What person or persons actually control the purchase?

In many cases the person who actually controls the purchase is the purchasing agent or store manager. However, it is likely to be dangerous to take this for granted. I have in mind one company—one of the largest in a large-scale industry—in which the purchasing agent and his staff act simply as the clerical department for completing the details of ordering after the department heads have selected the goods to be bought and in many cases have specified the brand or company from whom the goods are to be bought. In such an organization it would be comparatively useless to try to sell your product to the purchasing agent in the first place. Under these circumstances, if the formality of placing the order is in the hands of the purchasing agent you will have to call on him eventually, perhaps, but you want to contact the man or men who make the decision first.

It is quite possible that some official has the authority to select certain goods but that he relies on the foremen of the departments to use the goods to select the particular type desired. This might make it necessary for you to go down into the factory to contact a man in overalls in order to reach the person who really controls the placing of the order.

On the other hand certain equipment or larger purchases of raw material may be made only by permission of and under the supervision of a member of the board of directors. The finance committee of the board, the treasurer, the president or other high officials of the firm may have the sole voice in the decision or their approval may be necessary to purchase goods selected by department or staff officials. In such cases, it may be necessary for you to seek out and sell several men.

Who is responsible for maintaining the equipment?

This is a question which is commonly overlooked but which may be very useful. It is not likely that the head of maintenance work will have any direct influence on the purchase but to have him on your side may be just the ally needed to overcome sales resistance. If you are selling a quality product and one of your strong points is low maintenance cost, why not try to sell such

a man on the desirability of your item over that used by the firm? It is to his advantage to keep maintenance costs down. If he can be made to "see things your way," he may become a most effective salesman for you. If he puts in a word for your product while having lunch with the man with authority to buy, or if he makes it his business to go to that person and make a recommendation, it should be most helpful. A few words from a technician from within the organization may be worth more than all the talking you could do.

How much are they likely to need?

It is desirable to have some idea as to how much of your product the prospect is likely to need if he does buy. In planning the amount of time to devote to each prospect and, perhaps, in planning your tactics this information may be useful. If the order is likely to be a large one, you will be justified in making more elaborate plans and in planning for more calls than for a small order.

This factor may also be useful in deciding what men and how many men in the organization it will be necessary to see. It is quite possible that the large order will require different selling points or at least will have an effect on the emphasis you devote to certain points.

In the case of a very large prospective order you may have to have worked out in advance such items as possible plans for financing, conditions and dates of shipments, etc. At any rate it will not be flattering to the prospect for you to be obviously thinking in terms of a small order if he needs a large amount of the product. Incidentally, it is not always possible to judge the amount needed by the size of the firm. Your knowledge of the nature of the prospect's business as well as its size should be the basic information for making this decision.

What buying practices do they follow?

To be well armed to meet the prospect you should know as much as possible about his buying practices. The practices of the firm relative to the placing of the order have already been considered above. If they make a practice of placing seasonal orders

providing for periodic deliveries you should know about it. Here is a factor which will help in judging the size of the order to expect. If they place frequent small orders your selling problem may be somewhat different—more frequent calls and closer contact with the prospect in all probability. If the company makes a policy of speculative buying of materials, parts, etc., you should know about it. If they have strong reciprocal buying agreements or understandings with other companies you will have a special and very difficult problem to meet. Do they make a practice of buying from several firms or do they concentrate their purchases with a single company? In the latter case, your selling problem may be much more difficult than in the former and may call for a different treatment. Knowledge of these and other practices may be useful in shaping the most effective possible sales presentation.

Can they pay for the goods?

Obviously, if the prospect cannot pay for your goods or if no plan of financing is available which will enable him to pay for them, he is not really a prospect. You should know about this before you do any planning or make any contact.

You should be able to get ample information on this point from local credit bureaus, Dun and Bradstreet ratings, your own company's past experience, fellow salesmen, etc.

Learn about your prospect's business

Know as much as you can about your prospect's service or product, if you would serve him well. You may have to start by sitting at the feet of your better informed friends, but through many contacts with first one prospect, then another, many in the same lines of business, this information becomes cumulative. A careful sorting of this knowledge—retaining the accurate and useful and discarding the inaccurate and useless—will soon give you a surprisingly large and useful volume of information. Be very discreet in the disclosure of that knowledge. Don't divulge information that comes to you confidentially, to the betrayal of a customer who has been kind enough to help you get the information.

The highest compliment that can come to a salesman is for a customer to talk freely with him about that customer's plans. He can be sure that he has that customer's confidence, that he has arrived as a success.

About Business Economics Generally

It is conceded generally that the better posted the salesman is with a broad general knowledge of manufacturing processes, merchandising, and distribution, the greater is his chance of success in building a proper pre-approach. How else can he understand the customer's problems, or recommend the proper uses of his own product or service to facilitate fabrication, distribution, or other functions enhanced by their use?

Whether the prospect is a primary producer of raw materials, a manufacturer, a broker, a jobber, a retailer, or a housewife, the commercial channels through which the prospect's product passes should be known to the successful salesman. It is possible here but briefly to indicate that this fundamental knowledge can be obtained in good business courses, through the extension facilities of a good college, or in actual business practice in office or factory.

A working knowledge of the manner in which business is financed is most helpful in planning the pre-approach and any salesman can have access to the advice of his banker or through some other financial connection get a suitable ground work of general business financing.

Contract law, a knowledge of Federal and State laws, and other information of a similar nature will be treated in later chapters. They are relatively important in these days of complicated business relations.

How Should You Prepare Yourself Physically?

Personal appearance

Granted that you have been taught what you need to know about your product and how best it can serve the customer; that you know the requirements of your house from the standpoint of established customer credit; that you know as much

about your prospect and his business as possible, what are some of the physical requisites in preparing for the approach to a successful sale?

In Chapter II, Mr. Hickey gave you the requisites of a good physical appearance and showed how important this can be, particularly in the first impression you make on the prospect. This is important as a part of the physical preparation for contacting the prospect. I hope that you have thoroughly digested what he said.

This factor is of sufficient importance that most sales-managers look with indulgence upon the expense reports of the salesman who has generous laundry and valet charges on account. He knows that you are endeavoring to properly represent your house, at least from the physical standpoint, and that a pleasing personal appearance is a sound investment.

Health

Most big concerns long ago gave up "preaching" as such. In the case of the worthy salesman, it is unnecessary; in the reverse case, it does little good. Modern business is cruelly "a survival of the fittest" and extended dissipation is not an up-builder of brains or shrewdness. When you cease to function mentally, because of self-indulgence, you are no longer entitled to the consideration of decent businessmen, nor should you expect it. Sounds cold-blooded, but it's sound doctrine.

How Should You Prepare Yourself Mentally?

A salesman should learn how to free his mind from any inferiority complex. He is as important to the buyer as the buyer is to him. You must believe in this—wholly—completely—all absorbingly.

One of the early principles to master in preparing the approach is to gear the speed of your presentation to that of your prospect. He may be a slow thinker, in which case you must "take it easy," and make your points as he is capable of absorbing them, otherwise you will annoy and perhaps confuse him. If he is alert, and a quick-thinker, keep up with his mental processes so far as you are able. This is not so difficult as it sounds. A little

practice will give you confidence, and the speed of your client's thinking is astonishingly apparent, almost as soon as you start your conversation. Don't let him crowd you, don't be overwhelmed by the impression he might create—that he is in a hurry—can only give you a limited time. If your message is important and well-planned you are doing him a favor in the contact and can afford to be assured in your manner and bearing. But practice this principle of "timing" on your business associates and friends. You will soon surprise yourself in your increasing ability to gauge "mental speeds."

Plans That Work

Reason for calls

There is one feature that is of paramount importance in planning for the first call on any customer. Let's call it the "Reason for Call."

A salesman has no right or excuse to make a call on a *new* potential customer without a mighty good reason for doing so. No sales practice is less excusable than that of the salesman who comes in as though he were trying to find a place to sit down and talk with someone—with apparently no reason or no real purpose for the call.

Every salesman has, or should have, a very definite objective in calling on a new customer—something other than the simple fact that he wants to make a sale. That reason lies in the benefits that his product can give to his prospect. But behind these benefits have to come an idea or a purpose for the call. "I understand that you plan to put out a new type of canned meat. I am here because we can help you successfully merchandise this product with a package which is bound to find new customers for you." Such a statement is obviously many times more effective than one commonly used by the more careless salesman like "I just happened to be driving by and thought I would stop in to see what's new." He is likely to find nothing new—the same old turn-down.

In the first statement, the salesman has given a definite reason for calling. He has proved in one sentence that he knows some-

thing about the customer's business and requirements. He has proved that he has done some thinking about it, and by his opening statement, led the customer to believe that some of his ideas coupled with that of his company's art department will help create a type of package that will put this man's new product over. He has been smart in planning his pre-approach. Consequently, he is able to come in confidently on his two feet, make a positive assertion based on fact, and arouse interest on the part of his prospect because of the possibilities of his idea. He has been thinking for the prospect and has found a way to satisfy an important want for him. He has not called merely in the hope that the prospect himself has figured out a use for the salesman's product.

It's up to you to do the inspiring and the creative thinking. It's up to you to find the best reason for calling on each new prospect, that is, how you can help the prospect or contribute to his happiness. And if you are smart, you will see to it that your prospect understands that reason in short order.

A veteran salesman says: "Many times in my own experience when I had just wanted to drop around and talk to a man to get information, where I was unable to get it in other directions, I have always made it a point to work up a reason for calling, even if it meant stretching the imagination a little. Sometimes you have to draw pretty far afield to find a reason. But it's far better to do that than not."

Try this out. You will find your batting average increasing.

You now have the elements necessary to an intelligent plan. You know why you are going to call; you know your product and your customer's needs and can apply the product to the satisfaction of those needs; you have the corollary knowledge necessary to an understanding of the prospect's problems; you are prepared physically and mentally to meet the prospect. Now you must put this all together into a concrete plan of attack.

Once this groundwork is laid, the plan itself should be simple and easy. It will consist, in all probability, of an outline in your mind or on paper of the opening statement giving the reason for your call and of the various selling points which you want to make. These latter will consist of the specific needs of the

prospect and the manner in which your product or service will contribute to their satisfaction. It is not the final writing out of a plan that is the difficult task. It is the acquisition of the necessary knowledge and the preparation for making the plan that requires the work.

It would probably be useless for me to discuss further the details of actually making a plan. The actual plan is so intimately bound up with the particular product and the needs of a particular prospect that generalities would not be appropriate. The rest is up to you. No matter what you are taught or how much you know, successful selling requires that you possess the initiative and originality to enable you to apply your knowledge to the solution of a given case. There is no royal road to successful selling.

Summary

Any intelligent salesman first knows the requirements of his Company, the full details of his line, and *how the product will benefit the buyer*. He must have this knowledge to generate confidence first in himself, and then in the man he wants to sell.

Today buying is as much of a science as is selling. A good buyer holds his job not because he is an expert in saying no or because he is adept at chiseling a salesman out of his eye teeth but rather because he is alert to every scrap of information that salesmen bring in to him as to new and better materials, services, etc., things that his company can use to advantage in expanding its business. The buyer of today welcomes salesmen because he can learn from them about what and where to buy. He discusses his problems freely with the salesmen calling on him. It is a poorly equipped salesman indeed who would be unable to find an opening with today's buyer.

He must make himself at ease, he must ignore the good-looking receptionist with the wandering eyes, he must forget that Jones has just sworn at him for a bad job and that the company has just refused credit on a new job, and that the rent is due, etc. He must clear the tracks for the job ahead.

He must crave to sell, he must be determined to sell, to come back again, he must want to sell. Without this desire, he is licked.

Chapter VI

CONDUCT IN THE SALES APPROACH

by

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IN THIS chapter I want to take up the general conduct of a salesman as it affects his work and, particularly, that phase of conduct which makes up or influences the approach to a sale.

The term "Approach" is seldom clearly defined and there seems to be some confusion as to just precisely what it involves. But in this discussion I will use the term to mean that part of a salesman's activity between the time when he opens the office door or pushes the door bell until he is actually making his sales talk to the prospect.

In house-to-house selling and to a lesser extent, in some fields of selling to retailers, the approach and the canvass are such an integral part of the same process that it is impossible to discuss the one without also considering the other. Consequently, the approach for such sales was covered by Mr. Smith in Chapter IV on Canvassing. Therefore, I will give particular attention to the conduct of a salesman in approaching business buyers in their offices. Nevertheless, I believe that most of the principles of conduct which I will take up can be applied just as effectively to the approach to all kinds of buyers.

First, let me second the emphasis which Mr. Johnston placed on appearance in discussing the pre-approach—the preparation for a sale. If you carefully follow the suggestions of Mr. Hickey in his discussion of "The Appearance of a Salesman," it should

add immeasurably to the effectiveness of your approach. More specifically, it will contribute materially to the favorable first impression which you are so anxious to make on the prospect in the first minute of contact. This was emphasized in both the chapters referred to above. I merely want to add emphasis to their remarks.

General Conduct as It Affects the Approach

Courtesy

This little word is easy to forget under the high pressure of modern living. However, attention to this aspect of your conduct will pay high dividends in making a favorable impression in your approach to a prospect.

To some people, courtesy is largely superficial. It does not come from within and consequently falls short of the desired effect. Innate and sincere courtesy is easily distinguishable from the superficial variety and should be sought after by the salesman. While it may be somewhat elusive, it comes partially, at least, from the realization that your prospect is a worthy fellow human being and is entitled to the same consideration and respect which you desire for yourself. While human beings differ in ability, importance, and possessions, you will find it profitable to adopt the attitude that a man is a man and as such is entitled to your respect.

This courtesy that comes from within can do much to break down barriers of hostility and resentment and to create a favorable attitude on the part of the prospect. Even though a man himself may be lacking in courtesy he usually appreciates it in others.

On the other hand, do not carry courtesy to the point where it makes you seem stiff and formal, or ingratiating. Neither is desirable. Common sense and genuine friendliness should enable you to avoid stiffness and formality. Your own self respect and the realization that you are one businessman dealing with another should keep you from appearing ingratiating.

Businesslike and dignified bearing

The average salesman will find it desirable to cultivate a businesslike and dignified bearing. You want your prospect to feel that you are someone of consequence who has something important to present for his consideration. You want him to feel that you are not kidding or passing the time with him but expect serious consideration of your proposition. Such a bearing should promote that attitude on the part of the prospect no matter how important he may be. You should be cautious about trying to match the manner of your prospect. He may be unbusinesslike and undignified but may expect something different of you. However, this is not to say that you would not alter your manner somewhat in the case of different situations.

It is important to point out here, too, that dignity does not mean stiffness or formality and that businesslike does not mean a brusque or overbearing attitude. This businesslike and dignified bearing is not a thing that you can affect or pretend. To do so may make you appear ridiculous. Like real courtesy it is something that comes from within—from the proper mental attitude. The realization of your own worth, the importance of your work and the service you can render the prospect—whether or not he realizes or appreciates it—is an important step in acquiring this mental attitude. Realization of such facts does not prevent you from keeping your sense of humor and your friendliness. As a matter of fact it is essential that you do keep them if you are to retain your balance.

Tactfulness

An essential part of a good salesman's conduct in approaching a prospect as well as in presenting his sales talk is tactfulness. Tact means getting across the point without offending the sensibilities of the prospect. Rather than say to your prospect, "I see you don't know that you are wasting a lot of money in your record department," you would say to him, "With your experience you can see at a glance how the Little Widget can save you money in your record department." You get across the same idea in both cases but the first is likely to be offensive while the

second is somewhat flattering to the prospect. Your statement is not so blunt and frank as to be offensive. You have softened the harshness of your statement without reducing its effect. There are extreme cases when you may find it necessary to startle the prospect or to run the risk of making him angry but such cases are few and far between. I once had a perfectly strange automobile salesman say to me: "That cheap buggy you're driving isn't even in a class with the 'Zilch' eight." He was not as successful in selling me as was the next one who said, in effect, "Your car has been excellent transportation but it can't give you the luxurious ride and the snappy appearance of the 'Zilch' eight." And I shall never forget the time when my wife went into a small shop to buy one of the old-fashioned black string ties for her elderly father. When she asked the young clerk—a high school boy working part time—for the tie he said: "We don't have them. They went out with Jesse James." She was all but frothing at the mouth when she came out of the store.

Being tactful costs you nothing and pays real dividends in the goodwill of the prospect. It helps get him on your side. Disraeli once said, "When I talk with the Queen, I observe a simple rule of conduct. I never deny; I never contradict; I sometimes forget." And Disraeli had a habit of getting what he wanted.

Domination

Avoid giving the impression, particularly in the first minutes of your contact, that you seek to dominate the buyer. Of course you are striving to make the prospect see things as you see them but do not make it so obvious as to be offensive. This is where your tact and courtesy can play an important part. Most people like to buy. Usually they do not like to feel that they are being sold something. You must be aggressive but if you force the buyer too far you are likely to build up additional sales resistance as you go along.

This domineering attitude is easy to avoid if you follow the principles given in Mr. Noel's discussion in Chapter VII. If you try to impress the prospect with the fact that you can help him. find out his interests and problems, emphasize the contribution which your product or service can make in solving his problems,

consider his viewpoint and his objections seriously and sympathetically, you will give the impression of helpful coöperation rather than domination.

Avoid peculiar or annoying mannerisms

This caution in conduct needs no argument and very little explanation. Peculiar and annoying mannerisms are likely to distract the prospect's attention if they do not actually antagonize him. I have reference to such things as constantly jangling your key chain; patting your foot; using some pet phrase over and over, such as "don't you see" or "I'll tell you"; nervous movements such as scratching your head or pulling your nose or a sly wink. A friend of mine who has since become one of the most polished salesmen I know, has an unusually long, sharp nose. He was quite conscious of his "beak" and developed the habit of reaching up and pulling nervously at the end of it. While it was not a particularly annoying habit I often found myself watching him pull his nose instead of listening to what he was saying. A little good-natured kidding on the part of his friends put a stop to it. Such habits or the over-use of pet phrases always subject you to the danger of finding the prospect watching your act or listening for the phrase instead of concentrating on what you are saying. He may even begin to dwell on his annoyance and lose track of your line of thought entirely.

Conduct When Seeking an Interview

In the great majority of cases you will doubtless find no difficulty in getting an interview with your prospect. However, you will occasionally find a prospect who is difficult to approach so a few pointers on this subject are in order.

In Chapter II, Mr. Hickey pointed out the importance of being well dressed and neat. If you follow out his suggestions it should help in securing an interview. If you look successful, important and well turned out, and the prospect asks his secretary "What's he look like?" the reply is likely to be favorable.

Getting by the receptionist

This is not usually difficult but on occasions may present a problem.

In approaching the receptionist be pleasant but not familiar. Remember the businesslike bearing. Do not be patronizing and do not treat the receptionist like a stick of furniture. We all like to be treated with consideration, particularly if we are sometimes snubbed or if there is some doubt in our own minds about our own importance. The receptionist or secretary can help or harm you materially by what he or she says to the boss. A friendly feeling on the part of the receptionists in the firms on which you call can do no harm and may give you a distinct advantage. But remember that it is best not to get too chummy with them. A friendly feeling on their part does not require dating them or buying them a drink.

Always take the attitude that you will be admitted to see the prospect. Take it for granted that there is no doubt in anyone's mind about that. If you show hesitancy or doubt it makes it easier to turn you down. Simply say: "Mr. Abernathy of Rochester to see Mr. Buyer"—pleasantly, expectantly, but with proper reserve. If you are asked whether you have an appointment, and do not, you might just say: "No. I just want to see him a couple of minutes about a business matter in which he is interested." And if you have done your canvassing well, he should be interested. At this point some salesmen make it a practice, particularly in cases which they expect to be difficult, to casually walk away from the receptionist and start looking at a magazine or studying some papers. This has the advantage of making it difficult for her to ask further questions which might prove embarrassing and the line of least resistance for her is to go ahead and announce you to the boss. She may decide that it is not best to shout across the room at you. You will have to use your own judgment as to whether such tactics will work in a given case.

The business card

Some salesmen make every effort to avoid disclosing their identity as a salesman and hence, use a business card only when

forced to. This policy is also advocated in a few texts on selling. However, there seem to be few circumstances in which such a policy is justified. In the first place, a prospect who objects to seeing salesmen or a receptionist who has been asked to get rid of salesmen will naturally assume that you are on a selling mission if you attempt to cover up your identity. And where this happens you will merely increase his antagonism. Even failure to identify yourself where the prospect is willing to see you may damage your cause. The prospect is likely to wonder why you allowed yourself to be announced as a non-selling caller and what else you have to hide. It is likely to make him wary. It may put you in the position of sailing under false colors even though you have made no particular effort to keep your mission secret. While this danger may not be very serious it is my opinion that in most cases there is too little to be gained by it to make it worth while to take the risk. It is customary in many trades, and the sensible thing to do in any case, is to give the receptionist your card when you introduce yourself as suggested above.

It is difficult to generalize as to the best procedure to follow in case you are not allowed to see the prospect. Some salesmen have had success in meeting this situation by telling the receptionist that they only want a minute with the prospect to meet him and leave some literature with a brief explanation. When entrance is gained in this way you should do just that, unless your brief presentation interests the prospect in going further—that, of course, is what you are betting on. If not you should attempt in a minute or two to impress on the prospect the fact that your proposition is something that can help him and which it is to his interest to investigate, and make an appointment to see him later when he has more time. If you are dealing with a "busy" prospect himself and not a receptionist, the same tactics may be effective. A variation of this theme that has been used successfully on occasions is to tell the receptionist: "I want only two minutes to discuss with Mr. Jones a plan whereby he can save one hundred man hours a week in his cutting room." However, since you will have to tailor your action to each particular case as it comes up, there is little use in suggesting further methods. Your success in meeting such problems will depend upon

your own resourcefulness and ingenuity and not upon "magic tricks."

You may, perhaps, be justified in trying to hide your identity under certain conditions and, hence, would not use a regular business card. If you know from past experience or from associates that a certain prospect will absolutely refuse to even give you a hearing under any circumstances—and this should not be assumed too readily—you probably have nothing to lose and might possibly arouse his interest if you could get a few words with him. Or if you are engaged in non-business selling and know that if you disclose your identity beforehand your prospect may be hopelessly prejudiced or refuse to see you at all, you may be justified in making a "sneak play." Insurance salesmen who have a valuable service to render but who sometimes meet inflexible resistance may occasionally have to use such tactics.

Conduct During the Interview

Most of the suggestions that I want to make as to conduct during the interview are simply matters of common sense. Some of them may seem too obvious to need mentioning but they are things in which salesmen often slip up. Perhaps your general conduct during an interview is less important than the sales presentation itself, but it can do much to help or hurt you.

When you first meet the prospect do not feel compelled to spend several minutes with small talk or stories. While you will not burst right into your sales talk while shaking hands, your prospect's time is valuable and should not be wasted with inane preliminaries. If he is an old friend who is interested in taking time for small talk, the case may be different.

Your "stance" while talking to the prospect is another thing that will bear watching. Do not slouch in your chair or prop your feet up unless you are talking to someone whom you know intimately. Even then the practice is questionable. This does not imply that you should be stiff and uncomfortable, but you cannot be enthusiastic and forceful in a slouchy or ungainly position. The same applies to any kind of awkward or undignified posture.

The matter of smoking when calling on a prospect in his office

will not often trouble you. However, take your cue from the prospect or his desk. If he smokes, you certainly are entitled to. Or, if he is a non-smoker but has an ash tray on his desk or there is evidence that others smoke in his office, you may do so with his permission without making a bad impression. These are little things but all contribute to the impression that the prospect forms of you.

Be friendly and at ease but not chummy or "palsy-walsy" until your acquaintance with the prospect justifies it—which in many cases will never occur. Many reserved people resent or feel ill at ease at too chummy an attitude even on the part of their friends.

Be careful of the use of off-color stories. Most people like a good story but many resent shady ones. There is a time and a place for all things. A good salesman is careful to judge the right time and place. In this respect again, you can be fairly safe in taking your cue from the prospect. However, it is often true that we do things ourselves that we do not like to see others do.

Breaking the Ice

One problem with which new salesmen often have difficulty and which experienced salesmen often have failed to solve is that of breaking the ice and getting smoothly into their sales presentation. I knew a salesman who consistently had trouble getting and holding the interest of prospects. When questioned about his approach he said that after he had introduced himself to a prospect he talked for a while about anything that came to his mind in hopes that the prospect would give him a lead which would enable him to go into his song and dance without seeming to drag it in by the heels. Naturally, in many cases he never got the attention of the buyer. His mind had slipped away to other jobs and worries. He could not have expected anything but lack of attention and interest under these circumstances. Incidentally, do not feel that in coming to the point and stating your business you are "dragging it in by the heels." The buyer knows you are not there for a social call and usually wants to know as soon as possible what you have on your mind.

In order to get and hold the attention of the prospect you

should carefully plan your opening remarks for that purpose. You should never be at a loss as to just how to start. Part of the plan of which Mr. Noel speaks in the following chapter is your plan of how you will break the ice. You will find in most cases that the ice was very thin or not there at all.

Methods of breaking the ice

It is difficult and, perhaps, dangerous to attempt to generalize very much as to how you can successfully open your sales presentation. So much depends upon the individual circumstances. However, it should be helpful if we review several general types of openings which you may be able to adapt to specific cases. Do not fail to use your own method, though, if it seems better adapted to your circumstances. These are merely possibilities to start your thinking. We cannot emphasize too much the value of originality and initiative in selling. That is one of the things that makes sales work attractive. The following "Types of 'Openers' " were described by Canfield [1] and will serve our purpose well.

Opening with a question. In this type of opening you work out a question having to do with the prospect's needs which your product can help to satisfy and which he can answer in the affirmative. It is important that the question be such that the prospect cannot answer it in the negative. If he should do so it is a hindrance rather than a help. For example, you might open your conversation with a prospect by asking: "Mr. Brown, would you be interested in reducing material costs by twenty per cent?" This presumes that you are selling a proposition which you believe can reduce material wastage by that amount. It is hardly likely that Mr. Brown would say "No" and you would in all probability have caught his attention and, perhaps, created interest in learning more about your proposition.

Opening with an interesting fact. In this type of opening you try to catch the prospect's full attention and create interest by giving him a fact which may be interesting or startling and which has some relation to his problems on which you will base your

[1] Bertrand R. Canfield, *Salesmanship Practices and Problems,* McGraw-Hill Book Co., Inc., 1940.

sales appeal. For instance, if you were selling some stock control system or merchandising help you might open by saying: "Mr. Martin, ten thousand independent retail merchants in this state are forced out of business every year."

Arouse curiosity. On occasions you may find it possible to catch the prospect's interest by saying something to arouse his curiosity. You might say, for example, "There are three sheets of paper that are worth five hundred dollars to you." Obviously this presumes that you have worked out on three sheets of paper the outline of an idea that should result in at least that much savings or increased earnings to the prospect.

Opening with a story. On some occasions it may be effective to open with a story or joke. But your purpose is not just to amuse your prospect. Your story should relate to the use of your product or lead directly into consideration of your product. Nearly everyone likes a well told story and this may prove to be an effective way to arouse the prospect's interest in your proposition.

Using a reference. If you can arrange it so that you can truthfully say that someone whom the prospect knows has given you his name or suggested his need of your product you might open by saying: "Mr. Jones, your neighbor, Mr. Williams, suggested that I call and talk to you about a problem in which you are both interested." It is very likely that Mr. Jones will immediately want to know what you have in mind and you have gained your objective of getting his undivided attention. He is also likely to look upon you more kindly if he knows that a friend has suggested your call. However, you should not use such a statement unless it is in fact true.

Use of gifts. The offering of a gift, such as a pencil, mending kit, notebook, etc., is used primarily in selling consumer goods. It is particularly desirable to use a gift that bears some relation to the goods you are selling so that in presenting it you can tie in smoothly with your selling talk. For example, the hosiery salesman might say: "Mrs. Jones, here is a compact little mending kit which you can carry in your handbag and use to make emergency repairs. Of course, the best idea is to wear a kind of

hose that resists runs and snags." The salesman is now well launched in his sales talk.

Offer of services. If you are selling mechanical goods which may require servicing you may be able to secure the favorable attention of a prospect by offering to inspect and make adjustments or minor repairs of equipment. If the condition of the equipment justifies an attempt to sell a new product the chances are very great that you have the prospect in a receptive mood and the problem of getting into your sales talk should not be difficult.

Using an exhibit. As a device for attracting the attention of the prospect and clearing his mind of previous matters an interesting exhibit may have much merit. It may be a miniature model, samples, ghost models, graphs, charts, etc. Such devices not only serve to attract the prospect's attention but give you something to start talking about and a natural lead into your sales talk. These devices are usually used in selling consumers or merchants but can be adapted to industrial selling in some cases.

Keep in mind that the above suggestions are merely examples of possible openings. One or more of them can be adapted to almost any kind of selling situation but your own ingenuity may suggest much better devices for your particular purpose.

Summary

Your appearance is important in the approach to a sale. It influences materially the first impression you make on the buyer and this first impression may be hard to change—particularly if it is unfavorable.

You should always be courteous but not ingratiating. Maintain a businesslike and dignified bearing at least until friendship or unusual conditions indicate otherwise.

Be tactful at all times. Avoid giving the impression that you seek to dominate the buyer. You usually get more satisfactory results if you coax a cat with a piece of meat than if you pull him along by his tail.

Avoid peculiar or annoying mannerisms which distract the attention of the buyer.

In seeking an interview with a prospect, be pleasant but not

familiar with the receptionist. Assume that you will be admitted. Announce yourself verbally and present your business card under ordinary circumstances. Do not make an attempt to hide your mission and above all, do not mislead the prospect.

During the interview, do not waste too much of the prospect's time with small talk or stories. Do not slouch or get into awkward or undignified poses. If the prospect smokes or it is obvious that people customarily smoke in his office you may safely do so. Otherwise wait for him to ask you to smoke.

Be composed and at ease but not chummy. Be careful in the use of off-color stories. They may offend.

These are a number of small things but together they may loom large in influencing your ability to make the prospect see things your way.

Chapter VII

SALES INTERVIEW AND PRESENTATION

by

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IT IS generally admitted that in any large or medium-sized organization twenty-five per cent of the sales force sells seventy-five per cent of its goods. In other words, the average sales per man of this small group of top flight producers is nine times as great as that of the common herd making up the seventy-five per cent.

Every sales organization has its "good" salesmen but, unfortunately, there are never enough of them. In selling, as in every other line of activity, there is plenty of room at the top.

Thus it is important for the prospective salesman (and also the older salesman) to ask himself this question: "How can I become a 'good' salesman?" The common-sense way to get the answer to this question is to find out what methods and practices "good" salesmen use which enable them to do an outstanding job.

Years of selling and of observing and managing salesmen in many lines have led me to believe that there are certain fundamental practices which all good salesmen follow even though the details of their application may differ greatly.

Plan Before You Act

The one thing, above all others, that distinguishes a good salesman from an ordinary salesman is the way he utilizes his time.

The time you spend talking to prospects is the only time that pays dividends. What you do and what you say in that time

determines the size of those dividends. The good salesman, therefore, seeks to accomplish two things: (1) get the maximum amount of time with prospects, and (2) use that time most effectively. Both these things require careful planning. Not only is it important to have a plan of action but the planning must be done at the right time if you are to use your time most effectively. Marshal Foch is reported to have said: "The battlefield is no place to make plans." Every good salesman knows that this statement is just as true of the battle to win sales. In discussing the pre-approach, Mr. Johnston emphasized the necessity of planning for the sales interview and outlined the basic knowledge necessary for intelligent planning. We are now ready to consider in more detail what the nature of that plan should be—how the raw material is incorporated into the plan for sales presentation.

A sales presentation, like a military campaign, has two basic aspects, the strategic and the tactical. The strategist, I am told, plans the broad objectives and the general framework of a campaign; the tactician plans the details of how each part of the broad strategy will be carried out. Thus, in sales planning we must first outline the broad strategy of the goals to be reached if we are to sell effectively. I will then consider certain tactics which will help to make the broad strategy effective.

Planning the Strategy of the Sales Presentation

Let me say right here that the analogy between the salesman and the military commander should not be carried too far lest you begin to think of yourself as the enemy of the buyer rather than as a comrade in arms—which *is* your real relationship to him. Nevertheless we can still talk in terms of strategy and tactics. The strategy of your sales presentation must be built step by step upon knowledge of your prospect's mental reactions. Sales are built—built in the mind of your prospect and success in handling interviews depends to a very great extent on a sympathetic grasp of the prospect's viewpoint. This point was stressed particularly by Mr. Thomasma in his discussion on buying motives.

There are five questions in the mind of every prospect, ques-

tions which he may never voice to you nor even to himself, but which are there just the same, deep in the back of his mind.[1] These questions are an outline of the strategical steps in your plan of sales presentation. Your broad objective is to answer these questions and answer them in such a way that your prospect will naturally and of his own accord arrive at the conclusion you desire. This will happen because your strategy involves showing the prospect why it is to his advantage to buy; not why you want him to buy. There may be little difference in the wording of those two phrases but actually there is all the difference in the world between them; the difference between asking the prospect to do you a favor and in showing him how he can do himself a favor.

But it is important that all five of these questions should be answered. If you do not answer all of them, your prospect may not take the trouble to dig out the answer for himself. As a result, he is likely to become a *suspect* rather than a customer.

What are these five questions that are so important if the sales presentation is to be a success?

They are the five W's of successful salesmanship, the road markers on the trip you must make through the prospect's mind —the strategical objectives of your campaign.

1. Why?

The first objective of your strategical plan is the question "Why?"

Why should you make the call?
Why should the prospect give you the time that will be taken up by your presentation?
Why can you help him to achieve his aims and ambitions?
Why should he buy your product?

This "Why" objective must be reached in the salesman's mind before he ever sees the prospect. It is comparable to the concentration of men and munitions in the military campaign. You may not attempt to answer these "Why" questions in detail for the

[1] The material which follows is adapted in part from *Advanced Salesmanship*, copyright, 1944, by M. J. Lacy, 80 Federal Street, Boston, Mass. Unauthorized reproduction is illegal.

prospect in the actual sales presentation. However, as Mr. Johnston suggested in Chapter V, it is usually good to let the prospect know the "reason for the call" early in the interview. It is the means by which you can get his attention and hold his interest.

If you have answered these "Why" questions in your own mind, you are ready to sell; you have taken your first objective. If not, you have no definite objective and your call has no purpose.

Can you blame the prospect for trying to get rid of you if you have no definite objective for your call? After all, when that happens he has all the advantage. He knows definitely what he wants to do, while you are drifting around hoping that by chance you will get an opening by which you can lead up to a "sales argument."

Paint the word "Why" indelibly in your mind. Measure every call with it before you make it, and you will find that you have the courage and confidence necessary to complete the sale.

2. What is it?

Before you reach objective number two where your prospect begins to absorb your ideas, it is necessary to answer the second "W." "What is it?" We are generally more interested in our own problems and desires than in anything else. Your prospect is not likely to be an exception. Before you can get him to really listen to you it is necessary to tell him *what your proposition is* and *what your proposition will DO for HIM.* Otherwise you are asking the prospect to figure out for himself what benefit he will get by listening to you. These little guessing contests may be nice in the parlor, but they certainly do not pay dividends in selling.

Therefore, be sure that you use the first sixty seconds you spend with a prospect—that first minute when he gets his first impression of you and your proposition—to its full advantage by immediately explaining what your proposition will do for him. If you have made your proposition look sufficiently important, your prospect will then, and only then, take his mind

off the things he was thinking about when you called and really begin to listen to you.

3. Who says so?

Your third strategic objective in the sales presentation is to create confidence in the mind of your prospect. You must make him feel that he is safe in dealing with you. The prospect who is about to take a step which involves the expenditure of a substantial sum of money is more than likely to want to look behind the personality of the salesman and see who or what is backing up the statements you are making. That is why it is necessary to answer the question: "Who says so?" This is where the reputation, experience and good faith of the company for which you are selling comes to your aid. Do not fail to capitalize on it. Never take it for granted that your prospect knows all about your firm. Make sure that he does and try to tell him in an interesting way. Dramatize what you have to say to give it emphasis (see page 69).

Always answer this question, "Who says so?" If you do not, it will cost you sales. Even though the prospect may like you personally he wants to know that he is safe in dealing with you.

4. Who did it?

Your fourth objective is to establish in the prospect's mind the fact that others, particularly others in a position similar to his, have acted on your proposition and have profited by it. This makes it easier for him to act. In other words, you must answer in detail the question "Who did it?," the fourth "W."

The question, "Who did it?," can be answered effectively in a number of ways. You may tell the prospect about the experience of someone who has a problem similar to his. This will be particularly effective if it involves someone in the same or an allied line of business. Other methods involve the use of a list of customers, testimonials, human interest stories involving satisfactory experiences of your customers, etc.

Remember that when you have answered the question "Who did it?," you have done more than taken an unanswered question out of your prospect's mind. You have made it easier for

him to decide to act on your proposition. You have, perhaps, taken some doubts out of his mind; you have taken him further along the road to signing the order.

5. What do I get?

Your fifth objective, and the last in your successful strategy, is to show your prospect that he will benefit from your proposition to such an extent that it is very definitely to his interest to act upon it. You are answering the unspoken question in his mind that may be the last barrier to your sale—"What do I get?" There are many, many products from which we know we would receive benefit or pleasure. But we buy only when we are convinced that the benefit is at least as important as the money to be spent. This step is the culmination of your strategy to make the prospect see that to buy is to serve his own interests; not just a favor to you.

Your prospect wants to know the specific return that *he* will get. Show him. Tell him what it will be worth to him to do business with you. Show him this in terms of *time saved, greater sales, lower costs, greater contentment, greater security,* or in such other specific advantages as you can present.

Break the cost down into small units that he can see and understand. Show him how much per year or per day or per unit he will benefit. Apply the benefits as specifically as you can to his problems and to his particular business and multiply them by the life of your proposition. Do this right in front of him so that he can see how it works out—if it does not take too much time. Or, you may say the same thing in another way. You may tell him how much it will cost him to be without your product. Visualize the benefits; picture them in terms of his own field of activity in colors with which he is familiar and in which he is interested. Thus, your prospect will not only know *what* your proposition will do for him, but *how much* the advantage will be worth to him after he gets it. For example you might say to a prospect in part, "It costs you ten cents per hundred feet to wrap this wire with your present equipment. That's not bad. But by installing this automatic wrapper you can cut that down to seven cents. You turn out about a million feet per month.

That is 10,000 hundred foot lengths at a saving of three cents per hundred or three hundred dollars per month—thirty-six hundred dollars a year."

Any experienced salesman will tell you that it is impossible to answer *all* the objections a prospect may have every time, but the more thoroughly and forcefully you follow the sales strategy outlined here, the less frequently will the prospect have any objections left to raise. If your proposition is worthwhile and you have shown him what he will get and what it will be worth to him, plain self-interest will cause him to act as you want him to act in an ever increasing number of cases.

There is, then, a direct and smooth road leading by the shortest possible route to the sale. Except in unusual cases, all of the objectives outlined above must be reached. If you will observe them when you start your interview, your prospect will realize that you came to serve *his* interests and not just your own. He is then more likely to cooperate with you and give you his attention. The difference between the "good" salesman and the ordinary salesman is largely a difference in his ability to present these "W""s to the best advantage. To do this, you must plan each step *before* you see your prospect. Plan not only *what* you will do, but also how you will do it and how you will express your thoughts.

The Tactics of a Sales Presentation

Experience has taught the "good" salesman that there are a few simple rules which must be followed if his presentation is to be most effective. These we might refer to as the "tactics" of the sales presentation as contrasted with the basic strategy with which we have been dealing. No matter how sound the strategy conceived by the "Brass Hats" it cannot be completely effective unless suitable tactics are employed by the field officers. The same principle holds true in selling. Therefore, we will take up below some of the simple rules which experience indicates should be followed in carrying out the basic steps of sales strategy.

1. Fit your product into the prospect's business. Do not ask him to fit his business to your product

You should make it clear to the prospect that you realize your proposition will interest him *only* if it helps him to achieve his own goals. If you can make it fit into his business without distorting his organization and routine beyond the value of your proposition, he should then understand that you are there primarily to serve him and that you hope in that way to make a sale.

2. Close your sale as soon as you can

It is quite possible for a salesman to talk himself into a sale and then, by not taking advantage of it, to talk himself out of it. "Strike while the iron is hot," is a good adage for a salesman to follow. It is not always possible for a salesman to judge just when the prospect has been convinced and is ready to "sign on the dotted line." However, by the use of trial closes and automatic closes at logical points in the presentation, he can get a good idea of the state of the prospect's mind. There is no formula by which you can determine just when to throw in a trial close. This must be determined by close observation of the prospect and the use of the "God-given common sense." When you have clearly crystallized the need for your product, it might be wise to attempt a trial close to see whether or not to proceed with the close. If the time is ripe, do not delay. To do so may result in the prospect bringing up new doubts or objections. If the time is not ripe, continue with your presentation. You will be surprised to find how often a sale can be closed early in the interview if this method is used.

3. Speak your prospect's language

Speaking your prospect's language requires two things: (1) use the appeals which are most likely to interest him, and (2) present your appeals in language which he can understand and which will not seem strange to him.

For example, imagine the salesman who is trying to sell an X-ray machine to a dentist saying: "Doc, the high-tension trans-

former with auto transformer and stabilization control produces 73 KV max. or 45 KV peak at 20 milliamperes; with such a kilovoltage, it can't help but get good pictures."

Unless the dentist was quite unusual that language would not be as likely to answer questions in his mind as would the following: "Dr. Jones, our Company pioneered in this field and placed on the market the first X-ray machine that was ever designed for your specialized use. Today the quality and the quantity of X-rays produced and the elimination of all variable factors are such as to assure perfect pictures every time you place a film in the patient's mouth."

Not only is the tone of the second statement more suitable for the dentist, but the appeal used is more likely to interest him and to answer questions in his mind.

We need not dwell at length here on the appeals which may be used in interesting buyers. Various writers have drawn up lists of these appeals—long lists, short lists, and middle-size lists.[1] Suffice it to say that business men are inclined to think largely in terms of net profits, gross sales, and prestige. Consumer buyers can probably be appealed to most effectively in terms of cost, prestige, and contentment. Perhaps more important than the particular appeal, is the caution to present your appeals in such fashion that they can be understood.

4. Dramatize your appeal

One of the most important factors in making a sale is the ability to impress your prospect with the advantages of your product. You must present them forcefully if they are to be impressed on his mental processes in such a way as to influence his action. You will be able to do this most effectively if you will dramatize your appeals. By dramatizing we mean giving your appeals the magic touch that fires the imagination of the prospect.

In answering the question "Who says so?," one salesman might say, "Our Company has been in business fifty years. We have over two hundred and fifty distributors in the country. You can place your full confidence in our product." Another sales-

[1] See p. 23, Chapter III for references.

man who has in mind the importance of dramatizing his appeal might answer this question by saying: "Each year, our list of satisfied users becomes longer and longer. The two hundred and fifty dealers that handle and service our product by means of factory-trained men are the leaders in each of their localities; this is largely because our product, the one they sell, is the result of half a century's close contact between our Company and the consumer."

Dramatization applies to all types of business, whether it be the proposition being presented to the purchasing agent, to the big businessman, or to a consumer. Here is another good example: A woman who is buying a football for her son is undecided as to whether she should buy the one priced at $2.98 or the one priced at $3.96. They both look alike to her. To her question, "Is the $3.96 one really bettter?," there are two possible answers. The poor sales reply is: "Oh, yes, that is why we call it our Junior Rockne Football. It's a very good ball." A good sales reply would be: "Yes, it is well worth the extra price. As you can see for yourself, it is made of better leather. The bladder is made of better rubber. It is a ball that will last much longer and one that every boy is proud to own."

5. Plan and simplify your appeals

You should always have in mind an outline of the manner in which you are going to present your product or your proposition to your prospect. Plan out in advance just what appeals you will use, in what order you will use them and just how you are going to express them. Good salesmen often work out the very words they are going to use to express a certain idea. This does not imply a canned talk, but a carefully planned talk.

If you are selling a product where the competition is keen, weave into your presentation, at the proper points, descriptions that will bring clearly to your prospect's attention the fact that this and that feature of your product is either superior or does not appear in that of your competitors. Do this without naming competition or making competition seem important. In so doing, you may answer in advance an objection in your prospect's mind about the price of your product. By this procedure, you may also

avoid embarrassing questions that might lead you into talking about your competitor's product instead of your own.

6. Do not sell your product or service. Sell the result which it produces

Usually a person does not buy an article just for the sake of owning it. They buy because of some result which the article will bring them. This result may be economy, increased sales, greater prestige, protection, security, comfort, convenience, helpfulness, or any one of the score of other reasons which help to accomplish some aim or ambition. This is particularly important in that stage of your presentation when you are trying to get the prospect really interested in your proposition. Later, if he wants to know why you think it will give the desired result, you can go into the nature of the product itself. The purchasing agent who is buying carbon paper for the offices will warm to your proposition quicker and more surely if you tell him that it will cut down the cost of office routine than by any amount of technical description of the product itself. When you get his interest you can then go to work on the five W's.

We could continue indefinitely with suggestions helpful in making an effective sales presentation, but only at the risk of being confusing. However, a few more cautions and guides are so important that we will state them briefly below. Most of them were suggested by the Borden & Busse film, "The Autopsy of a Lost Sale."

1. A salesman should possess enthusiasm coupled with honesty and modesty.
2. Efficient selling requires the right kind of sales equipment: catalogs, price lists, lists of users, installation plans, etc.
3. You must be able to use this material with ease and without having to sort the materials in your brief case each time you look for something.
4. Give details, not high spots. Do not be an "information nudist." Tell the complete story.
5. Eliminate short cuts. Without being technical, be sure to answer the questions in your prospect's mind.
6. Do not argue to win. Agree with your customer and then

point out how your product accomplishes such and such a result.

7. Take the I-C-E out of the word *price*. Warm up the prospect by proof that the product costs less over a period of years.
8. Do not be a poor closer. Sum up the selling points and ask for the order.
9. Be yourself. This is desirable because it is the only way to retain the advantages of your own personality, advantages which guarantee the impression of sincerity.
10. Work diligently. You cannot sell if you do not call on your customers.

The strategy and tactics of a sales presentation discussed above are based upon sound sales psychology. Therefore, it seems appropriate to close this discussion with a fundamental maxim of sales psychology quoted from a man who in his time certainly was never considered as a salesman.

> When the conduct of men is designed to be influenced, persuasion, kind unassuming persuasion, should ever be adopted.
>
> It is an old and true maxim that a drop of honey catches more flies than a gallon of gall—so with men. If you would win a man to your cause, first convince him that you are his sincere friend.
>
> Therein is the drop of honey that catches his heart which, say what he will, when once gained will find little trouble in convincing his judgment of the justice of your own cause, if indeed that cause really be a just one.
>
> On the contrary, assume to dictate to his judgment, or to command his action, and he will retreat within himself, close all avenues of his head and heart; and though your cause be naked truth itself, and though you throw it with more than Herculean force and precision, you will be no more able to pierce him than to penetrate the hard shell of a turtle with a rye straw.
>
> Such is man, and so must he be understood by those who would lead him, even to his best interests.

That sales psychologist signed his name—*Abraham Lincoln.*

Chapter VIII

HANDLING OBJECTIONS

by

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MOST of the plays used in a football game are so designed that, if *perfectly* executed, they will go for a touchdown. Anyone who has watched a game knows that comparatively few of them actually work out in that way.

Like the football play, the kind of presentation suggested by Mr. Noel in the previous chapter might always lead to a sale if perfectly executed—providing you were always dealing with a real prospect. As in the football game we can expect that the execution of the sales presentation will often be less than perfect so that a sale will not result in all cases unless a few more plays are run off. Mr. Noel would be the last person to claim a one hundred per cent batting average for his or any other presentation scheme.

It is impossible always to know just what appeals are effective in a given case, how much importance each buyer will attach to certain questions and just how much explanation is necessary to answer certain doubts in each individual prospect's mind. Therefore, the buyer sometimes remains unconvinced even after you have finished your presentation; he still has doubts or *objections* to your proposition. Furthermore, a prospect may voice certain objections before you have been able to complete a presentation which would have eventually eliminated them.

For this reason every salesman must expect to run into objections. If these objections are successfully answered the sale is

likely to be made. If not, it is most likely to be lost. Therefore, you must be prepared to meet objections in the most effective manner possible.

It is the purpose of this chapter to develop certain principles which experience has shown to be most effective as guides to successful handling of objections.

Should we admit that objections are the bane of a salesman's life or should we look upon them as an opportunity? I can answer this question by saying that the really good salesman will turn a very large percentage of his customer's objections to his own advantage.

The term "objection" is so completely self-explanatory that it hardly needs defining. It is sufficient for our purposes to say merely that "objections" comprise the points of disagreement between seller and buyer. Some of the most common objections are listed below by way of illustration.

1. "Price too high."
2. Conditions of sale are not satisfactory.
3. Lack of experience in particular field by salesman's company.
4. Objections to design or quality of product.
5. Lack of service facilities.
6. Buyer has had no experience with product offered.
7. Prefer doing business with present source of supply.
8. Has "standardized" on some competitive product or service.

There are many variations to the above main classes of objections, and probably many others could be added. These few indicate the subject matter which I have in my mind in my suggestions as to effective methods for combatting adverse arguments arising from objections in general.

Basic Types of Objections

There are two main types of objections fired at salesmen by prospective buyers. One is the faultfinding employed in an attempt to dismiss the salesman. The reason given is generally not of real importance. It may be just the first thing the prospect

could think of—an excuse. The real trouble is that he has not been sold and therefore is not interested.

The other type of objection represents a *real* disagreement on some particular points between the seller and a buyer. This buyer is interested to some degree in the product offered but is not willing to act because of the objections. Either type offers you an opportunity to explain, emphasize or at least further discuss your proposition with particular stress on the objection.

The first type of objection presents a somewhat peculiar problem. The prospect has not been convinced. You have failed to reach one or more of the objectives discussed in the previous chapter. Your problem in this case is to find out where the real trouble lies. Perhaps the buyer has failed to see how the proposition can help him; or he may think the benefit is not worth the cost. He may doubt that the goods or services offered will provide the benefit claimed. He may never have really put his mind on your presentation to begin with. You have "failed to connect" for some reason. This means that part or all of the selling process must be performed again, perhaps in a slightly different manner, either immediately or in a later call.

If the problem is to be attacked immediately you may be able to ask a few adroit questions which will reveal the weak link in your presentation. Or, you may review with the prospect the points you have made and see where there is real agreement and where doubts or disagreement have crept in. When you find such points you can then proceed to reinforce your previous arguments, to clarify the proposition, or to present additional evidence. You would proceed from that point just as though you had not seen the prospect before.

How can you tell whether the objection is a real point of difference or whether it is merely a mask for indifference? Probably no one can tell you. You must rely on close observation of the prospect and an understanding of buyer reactions which comes only from experience. However, where the objection is vague and ethereal it is likely to be of the latter type. The price objection often is a cover for indifference.

The salesman whose prospect states his sincere objections is the fortunate one. Conversely, the prospect who is silent as to

the objections that are in his mind has you at a decided disadvantage. Thus, a good salesman will give his prospect an opportunity to tell on what points of their discussion they are not in agreement, even to the point of asking the obvious question.

Principles of Successful Handling of Objections

If you must lose, do it gracefully and good-naturedly

I would not pretend for a minute that all objections can, on the spur of the moment, be overcome and a sale consummated. However, the way in which they are handled while you are face to face with the prospect has an important effect on future relations and future success. If you cannot, at the moment, handle an objection satisfactorily enough to close the sale on this call, be sure that you leave the door open to further discussions on this point. Therefore, be prepared to occasionally lose a battle of wits with the prospect over some objection that has been raised—but lose it gracefully and good-naturedly if you want to win out in the end.

It seems wise to have covered this idea before going on with more positive ways of meeting objections. We must be realistic about all phases of selling and, therefore, admit there is no more a sure-fire, hundred per cent effective way to meet objections than there is of hiring salesmen, training them, or of selling itself, for that matter. On the other hand, proper conduct and procedure can help tremendously at this stage of the sale, just as in any other.

Expect objections and keep in the right frame of mind

One of the cardinal rules for meeting objections is to expect them and to meet them in the right frame of mind. As pointed out above, you are often the beneficiary when your presentation allows the prospect to voice his objections. Therefore, you should have no fear when such disagreements enter the discussion because you are in a much better position to do a real job in handling them. It must be emphasized, however, that this approach to the subject assumes that you are well grounded in the

basic knowledge of your product or service and have a thorough understanding of your company's policies. In addition, you must frequently have more than a passing knowledge of the general policies and products of competitors. With this background, you should welcome, not fear, objections as they might be raised by your prospect.

An example is given below of how a salesman might meet an objection from the buyer that involves the "price too high" theme. It illustrates three additional principles which seem to warrant emphasis.

BUYER: "Your price is out of line."
SALESMAN: "I don't wonder that you believe that. I know you can buy what appears to be similar equipment (or merchandise) at lower prices. But shouldn't we look at this thing a little closer—find out why my company believes this is a fair price and why they are confident it is a good investment for you?"
BUYER (*still obdurate*): "I still say your prices are high. . . ."

Under these circumstances you would be almost forced to meet the issue directly. If you have a quality product and know that your price is fair, you can "go to town" in a discussion of this kind.

At this point it seems wise to emphasize again how you can take advantage of the opportunity presented by an objection of this type. Up to this point you probably have not made any comparisons between your product or service and that offered by competitors. Since the prospect has, by inference, brought competition into the picture, you now can approach the whole matter from the competitive angle. Probably you can do a better job on some points you have already covered or bring out some new ones to advantage.

First, admit the logic of sincere objections as far as possible

One idea which our example brings out is the desirability of agreeing as far as possible with the logic of the different viewpoint expressed by the prospect. This does not mean that you should be hypocritical about it. It simply means that to admit the logic of the objection before attempting to answer it is

courteous, flattering to the buyer's judgment, and goes a long way toward putting the buyer in a receptive mood when you present your counter arguments. It might be well, at this point to read again the quotation from Abraham Lincoln at the end of the previous chapter.

It is better to understand your customer's reaction and appreciate his different frame of mind than to disagree violently. Experience shows that there is a decidedly favorable reaction to this approach to the problem.

Separate objections from the rest of the presentation

Next, our illustration shows the advantage of *separating* the point of disagreement from the overall sales presentation provided that the objection can be handled by itself without beclouding other issues or undoing some of the advantages already gained. By this we mean that you should "separate" the price aspect from the picture as a whole as you have already presented it. Then you can go one step further as explained in the following paragraph. To do this effectively you often need to have some idea of what price competition you are facing. This information is frequently difficult to obtain. One method that may supply enough information to enable you to defend your price position is to ask, in answer to the "Price too high" objection,—"About how much; five per cent?"

Once you know approximately what price differential must be overcome, you can separate this difference from the overall price and show quite forcefully what you can offer to offset it. In other words, presupposing a fair and just price for the product or service being sold, as compared to competitive offerings, it is effective to use the price difference as a means of *adding emphasis* to certain features in your product or service that are not found in that of your competitors. Since price differences in similar products are usually relatively small, it is often possible to build up an imposing list of outstanding advantages offered by your product for a comparatively small price differential. Here, again, complete information on your company's product alone may not be sufficient. You need a thorough knowledge of com-

petitive goods as well in order to defeat the price argument in this way.

Summing up this thought—if your price is $110.00 and that of your competitor, $100.00, do not attempt to justify the $110.00 figure. Show your prospect what the *extra ten dollars* will buy.

"Separation" of the price objection was a simple matter in the example used above but may be more difficult with other types of objections. It may be necessary to "separate" certain objections in a different way. To illustrate, suppose the following objection is raised: "I have had no experience with your product —I guess I'll stay with my present supplier." In this case it is fairly easy to ask if the product or service described does not *seem* to meet all requirements. In other words see if the buyer will agree that you apparently have a good proposition, represent a reputable company, etc., before directly answering the objection he has raised. Frequently a salesman and buyer can reach agreement on much that has been presented up to the time the objection was raised and so the salesman has successfully separated the objection from his main presentation with much less chance of losing ground.

Many a salesman has become so involved in arguing some controversial point that he has nullified completely his progress up to the time the objection was raised. "Separation" right at the time the objection comes up will often prevent such an occurrence.

Use company name in support of price or policy

A further point can be made from our example. Note the use of "my company" and "they" instead of "I," "my," or "me" in reference to "fair price" and "good investment." In meeting objections of this type it is good practice to call in company support of price or policy. This implies that the company has considered the problems from all angles and it should carry more weight than your attempt as an individual to justify them. Possibly this is a small item in the overall picture but it is likely to work in some cases.

Do not avoid objections previously raised when making follow-up calls

If you were not able to answer an objection in one interview, it is particularly important for you to remember it, study the situation at your leisure and fortify yourself with further information before another call.

So armed, you can confidently proceed with the next interview. In the return interview, review briefly your progress during the previous call and then tackle the objection itself. Do not attempt to skip over the previous objection without meeting the issue squarely. If you do, you will lose on two counts: (1) you are almost compelled to restate much of your previous presentation and it will, in all probability, be wrecked again on the same objection; (2) the buyer will very likely believe there is no satisfactory answer to the objection he has raised and therefore you will have given up ground that will be hard to regain later.

Use outstanding advantages to offset objections you cannot overcome

You may find it impossible to overcome certain objections such as those based on company policies which you cannot change. When faced with such an objection only one practical line of attack is open to you. It may be necessary to agree that you and the buyer cannot get together on this point. Therefore, your only course is to summarize all the outstanding advantages of your proposition in an effort to offset the one disadvantage. This is not an easy procedure, but at the same time it frequently can be done in an effective way so that the one objection seems small by comparison.

Be honest, logical, and sincere

Honesty, logic, and sincerity play a tremendously important part in this phase of the selling presentation.

If lack of knowledge or experience prevents you from giving an honest answer to objections brought out by the prospect, do not attempt a detailed explanation. "Bluff' has no part in the

proper and effective methods that can be successfully used in handling objections.

Logical explanations, based on sound reasoning are necessary to bring seller and buyer into agreement. Even sound facts presented in an offhand, illogical manner cannot be effective.

Sincerity in all phases of selling if of prime importance—particularly in the handling of objections. A sincere desire to understand the buyer's point of view coupled with a sincere desire to answer satisfactorily all objections he raises is absolutely necessary. There can be no passing over of objections without considerable loss of prestige and position. You must make a sincere effort to meet and overcome every objection raised by the buyer.

Treat complaints after a sale just like complaints during the interview

Repeat sales are important to all companies and all salesmen. Therefore, it is of the utmost importance that you apply the principles outlined above in dealing with any customer complaints which may arise after the sale has been made. Complaints require the same tact, thought and sincerity as do the objections and can be successfully handled in much the same manner. In other words a complaint is an objection made *after* a sale has been consummated. If they are recognized as such and treated in the way I have suggested here for objections raised *prior* to a sale, much can be gained in customer good will.

Summary

A brief summary of the general methods suggested for handling objections in sales interviews as presented here could be tabulated as follows:

1. If you must lose—do it gracefully and good-naturedly.
2. Expect objections and be prepared to meet them in the right frame of mind.
3. First, admit the logic of sincere objections *as far as possible.*
4. Separate objections from the rest of your presentation.
5. Use the company name in support of price or policy.

6. Do not avoid objections previously raised when making follow-up calls.
7. Use outstanding advantages to offset objections you cannot overcome.
8. Be honest, logical, and sincere.
9. Treat complaints after a sale just like complaints during the interview.

Obviously, there can be no hard and fast rules to follow in handling all types of objections under all circumstances that a salesman must face. These situations are too numerous and the types of personalities encountered are too many and varied for any one set of rules to cover all cases. If we were forced to insist on our salesmen employing only one of these rules in meeting objections, it would be the second one in the above tabulation—"Expect objections and be prepared to meet them in the right frame of mind."

Chapter IX

CLOSING THE SALE

by

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You have probably heard many heart-rending stories about salesmen who could do a wonderful job of getting the attention and interest of a customer and who seemed to be able to arouse a real desire for the product, but for some mysterious reason could not get the signature on the dotted line. Poor closers are all too common but I see no reason why there should be any particular mystery about the secret of being a good closer. It is my purpose in this chapter to make some suggestions which may help you close a larger percentage of your prospects than the average salesman expects to close. There is no magic about it. Just a few common-sense ideas that have been effective in practice.

The importance of being a good closer is rather obvious. If you are the best in the world at presenting your product but are not successful in getting the final action on the part of the prospect, your efforts are useless. Consequently, it is particularly important for the beginning salesman to do everything possible to acquire the knack of closing sales.

Behind the Close

You must not assume that what I have said implies that the close of a sale is a separate and distinct process from the rest of the sale. Quite the contrary. It is an integral part of the selling process, merely bringing your previous efforts to a logical con-

clusion. As a result of this fact we cannot consider the close without looking at your work in the previous steps of the sale.

The first essential of good closing is that you shall have done a good job of presenting your proposition. You must have made the prospect see that he has an important need and that your product or service is the most desirable way of meeting that need. If you have followed Mr. Noel's suggestions in his discussion of the Interview and Presentation, you have laid the best possible foundation for a good close. Without this good foundation there are no secrets or techniques which will enable you to close your sales. So, to begin with, let us recognize that the ability to close is dependent upon your ability to present your prosposition clearly, convincingly, and in a manner that your prospect can easily understand. That matter of understanding is particularly important. Especially in the case of a new salesman, there is a great danger that you will assume that the prospect understands more readily than he actually does. Remember that what is an old story to you is probably new to the prospect. This being the case, it is usually necessary for you to put your story in the simplest possible language. This does not imply that your prospects are stupid. They simply are not familiar with the fine points of your proposition and are not going to make any great effort to understand and you must make it easy for them to do so.

Another *must* behind the ability to close is absolute confidence in your ability to get the order. You must feel that you cannot fail if you are to have the confidence necessary to close consistently. Never let the idea that you will fail to close enter your mind. Approach every prospect with the idea that he is "in the bag." This not only gives you the necessary self-confidence but in some subtle way it transmits this confidence to the buyer. But, a word of caution may be in order on this point. Confidence you must have. But by confidence I do not mean arrogance or conceit. Nothing can kill the effectiveness of your work more than these qualities. Calm, assured self-confidence is most helpful, but carry it no further than that.

Another important prerequisite to successful closing is to remove the fears of the prospect. This, again, is dependent upon a good presentation. If you have not done the selling job well,

John Q. Buyer is going to be beset by fears that will greatly complicate the job of closing. He will be wondering if he is really going to get his money's worth. This point you should have made clear to him. Or, he may have a fear of his friends or associates thinking that he was silly to make such a purchase. When you answer Mr. Noel's question, "Who did it" you may have laid low that fear. The presence of fear in the prospect's mind is one of the great deterents to closing the sale. A good presentation should get rid of them.

When to Close

Perhaps you have read or heard some of the "old wives' tales" about this great and mysterious "psychological moment" at which time, and only then, the sale can be closed. Forget it. You must create your own psychological moments. You can talk yourself out of a sale—we all know that. But if you happen to miss just the right time (if there is such a thing) there will be others later. My point is simply this. The right moment to close is as soon as the buyer is convinced of the desirability of your proposition. If you do not happen to hit just the moment when the thought comes into his head that he would like to have the product, it is not fatal. As a matter of fact you will, in many cases, try several closes before you hit the right "psychological moment" when the buyer is ready to buy.

Since you cannot, in all probability, tell just when the prospect is ready to buy, do not be afraid to try for a close several times during the interview. As soon as you think from the buyer's actions and facial expressions that he has really become interested, try for a close. If he is not ready to buy he will let you know and it will have done no harm to try. If he is ready to buy you will have saved both yourself and him some time and will have avoided the danger of talking yourself out of a sale. Remember, your principal guides for a clue as to whether your prospect is ready for a trial close are his facial expressions, remarks, and general attitude. I cannot tell you just what an interested buyer looks like but if you watch him closely you can tell when the light of interest and desire for the product comes into his eyes. Or perhaps he may make some remark to indicate that he wants

the product. For example he might say: "By gosh, you're right. I believe I can generate my own current cheaper than I can buy it." Or, the prospect might merely ask you something about terms or delivery dates which would indicate his willingness to buy. In many cases buyers will not be so accommodating as to let you know in such obvious fashion. You may have to guess from a subtle change in their attitude from antagonism or indifference to one of serious consideration. Reading these signs is not too difficult if you keep your eyes open and your mind working. But in any case, do not be afraid to try a close if the time seems right—and keep right on trying them until you have closed the sale. This point is of paramount importance. Try a close any time you think the prospect is convinced—even if you have not spoken fifty words. And do not let it discourage you if you get a refusal the first time. Swing back into your presentation with other convincing arguments and when the prospect shows signs of conviction again try for another close. And keep this up until you are absolutely convinced that he does not intend to buy or that you will hurt your cause by further efforts at that particular time.

Methods of Closing

I have pointed out above that the close of a sale is an integral part of the entire selling process and should not be looked upon as a separate function at all; that you cannot close unless you have made a good presentation and a good presentation should make the close easy. Why, then, do we need to consider special techniques for closing? The answer is that there is often a substantial gap between conviction and action. Illogical as it may seem, a buyer who is convinced of the merit of your proposition and who believes that it will satisfy an important want often hesitates when it comes to signing on the dotted line. Sometimes he is afraid that he may be acting hastily, that he would regret the purchase later on. The better your sales presentation, the less important will this fear element be. Or it may be just the common tendency to put things off and think them over. Or it may be just plain inertia. Since this is not a treatise on psychology we need not go into the mental reactions responsible for this. It is a fact that

even under the most favorable conditions there often is an extra push needed to get the prospect to go on from a decision that he would like to buy to the actual signing of an order. That is the reason for special closing methods. To help the prospect over that last hump in the road to becoming a customer in fact.

I have no intention of claiming that the use of one or all of the methods discussed below will enable you to close all your sales. But if you have them in your ammunition box and know how to use them well you should be far better equipped to close a higher percentage of your prospects than you would be without them. But do not forget that you must have a good foundation for your close. Perfect mastery of all the closing techniques known to salesmen cannot make you a good closer if you have not found your prospect's wants, shown him that your proposition will help satisfy them, and shown him in such a way that he has no doubts or fears left to stop you. All these methods can do is to give that extra push needed to get the prospect safely over the hump if you have previously led him up to the brow of the hill.

Take the order for granted

In using this method you give the prospect your sales presentation and see that you have made him want your product. You simply take it for granted that he is going to buy and go ahead and start writing up the order. For example, you have been demonstrating a motor car to a prospect and feel that the time is right for a close. You have made the customer want the car but the ticklish business of getting the formal order is yet to be handled. You might say: "Mr. Bartlett, it will take a few minutes to make out the papers to transfer your license and fix up the bill of sale, but in about half an hour you will be ready to drive away in your new car. If you will just step into the office we can take care of the details in short order." If Mr. Bartlett is not ready to buy he will tell you so. But by this method you have made going in to sign the papers the line of least resistance. You have, in effect, made the decision for him—one which he doubtless wanted to make and you have made it the natural and easy thing for him to do. He will have to actually take action

to stop you and this may be just the necessary push needed to get the order.

If you were selling canned goods to a retail merchant and had gone over his shelves and spotted the things he needed you might check off each item with him and get his estimate of the quantity needed to replenish his stock. As you go along you are writing the items down on your order form. When you have completed the list you would say for example: "Now if you will just OK this list, Mr. Prewitt, I think we can get these items out on the mid-week delivery. In fact I'll phone in the order and see that we do." Again you have made the signing of the order the easy and natural thing to do.

While this method may impress you as being in the nature of high pressure, it is often most effective and if used in a tactful and pleasant manner is not likely to be offensive. Any effective form of close has an element of pressure in it. That is why they are effective. But there is little danger of making the prospect feel that you are leading him by the nose if you have done your selling job well. Of course if you have not interested the prospect and he has no intention of buying he is going to stop you. But we must assume that you would not use this or any other close as long as he is in such a mental state.

Setting up barriers behind the prospect

In using this method the idea is to get the prospect to agree to certain major points as you go along which, once granted by him, make refusal to buy illogical. For example, if you were selling check protectors to a bank official, you might first point out the important way in which your product would protect the bank and get the prospect to admit that it is a real protection. You would demonstrate your machine and then ask the prospect if the machine is not a simple and economical means of getting that protection. You would then show him how little it would cost on a per week or per month basis and ask him if, after all, that is not a most reasonable price to pay for a protection which no police force could give him. You might even go into the terms of payment or the method of financing the order and ask if that is not an easy way to pay for such important protection. If you

can get the prospect to agree to these points and then you summarize them, pointing out that he has agreed to them, he puts himself in the position of being most unreasonable if he does not buy.

I have merely outlined the idea of the procedure. You would have to work out the actual wording in such a way that it would not be offensive. Obviously you would not ask him a series of bare questions as though you were Professor Quiz. Rather you would say, for example: "I believe, Mr. Jones, that you will agree that such protection would be likely to save your bank a lot of money," and actually wait for him to reply. If you let the prospect see that you are going to run him into a corner you will merely antagonize him. You want to make it appear that he has made a series of decisions and that you are merely stepping in to make it possible for him to carry out his desire. In closing this prospect you might summarize in the following manner: "I think you are exactly right, Mr. Jones, in the importance you attach to the kind of protection we have been discussing. Since we both agree that our machine will do the best job for the least money, I know you will want to get them installed as soon as possible. Deliveries are faster now than they were a year ago so I ought to be able to get delivery for you by not later than the first of the month. I believe you said it would take three machines to handle your work." And you would proceed to write up the order.

This closing technique involves a little more pressure than the one I have just described and is particularly likely to be effective on a buyer with a strong ego. The way in which you word your close is of great importance in using this method. Great care must be used to avoid antagonizing the prospect. For this reason it is not as frequently used as some of the other methods but where applied properly has been very effective.

Commit customer on minor points

In using this method of closing you attempt to get the customer to make a decision on some minor point which implies that he will buy the commodity or service in question. Like the first method described it enables the prospect to make his desire

to buy effective without ever coming right out and saying so. This can be explained best by means of an example. Let us assume that you are selling typewriters to the office manager of a business firm. You have given him a good presentation and believe that he is ready to buy. You know the number and types of machines he needs. You would then proceed by saying: "Mr. Prospect, do you want all the machines with elite type or do you prefer to have a few with the pica size type?" If he tells you, "I think it would be best to have them all uniform with the elite type," you can go right ahead and write up the order. When he gave you his answer he had by implication told you that he would buy. If he balks and says that he has not decided to buy at all yet, you have lost no ground and can go ahead with additional selling points.

For further example, suppose you were selling electric grinders to the purchasing agent of a factory. You think that the time has come to close—that he is convinced sufficiently to buy. Rather than just asking him for the order you might say: "Do you want the grinders with individual motors installed so that they can be used anywhere or do you plan to run them off the regular power shaft?" Again, his decision here is the same as a decision to buy.

Summary method

This method of closing has less of the pressure element in it and hence is more likely to be effective when dealing with a professional buyer or any buyer whom you think knows the tricks of the trade and is likely to resent pressure. However, if the other methods are properly used the buyer—except the unusually suspicious type—should not be conscious of the application of any undue pressure.

This method is just what the name implies. You close by summarizing briefly the selling points you have made and asking for the order. If you were selling a tire to a prospect you might make the following type of close. "Mr. Jones, I have shown you in my demonstration how the very fibres of every cord in this tire are impregnated with rubber and thus insulated against the friction and flexing which causes blowouts and consequent loss

of operating time on your trucks. You have seen the actual records of the mileage that these tires give as compared to other tires of the same price under the same operating conditions. This means money saved and less trouble for drivers. I have explained our service plan which will enable you to get weekly inspections to prevent tire trouble and keep your trucks running and earning money for you instead of being laid up for repair. Low cost per tire mile and as nearly continuous operation of your equipment as tires can offer is one of the most important keys to profit in your business. Don't you agree? You know better than I how important these things are to you. If you will just write your name here—I have jotted down the number and sizes of tires you need—our service trucks will be over tonight while your trucks are not in use and have them ready to roll for you the first thing in the morning."

This method is designed to bring to the prospect's attention anew and in a forceful manner the reason why your product will satisfy his needs best and to strike for the order while these ideas are in the forefront of his mind.

Appeal to fear of loss or desire to save

A few years ago I was traveling with an acquaintance who was selling tuition for a private college. We stopped at the home of a woman who was obviously neither well-to-do nor well educated, but whose daughter had just graduated from high school. After commenting in most flattering manner upon the noble brow of the girl's grandmother whose picture hung on the wall, he went into his sales talk. It was soon easy to see that the woman wanted intensely to give her daughter a better chance than she had had and that she wanted to sign on the dotted line but did not quite trust her own judgment. Just at the crucial moment my companion stopped in the middle of a sentence and looked straight and hard at the grandmother's picture. With uncontrollable emotion in his voice (he should have been an actor) he said: "I could not sleep soundly if I thought the granddaughter of that fine woman were not going to have a real chance in life. I have not told you before, but there is only one seat left in the class to which your daughter should belong. Rather than see her miss her

opportunity, I am going to pay her registration fee myself and send in her registration. I think that may be sufficient to save that last seat for your daughter, although I cannot promise it." That did it. This woman was taking no chance on that last seat being gone. Without further hesitation she signed on the dotted line and made the required payment herself.

I tell this story not because I approve of the tactics used nor because I think the man was a good salesman. But it does illustrate the power of the kind of close with which we are now dealing. Nothing he had said before he appealed to this woman's fear of loss had overcome her fear that she should look around a bit further. This man's tactics under the circumstances were inexcusable. But they would work just as well under circumstances where they are true and valid. It seems to be quite common as a human trait to place more emphasis on preventing a loss or saving what we already have than to acquire some additional benefit.

This method of closing is easy to use and most effective where is can be used honestly and without deceit. However, it goes without saying that where it is used as in the case I described above the ill-will created far outweighs the benefits gained. But suppose that a price increase in the industry *has* been announced for the near future. Or that the supply of the product in question *is* very small. Or suppose that another customer really *has* shown great interest in the particular item and has promised to return to look it over again. You may be able to use this method of closing not only honestly but to the very great benefit of the prospect. You may be able to say honestly to a prospect: "Mr. Buyer, due to a change in market conditions which I think we would both agree will not last long, I can offer you a thousand gallons of our best paint at ten per cent below our usual price for that quantity. I cannot guarantee that this price will be effective for more than a week."

It has been my experience, however, that this method of closing should be used with the greatest care and that it be reserved only for special occasions where some real loss may be avoided by the prospect or some material saving made. It has been so frequently misused that shrewd buyers may become suspicious

unless you have a real and obviously bona fide case. Look upon this method as a special occasion or last resort close.

I was told by some food merchants that they had customers who had scarcely ever bought canned vegetables before rationing started but who would come in just before their ration coupons were to expire and buy more canned goods than they ever bought before. If this were true it was undoubtedly a case of the consumer being unable to stand the thought of losing the chance at something which other people seemed to want whether or not they really needed the article. Just another case of the power of the fear of loss—whether it is a real loss or not.

Tell a story

When you close by telling a story your purpose is not to entertain the prospect but to tell a story which shows the benefit of the use of your product or the loss from failure to use it. It is a very simple technique to use and, in the right place, a very good one.

Many insurance salesmen use this method consistently. After telling of the trials and tribulations of the unfortunate widow whose husband thought he had enough insurance, it is simple and natural to ask the question, "Can you afford to take the same chance that Joe did?" This is largely an emotional appeal but the principle can be applied to rational buyers too. Testimonial stories involving specific experiences of users in cutting costs, increasing output, profitable sales or any other type of profitable experience are very good close stories. For example, you might say to a retail prospect: "You know, of course, that Bartlett Brothers is one of the outstanding clothiers in the state. Well here is their experience with our line . . ." and you go ahead and tell the prospect about how Bartlett Brothers had increased their volume in your line by so much; how they have increased their stock turnover by so much and have reduced the percentage of returned goods to a negligible quantity; why can't you do it?

Two cautions should be observed in using the testimonial story. In the first place the story is not a good one unless it involves a person or firm for whom the prospect has respect. In the second place a story should not be used unless it can be verified by the

prospect in case he wishes to do so. If you are not sure of the opinion of the prospect about the firm or person you want to tell about it is easy enough to find out by asking him, "What do you think of Bartlett Brothers as merchants?" or by some similar question. As for the second caution it is obvious that the prospect may be able to check up on you if you tell fictitious stories about real firms. You should stick to the truth for truth's sake. While such stories about some distant firm may have some effect, it cannot be compared to the power of a favorable story about some firm in the same trade that the prospect knows and respects.

Special inducements

Closing by an offer of some special inducement is usually a last resort method but may be a useful weapon to have in your arsenal. In its grossest form it involves saying to your prospect: "Mr. Prospect, I am going to make a special concession to you if you will sign up now for our regular assortment. If you buy now I can give you an additional two per cent discount." This sets a dangerous precedent. It shows that you *can* operate on a smaller margin, and we pay for everything we get in this life, one way or another. Your prospect is going to expect to pay 2 per cent less every time he places a future order. Moreover, it shows that you have authority to go beyond the printed or written discount policy of your company. If you are so ready to give him 2 per cent, would you give him (or his competitor!) 5 per cent under pressure? The danger of setting bad precedents cannot be overestimated.

There are circumstances, sometimes with business buyers but more particularly with consumer buyers, when these tactics are subject to very little if any disadvantage. You may find that some little inducement of no real significance may be the straw that breaks the camel's back. Roth [1] tells of the man who was trying to sell an expensive residential property to a couple and who happened to have taken his dog along with him. When the prospects were thinking it over the woman asked if the dog went with the house. Quickly the salesman assured her that it did and

[1] Charles B. Roth, *Secrets of Closing Sales,* New York, Prentice-Hall, Inc., 1941.

it swung the decision in his favor. It is possible that this may be an unique case but certain it is that in a surprising number of cases some trifling concession may be the final push necessary to get action.

Let me say again that you should not look on the methods which I have discussed here as any magic guarantee of successful closing. They are merely tested devices which experienced salesmen have found effective in improving markedly their closing records. It is not possible in this general book to go into detail as to just how these methods should be used. Much of their effectiveness depends on using them in the proper manner.

Furthermore, do not be afraid to mix two or more of these methods if they seem to fit together naturally. For example, you might find it effective to use the summary method and the method of taking the order for granted in closing some sales. Or you might set up barriers behind the prospect and use the subordinate question technique in addition.

In any case, the more closing techniques you are able to use effectively the better chance you have for closing sales, even though you may use one or two of them more than the others. The problem which you must solve is to apply to each particular prospect that method which is best suited to the circumstances. With that I cannot help you. You must rely on your own common sense and initiative as a guide.

Handling the Order Blank

Improper handling of the order blank may add to the difficulty of closing a sale. I should like to say a few words about that which may help an inexperienced salesman.

The principal caution in this regard is to avoid flashing the order blank on your prospect suddenly. To do so may cause a sudden surge of sales resistance. The prospect may say to himself: "There comes the order blank. Now watch your step." Your aim should be to bring the order blank into the situation naturally and casually so that the prospect does not become suddenly conscious of it. Many salesmen find it desirable to keep the blank where the prospect can see it right from the first and let him get used to it. When reaching into your brief case for

material for your demonstration you may casually pull out the order blank to get it out of the way and leave it in a handy spot on the desk. You may even arrange your material so that it is necessary to pick up the blank before you can get to other material. Some prospect books are arranged with the order blank in the back of it so that when the demonstration is finished, there it is right where and when you want it.

If it comes more natural to you to wait until the end of your demonstration to take out the order blank, do not make a special point of it. Take it out casually while you are talking about something else as though it were the most natural thing in the world to do. Never whip out the order blank as though you were drawing a sword. Be sure that it is in some convenient and easily accessible place so that you will not have to hunt around for it.

In making out the order do it carefully. In the excitement of getting a new order you may feel inclined to rush it and take short cuts. If you do so, you may make some mistake which will create ill will and make the next order hard to get.

Do Not Show Excitement

Now, in regard to the natural excitement that comes with that new order or with closing an unusually tough prospect. Keep it hidden. The display of excitement or showing that feeling of elation when the prospect is about to buy may make him wonder if you sell so few orders that it makes you excited to get one. Maybe it does. But do not show it. If the prospect comes to the conclusion above he may figure further that the scarcity of orders may be due to some defects in your proposition which he has not seen. Thus, you have increased the difficulty of closing. Maybe such a situation does not arise often, but why take a chance on it at all.

Summary

Your effort in selling is wasted if you do not have the ability to get the prospect's signature—get him to actually take the action he is considering.

The close is not a separate and distinct thing apart from the

rest of the sale but an integral part of it. Unless you have done a good job in all the other parts of the sale—created a real desire for the goods—you cannot close many sales no matter what methods of closing you know.

If you are to be a good closer you must believe absolutely that you can close each sale as you come to it. You cannot bat one thousand, of course, but a defeatist attitude insures defeat.

There is no single psychological moment for closing a sale. Try to close any time you think you have made the prospect want the product. If you fail, go on with your sales talk and try later. And keep on trying.

You have available, among others, any of the following types of closing:

1. Taking the order for granted.
2. Setting up barriers behind the prospect.
3. Committing the customer on minor points.
4. The summary method.
5. Appealing to the prospect's fear of loss or desire to save.
6. Telling a story.
7. Offering special inducements.

In handling the order blank, do not flash it on the customer suddenly and build up sales resistance. Take it out early in the interview or, if you take it out at the last, do so casually and naturally. Make out the order carefully to avoid mistakes in filling the order.

Do not show excitement or elation when you see you are going to close an order. To do so may arouse the prospect's suspicions and make the closing more difficult if not impossible.

Chapter X

HOW TO BE A REPEATER

by

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IN THE majority of businesses one of the most important techniques a salesman must develop is the ability to be a repeater—to be able to go back again and get a reorder, or to sell accessories and companion merchandise. Everything is consumed immediately, eventually wears out, becomes lost or destroyed, or can be added to or increased. Gasoline and oil are burned; you have to buy more. Radio tubes wear out; you have to replace them. When a thermometer becomes broken, you get a new one. You lose a fountain pen so you buy another. Your wife buys an end table and needs a new lamp for it. You buy a $5,000 life insurance policy and immediately become a prospect for building up an increased program. Can you think of a single article or service that you buy once in a lifetime and can truthfully say that you know you will never buy again—that you will never buy a related article or service—either for yourself or someone else? I think you will agree that you cannot.

Our present problem is to consider how you as a salesman can best be a repeater. Several factors are involved.

The Keys to Repeat Sales

Meet the buyer's requirement accurately

Sell the proper material. Analyze the customer's requirements so thoroughly that you are certain that what you sell will best

fit his needs. Do not be so anxious to close the sale that you furnish something you are not sure will do the best job. Remember that the products which you have to sell are your silent partners. Be fair to them. Do not ask them to do what they cannot do. The manager of the New York Yankees would not hire Johnny Weismuller to play baseball, nor would you pay admission to see Babe Ruth give a swimming exhibition. Know your prospect's requirement and then choose your product carefully and wisely to meet it. Thorough knowledge of your product is essential. Knowledge brings confidence; confidence brings enthusiasm and the combination of knowledge, confidence, and enthusiasm brings orders and repeat orders.

Sell quality

To be a repeater, concentrate on your highest quality merchandise. Sell an ardent golfer a ball that will give an extra 10 yards on his drive and it will be difficult for him to change to another brand at half the price. Push your better grades of material. They stay sold longer because they create more satisfaction—give better results and are, therefore, less vulnerable to attack by competition.

Do not overload

Sell the proper quantity—all that is needed but never overload. Always be sure that there is a complete understanding between you and your customer as to the length of time a quantity of material sold is estimated to last. This will depend entirely upon the product you are selling. If you are selling labels for example, do not sell an over-supply. The product or design may change and if a buyer found himself with a large quantity of outmoded material, he would not think kindly of the one who supplied him with the overage. Sell him a twelve months' supply, perhaps, but make it definitely understood that both you and he expect that supply to last approximately one year, during which time no change would ordinarily be contemplated. Overloading is an unwise method of increasing a sale. It is a device of the high-pressure, one-time salesman. If you want to be a repeater you should never overload a customer.

Service

Good service is essential for repeat business. When you are asked to be in a customer's office at 3 P.M., be there at 3 P.M., and not at one minute after three. Be dependable! Never promise any service unless you know you can fulfill that promise. If you are in a business where you contact business firms, make your calls regularly. Your customer or prospect will soon be expecting you at a certain time of the month or time of the year. In traveling territories it is often helpful to send out an advance notice saying that you plan to make a call on such and such a date. This will make your contact sure, will give Mr. Buyer a chance to collect any data that he may need and will save his time as well as your own.

The proper servicing of an account should include a certain amount of educational work—instructing the user how to obtain the best results from your product and what to expect it to do. Your product may be all right, but if it is not understood or used correctly it may be condemned during use and will not stay sold.

Restoring and maintaining satisfaction

Prompt and diplomatic handling of complaints may also come under the heading of service to your customer. Answer complaints by a personal call without delay. Iron out a complaint while you are there and it will bear much more weight than saying "I'll take it up with the factory and let you know what's wrong." It takes knowledge and tact to handle complaints and if you are to be successful you must have both. Ability to handle complaints discreetly and with satisfaction often turns a temporary set-back into a victory for the repeater.

No salesman or selling organization likes to receive a complaint. But when you get one, recognize it as a golden opportunity to sell yourself and to educate or re-educate the user. It is your chance to "get behind the scene." You will often discover new places where your product may be used or your services expanded. This complaint may be just the opportunity you have been seeking to sell an article of better quality which

will increase your sale. And because of greater satisfaction it will give, a repeat order will be more sure. It may be just what you need to sell that accessory or related piece of merchandise. We have all heard the old saying: "A customer is always right." It is not a question of who is right or who is wrong when a complaint is made. Dissatisfaction has been expressed and if you are to be a repeater, satisfaction must be restored. You will probably find that in more than half of the cases your product is not at fault; it has been misapplied. Find out how your product is being utilized and make helpful suggestions that will result in its being used as intended by the maker. Where your product is used in conjunction with other products of a different manufacturer, a change in any one of these other products may necessitate a change in yours. When new conditions of use occur you may find it necessary to "prescribe new medicine."

Where a complaint is definitely justified and your product is at fault, make the necessary adjustment or replacement willingly and without hesitation. Above all be genuinely sincere and friendly while answering complaints. Regardless of whose fault it is, your customer is in trouble. If you help him over this obstacle, you will be the one he remembers when he places his next order.

Make it easy to reorder

One of the best methods of obtaining repeat business is to make it easy for the buyer to send you orders. Picking up the order while in the office of the user is admittedly your first objective, but if you are unable to do it, a properly filled out order blank or postcard left with the buyer is often helpful. This is particularly true where you are selling a product that requires the writing out of detailed specifications. Make up the order in advance for the buyer's convenience. You know what is required but the buyer will want the specifications for his own record. The more work it is for the buyer to make up an order, the more human nature makes him delay. If making out an order entails a lot of extra work especially at a time when he is overburdened, a prospect will be more inclined to continue with what he had before rather than to change.

Keep your customer up-to-date

Keep your customer advised of the latest developments. Tell him of the improvements in your line and at least give him the opportunity to change to a newer product or newer service if he so desires. Sometimes it may seem wise to let a customer continue with the same old thing he has always bought. You may feel that if you show him something better, he may wonder if competition also has something better and throw the whole thing wide open and investigate the market.

But such a procedure would be unwise for two reasons. First, competitive salesmen are constantly bringing new ideas to your customer's attention anyway. They are not waiting to be called in by your buyer. Secondly, if your customer finds out that for months you have had something better suited to his needs and have not told him about it, you immediately lose his confidence and his business with it. It is a wise policy to tell your customer about new developments. This does not necessarily mean that you should deliberately try to upset your present arrangement. But at least let that buyer know what you have to offer in case he wants it. Do not let him ever be able to come to you and say "Why didn't you tell me about such and such an improvement?" or "I didn't know you made such and such." Have your customer so well sold that there will be an understanding that he will always call on you before buying a competitive product. When your customer has enough confidence in you to ask your advice about another product or to consult you *before* he makes a change, you will be a repeater.

Gain the good will of the buyer and his associates

If you are to be a repeater you must sell yourself to as many people as possible. If your customer or prospect is an individual, make yourself known to his family and his friends. Get them to pull for you—get them to want you to have the order. If you are selling a business organization meet and remember as many of the buyer's fellow-employees as you can. Get the correct names, remember them and when you write to them use their initials and be sure they are right. Make people remember your

name as well as that of the company whom you represent and the product which you sell.

Recognize subordinates. The little fellow over in the corner of the Purchasing Agent's office may be sitting at the Purchasing Agent's desk the next time you call. Pave your way to future business by not missing an opportunity to make that fellow feel important. If the occasion presents itself, ask his advice and opinion in regard to a particular problem.

It is important to contact as many department heads as you can—preferably, of course, with the permission of the Purchasing Agent. Most Purchasing Agents gladly co-operate with the department heads in getting them what they want in the best quality at a fair price. They will be glad to have you work with the department heads and their subordinates if you are able to show them how they can do something in a better way. All things being equal, the user will obtain his material from the salesman whom he knows and likes the best. Many times he will buy from this salesman even though a competitor has a slightly better product. A repeater strengthens his product with his own personality. This is desirable not only with respect to the Purchasing Agent but with as many people as possible in the same company—especially those who use the product or supervise its work. And do not forget the telephone operators or receptionists. They can be of great help to you or cause you untold trouble, as was pointed out by Mr. Hebner in Chapter VI. Be pleasant, gentlemanly and businesslike and remember that smile. The good will of the telephone operator, guard or receptionist can very often mean the difference between getting an interview and getting the "busy signal." These people are also in a position to save you time by getting you that interview just as soon as possible.

We have already touched upon the advisability of getting to the user personally and not confining your contacts to the man who signs the orders. This is particularly important where you sell a firm for the first time and expect to get a good report on your material which will result in repeat business. If there is something different or special about your product that is not self-evident, it is necessary to point out such a feature to the

one who works with it. Tell him what to expect. Explaining all these features to the Purchasing Agent is all right. But the Purchasing Agent wants to please the actual user and he cannot demonstrate your material as well as you can. Nor will the written word in the form of directions or supplementary advertising matter bear as much weight as your personal contact. Then, too, this will give you your chance to tie up your own personality with the merits of your product. It may not be possible or practical to see personally all of the people who use your goods. However, never pass up an opportunity to expose yourself to these users, to educate them and to teach them about your product.

Repeat by selling related articles

We have dealt mostly with the type of repeat business where you will obtain additional orders for the same kind of material. In addition to this we must consider the other type of repeat business which has to do with the selling of accessories or related merchandise. In a department store a clerk who sells shirts will try to sell a tie or handkerchief to go with it. A smart shoe salesman will attempt to supply you with shoe trees, shoe polish, or maybe even socks. He does not overlook the opportunity to do so. The insurance man sells you an accident policy and suggests a rider to cover additional medical expenses. The automobile salesman will soon attempt to equip that new model automobile with a spotlight, radio and white side-wall tires. Even the railroad conductor will try to sell you a section rather than just a lower berth.

To be a repeater, never fail to suggest and demonstrate other articles that you have to sell. That department store clerk who sells shirts and who is a repeater, will not simply inquire "Would you like to buy a tie to go with the shirt?" but he will pick out a tie that blends with it, put it against the shirt and say "Isn't this tie goodlooking with this shirt?" The purchaser, if he likes the tie will not only buy it but will be much more pleased with his shirt because the new tie adds something to it.

Create a desire to add to something you have already sold by showing, demonstrating, and suggesting related merchandise.

You will not only become a "Repeater" on the spot but instead of becoming a potential repeater for one product you will become a potential repeater for two or more products.

The Kee Lox Manufacturing Company, whom I represent, is an exclusive manufacturer of carbon paper and inked ribbons. The bulk of material which we sell is confined to typewriter carbons and ribbons. However, our alert salesman who increases his volume by pushing companion merchandise has an almost unlimited opportunity. Ribbons are needed on nearly every type of office machine—Addressograph, Adding Machines, Billing Machines, Multigraph, Time Clock, Time Stamps, Tabulating Machines, Teletype Machines, etc. Special carbon papers used for pencil work, billing, duplicating machines, etc. It is made up in many special ways—white edge, stripe, full coated, sewed binders, etc. It is made up in rolls for use in Register Machines, certain Billing Machines, Tally Rolls, Carbon Paper Ribbons for Photostat or Multilith work, Adding Machine Rolls, etc. The offices are few and far between that do not use carbons or inked ribbons in some form in addition to those designed for typewriter work.

Not only can our salesman pyramid his sales by pushing these "specials," but he can keep competition from getting a foothold in some department. And the beauty of it is, there is practically no extra time or effort involved. Once our customer has been sold on our regular line, it is often just a matter of mentioning "specials" to get the order. They must be bought anyway. What could be more logical than the buyer placing all of his carbon and inked ribbon orders with the same salesman instead of having a dozen small invoices from a dozen suppliers. This is a goldmine in a salesman's backyard that strangely enough, is often overlooked. Do not sneer at the easy money that can be made by selling "specials" nor the chance to increase the customer's good will at the same time you are feathering your own nest.

Stick to facts

In making your demonstration and giving your sales talk be sure not to exaggerate claims of what your product will do. Present your material enthusiastically but do not make false assertions. A sales talk too colorfully presented may act as a

boomerang for future business because of the let down in the buyer's mind once he has discovered the true merits of the articles which you have for sale. Stick to the facts. Nobody expects a product or service to be superior to any other product or service in every single one of its features. A housewife will buy a set of expensive thin glass goblets to be used for dinner parties. She buys them for their appearance. She knows they are fragile and will break easily. It is not necessary to claim that they are as strong as everyday goblets manufactured from heavier glass. Yet if her supplier had claimed that these fine thin glasses were unbreakable, she would soon find this not to be true and would look elsewhere when it became necessary to make replacements. In some instances it will mean future orders to you if you explain at least one feature of your product where a customer cannot expect to have perfection along with so many other good features of your commodity. Emphasize the good features of your wares without claiming the impossible and you will gain the confidence of a satisfied steady customer.

Automatic repeat orders

A sure way to be a repeater with the least expenditure of time and trouble to both you and your customer is to set up a schedule for regular shipments. Where it is not practical or possible to sell an entire year's supply for shipment at once, a blanket order for a year's supply to be taken out and billed monthly is much more satisfactory than twelve separate and distinct sales. If you cannot get the order today, get a signed order for future delivery and billing. Even if you do get an order today you may be able to get a repeat order at the same time for delivery at a later date. Be sure to get all future orders signed so that there will be no misunderstanding. The Purchasing Agent who gave you an order in January for delivery in June may be replaced in the meantime by a new buyer who knows nothing of the transaction. Unless you can produce a signed order the new man might take offense at your filling an order with which he is not familiar. On any calls made during January and June, in this case, remind the old buyer or tell the new buyer about the order which you have on your books to be honored in June.

Show appreciation

A certain amount of satisfaction is felt by everyone when he makes a purchase. Play up to that characteristic of human nature. Make the buyer anxious to give you another order by showing honest appreciation. Never fail to thank a purchaser for the order he gives you and act as if you are really glad to have his business and make him feel that it means a lot to you. Do not act surprised—just genuinely pleased. It is often advisable to express your appreciation for orders given you by writing a letter to the buyer. This is particularly true on orders given to you for the first time and also for large orders and those which you feel were given to you when the cards were stacked against you. The good will of the buyer is all important. He will patronize the salesman who wants the business. It does not make any difference how small a user he is, make the buyer believe that his business means as much to you as if he were able to purchase in much larger quantities.

Like the buyer

As a salesman you will deal with many types of individuals and men in all walks of life. You cannot always use the same tactics on an executive of a corporation as on a stock clerk or head of a department. But regardless of who he is make yourself like the buyer—ask him for minor favors—get his suggestions and his opinion of your products. Use his name in your conversation. Compliment him where you can and soon he will not be able to help liking you. As you get to know him better on your repeat calls, try to become really interested in his problem. If the buyer can be made to feel that you want to see him make progress in his company just as much as you want to make progress in your own, the mutual confidence resulting will mean more orders for you. Your ideas backed by proper application of your product can very well contribute toward the success of a Purchasing Agent. He knows that his work is judged by results—that is what he is buying. And if the results which he buys are better because of your suggestions or your materials, the more credit is attributed to the Purchasing Agent by his superiors.

Make him interested in you as you get to know him better. Do not bore him by telling him of all the sales you have made this week, but quietly let him know that you want to get ahead—that your goal is high and that anything he can suggest that would make you more helpful to him will be most welcomed. Play up to his ego.

Personal appearance

If you want to be a repeater do not forget your personal appearance. Since this topic was covered in Chapter II by Mr. Hickey—who should be an authority if anyone is—I will say no more about it. I merely want to point out that a good appearance is as important in getting a repeat order as it is in making the sale in the first place—and for the same reasons.

Avoid unnecessary entertainment and discussions unrelated to business

A young man entering the sales profession may have the false notion that to be a successful salesman it is necessary to be a good fellow by entertaining customers at every opportunity and in general to make the buyer feel indebted to him. We will only mention this as so much of it is a matter of company policy and depends upon the nature of the product or service being sold. This is something that must be taken up individually with your sales managers. But this much is certain; entertainment may never be necessary and might easily be overdone.

Avoid talking about politics or religion and you will keep out of arguments. These topics represent the most dangerous ground on which you can tread. Keep off of it or you may not be a repeater. Be an optimist and not a gloom caster. When you leave a buyer in a better frame of mind than when you entered his office you will be welcomed back. But remember that time is short and you need to devote it to selling.

Analyze your progress

If you want to be a repeater subject yourself to a personal examination at regular intervals. Do not be so busy from day to day that you neglect having regular showdowns with yourself.

Study your own work, recognize your shortcomings and make a concerted effort to improve. Organize your thoughts and your work. Never allow yourself to get far behind schedule or feel disorganized. A repeater is a man who knows what course he is going to follow and who plans his work in advance. A repeater is a man who benefits from constructive criticism from others and continuously looks for ways to better himself. In order to be a repeater you must progress; you cannot stand still. You must be aggressive and alert. You must have new things to say and do when you make your regular calls—new approaches and ideas. Your selling job is never done.

To be a constant repeater make your motto *Never forget a customer. Never let a customer forget you.*

Chapter XI

THE FUNCTION OF ADVERTISING

by

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Advertising Manager
Rochester Times-Union

IN THIS chapter I will consider the nature of advertising and the broad economic functions which it performs, the cost of advertising as an indication of its importance in the distribution of goods, but will also show that it is an insignificant part of the cost of a unit of even the most highly advertised goods. Furthermore, I will try to show you that advertising plays a most important role in building the success of an article in the market place and thus contributes greatly to the volume of goods which you can sell and to the ease with which you sell them.

What Is Advertising?

In order to get our feet solidly on the ground, let us consider briefly an acceptable definition of advertising. Then you will know just what I have in mind when I use the term.

Advertising may be defined as "those activities by which visual or oral messages are addressed to the public for the purpose of informing them and influencing them either to buy merchandise or services or to act or be inclined favorably toward ideas, institutions, or persons featured." [1]

Advertising messages are always associated with the advertiser, either by signature or oral statement, and involve a payment to the publisher, broadcaster, or others whose media are

[1] Neil H. Borden, *The Economic Effects of Advertising,* Chicago, R. D. Irwin, Inc., 1942, p. 17.

used. The definition given above indicates the wide variety of systems of communications, or media, which may be used for advertising. "Clearly, advertising includes messages carried in newspapers, magazines, in radio broadcasts, on outdoor boards, street car cards, posters, and in circulars of all kinds, whether distributed by mail, tradesmen, or inserts in packages, dealer help materials, window and counter display materials and effects, store signs, house organs when directed to dealers and consumers, motion pictures used for advertising; and novelties bearing advertising messages or signature of advertisers, labels, tags, and other literature accompanying merchandise." [2]

There are several other activities of business, sometimes termed advertising, depending upon the individual firm's policy. These are things "... such as premiums to stimulate sales of samples, publicity, free goods, advertising allowances, which are not actually used for advertising, entertainment of customers, bonuses, and personal selling forces—both regular and missionary." [3]

These statements should give you a good idea of the nature of advertising, and of the broad field of business activity which it covers.

The Broad Economic Function of Advertising

Human progress consists of three elements: (1) invention, (2) management, and (3) teaching. A man invents a great labor saving device like the sewing machine. Management produces the machine and teaching places it in every American home. To invent is not enough. To manufacture it is not enough. Before it can become a real part of everyday life the public must be taught how to use it. And teaching is just another word for advertising. While it is true that goods and services can be sold without formal advertising, it is equally true that nothing is ever sold without some form of teaching or advertising. Even war, the most destructive and bestial invention of man, needs to be sold through advertising. We may describe the process as "morale building" or kindling the fires of patriotism. But whatever name is used, the fact remains that the *need* for war, the war's objec-

[2] *Ibid.*
[3] *Ibid.*

tives, must be hammered home if the people are to respond, because all of us much prefer peace.

There are just two basic types of advertising: (1) the several instruments of communication, or media, referred to in the above definition and (2) word-of-mouth advertising, or the recommendation of a product or service by someone else.

Word-of-mouth advertising is a slow and tedious process. It works, of course, but its full fruits are rarely enjoyed by the generation responsible for the introduction of the product. But by employing any one or all of our great systems of communications, millions of consumers at once can be taught the reasons why a product will contribute to their convenience, comfort, enjoyment, good health, happiness and general well-being.

Advertising is the result of the inventive genius of man. The invention of paper, of movable type, of high-speed printing presses and the development of our varied systems of transportation make available to every one of the hundred and thirty-five million Americans on the same day, the latest news and information about the products and services that result from invention and management. And our most recent instrument of communication, the radio, transmits with the speed of an electric impulse, the voice of business and industry.

It seems obvious that we would not have these modern systems of communication if people did not have a desire for news and information about goods services and ideas. Advertising could never function without this desire for knowledge, this need on the part of the public for the information necessary for us to exercise that cherished right of free people, the freedom of choice, the right to spend our money without restriction or restraint and with whatever intelligence we possess.

Thus, advertising is not merely a competitive instrument to be used to sell more goods than competition. Advertising creates a market where none existed before by establishing the need and developing the use of a new product. As the market for this new product expands, other manufacturers are attracted to the field and find it necessary to present some new improvement if they are to compete successfully. As this process continues, new re-

lated goods are introduced, thus enlarging the field and stimulating general economic development.

The electric refrigerator which we probably know best by name, was not the first household automatic ice box. And the first automobile, made right here in Rochester, is no longer on the market. Photography was not invented by the Eastman Kodak Company, but this world-wide organization is the result of applying inventive development, teaching and management after the photographic process had been discovered and a market for it started. I mention these things to bring out the point that advertising is not only a mighty force in the sale of goods but it is an even greater power in the development of new markets wherein many can offer the things they have to sell.

Advertising, then, is like rain. It makes fertile fields out of barren desert soil but leaves to initiative, invention and management the further task of cultivation. This concept of the function of advertising should help us to use it effectively, economically, and with success.

The Importance of Advertising

One of the gauges of the importance of an economic institution is its cost. Therefore, let us take a look at the estimated expenditures made in major media for advertising during the year 1940 as a means of indicating its importance. It should be noted that the figures given below are for expenditures in major media only and that the total cost of advertising is in excess of the amount shown.[4]

Newspapers	$545,000,000.
Direct mail	300,000,000.
Radio	200,000,000.
Magazines	160,000,000.
Outdoor	50,000,000.
Business Papers	50,000,000.
Farm Papers	15,000,000.
Miscellaneous	340,000,000.
	$1,660,000,000.

[4] L. D. H. Weld, "Advertising Indexes," *Printer's Ink*, Vol. 195, no. 1, April 4, 1941, p. 15.

This means that advertising of all types was worth over a billion and a half dollars to business in one year. While this is less than the cost of many other business institutions, such an expenditure does indicate that business men set a very high value on advertising.

Any discussion of the cost of advertising is likely to bring up the question of the ratio of the cost of advertising to the selling price. Every salesman runs into this inquiry at some time. By taking the gross advertising expenditure for any one year, and measuring it against the total sales volume for that year, we would get the average percentage of advertising expenditure per dollar of sales. For the year 1935, for example, if only advertising cost and sales figures for businesses using an appreciable amount of advertising are considered, the average advertising expenditure was only 1.4% of sales. The ratio of advertising expenditures to *total* sales was only nine-tenths of one per cent.[5]

We can bring these figures down to earth by considering specific examples. "The advertising cost of bread, for example, is less than the wrapper. Years ago, when we wanted soup, our grandmothers spent all afternoon simmering it over a hot stove. Today you have, on your shelves, endless varieties of fine soups at a reasonable cost. The advertising cost of a leading brand of soup is estimated at $^{3}\%_{000}$ of one cent per can." [6]

"If Coca-Cola completely abolished advertising, and used this saving to increase the amount of its product delivered, it could put ten more drops in each bottle." [7]

Naturally the percentage of sales income devoted to advertising varies greatly among individual firms. However, these generalizations may serve to indicate that while the total cost of advertising indicates its great importance in the field of distribution, it performs its functions without an undue burden on individual consumers.

[5] *Ibid.*, p. 60.

[6] Quoted from a statement made by Ralph Keller of George A. Hormel & Co.

[7] Arthur Kudner, "Advertising is an Unadvertised Product," *Printer's Ink*, Vol. 196, no. 2, July 11, 1941, p. 21.

The Value of Advertising to Salesmen

It is a good idea for every salesman to ask himself the questions, "Can I reach my fullest effectiveness in my selling efforts without placing the same high value on my firm's advertising that my firm does? Can I do myself, or my firm, justice unless I capitalize to the fullest degree on all of the advertising sales helps and tools made available by my firm?"

Advertising represents a real investment. It merits the salesman's most serious and thorough understanding in order that he may be able to merchandise effectively every item from the comprehensive newspaper, radio, and magazine schedules, down to the most simple card. Whatever advertising a firm does, it is planned to sell. It becomes a great power, working toward the same purpose as that of the salesman. You who harness this power to your own efforts, simply help yourselves to do a better selling job and to do it more quickly and easily.

It is difficult to pick out one or two examples, from the thousands of case histories recorded, to illustrate the important part played by advertising in making possible the sale of a given product in a highly competitive field—not to mention trying to condense any one into the brief space available here. However, brief as they must be, one or two may help to add emphasis to the point I am making.

Consider, for example, the case of tobacco. Almost from the beginning, tobacco, particularly cigarettes, met with strong public prejudice which in many instances resulted in laws prohibiting or limiting its use. The Anti-Cigarette League was formed. Some employers refused to hire cigarette smokers. But what happened? "Between 1870 and 1937 cigarettes had a remarkable growth—over a thousandfold, from practically nothing to a total per capita consumption of 1258." [8]

I do not intend to infer that the sensational growth in the use of tobacco was due entirely to advertising. Smoking is a social habit and it is known, of course, that it flourished in places where it was even prohibited by law. Cigarette advertising is mentioned, however, because most people are familiar with the

[8] Neil H. Borden, *op. cit.*, p. 219.

character of its sales technique, and most of us are willing to admit that at one time or another we were influenced by its subtle pressure. "The advertising campaigns of testimonials featuring well-known personages and picturing the right kind of people smoking have undoubtedly had an influence on breaking down such prejudices." [9] "Advertising has been employed by all companies enjoying substantial sales volume..." "...the three leading brands built their domination largely through the use of advertising." [10]

No one will deny that millions of men, women and children have better, whiter teeth because advertising persuaded them to take better care of their teeth.

Extensive newspaper advertising for Kelvinator refrigerators in 1940 is credited with playing an important part in advancing that product's sales 125% over the preceding year, while sales for the industry rose only 39%.[11]

The history of business is full of countless such testimonials to the importance of advertising. But perhaps the most famous example is the record of a casualty which resulted from the discontinuance of advertising. It is the story of the soap "Pearline," "...which at one time was worth eight million dollars. It was consistently advertised and sold in tremendous volume. In fact, sales were so good that the company decided to discontinue advertising and save that much money. They saved some advertising money, but they lost the business. Within a very few years, the name, the plant, the equipment, all were sold, not for eight million but for $12,000.

"When Pearline discontinued their advertising, they lost their profits, deprived their customers of a worth-while product, threw people out of jobs, and doubtless caused a lot of stockholders to lose their investments.

"Yes! Some other soap companies probably picked up these customers. But what did Pearline gain?" [12]

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[9] Neil H. Borden, *The Economic Effects of Advertising*, p. 223.

[10] *Ibid.*, p. 230.

[11] Bureau of Advertising of the American Newspaper Publishers Association, 370 Lexington Avenue, New York, N. Y.

[12] F. C. Gerhart, Ass't Advertising Manager, Champion Paper & Fiber Co.

To carry this point a bit further, look at the trade marks and trade names on the opposite page. You recognize them quickly because you see them in advertising nearly every day:

1. Old Dutch Cleanser
2. Jantzen Swim Suits
3. Aunt Jemima Pancake Flour
4. RCA Victor Products
5. Quaker Oats Company
6. Chevrolet Automobiles
7. National Biscuit products
8. Flit Insecticide
9. Prudential Life
10. Whitman's Chocolates
11. Smith Bros. Cough Drops
12. Dutch Boy White Lead
13. Cream of Wheat
14. Heinz Products
15. Wrigley's Gum
16. Sherwin-Williams Paints
17. Raleigh Cigarettes
18. Planter's Peanuts
19. Metropolitan Life
20. Kool Cigarettes
21. Fisher Bodies
22. Socony-Vacuum Products
23. Sun Maid Raisins
24. Johnny Walker Scotch
25. Firestone Tires[12]

Now look at the second group of trade marks and trade names. All of them are trade marks of products which were once consistently advertised but for which advertising was stopped for one reason or another. They were as familiar at one time as the first group, but now they are quite vague, if not entirely forgotten. Remember:

1. Dent's Toothache
2. Earl Automobile
3. Goblin Soap
4. Iver Johnson Revolvers
5. Moxie
6. Venus Pencils
7. Wilbur's Chocolate Buds
8. Topkis Underwear
9. French Line
10. Chalmers Automobile
11. Murphy Varnishes
12. Reo "Flying Cloud" Automobile
13. Neolin Composition Soles
14. LaBlanche Face Powder
15. Zu Zu Ginger Snaps
16. Sonora Phonographs
17. Sunny Jim (Force)
18. Sweet Caporal Cigaretes
19. G & J Tires
20. Star Automobile[12]

The point illustrated by this comparison of trade marks is clear. While we are *not* usually aware that we are being influenced by advertising and we rarely stop to consider its importance in moulding our demands for goods, services and ideas, it is so much a part of our life that everyone reacts to it unconsciously.

Specific helps to salesmen

So much for the broad economic functions of advertising. Now let us look very briefly at the specific ways in which advertising may help salesmen. Space will hardly permit more than a listing.

What PRODUCTS Do These TRADE MARKS Represent?


1


2


3

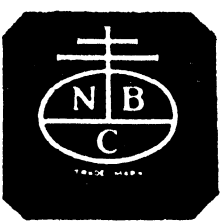


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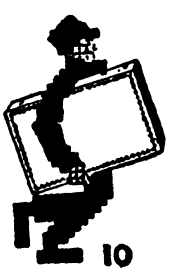


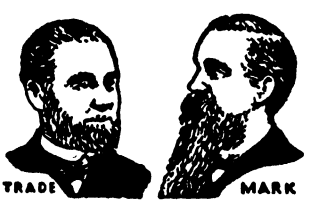
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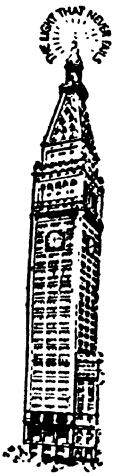

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What PRODUCTS Do These TRADE MARKS Represent?


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14


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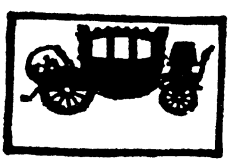


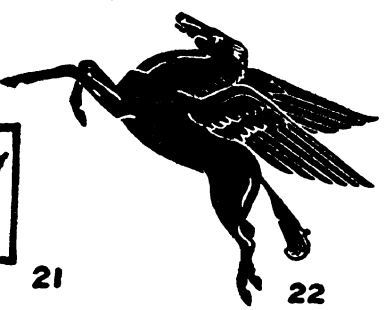
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What PRODUCTS Do These TRADE MARKS Represent?


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Trade Mark 7



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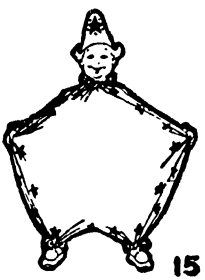
What PRODUCTS Do These TRADE MARKS Represent?

Neōlin

13



14



15

CLEAR AS A BELL



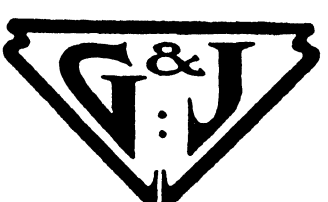
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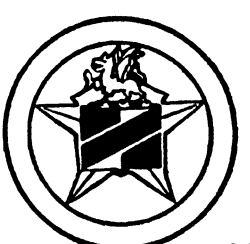
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18



19



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1. Advertising paves the way for you to approach customers. They already know of the product through its advertising and may have developed a desire for it.
2. By following the lead of effective advertisements you may be able to make your own selling talk more effective.
3. Advertising reaches those who may influence the sale but whom you may never be able to contact.
4. Advertising provides a contact with your prospects between your calls and thus keeps your product in their minds.
5. Advertising can be very helpful in confirming the story which you have told your prospect. It adds force to what you have said.
6. Advertising gives you the cumulative value of repetition, a thing which you could not accomplish yourself without annoying your prospects.

Summary

Advertising may be defined as "those activities by which visual or oral messages are addressed to the public for the purpose of informing them and influencing them either to buy merchandise or services or to act or be inclined favorably toward ideas, institutions, or persons featured."

Advertising is one of the ingredients which makes possible the expansion of markets and the introduction of new and improved goods. Thus, it expands the market in which you will be able to sell.

The importance of advertising is indicated by the fact that, in 1940, over a billion and a half dollars was spent by businessmen in the major media alone. Yet this huge expenditure did not result in an appreciable increase in the per unit cost of most goods advertised.

Thus, the salesman should appreciate the importance of advertising and co-operate in every possible way to make it effective. Many cases can be cited in which products which had become famous through advertising have passed into oblivion when that advertising was stopped.

Specifically, advertising helps you in your day-to-day work by: (1) paving the way for you, (2) giving you effective leads for

your own sales talks, (3) reaching the person who influences the sale, (4) providing a contact with your prospects between calls, (5) confirming your story, and (6) giving you the cumulative value of repetition.

Chapter XII

SALES HELPS

by

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IN THE previous chapters you have been considering material designed to give you the fundamentals necessary to success in meeting and influencing prospects. It is not impossible for you to do the entire job by yourself. However, from the viewpoint of efficiency in the selling process as a whole as well as from that of your own self interest, you should not have to bear the entire burden of the sale.

Just as in a military operation the path of the infantry is smoothed and their progress greatly speeded up by a pulverizing blanket of artillery fire, so the path for the salesman is smoothed and his progress greatly speeded up by the artillery fire of advertising in its various forms. Infantry can and sometimes do take objectives unaided but it is a slow and expensive process. The salesman as well as his company is benefited if similar tactics are avoided in the sales process. For this reason it is important for you to know something about the artillery fire which supports you and to understand the importance of co-operating in its effective use. It means more dollars in your pocket as well as greater profit for your company.

I want to discuss one type of your supporting advertising artillery. That type is *sales helps*. I want to show you what kinds of sales helps are supporting your action and how they work with you to put more dollars into your pocket.

We do not find perfect agreement as to just what sales helps

are. For my part, I will define them broadly as *any instrument,* other than regularly scheduled programs of newspaper, magazine and radio advertising, *designed to stimulate or consummate consumer buying.*

As a premise, let us presume that the salesman has already accomplished territorial coverage in the area within which certain sales helps are to be used and, if the product is one which is sold in the country's market places, that he has obtained distribution of the product to the point where it is available at the point of customer purchase, for example, the dealer's counter.

What, then, is the role of sales helps? Broadly, their objective is to synchronize with other advertising operations and with the work of the salesman to bridge the gap between the manufacturer and the buyer. They are intended to afford a bridge over which the prospective purchaser can more easily reach the product. A secondary but vital objective is that of gaining a competitive advantage over other like or similar products *at the point of sale* by getting and holding the customer's interest and attention to such an extent that he will ultimately buy.

Sales helps may be anything which will help create sales. They may appeal to any one, or to more than one, of the five basic senses. For example, a beautiful picture will attract the eye. A radio spot announcement will catch the ear. A swatch of English woolen will appeal to both the eye and the sense of touch. A sampler of cigarettes or gum will arouse the sense of taste. The odor of freshly popping corn around the hawker's sidewalk stand is an eloquent example of a proven sales help.

Generally speaking, sales helps are competitive helps. They must first compete successfully with competitors' sales helps for the vantage points of display or distribution. That accomplished, they are ready to compete for business.

Purposes of Sales Helps

These sales helps may be used to accomplish one or more of the following purposes:

1. Compete for the dealer's patronage by encouraging greater dealer inventories.
2. Compete for the dealer's available display space.

3. Compete for the enthusiasm of the dealer's salesmen.
4. Compete for the patronage of the dealer's customers.
5. Compete for the customer's loyalty and for his word of mouth backing.

Space does not permit, nor would your interest warrant, a detailed description of sales helps which accomplish each of these purposes or a discussion of how they do it. Suffice it to say that if, through sales helps, these purposes can be accomplished, your job as a salesman will be much easier and more productive than it would otherwise be.

We can classify sales helps as to purpose on a somewhat different basis into two groups: (1) single unit, single purpose helps and (2) multiple purpose assemblies.

The single unit, single purpose helps are rugged individualists designed as a single unit to accomplish a specific job by itself. As an example of this type of help I might mention the comprehensive product catalogue which transmits through words and pictures a substantially complete story about a product. Such catalogues can be distributed direct by the manufacturer or over the counter by the dealer. In either case, persuasive copy and inviting illustrations are relied upon to whet the appetite of the prospect to the point of action. In our own general catalogue, for example, we have spared no pains to combine in it the appeal of great color photographs, many illustrations, complete technical data, editorial material from recognized outside authorities, and prices.

The multiple purpose assemblies are a complete package of co-ordinated and interrelated units which, together, are designed to accomplish a well-rounded, multifacet job. This type of sales help can be illustrated by the complete "wrap-up" for a Christmas promotion or the launching of a time payment plan. Such a complete promotion could include advertising reprints, window cards and posters, counter and case cards, special product packaging, window streamers, special package labels, gift or purchase certificates, radio announcements, dealer advertising mats and cuts, suggested dealer letters for direct mail advertising, special company letters to owners, and special literature.

Sales helps are a round-the-clock operation. Such planned pro-

grams are busy programs throughout the year, year in and year out. They consist of certain stable materials which are not dated by the calendar and which can work each day in the year. On this foundation, additional special promotions are built up to take advantage of special occasions and of seasonal events warranting special treatment. Typical calendar dates which see sales helps unfold in special ways are Easter, Mother's Day, graduation time, the back-to-school season, June brides, Christmas, etc.

Types of Sales Helps

In view of the great variety of types and kinds of sales helps it will be useful to make a more concrete and specific classification of sales helps based on the purpose of the sales message or nature of the materials. At first glance the classification given below may appear to duplicate or to contradict the classification on the basis of purpose given above. This is not the case. It will be noted that the above classification was to answer the question, "what does the seller seek to accomplish by means of the sales help?" In the classification below the implied question is, "what is the purpose of the message contained in the sales help itself?" In reconciling the two I might say that a sales help in the form of a merchandise display and storage rack might serve to encourage the dealer to stock a larger inventory in order to fill the display case and make it look well, while the immediate purpose of the display itself would be to attract the attention of the customer at the point of purchase and make him buy the goods. Furthermore, if a manufacturer supplies a dealer with advertising mats and cuts of an unusual nature which are effective in bringing customers into the store and in enabling the salesmen to make more sales, it is likely to serve the purpose of creating enthusiasm for the product on the part of the dealer's salesman regardless of the nature of the message carried by the mats and cuts or of the nature of the material. The classification below should help you as a salesman to understand what the sales helps which your company uses can do for you and why it is important for you to co-operate in every possible way in making them effective.

Reach into home or office and arouse desire

One class of sales help is designed to reach the prospective buyer in his home or office and to create or intensify his desire for your goods. While it may be possible for you to reach only a few of these prospects personally or it may not be practical for you to try to reach them at all, these sales helps are working for you in places which you cannot enter. In a sense this is the equivalent of having a group of junior salesmen working to build up interest in your product so that you may sell it easier. This would seem very much worth while. There are numerous examples of sales helps of this type.

Printed matter—Catalogues, circulars, brochures, handbills and "throw aways" distributed either by the manufacturer or the dealer are meant to serve this purpose.

Direct mail—Letters sent out to prospects enclosing "reminders" such as calendars, blotters, rulers, letter openers, etc., mailed either by the manufacturer or the dealer are of this type.

Samples—Product samples mailed or delivered to the home either by the manufacturer or dealer may be very effective in creating or increasing the customer's desire for your product.

Radio—Radio spot announcements and transcriptions outside the framework of regularly scheduled radio programs may be most effective in creating consumer demand and thus increasing your sales.

Bring the customer to the market place

Some helps are designed to move the prospect from his easy chair to the store or market place, that is, to stimulate final action. It is easy for a prospect to put off buying until he "gets out of the mood" if he is not goaded to action. The following types of sales helps, among others, are designed to accomplish this purpose:

1. Billboard displays
2. Car cards
3. Neighborhood theatre movie announcements and "shorts"
4. Store front and window signs
5. Service, repair, and replacement inducements

6. Contest announcements, with entry forms available from dealers
7. Traveling shows and exhibits, and convention displays open to the public
8. Incentives such as free trial offers, premiums, merchandise coupons, etc.

Contact at point of sale

Another type of sales help is that designed to contact the prospective customer at the point of sale. One of the very effective ways to move goods off the dealer's shelf and thus make possible additional sales for yourself is to provide a powerful sales stimulus while the prospect is in the place where the sale can be completed without delay and while his "purse is open." Any effort which you make to provide and make more effective such devices should prove most profitable. Such sales helps include:

1. Product displays (discussed in detail by Mr. McGhee in Chapter Fourteen)
2. Counter and case cards
3. Animated and/or illuminated displayers
4. Cut-away or working miniature models
5. Literature dispensers
6. "Authorized Dealer" identification plaques
7. Statements of warranty as to the product
8. Attractive product packaging
9. Packaging related items together, at "combination" inducement prices
10. Counter sales portfolios and brochures
11. Easy payment plans

Keep customer sold and sell their friends

A type of sales help which is very important to you in building up an increasing volume of sales is that designed to keep customers sold and to help sell their friends. Here, again, while you may find it impossible or impractical to keep in close contact with all the customers of your dealers, the sales help can do the job for you. Various devices are used for this purpose among the most important of which are the following:

1. Owner magazines
2. Warranty certificates

3. Owner club memberships
4. Automobile plates and stickers (carrying trademarks, slogans, or insignia)
5. Souvenir product miniatures
6. Product lapel pins
7. Data books

Inquiries from general advertising

The merchandising of inquiries directed to manufacturers as a result of general advertising is an important source of sales help often undervalued. If a person goes to the trouble to write to the manufacturer, he is more than likely to be an excellent prospect. In most cases it can be assumed that his interests in the product has already been created. Thus, the manufacturer's general advertising may automatically provide a very practical type of sales help. If the manufacturer is selling direct to users the salesman can use them as a direct source of prospects. If the salesman is selling through dealers, use of these inquiries may be somewhat more complicated but none-the-less valuable. In such cases it may be necessary to separate the inquiries according to the dealer whose territory is involved and to get the names of those inquiring into the hands of the proper dealer and see that he follows them up. These inquiries may become sales harms rather than sales helps it they are not followed up in an intelligent fashion. Hence, a systematic scheme of co-operative activity may be necessary where dealers are involved. The results from this type of sales help can be measured with comparative ease and their value demonstrated.

Trade slogans and copyrighted trademarks

Trade slogans and trademarks serve as sales helps in a more indirect and intangible way than those which I have mentioned above. If, through his general advertising, a manufacturer has identified a particular slogan or trademark in the user's mind with high quality, reliability, or some other desirable characteristics, sales resistance may be greatly reduced. These devices, used in connection with the other types of sales helps, lend weight to their persuasive powers. Would anyone deny the "sales help" of such slogans as "Customized Clothing," "There is

Nothing Finer Than A Stromberg-Carlson," "Kodak As You Go," or, modestly, "Graflex Prize-Winning Cameras?" I think no one would seriously question the statement that these products are easier to sell because of the implications which the slogans carry to users' minds.

Limitations of Sales Helps

It has not been my intention to imply that sales helps are the most important selling device or that they are even entirely indispensable. I simply contend that they are one of several selling devices and that when used with these other devices in the proper way and in the right proportion the efficiency of the entire selling program will be increased.

We should realize that sales helps usually cannot complete a sale by themselves; nor are they designed with that purpose primarily in mind. But they can and do smooth the path for the salesman and increase materially his productivity.

We must realize also that there is some unavoidable waste involved in the use of sales helps. Inevitably, many of them are sent to persons who are not prospects or who do not need the message that they bring. However this is true of the efforts of the salesman himself. Much of his selling time is spent in the presence of those who will not buy. But we do not usually consider that such time is wasted nor that the salesman is useless for this reason.

Further, it is true that in the great majority of cases it is impossible to measure the results of the use of sales helps. Usually we cannot say that any given volume of sales can be attributed to them. However, we have every reason to believe that sales helps act as a lubricant to the sales machine, speeding it up and making it run easier.

In connection with this matter of evaluating sales help you can be of inestimable value to your sales department. The salesman in the field can perform a real service to his company and his product by carrying on a continuing one-man survey of sales helps. If he will carefully appraise dealer and customer reaction to each sales help supplied by his company and search out the reason for failure of those which do not "click," he can make a

great contribution to the success of future programs. While an occasional advertising manager, promotion manager or sales manager might be unhappy to learn from the field that one of his brain children has proven to be a dud, the great majority will welcome such constructive information and will be guided by it. As a matter of fact, it often takes a salesman to uncover the fact that some sales helps have actually become a harmful boomerang in the hands of clever competition. So, frankly recognizing that nothing is infallible, keep an eagle eye on the field acceptance of your own program and that of comparable competitor programs and pass on to the home office every constructive suggestion that will let your company keep its leadership in the field.

Summary

Sales helps may be broadly defined as any instrument, other than regularly scheduled programs of newspaper, magazine, and radio advertising, designed to stimulate or consummate consumer buying.

Sales helps may be used to accomplish one or more of the following purposes:

1. Compete for the dealer's patronage by increasing inventories
2. Compete for the dealer's available display space
3. Compete for the enthusiasm of the dealer's salesmen
4. Compete for the patronage of the dealer's customers
5. Compete for the customer's loyalty and for his word-of-mouth backing

They can also be classed on somewhat different basis into: (1) single unit, single purpose helps and (2) multiple purpose assemblies.

Based on the purpose of the sales message or nature of the material, sales helps may be classified as follows:

1. Helps designed to reach the prospective purchaser in his home or office and to whet his appetite.
2. Helps designed to move the prospect from his easy chair to the market place.
3. Helps designed to contact the prospective purchaser at the point of sale.

4. Helps that keep customers sold, and sell their friends.
5. Inquiries received in response to general advertising.
6. Trade slogans and copyrighted trademarks.

Sales helps are subject to certain limitations. Usually they cannot complete the sales process by themselves and are not designed to do so. There is some unavoidable waste in their use because they are sent to some persons who are not really prospects. Further, it is impossible, in many cases, to measure the amount of sales which they produce.

The salesman can make an invaluable contribution to the effectiveness of sales helps if he will carefully observe the reaction of customers and dealers to these helps and attempt to find out why certain helps are a proven success and are valuable productive sales tools.

Chapter XIII

SALES TOOLS

by

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THE term Sales Tools, as we are using it here, refers to any device or system which a salesman may use to help him sell his product or service. Most discussions of this subject deal with the problem of providing sales tools *for* salesmen. That is of very great interest to sales managers but is probably not a subject which belongs in material addressed *to* salesmen for their immediate use. The opportunity to provide yourself as a salesman with sales tools may be somewhat limited by time or availability, and you will probably use those which management provides. You can benefit from this discussion primarily by considering (1) why the use of available sales tools will increase your earnings as a salesman; (2) what kinds of sales tools are likely to be available to you; and (3) a few suggestions as to the proper use of sales tools.

Why Use Sales Tools?

Some salesmen are inclined to look upon sales tools provided by the home office as nuisances which they do not entirely believe in and do not use very often. They have "their own way of doing things" and are not inclined to change procedure to fit new selling devices into sales presentations. It is too much trouble to learn to use them smoothly and effectively. That such an attitude may interfere seriously with your ability to "bring home the bacon" seems fairly obvious.

The common-sense method of selling

In so far as the use of sales tools is concerned, we can divide selling into two types: (1) strictly oral presentations, and (2) presentations involving the use of the oral-sensory method. If you use the first method you are merely talking to the prospect. You are trying to influence his mind through only one of the five channels or senses which might be used. And we are told that the channel of hearing alone is generally a less efficient channel than some of the others. The individual gets ideas quicker and keeps them longer by seeing as contrasted to hearing. If an idea is put to him through his senses of hearing, seeing and, perhaps, touch all at the same time, the impression made is still greater and more lasting than if only one of the senses is employed. This means that if you rely simply on telling your prospects the sales story you will do a lot more work and accomplish less than if you tell him and also let him see or hear or touch at the same time. Sound judgment demands that you use a method which takes the least amount of work and gets the best results.

What has all this to do with sales tools? Simply this: basically, the sales tools which you will be expected to use are the means of getting your message across through two or more of the senses at once. These tools will enable you to get your ideas to your prospects quicker and more forcefully. Selling with the aid of sales tools is using the multiple sensory method and it will increase your selling efficiency.

Check your own experience in this regard. If you are trying to describe an office form, do you not find it easier to do so if you take a pencil and paper and draw it? Or if you want to show a friend how a certain gadget works, is it not simpler to get the gadget and let him see you operate it and then operate it himself under your guidance? You *could* explain either of these things orally but you do not usually do so for the simple reason that it is easier to make the other person understand by the drawing or the demonstration.

Yet, as salesmen whose livings depend upon getting much more complex ideas across to prospects, we are sometimes in-

clined to neglect the use of sales tools which accomplish the very result I have described. It really pays to look constantly for new and better devices to help us get our ideas across.

You can't remember everything

Some sales tools serve the purpose of keeping before you in printed form, pictures, charts, engineering data, equations, and other information which you could not afford to entrust solely to your memory. For example, our men have an Engineering Data Book which is regularly being expanded, containing chapters on "Materials of Construction," "Mechanical Agitation," "Heat Transfer," "Distillation," "Gas Absorption," "Filtration," "Evaporation," etc.; chapters on process operations in the chemical, food, dairy, and other industries; reference tables giving commonly used conversion factors; units of measure, equivalent gauge thicknesses, mathematical short-cuts; as well as chapters containing other useful information.

If you have such information available and do not use it, you are simply depriving yourself needlessly of the sales ammunition which might be the very thing needed to make a sale.

In Chapter VII, Mr. Noel emphasized the importance of *showing* your prospect specifically and in detail just what your product will do for him. That means that you must have facts and figures available which you can use quickly. Sales tools, such as our Engineering Data Book, or the tables used by an insurance salesman, are designed to enable you to do just that—show your prospects specific facts and do it quickly.

Your product may not be a complicated line of industrial equipment such as our men sell, but it may be a service or other intangible which is equally difficult to present. Sales tools here are equally essential to efficient selling. Some of your "data" may be in the form of a file of testimonial letters. By this means you do not have to rely on the rather lame statement that those who have used your product like it. You can lay before Mr. Prospect the letter itself, perhaps from some one whom he knows. "There it is, Mr. Prospect. See for yourself," is a much more effective way to get your idea across than a bare statement.

I do not think it is necessary to say more about why you should use sales tools. Failure to do so means that you work more and sell less. It robs you of sales ammunition without which you may not be able to accomplish your objective. Plain, hard common sense says: "Use Them."

Kinds of Sales Tools

If you combed the highways and byways of selling you could doubtless find many types of sales tools. However, the great majority of them, and the ones which you are most likely to use, can be grouped under the headings: (1) visual aids, (2) the product itself, and (3) a miscellaneous group which we will call "Props"—stage properties.

Visual aids

Visual aids, generally speaking, are designed to put ideas into such form that the prospect can *see them,* and thus to enter his consciousness through an additional and more effective channel. For example, one of the large tire companies wanted to tell prospects about a production process which impregnated the very fibres of the cords making up the body of the tire, with rubber. They found that when their men tried merely to describe the process the prospects did not get the idea. Therefore, they built a "visual aid" consisting of a tire cord mounted on a board. Starting with the individual fibres of raw cotton, the display showed them twisted into yarn and then into cords, showed the process by which the fibre was impregnated with the rubber, and the resulting insulation of the fibre against heat and wear. With this the prospect was able to "see" the explanation, not just hear it, and was much better able to understand the process and its significance. It enabled a salesman to accomplish in five minutes what he could not otherwise have accomplished at all, even with an hour of talking.

There are many variations of this method which, in effect, *picture* an idea and go far to make the prospect understand it. Whenever you have a complex idea to get across or a detailed explanation which is hard for the prospect to follow, such "picturizations" are invaluable sales tools.

Other visual aids may be designed to summarize and bring together in one place for a bird's-eye view a train of ideas which you have been developing in building up your sales argument. Diagrams, charts, graphs, etc., may serve this purpose and also enable the prospect to get, through his sense of sight, an overall picture of your presentation which he may have gotten only imperfectly from your oral presentation.

Another type of visual aid which is rapidly growing in popularity is the sound film or slides with sound record. These are usually designed to tell a complete story. They may be relied upon to do the entire selling job but more frequently they are used to add to the story the salesman has already told; or the story may be presented in picture form and thus lend force to it; a certain part of the story which the salesman could not effectively put into words may thus be clarified. This device is particularly well adapted to group selling.

A further type of visual aid is one composed of a series of statements, pictures, charts, etc., which you can use, point by point, in your sales presentation to illustrate and add emphasis to what you say. By use of such a device you are letting the prospect absorb each idea both through his ears and his eyes. The easel presentation aids are an example of this type. On the easel is a series of enlarged pages. As you give your presentation you turn over the sheets of cards which give in writing or picturization an outline of the sales points and ideas you are presenting. The same thing may be done by means of a book or brochure which can be placed on the prospect's desk. Devices of this type serve the additional purpose of insuring that you present all the ideas in the best possible way and in the proper sequence.

Your product

A very important sales tool which should be used wherever possible is the product itself. If you are selling overhead cranes or large, chemical process equipment, it will not be practical to bring the product to your prospect. However, the great majority of products can be so handled. Even such items as large equipment may be made into miniature models and used in the sales

demonstration, or the prospect may be taken to a field installation. You will find that no artificial sales tool is half so effective as the product itself in getting your message across to the prospect.

For example, suppose you are selling paper and you want to emphasize the finish and body of your paper stock. What could be more effective than putting a sheet of the paper into the prospect's hand and letting him feel it, write on it, and make erasures on it? Or if you are selling a suit of clothes and are talking about the smart tailoring and fineness of the cloth, is there any better way of demonstrating these points than by putting the garment into the customer's hands and letting him see the way the seams are closed, along with the soft, fine feel of the cloth? "Get the product into the customer's hands" is a common instruction given to salesmen. You can appeal to him through his sense of sight, touch, and perhaps, hearing and smell as well. Then, too, there is the natural desire to get things into our hands to examine them. If a child sees your pocket cigarette lighter and asks to see it he is never satisfied to look at it while you hold it. He wants to get it into his own hands, operate it, and get the feel of it.

Where there are hidden structural features which you want to show, you may be able to use a cut-out model or a model constructed so that it can be easily taken apart for examination; or cross sections of the product may be excellent demonstration tools. For example, the cross sections of tires in the service stations. Manufacturers and distributors of automobiles, mechanical refrigerators, radios, and other consumer durable goods have used their product as sales tools to very good effect. Never overlook a chance to capitalize on your product by using it as a sales tool.

"Props"

Under this heading of "stage properties" or "props," I am grouping a miscellaneous assortment of sales tools which are not necessarily used directly in the sales presentation but which nevertheless increase your ability to sell effectively. I make no pretense of mentioning all of them here but will just suggest

a few of the more important ones of both a tangible and intangible nature.

One sales tool of this type has already been mentioned. That is the Engineering Data Book. Perhaps your data book is not the type which could properly be called an Engineering Data Book but any book containing information about your product or information which may be useful to you in selling will serve as an illustration. You may never show this book to a prospect but by using it and familiarizing yourself with the information which it contains you are likely to be better able to state your case and answer questions and objections.

Your catalog may be another sales tool of this type. You may not use it in persuading the buyer but may find that it is a ready source of information which is very useful to you in answering questions as to specifications, price, terms, etc.

Other miscellaneous props which may prove most helpful as sales tools are files of testimonial letters, pictures of the product in use, lists of customers, etc.

One of the important props which can be used as a sales tool, but often is not recognized as such, is the order blank. It can be as great a help in selling if properly used as it may be a hindrance if improperly used. The part which the order blank may play was pointed out by Mr. Collister in discussing techniques for closing. You must, of course, get your order blank out where the prospect can see it so that he will not shy at it when you pick it up. You have it in a convenient place within easy reach. When you have reached the point where you are discussing the type, style, quantity, etc., which Mr. Prospect may want, you can casually reach over and start jotting down the items on the order blank, much as though you were merely making a routine record. Yet you very soon have the order blank filled out which may be a material aid in closing the sale.

A sales tool of an intangible nature which might well be mentioned here is self-analysis and education. If we define a sales tool as a device or system used to help sell goods, certainly this process should be included. In discussing Sales Reports in Chapter XXII, Mr. Fassett outlines a type of report which is most helpful in intelligently analyzing your strong and weak

points. The more you know about your product, its manufacture, and the business of your customer, the better able you should be to produce sales.

Another of the "props" which may be very helpful is the system of records which you keep. Your record of calls and the proper time to call back, your write-up of the status of each prospect and the little things about his peculiarities, abilities and needs are most important in enabling you eventually to sell him.

Use of Sales Tools

Since there is such a wide variety of sales tools, it is obviously impossible for me to give any specific instructions for the use of particular ones. There are, however, a few general instructions which may be helpful in using sales tools.

Develop skill in using them

Sales tools may become monkey wrenches in the machinery if they are not skilfully used. If you are using demonstration equipment and have to fumble and work to get it going properly, you may well detract from the effectiveness of your demonstration rather than add to it. You should be sufficiently familiar with your data books so that when you start to get some information for a prospect you can turn to it without a lot of looking and wasting time. If you are using a demonstration kit, practice until you can go through with the demonstration without the slightest hesitation. In case you are using a sound movie or slides with sound records, be sure that you will not be embarrassed by not being able to operate it properly.

Knowing how to use your sales tools means more than simply the ability to operate them correctly. It means that you must know at what point in your presentation they can be used most effectively. Timing is important here as in most other activities. This you must learn for yourself or from your sales manager or supervisor.

Your order blank may be a useful sales tool but it can become a boomerang if you whip it out and flash it in the customer's face as though you were drawing a knife on him. Truly, it might

have almost the same effect. Your testimonial letters can be of greatest use to you if used at the time when the prospect is thinking that your product sounds mighty good but that he does not want to make a fool of himself by buying something that others were smart enough to avoid.

Watch the appearance of your sales tools

The organization and appearance of your sales tools, those which you use in the presence of the customer, will also effect their usefulness. You are the Company to the prospect, and if your equipment is messy and poorly organized it may be reflected in his opinion of the Company. Most things which get dirty can be washed or cleaned. Or if this is not practical they can be replaced with clean, fresh equipment. Avoid, if possible, putting dirty, dog-eared, worn sales tools before your prospect. Replace books, pamphlets, brochures, etc. when they become dirty and crumpled. Keep your equipment clean and neat where it is not practical to replace it. You will find that this pays worthwhile dividends.

Another factor important to the appearance of your sales tools, as well as to their effective use, is neat, orderly arrangement. It is most disconcerting to the prospect as well as to yourself if you have to scratch around in your brief case or sample case like a hen in a lettuce bed. Your sales presentation may not always follow the same routine but you should be able to tell the order in which you will usually want to use the various items. Arrange them neatly in this order in your brief case so that you will have no trouble putting your hands right on them at the time you need them. If you have samples to show your prospect, use your ingenuity to find some neat, orderly way to display them effectively. It does not add to the effectiveness of your selling if you dig into your sample case and scratch out a hodge-podge of samples and then hurriedly try to put them in order. Each kind of product may require different treatment in presenting samples but a little thought will indicate some way in which an orderly presentation can be made.

Summary

Sales tools may be any device or system which a salesman can use to help him sell his product or service.

It is to your interest to use the sales tools with which you are provided. It gives you a chance to influence your prospect's mind through more than one of his senses and to reinforce your sales message. They may also be valuable tools in enabling you to have before you the necessary facts and to make possible the presentation of your ideas in the proper order and in the most effective manner.

Sales tools include (1) Visual Aids—such as product cross-sections, diagrams, charts, sound films or slides, easel presentations; (2) Product Display, namely, the product itself or models; (3) "Props," such as engineering data books, catalogs, order blanks, self-analysis and education, record systems.

In using your sales tools it is important to develop skill in handling them so that you can use them easily and without delay. It is also important for you to learn when or under what conditions it is most effective to use them.

The appearance of your sales tools may also influence their effectiveness. Keep them clean and neat. Organize them in their container so that you can get to them quickly and easily when you need them.

Chapter XIV

PRODUCT DISPLAYS

by

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A GOOD landing," fliers used to say, "is one you can walk away from." I do not know about that, but in business a good sale is not just a big bill of goods or an order that will show that bunch back at the office what kind of man they got when they got you. No, a good sale is one you can come back to—and make another.

You have to sell. You are out there for that purpose and if you do not sell, the chances are you will not be out there long. But, in selling to retailers, particularly, if you simply load the dealer up with your goods and, if he is still trying to find his way around cases of your merchandise in his stockroom when you come back—well, you are through! To be sure, you may occasionally find competitive situations which demand such tactics.

To sell on that second and third and following call, to be a good salesman over a long period, you must make merchandising work for you. You must move your goods out to the public and make room for more on your next call.

You want your dealer to support your goods, to advertise them, push them, get his organization behind them. But when you realize that the grocery store handles thousands of different items, the average drug store is supposed to carry about 60,000 items, and a department store probably hundreds of thousands, you can see that it is a tough job to get a retailer excited about your goods alone.

One of the things you can do, however, is to take advantage of the tremendous sales possibilities offered through the effective use of product displays. These are silent salesmen continuously at work for you selling your merchandise day in and day out in your dealer's store.

You will be in daily contact with them in practically any field of retail selling in which you participate. They vary from that little gadget which induced you to buy a box of razor blades when you came in only for a nickel cigar, to that handy rack of a half dozen Coca Cola bottles that is as easy to carry out as a single bottle. It probably all started way back in the Stone Age when someone—possibly the first salesman—took an extra special rock and set it apart from all the others to tempt his brethren. At any rate, it has been going great guns ever since. Today it is a field of its own governed by the rules of scientific and academic logic, but wholly dependent upon simple human reaction.

Any business library contains innumerable books on the subject but we will limit our discussion to the interior store displays and window displays with which you will be most directly concerned, and eliminate other important phases of product display, such as product design, packaging, etc. I am speaking now of the product displays you as a salesman will be asked to promote, or set up, or induce the dealer to accept for your company. Such a product display must always be a three-way proposition. It must accomplish the manufacturer's purpose or the display would not have been produced in the first place. It must satisfy the dealer that it will sell more goods or he will not devote valuable space to it. And it must produce the urge to buy on the part of the customers or neither of the other two purposes will be accomplished.

There are many kinds and types of these displays. Floor stands that hold dozens of packages of breakfast cereals in the grocery store, film cabinets on the counter of your drug store, the cash register rack filled with tempting pieces of candy just under your hand when you receive your change at the counter. There are likewise many reasons for putting out these displays: to stimulate the sale of a particular item; to introduce a companion

item; to departmentalize a section of a store and bring fountain pens into one section, for example, rather than have them scattered throughout various places in the store. Or, they may be produced for strictly utilitarian purposes as in the case of a film cabinet which in addition to displaying film provides the clerk with specific information regarding film sizes, prices, etc., at the time and place he gets the film for the customer.

All these items, together with effective design, selling appeal, construction, and cost are of vital concern to the manufacturer. He formulates his plans, apportions his costs, and works out deals and supporting publicity with the idea that his displays will be both effective and profitable. And, incidentally, he invests plenty of his company's money in them with that expectation. All product displays cost real money, and for this reason you can depend on it that plenty of forethought has gone into their creation before they come to you. Chances are you will not be too concerned with this preliminary work. But you should be familiar with it so that you will understand that there is a definite, specific, and important purpose behind the displays you are asked to promote even though at times you may personally feel that they are a waste of time and money. You may not understand at first why they have been produced, so it is always wise to accept them as a necessary and vital part of a plan and give them your enthusiastic support.

Getting the dealer to display your company's product is not only a necessity so far as your home office is concerned, but it is good business for you, too. Volumes of proof from sales records point clearly to their worth. Your activity along this line cannot help but show up in increased sales volume for you. Some of the displays your company may produce will be sold without merchandise at part or full cost to dealers. Others will be an integral part of a deal or assortment. Still others will be outright "give aways." Keep your accounts posted at all times on everything your company has to offer in the way of product displays. Size up your customer's store. Suggest to him the items you feel will be of help. Show him where they will fit best and explain to him the advantages of using them. At the same time, judge for yourself where the best sales locations are. Try to get

the jump on competition for that space, or replace a competitive unit by showing why your unit will do a better job.

The best store space, by the way, is where the traffic is the heaviest—near the door, by the cash register, on a busy counter, or at an important aisle intersection. The best height is between waist-level and eye-level.

You may find that while trying to get space you are bumping into difficult situations. Your competitor may be offering a premium for displaying his product. Or he may be offering a free display in place of the one for which you must charge. Well, you are a salesman and the same rules of salesmanship that apply to selling your product apply here. If you can show him a better reason for using your display he will use it. After all, his store space is his livelihood. The better it "pays off," the better he prospers and the better you prosper too. In all probability the display you are offering will be of direct assistance to him. It may provide an orderly means for displaying your product. It may bring an item down from the shelf and place it on the counter. It may demonstrate a hitherto little known method of using your product and therefore induce extra sales. Or, it may serve only as a reminder to buy at the point of sale. Whatever the purpose, make sure your dealer knows about it, and knows what it will do. He is as anxious as you to make effective use of his store space.

Some dealers will go to considerable lengths to provide their own product displays. Notice this when you are in his store and be sure to compliment him if your product is involved. If it is a good display tell him so. To do so will create good will for that extra space you may need to ask him for later on. If it is a poor display and does your product an injustice or shows it to its poorest advantage, use tact. Thank him for the space and tell him you appreciate his giving it to you. Then suggest how he might improve it or interest him in a display you may have to offer him. Remember one thing, though, that he is actually *giving* you valuable space. He does not have to; he might just as well give it to your competitor. So do not look a gift horse in the mouth.

There are generally two methods of distributing product dis-

plays to dealers. One is through the customary order blank system; the other through personal distribution. The procedure for the first is more or less automatic. In the case of personal distribution you will receive and be asked to distribute quantities of displays, racks, or fixtures. Nothing will irritate a dealer more than your coming in, pushing his merchandise aside, and installing your display without his permission. It is not only discourteous but immediately puts him on the defensive. Always show the item to him first. Tell him what it will do for him; then get his permission. Take an extra minute or two to rearrange the merchandise you have moved to make the installation, and clean up any dirt or mess you have made. Of course, when rearranging the merchandise your goods inevitably will wind up in front.

Occasionally, your company may ask you to distribute displays that seem too bulky to carry, too unimportant to worry about. Do not disregard them. After all, as I have said before, they represent a lot of money and a lot of thought, and if put to use, will do their job. The least you can do is to give them the chance to work. For once installed, the display will be your silent salesman in that store as long as it is active. For this reason, a follow-up check on your later visits to see that the displays are clean, orderly, and amply stocked is most worth-while. It is better not to have any display than one which is dirty, broken, or out of stock. More often than not, a dealer will welcome your offer to bring such displays up to date.

As a rule, the effectiveness and pulling power of a product display is determined in advance by your company insofar as that is possible. However, you will be on the firing line where you will observe these displays in action first-hand. You actually see how customers react to them, how the display stands up to competition, how acceptable the unit is to the dealer, whether or not it is properly constructed to withstand the usage it gets. You can, in all probability, do two things about it: (1) make mental notes about your observations and forget them, or (2) report back to the advertising or sales department and tell them everything you know about the display and the reasons for its success or failure. The difference is the difference between a

salesman and an order taker so far as the individual is concerned. It is the difference between having little working information and a wealth of first-hand experience on which to draw when preparing future displays so far as the company is concerned.

I cannot stress too strongly the need for this sort of information. Some companies provide their men with check charts to supply the answers. Other companies hire independent experts to make field observations and report their findings. But in neither case can the information be so complete or accurate as your reports. Through your daily contacts you are in a position, too, to see new display ideas when they first hit the field. You may find the key to a competitor's plan through a display that has been recently distributed. Frequently you will have ideas and suggestions of your own. By all means send them in and help your company, your dealer, and yourself. It is only through the accumulation of a great fund of experience that a company can plan its displays carefully and wisely to avoid all the pitfalls of consumer and dealer reaction. All product displays are basically "selling aids." Since you are constantly in the field seeing the reaction to displays, it is only natural to expect that you will have good ideas on how to make them effective. These opinions or ideas or observations will be of no value to anyone unless you take the responsibility of telling the right people about them. Some of the most successful salesmen I have known have always made it a point to analyze consumer reactions and recommend suggestions not only for product displays, but for all types of displays, advertising, and selling as well. I know personally what a tremendous help these suggestions can be.

We have covered briefly some of the reasons for product display, some of the forms it takes, and what you can do about it. I have not included in this story any statistical reports indicating the influence of display upon sales. There are many startling stories in the record. Some of these may not be authentic as the first glance would indicate. The sale of merchandise with the display may have been coupled with an extra discount. Or it may have meant the reintroduction of a product after a temporary absence from the market, or may have been the result of a

particularly extravagant display unit. Some of these factors and others becloud the statistical data. But even the most conservative must and will admit that product displays, "the silent salesmen," are an important factor in moving goods to the retailer and then to the public. Therefore, it is our job as salesmen to get these units into the stores, well placed and with a selling story that will make it hard or impossible for the next man to move our product from our chosen place in favor of his.

Window Display [1]

In discussing window display, space and circumstances will not permit more than an outline of a few general principles which may serve you as a general guide in any window display work which you may be called upon to do. If this is an important part of your work you can find detailed discussions in any of the specialized books in this field.

Window display is one of the most effective and economical means of selling available to retail stores. You buy the window space when you buy or rent your building. The cost must be met in any case. It is plain common sense to offset this cost by efficient use of the windows.

In window display you can use all the tools available in printed advertising—copy, illustration, color and design—and have in addition a factor not available in any other form of advertising, i.e., the third dimension. It has been estimated that on the average twelve per cent of the cost of the average retail site goes to pay for the window display space. A store cannot afford to neglect it. There are swarms of people on the sidewalks, most of whom like to window shop. Radio, newspapers and magazines have been telling them about various goods. Window display should take advantage of this fact to call their attention to the goods at the point of sale where they can obey their impulse to buy the goods about which they have heard and for which they may have a latent desire. This form of advertising can be very effective if properly used. Too often the merchant, particularly the small merchant whom you are most

[1] For this discussion the writer has drawn liberally from ideas contained in *Window Display for Profit*, Wm. Harrall Leahy, Harper & Bros., New York.

likely to be called upon to help, looks upon his windows as just so much extra space to fill up. If so, fill the space up for him—with your goods—and increase your own sales possibilities.

According to Leahy, here is what effective window display can do for a store:

1. Sell goods
2. Stimulate demand for goods people would not otherwise desire
3. Sell the public on the values offered by the store
4. Increase public respect for the value of the store to the community
5. Reflect prestige
6. Educate the public to new styles, and also the new uses of merchandise
7. Tell the public where merchandise that has been advertised can be bought

Most store windows are designed either to sell goods or to build prestige, with the former predominating in the smaller stores.

The functions of a display window

The functions of a window display are the same as those of any other type of advertising. A good window display must: (1) attract the attention of those who pass it, (2) create interest in what is being displayed, (3) arouse a desire for the merchandise, and (4) cause the passerby to take action, that is, to come into the store and buy.

ATTRACT ATTENTION. This is comparatively easy to do. You can catch the attention of people by unusual lighting effects, splashes of color, motion, and artistic arrangement. However, your purpose is to create sales and not merely to attract attention. Unless you can secure the attention of prospective customers in such a way as to make it possible also to create interest and desire, you have failed in your purpose. Freakish methods of attracting attention may draw the prospect's attention to the device itself and not turn their interest to the display.

CREATE INTEREST. To create interest in the display is a more difficult task. Once the attention of the passerby has been

secured the lines and make-up of the background or the goods themselves should guide his eye to the goods and to the copy, if any, on the display cards. The beauty of the arrangement or the realistic nature of the display should be relied upon to change the casual glance into interest in the subject matter of the display. Displays which make use of matters of current interest are usually effective. The football motif in the fall, the picture of the local baseball team, the window centered around the flower garden theme in the spring, etc., can be relied upon to be quite effective in creating interest. You are merely playing up something in which most people are already interested.

AROUSE DESIRE. Up to this point the interest of the onlooker has been impersonal and not connected directly with the merchandise being displayed. Now the appeal of the display itself must assert itself and make the prospect want the goods at which he is looking. The grouping of the merchandise in such a way as to point up its good features may have this effect. Or, showing the goods in a realistic situation and in use may create the desire. Simply arranging colors, decorations, etc., in such a way as to enhance the beauty of the article and make it appear more desirable may turn the trick. By some such means the window shopper is made to center his attention on the goods and to realize that they are desirable to him. To the degree that this is accomplished, the next step is easy to carry out.

CAUSE ACTION. This is the most difficult step of the four to accomplish and no merchant expects to be successful in this respect with all passers-by or even with a majority of them.

If the desire for the goods created in the prospect is sufficiently strong, the matter of action may be automatic. The shopper simply goes in of his own accord to look at the goods and, perhaps, to buy them. It is often desirable, however, to call the window shopper's attention to the action desired. Window cards by the display may carry such a message as "On Display In The Men's Department" or "Special Demonstration Today Only," which may furnish the added stimulus needed to create action.

Principles of window display

Since a detailed treatment of window display technique is impossible in this discussion, I will summarize some of the more important window display principles and facts.

1. Cleanliness and a well finished appearance are essential to creating a good window. Glass, floor, woodwork and fixtures should be clean and free from dust. Scaly or scruffy paint and lack of varnish are inexcusable and can kill the attractiveness of the display.

2. Adequate lighting is essential for the most efficient use of a window. See that lights are large enough, that globes are dusted and reflectors in proper condition. A well lighted window, kept going at night can attract many additional customers.

3. An adequate stock of pedestals, plateaux, tables, glass shelves, etc., are important in getting variety and in presenting the most attractive possible windows.

4. The size of the window is less important than the way it is used. Do not fill up the window with a miscellany of small objects. If many small objects are to be featured, group them into related displays. While large displays are often necessary, it is obvious that the fewer the items in the window the stronger each can be made to stand out.

5. High narrow windows can be given a wider appearance by the use of horizontal lining in the decorations. Likewise, long, low windows can be made to look higher by the use of vertical lining.

6. Be careful in the selection of goods for the window. They should not be soiled or damaged in any way as this naturally gives a bad impression. Use perfect merchandise and arrange it carefully.

7. Plan the center panel of the background first and build the display around it. This is essential if you are to get the proper setting for the merchandise.

8. At least one show card should be used to carry your message to those who are a bit slow on the "up-take." The size of the show card and the price tickets should take the size of the

goods being displayed into consideration so that they will not look out of proportion.

9. Make your windows timely. Try to capture the spirit of Christmas in your Christmas windows. At Halloween time build your windows around cats, witches, and jack-o-lanterns. If the local firemen are coming in for a lot of favorable publicity, use that motif in your windows. Initiative and imagination are great assets in this respect. Try to "get there fustess" if not "with the mostess" in featuring timely events. It is better to have other stores follow you than to lead you in your window decorations.

10. Make effective use of color. Remember that color can be most effective in attracting attention. It can also alter the impression which goods make. Learn the symbolism of color and the effects which different colors can have upon the appearance of goods.

11. Capitalize on national advertising by tying up your windows with national campaigns. By doing so you are cashing in on the interest which the manufacturer's advertising has created and increasing the pulling power of your windows.

12. Change your windows regularly. I have seen windows left until the materials faded from the sunlight. Your windows should be changed at least every two weeks, and oftener if possible.

Summary

Your success in selling for re-sale depends to some extent on the ability of your dealers to sell the goods you sell them. Good product display can help you earn more by helping your dealers sell more. You should realize this and use the display materials given to you in the most effective manner possible. It is worth your while to use salesmanship in selling the dealer on your display material just as it is in selling him on your goods.

You can aid your company and yourself by reporting back to the man in charge of such displays your observations on their effectiveness and on their strong and weak points.

Window display is an important part of product display. It is space for which the store must pay in any case and the most effective use should be made of it. Windows can accomplish a

variety of functions, most important of which are, to sell goods and to create prestige.

A window display should perform the same functions as any other form of advertisement: (1) attract attention, (2) create interest, (3) arouse desire, and (4) cause action.

Some of the more important principles of window display are:

1. Keep the windows clean and in good condition.
2. See that they are adequately lighted.
3. You need an adequate stock of display fixtures for best results.
4. Do not pack windows with a conglomeration of small objects.
5. The appearance of the shape of the window can be altered by lining in the background.
6. Select perfect merchandise for display and arrange it carefully.
7. Plan your center panel first and build the display around it.
8. Use at least one show card to carry your message and keep its size in proper proportion to the articles being displayed.
9. See to it that your windows are timely.
10. Make the most of the use of color.
11. Capitalize on national advertising by following it in your windows.
12. Change your windows regularly and frequently.

Chapter XV

SALES LETTERS

by

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AND

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IT WOULD be idle for me to hope, and vain for you to expect, that the entire field of "Sales Letter Writing" could be completely covered in this short chapter. Letter writing is both a science and an art and, as such, requires study and practice. It is a science because its successful performance follows definite rules and specifications. And an art because it is a medium for the full expression of its creator's personality and individuality.

This discussion will not deal with the entire field of sales letter writing. Under this heading are included the various promotional efforts to sell goods and services by mail. Definite techniques for writing such letters are outlined at great length in other books. For these technicalities I refer you to such sources.[1]

The average salesman rarely attempts this sort of writing. But

[1] Walter K. Smart, *Business Letters.* New York: Harper & Brothers.
H. A. Burd, and C. J. Miller, *Business Letters—Their Preparation and Use.* New York: McGraw-Hill Book Co.
William H. Butterfield, *The Business Letter in Modern Form.* New York: Prentice-Hall, Inc.
Earle A. Buckley, *How to Write Better Business Letters,* New York: McGraw-Hill Book Co.
L. E. Frailey, *Smooth Sailing Letters.* New York: Prentice-Hall, Inc.

frequently he does find it necessary to write to his customers and prospects. These informal sales letters should reflect the same selling effort that he applies in his personal calls. Much good can be accomplished by the right kind of letters. And as much harm can be done by the wrong kind.

If this discussion makes you realize that there is more to writing a letter than merely putting a certain number of words on paper, it will have served an important purpose. From there, you can go into the subject as deeply as you wish. The more you know about it and the more you practice what you know, the better will be your results. It is strictly up to you.

I have listed a number of books on letter writing. While there are many others in print, those listed were freely consulted in preparing this chapter. Any one of them will give you a fund of useful information on the subject.

Mechanical Factors in Good Letter Writing

It is assumed that you will always observe the rules of good English. Many letters sparkling with originality, cleverness, and appeal, fall flat because of poor spelling, bad grammar, incorrect punctuation, or faulty construction.

Spelling

Your reader will assume that poor spelling results from one or both of two causes: ignorance or carelessness. Do not give him reason to accuse you of either one. In these times when a good pocket dictionary can be purchased for as little as twenty-five cents, there is no excuse for poor spelling. If you have no such help available, and are doubtful about the spelling of a word, do not use it. Read over your finished letter to look for misspelled words.

Grammar

Mistakes under this heading may also spring from ignorance or carelessness. Be careful of those weasel words "will" and "shall," "should" and "would," "can"' and "may." Always use a plural verb with a plural subject, or vice versa. If there is

any doubt, change the construction of your letter so that you avoid the use of the questioned word or phrases.

Punctuation

Use punctuation marks only when needed to make a sentence clear and understandable. If you are not sure of the correct use of marks such as the colon, semicolon, quotation marks, and parentheses, do not use them. If you stick to the comma, period, and question mark, there is seldom any possibility of serious error.

Construction

Involved construction often results from using long sentences. A study of business letters shows the average sentence length to be 20 words. Use shorter sentences than this if you can. Long, loose sentences result from lack of clear, concise thinking. It is easy to do if you are not careful, particularly in the case of dictated letters. Such long sentences present a difficult problem for the reader to untangle. His normal reaction is to throw your letter in the waste paper basket.

Question what you write

Before you send out your letter, it is well to ask yourself a number of questions about it. Have you written a really complete and satisfying answer? Are all the customers questions answered? Is your letter friendly, courteous, sincere, and to-the-point? Will it bring your customer closer to you and your company? Is there anything in it that might antagonize him? Can you shorten it without making it less complete or less friendly? Is it attractively set up and inviting in appearance?

Details to remember

A number of factors go to make up a good letter. You might check yourself by asking these further questions:

Does Your Letter Invite Reading? Is the paper of good quality and the mechanical makeup correct and in good taste? Is it neatly typed and free from erasures? You and your company

may be judged by the first impression the letter gives. See that it is a good one.

Is it Confined to One Subject? Many letters attempt too much. If you have three different projects to discuss by mail, it is usually better to cover them in three separate letters. If you try to do it all in one, the possibilities are that some parts may be delayed in reaching the proper individual.

Are the Paragraphs Short? Avoid long paragraphs. They are hard to read. In general, each subject should be covered in a separate paragraph. If the subject requires more than four or five sentences, it is better to break it up into two or more paragraphs. This is a matter where judgment must be used.

In a long letter of two or three pages, the paragraphs may be longer than in a short letter of half a page. When in doubt, stick to the short paragraphs in the interest of easy reading.

Are the Sentences Simple? As in the case of the paragraph, a short sentence is better than a long one. Compare these two examples:

> We regret very much to advise you that it will be impossible to make a four-piece suit from the material you selected from our Mr. Jones, due to the fact that there is not quite enough goods left in the piece.

Forty-two words. Too long for any one sentence. Note how much easier the following reads:

> We are sorry that we cannot cut a four-piece suit from the material you selected. There just isn't enough goods left in the piece.

Twenty-five words. Much easier reading. Compare your letter with a spoken conversation on the same subject. Note how much longer the written sentences are likely to be. Shorter sentences sound more natural. Strive to convey your written ideas that way.

Is the Signature Readable? Make it a rule to have your name typed at the bottom of the letter. Then sign just above it. That will save your reader from trying to guess who the writer is.

Are Superlatives Cautiously Used? Be sparing with superlatives. Perhaps your product is not really the best in the market

or in the world, so be careful not to say so in those exact words. Avoid words like "enormous" or "tremendous" when you mean "big" or "large." The national debt is enormous, and the present war is a tremendous struggle, but lesser matters can get along with more moderate descriptive terms.

Is the Letter Free from Obsolete Words or Phrases? Avoid time-worn and out-of-date words and expressions. For example, "beg to advise," "pleased to state," "contents carefully noted," "your favor," "10th instant," "would say in reply," "trusting to be favored with your order." Such terms make your letters stilted and old-fashioned. Never use them. Never! Imagine yourself carrying on the following conversation with your wife:

> WIFE: Did you have a hard day at the office, dear?
> HUSBAND: In response to your query of even date as to my day at the office, regret to say that business matters were pressing and I am very tired.
> WIFE: Come on, dear, dinner is ready.
> HUSBAND: Answering your statement concerning dinner, beg to advise that it will be five minutes before I can act on your suggestion owing to the fact that I have just lighted a cigar. Regretting my inability to comply promptly with your request, and trusting that the delay will not seriously inconvenience you.

Try to picture what the little woman would say at this point.

Make Your Letters Concise, Complete, Courteous

Concise

There is no general rule as to how long a letter should be. It can be said of letters, as it was of women's skirts: they should be long enough to cover the subject—short enough to be interesting. A salesman can talk himself out of an order. So can a letter. Know what you want to say. Say it. Stop.

Complete

Make your letter complete. Be sure that you do not need to write a second letter to explain the first one. Your customer may raise two or three separate and distinct questions. Be sure you

answer all of them. If you cannot answer them all, say so—don't just ignore them. Analyze the inquiry first and plan your reply. Answer the separate questions in the order they appear in the inquiry.

Courteous

If the use of "please," "thank you," "pardon," "we are sorry," "we apologize" will make your letters sound more human or friendly—use them. They are not expensive. Keep in mind that you are trying to make friends for your company.

The Tone of Your Letter

Be natural and friendly

Above all, your letters should be natural and friendly. Surely you would not tell a buyer that you "will endeavor to ascertain" if delivery can be made in less than four weeks. You would tell him that you would try to find out. Then why not use the same words in your letter? When you walk out of a man's office, you would hardly say, "Trusting to have the pleasure of your continued patronage." The man would think you were slightly touched in the head, and rightly so. Yet many a letter is closed in exactly such stilted fashion.

One of the surest tests of a letter is to read it aloud. See if it sounds natural. See if it might be your own conversation were your customer or prospect right across the desk from you. If it does not sound like you talking, write it over. Be friendly and informal. Don't say,

> "We have received your letter of January 31 and the order for gadgets enclosed therein, which will have our prompt attention."

It is much better to say,

> "Just as soon as your order of January 31 came in, we took immediate steps to prepare the gadgets for shipment."

Be sympathetic

Tell your story with the customer's advantage in mind. Remember—it's what your prospect or customer wants that counts —not what you want to tell him.

If you must disappoint him, do it as gently as possible. His reaction is likely to be in kind. Here is an example:

> "This is to inform you that the machine we had scheduled for shipment on the 6th cannot be delivered until next week owing to the fact that the special attachment which you ordered cannot be completed until that time."

Your customer is likely to say, "these people never send anything when they say they will." How much better to soften the blow like this:

> "The machine was promised tomorrow, and until today we fully expected to be on time with delivery. Unfortunately, the special attachment you ordered is taking longer to finish than we anticipated. I am afraid that it will be early next week before we can make shipment.
>
> "Rest assured that everything consistent with high-grade work is being done to rush it through. You can safely expect the shipment will reach you by Friday at the very latest."

Your reader's reaction is more likely to be, "Well, a few days more won't make much difference, and they certainly seem to be doing their best."

Be human

Even if you are sending out a form letter, and the reader knows that it is a form letter, he will still prefer one that has the human touch. Here is a gem sent out by a large hotel to acknowledge a request for reservations:

> "We are in receipt of your kind favor of recent date, and thank you for the reservation contained therein, which we have booked in accordance with your valued wishes.
>
> "Assuring you of our appreciation of your kind indulgence and looking forward with extreme pleasure to your esteemed patronage, we beg to remain."

Fifty-two words. And as dead as a dried herring. The traveler would have a far better feeling if the letter read like this:

> "Dear Mr. Smith:
>
> "We are mighty glad you are coming to stay with us a while. We have set aside a comfortable room, and will do all we can to make you feel at home."

Thirty-two words. And written as if the hotel really wanted to do something for the prospective guest.

Be calm and reasonable

Never write an angry letter, no matter how justified you think you are. Perhaps you have received a nasty, insulting letter without provocation. Your first reaction is to write a sizzling reply. Don't do it. You might get the best of the argument, but the chances are you will lose the customer. And, after all, the customer's good will is worth more to your company than your personal satisfaction in telling off the purchasing agent or claim adjustor or whoever sent you the nasty letter in the first place.

It is very likely that he regretted writing it after it left his office. Your sending him a scorching reply will fan up his resentment. On the contrary, if you write him a calm, reasonable, and friendly letter, you can very likely clear up an unsatisfactory situation and keep the customer on your books. What is more, he will think well of you for displaying a sane attitude under difficult conditions. The gain is all on your side. You lose only the momentary satisfaction of exchanging blow for blow.

Avoid expressions like the following:

> "We have written you several times and have not had the favor of a reply."
>
> "We are at a loss to understand why our explanation has failed to clear the matter up."
>
> "We cannot understand how you could make such a claim."

Such statements at once put the reader on the defensive. He is no longer open to your later arguments. A letter that does not build good will should not be written. Remember—the cus-

tomer may not always be right, but he thinks he is. Never quarrel with him.

Be customer minded

Carefully size up the needs of your prospect, and answer his inquiry in terms of the advantage of your product or service to him. Keep yourself out of the letter as much as possible. At least two-thirds of your letter should refer to the reader, and not more than one-third to you.

Try to picture the reader of your letter. How is he going to react to your arguments? What will appeal to him most about your product or service? Build up that angle in your letter.

In presenting sales arguments, avoid reflection on your customer's present equipment or means of doing business.

Do not say,

> "That old-fashioned gadget of yours is losing money for you every day in the week."

You are likely to antagonize the reader by criticizing his judgment in still using the old gadget. It is better to say,

> "Just last week the H. A. Smith Company told me that they had reduced their costs by 20% since they installed our new 'Little Wonder' Gadget."

Such a statement is more likely to arouse favorable action.

Reports

I cannot resist saying a few words about salesmen's reports in connection with writing letters. This is a vital part of your written work as a salesman—at least as important as any correspondence you might have with the trade directly.

It costs your company money for every call you make. They deserve a fair return on their investment in you. A prompt and well written report will be a long step in this direction.

Your report to the home office is your principal channel of communication with the company. It is your best means of conveying to the company the needs, suggestions, and criticisms of the customers in your territory.

To your company it is the daily communiqué from the front. It tells of the progress of the battle with the competition and how the company is coming out in the struggle for business success. Indirectly, the report is an important means of forming judgment of the salesman's worth to the company. For this reason alone, it is well worth time and effort on your part to make the daily reports more informative and worth-while.

Like the letter to the customer, the report should be brief but complete. The sales manager is not interested in the color of the customer's hair, or his taste in haberdashery, but he is vitally concerned with his buying habits and preferences. The first report on a new contact should give a word picture of the prospect's character and method of doing business. Your headquarters will find this a valuable guide for the future. In the case of calls on regular customers, your report should not fail to mention any recent purchases in competitive lines. And why the purchase was made. Advance notice should be given of any proposed expansion of the customer's business which might be reflected in larger purchases in your line.

The report should be on time. If you expect the home office to take some action for your prospective purchaser, it is up to you to inform them promptly after your call. If your report is four or five days late, it is not likely to appear as important as if it turned up the morning after your contact with the prospect. Few things will irritate your home office more than a request on your part for super-prompt action in a report which you delayed for a week before submitting. So be prompt if you expect promptness from your headquarters.

Report all customer complaints. This does not mean that you should spend most of your time in the prospect's presence looking for causes for complaint. But if your customer has a sound reason for finding fault, tell the home office so they can do something about it.

At the same time, give credit when due. If the customer feels that your company did something extra special that merits praise, be sure to pass the good word along. The people back home are human enough to enjoy a pat on the back when they have done something to deserve it. If you praise them when they

have gone out of their way to satisfy your customer, they will think better of you than if you only pass on the kicks. You will be remembered as "Good old Jones out in Wichita" instead of "that crab Jones who finds fault all the time." It won't do you any harm.

Conclusion

In closing, I want to leave with you this final thought. Be sales-minded in your correspondence. You do not need to ask for an order in every letter, but every letter should be a means of easing the way to secure business for your product.

Always remember that any letter that puts the recipient in a friendly or more receptive frame of mind for your firm is a sales letter. Keep this in mind every time you take your pen in hand or your typewriter on your knee.

Summary

In writing a sales letter be careful of spelling, grammar, punctuation, and construction. Question what you write to be sure it is complete and says what you want it to say.

Be sure that your letter looks well. Confine it to one subject. Use short paragraphs and short simple sentences. Be sure that the signature is legible. Keep the letter free of obsolete, artificial words and phrases.

Make your letters concise, complete, and courteous.

Be sure that the tone of the letter is natural and friendly. Make it sympathetic and human. Resist the temptation to swap punches with the customer if he has been nasty in writing to you. Keep the customer's viewpoint always foremost in your letter.

The reports which you send to the home office are important. Make them out carefully and promptly. Pass on criticisms and also give the home office a pat on the back when it is due.

Chapter XVI

CONDUCTING A SALES MEETING

by

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President
Beaucaire, Inc.

SALES meetings are a matter of concern only to salesmen who sell goods for resale, that is, the manufacturer's or distributor's salesmen whose customers are themselves merchants. If you are selling goods to the user or ultimate consumer you are not confronted with the problem of conducting sales meetings. However, for the salesman concerned with such meetings they are of real importance. You men should be able to go into a meeting of wholesalers' or retailers' salesmen and conduct it at almost a moment's notice. This is not the easiest thing in the world to do successfully under any circumstances. But if you have some idea of what you may be expected to accomplish and how to go about it, the job is very much easier.

Why Worry About Customers' Salesmen?

If you are just beginning your career as a salesman you may at first ask why you should concern yourself with the sales ability, pep and enthusiasm of your customers' salesmen. The answer is obvious. Your own sales depend upon the ability of your wholesale and retail customers' salesmen to sell goods. The more they sell the sooner you can sell them another bill of goods and the larger the sale will be. It is very much in your own interest to keep your dealer's salesmen at peak efficiency. Your earnings depend upon their morale, knowledge, and sales ability in a very real way.

Kinds of Sales Meetings and Their Purposes

It is my purpose here to consider briefly all the types of sales meetings which the average salesman is likely to be called upon to conduct, and the purposes which they may be designed to accomplish.

Most sales meetings are one of three types: (1) meetings of a distributor with retail dealers, (2) meetings of a distributor with his own salesmen, and (3) meetings of a distributor's or manufacturer's salesman with a retailer's salesmen.

These meetings may be held to accomplish one or more of the following purposes:

1. To stimulate salesmen. Such meetings may serve to maintain morale and to stimulate the enthusiasm of the salesmen for their work, their product, and their company
2. To present new models or new products and to sell the salesmen or dealers on them. You strive to make them feel that their new line is the best and most salable in the world.
3. To teach salesmen or dealers about the product. This involves giving them a thorough knowledge of the construction of the product and the manufacturing method, if this is significant. At the same time it is usually desirable to point out the significance of the product features and how to use them in selling.
4. To give dealers their sales quotas and convince them that these quotas can be attained.
5. To present the manufacturer's and/or distributor's promotional materials and sell the salesmen or dealers on the idea of co-operating in using them. This involves showing them how to use the sales helps and other promotional materials to the best advantage.

There is some overlapping of the purposes listed above but they do highlight the principal things to be emphasized in one or the other of the three basic types of sales meetings.

Distributor-Dealer Meetings

Distributor-dealer meetings often are held to accomplish all of the purposes listed above except that of presenting product data. While these meetings may do some work of this nature it is usually kept to a minimum.

General requirements

If a distributor asked me how to conduct a successful distributor-dealer meeting, I would tell him to do the following things. They are of the utmost importance.

1. Have plenty of merchandise available for distribution. A long period of waiting before goods are available may partially defeat the purposes of the meeting.
2. Have samples on hand and in perfect working order. See to it that they are spotless and capable of making the best possible impression on the dealers. They are one of your important sales weapons.
3. Select a meeting place with great care.
   a. See that the room is large enough to take care of those invited, but not too large. You do not want to be overcrowded on the one hand, or appear to rattle around in the room on the other.
   b. See that the room has a stage or, if one is not available, build one. I shall enlarge on this point later.
   c. Be sure that the room has proper ventilation.
   d. Be sure that sufficient parking space is easily available for guests who drive.
   e. Be sure that room accommodations are available for dealers who come from out of town and may want to stay over night.
   f. Be sure that there is a room adjoining the main meeting room which can be closed off from it. This room will be used only after the meeting. It will have a complete line of the new merchandise on display, including advertising material and display material.
4. Be sure that *no dealer sees* any displays or display material *until after it has been presented* at the meeting. *This is very important.*
5. Observe the following cautions in inviting your dealers to the meeting:
   a. Send out your invitation on time.
   b. Invite every dealer and his salesmen.
   c. Since this meeting is to announce new models, an air of mystery should be put into the notices. This should stimulate curiosity and make the dealers eager to know more about what the new models are and what we have to say.

d. Is is usually good policy to send out one or two follow-up notices to build up enthusiasm about the meeting.

Conducting the meeting

Let us now consider how you should conduct such a sales meeting if you are to accomplish your purposes. This can best be done by means of a specific example. I will follow through below a sample program of a distributor-dealer meeting.

6:30 P.M. DINNER, 1 HOUR. If the dinner is scheduled to start at 6:30 P.M., start at 6:30 P.M. and not 6:35 or 6:38. The meeting room should be arranged so that there are no speakers' tables and nothing is on display except the welcome sign and, perhaps, the manufacturer's product slogan. If cocktails are served at the dinner table, see to it that no one gets more than two cocktails. You should employ a very peppy orchestra for a large meeting. In addition we have found it most profitable to employ a professional song leader to help get things going in the right spirit.

7:30 P.M. DISTRIBUTOR'S OPENING TALK, 3 MINUTES. The distributor's talk should extend an enthusiastic welcome as he draws the attention of the guests. He sets the tempo for the business part of the meeting. His opening remarks can leave the guests wondering how many more dull moments they have to sit through, or can stir the guests to mental alertness and eager expectancy. He should display genuine good humor and friendship that will start the meeting off with a bang.

7:33 P.M. PRESENTING NEW MODELS, 30 MINUTES. After the three minutes' warm-up the presentation of the new models begins. This should be done in a dramatic fashion. The speaker should talk with conviction and authority.

I told you above that it is necessary to have a stage in the meeting room. I want to say more about this now. The dealers and their salesmen are seated comfortably facing the stage. They see nothing except a black velvet drop. The center curtain is then drawn back about ten feet revealing a platform raised about a foot off the stage floor. On this platform is a turntable divided in the middle by a beautiful background and so arranged that while one new model is being displayed on the front half, an-

other can be placed on the back ready to be turned around for display. The lighting effect should be such that each model stands right out for all to see and admire. As the speaker finishes describing the first he calls for the next one. The stagehands dim out the lights, revolve the turntable, lights brighten up and there is the next model. This continues until all the models have been presented by the speaker. We use this device so that the dealers can concentrate their attention on each model as it is being presented. Of course, the speaker tells the dealers that all the models presented will be on display in the other room at the close of the meeting for a close-up inspection.

8:03 P.M. DISTRIBUTOR TALK, 2 MINUTES. A good piece of stage business is for the distributor to get up on his feet while the dealers are still applauding and to keep up gestures that will command fresh outbursts of applause. If circumstances permit he may say a few words of enthusiastic praise for the new models.

8:05 P.M. THE ADVERTISING MANAGER'S TALK, 5 MINUTES. In his talk the advertising manager unfolds the whole plan of national and local advertising, sales promotion and the product display. Properly presented, this will tell the dealers that the distributor will assume the burden of selling and that all that remains for them to do is to intelligently supply the demand.

8:10 P.M. DISTRIBUTOR'S SALES MANAGER'S TALK, 5 MINUTES. In this talk all that has been said is summarized, and driven home as only the man on the firing line can do it.

8:15 P.M. THE CONCLUSION. The distributor concludes by drawing the dealers' attention to the fact that all the merchandise and advertising materials presented will be on exhibit in the other room. He invites all the dealers to inspect this merchandise closely. He tells them that his salesmen will be in the other room to answer questions only, as no orders will be taken that night. This gives the sales manager and salesmen an opportunity to get the reaction of the dealers to the new line of merchandise.

Wholesale Salesmen's Meeting

General Requirements

In holding meetings of the wholesaler's or distributor's own salesmen certain general conditions should be met.

The territory should be divided into several selling zones. Each zone will have a number of retail dealers. Attempt to keep the sales potentials of each zone approximately equal. Each salesman is then responsible for the sales in his zone.

Of course, the distributor (or manufacturer) must know the sales potentials, in dollars and units, of each salesman's territory. From these potentials, sales quotas are set for each salesman on the force so that he has a definite goal toward which to work. By the use of such quotas the distributor (or manufacturer) has a basis for evaluating the work of his salesmen and a means of stimulating them to do their best.

How meetings are conducted

I believe that meetings of distributors with their salesmen should be held once each week. In these weekly meetings start in by reviewing each man's performance as compared to his quota. Ask those men who have done an outstanding job, exceeding their quotas, to tell what they did to improve their sales records. Thus, get a discussion going which not only gives credit to the good performer but also may enable you to give some good pointers to the men who have not done as well as they should. Do not make it a practice to take up the poor performers for special treatment. You do not want to cause them embarrassment. But in comparing their methods to those of the successful men it is usually possible to give them good ideas as well as a stimulus to extra work. The men who have not been so successful will often bring up their problems and enable you to make suggestions for solving them.

Next, you might have a report on the current sales contest. Some companies have one running almost all the time. You may have a chart on the wall showing the standings of all the men or you may give the standings orally. At any rate these contests

help to stimulate the men and keep them on their toes. Then distribute the contest prizes for the week. These prizes are usually small cash prizes but large enough to make the men work for them.

If any new product information is available take that up next. It goes almost without saying, that these meetings are the ideal place to present such information and to discuss methods of handling it in selling dealers and helping dealers to sell users.

You are now ready to get on with your plans for the next week. Whenever practical, make it a practice to have a new promotional scheme ready for the men each week. This is sprung on them as a surprise. Probably it is best to keep such promotions a strict secret until it is presented to the men at the sales meeting. This delay enables you to send them out with added zeal.

The promotion contains some unusual idea for stimulating the sale of a certain product or group of related products. For example, one company used one promotion which was designed to sell refrigerators. It was a scheme to give to any customer buying a refrigerator free meals for an entire week. The menu for each meal for seven days was worked out and the food was delivered by the dealer to the customer to be kept in the frozen food storage space of the refrigerator. All the details of this proposition, together with the details of the advertising program, sales helps used, and store displays available were contained in a simple and inexpensive brochure for easy reference and use by the salesmen. This made certain that they would be able to present the promotion to dealers without a hitch and without leaving out any of the details. They did not have to depend upon remembering what was said at the meeting. They had the whole thing right there in a nut shell.

Another thing which can be done in the distributor's sales meeting is to present the salesmen with a daily work plan or to check over those which they have made for themselves. Each week provide the salesmen with daily work plans. These plans contain, in the first place, a route schedule. Attempt to work out each man's route so that he will first contact an easy prospect then a difficult one, etc., so that a series of hard breaks at the first of the week will not take the wind out of his sails.

In addition to the route schedule the work plan carries an outline of the procedure he is to follow in calling on the customers. This procedure is designed to enable each salesman to make the best use of his time and to enable him to get the dealer away from the main selling floor and so secure his undivided attention. For example, suggest that if the buyer is busy when the salesman calls, rather than sitting down and waiting—a sheer waste of time—he go to the sales floor and check the floor models to see that they are working properly. When this is finished, if the dealer is still busy the salesman goes to check the stock of accessories so that he will know just what the dealer needs. He then comes back to see if he can get his interview. This can be repeated with a talk to the service manager, checking displays and printed materials, etc. By using this plan the salesman can offer to wait until the dealer is in a position to give his entire attention without having to sit around and waste a lot of time. In going over this work plan with them, remind the men that the star salesman is an average salesman, plus organized effort.

Retail Salesmen's Meetings

Manufacturer's or distributor's salesmen are often called upon to meet with the salesmen of their retail dealers. As a matter of fact, such salesmen may work up retail salesmen's meetings of their own accord as a means of building up their own business. The purpose of these meetings is likely to be one or all of the following: to stimulate the retail salesmen, to teach them the product and how to sell it (although the latter should be disguised to keep from offending the experienced retail man) and to acquaint them with the nature and purpose of the distributor's and retailer's promotional campaigns and secure their cooperation.

What to do in retailer meetings

Experience indicates that retail salesmen's meetings should be opened with a pep talk lasting only about a minute or two. This serves to break the ice in the meeting and to arouse the interest and enthusiasm of the salesmen. For one thing, you want to get

across the idea that becoming a good salesman is a possibility for any man—that it is merely a matter of work and study.

Our salesmen open such a meeting with a few remarks about the house and its policies—how it grew and why they are meeting with the retail salesmen. They continue briefly in the following vein: "I am not going to dwell on the many reasons why salesmanship is the biggest, broadest career that a man can select for himself. However, let me say this: a man can be just as good a salesman as he chooses to be. Salesmanship is not a matter of natural ability. Salesmanship is acquired. It is gradually learned and mastered." Of course, if a series of meetings is being held with the same group of retail salesmen you would not begin each meeting in this vein. Once with any given group is enough.

After this introduction you will usually proceed with the educational material which you want to present. This, of course, takes the form of instruction in selling. I am going to suggest below a variety of points which you may use for this purpose. You would not have time in one meeting to use all of them but they will, possibly, give you suggestions for a series of meetings.

In meetings which our salesmen conduct, short cuts in selling (so called) are presented by a chart, visimatic folder or a transcription talking film. This material covers the following points:

A. The product:
    1. Make it a point to know your merchandise.
B. Be alert and ready:
    1. Study your prospect.
    2. Try to get his point of view.
    3. Try to find out what wants or whims he has in mind.
C. Use a good approach:
    1. Be sure to learn the prospective customer's name as early as possible and find out as much about his needs and manner of living as you can.
D. Deal with every objection as soon as it is brought up. Deal with it frankly and seriously:
    1. Do not let these objections annoy you.
E. Do not argue or interrupt:
    1. Never interrupt while the prospect is talking unless

he wanders too far from the subject. Then tactfully bring him back to it.

2. When the prospect starts to speak, listen even if you must stop talking in the middle of a sentence. He may be on the verge of telling you his real objection. You cannot learn what he is thinking about unless you give him a chance to talk.

Other good selling topics to take up at these meetings are materials on canvassing. This is a particularly important phase of retail selling. I will merely suggest a few topics which might be developed.

A. Prospecting through house-to-house surveys.
B. Prospecting from store traffic.
C. Getting new prospects by telephoning old customers.
D. Prospecting by use of direct mail.
E. How to qualify retail prospects.

Your retail salesmen might also profit from a discussion of how to hand out folders on the product, how to use the retail sales manual and other similar topics. If you are able to go into some detail on the topics suggested above, you should have ample material for a half dozen or more meetings. If you know that you will meet with a particular group of salesmen only once you might find it more advantageous to include a brief discussion of several or all these topics.

Another thing which should be included in these meetings is a discussion of any sales contest or contests that may be under way. If it is a general sales contest that you are introducing, tell them what it involves, play up the competitive spirit and emphasize the pride that a man can take in winning as well as the desirability of the prize itself. If the contest has been running for some time, you might review the standing of competitors, compliment those who are making a good showing and in general try to stir up greater interest.

It is not uncommon for our men to set up a special contest just for the salesmen in a given retail outlet. He conducts the contest himself and furnishes the prizes himself. His compensation is in the form of increased sales through that outlet. The prizes need

not be large if the contest itself is interesting and the enthusiasm of the retail salesmen has been aroused.

Another thing which we have found highly desirable is to assure the retail salesmen at the end of the meeting or at any other appropriate time, of your willingness to help them or the dealer whenever they have a group demonstration scheduled. It is, of course, a good thing to leave the men feeling that you are interested in their success and are glad to do anything within reason to help them.

Summary

To the salesman or dealer who is selling goods for resale the productiveness of those to whom he sells is of the utmost importance. His own income is dependent on how well they do their job. Therefore, the ability to conduct properly a sales meeting which trains and inspires such salesmen is highly desirable.

Three types of sales meetings are commonly held: (1) meetings of a distributor with retail dealers, (2) meetings of a distributor with his own salesmen, and (3) meetings of a distributor's or manufacturer's salesman with a retailer's salesmen.

The purposes of these meetings may be any or all of the following:

1. To stimulate salesmen, that is, to keep up their enthusiasm and morale.
2. To present new models or products and to sell the men on them.
3. To teach salesmen or dealers about the product.
4. To give dealers their sales quotas and convince them that the quotas can be attained.
5. To present the manufacturer's and/or distributor's promotional material and to sell the salesmen or dealers on the idea of co-operating with them.

Conditions which contribute to the success of these meeting and suggested programs for meetings of each type are discussed in the pages above.

Chapter XVII

FINANCING ORDERS

by

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I AM genuinely glad to have the opportunity to focus the spotlight on the subject of Financing Orders. One of the ancient, stuffy customs of the sales world has been to push the financing fraternity into a dingy corner reserved for bankers, credit men, collectors, receivers in bankruptcy and their pals. This group is easily recognized by their lean and hungry looks, long blue noses adorned with pince-nez glasses, and sour faces. They sit on high stools, beneath green visors casting an eagle eye over balances due. They are supposed to disturb their complacency and disdainful disregard of life around them only long enough, on occasions, to fix upon the intruder a glassy stare and say with croaking voice, "Now, what do *you* want? The answer is 'No'!" I am glad to "come out of a dingy corner" and again declare *that* tradition to be dead and gone!

It has been said, and correctly, that another one of the multitude of things a good merchandise man must know is how to finance orders for merchandise. The outstanding qualities of a good salesman can hardly be said to parallel those of a financial expert, but unquestionably a thorough understanding of either job involves a good understanding of the other. A partnership of distribution and finance is highly desirable in any business enterprise. Moreover, it is self-evident that good men of finance must possess certain qualities of salesmanship and, conversely, good men of sales must possess a broad business outlook based on a

speaking acquaintance with the field of accounting and finance. To this end, let us turn the spotlight briefly on a few of the significant factors involved in financing commodity sales transactions; some of them broad, some of them picayune.

Financing orders is the same as financing sales. Financing sales, from the buyer's standpoint, is the same as financing purchases. So, financing orders is really the familiar problem of financing purchases. It is from this viewpoint that I want to approach the problem. A buyer may ask himself, "How am I going to finance this purchase?" This is another way of asking, "What am I going to use for money?" One of the amazing characteristics of modern business is that there are a number of things which he can use in place of money. Oftentimes it is up to the seller to answer this question. While he must consider his own interests, the convenience and welfare of the buyer should not be neglected.

It is a significant fact that today *over ninety per cent of the nation's business involves the use of some sort of credit.* This means that over ninety per cent of orders given for commodities are accompanied with some sort of financing plan, that is, either an instrument ordering a bank to pay on demand or at some future date, or one in which the buyer promises to pay a given amount on some future date or dates. If the transfer of ownership of commodities from basic producers to manufacturers, from manufacturers to wholesalers, from wholesalers to retailers, and from retailers to consumers, were restricted to only those transactions where cash could change hands, how awkward it would be! In spite of the fact that the amount of currency in circulation today is but a small fraction of the total value of business transacted in a single month, still a sale is not in truth completed until full payment has been received in cash from the purchaser. Today you may write an order and go home well satisfied with the day's work, even though the transaction may not be technically completed for months, when final payment is received. This is because in ninety-nine cases out of a hundred, this payment will be made in a quiet and orderly manner. Why is one so sure that this payment will be made at all? Our modern credit system is predicated primarily on the faith of one man in

another, confidence that when the buyer says he will pay on a certain date or dates, he will do so. This confidence is built on character. Sales take place between *men,* human beings. In like manner promises to pay involve human relationships. Fundamentally, confidence in character creates credit. This simple human phenomenon accounts for the fact that billions of dollars' worth of sales can be financed on a simple promise to pay. It makes it possible for the housewife to spend future income. It enables the retailer or the wholesaler to receive his stocks today, scheduling payments on a basis fitting his commercial needs. In this way he provides himself with working capital. Financing such purchases is the function of commercial credit.

We are now ready to consider the specific methods used to finance orders or purchases. In the following pages I have grouped the different methods under the various stages in the channel of distribution, that is, primary producer to manufacturer, manufacturer to wholesaler, wholesaler to retailer, and retailer to consumer. This seems desirable because certain of the methods are used primarily in one on another of these stages or, where a method is commonly used in two or more of the stages, there are applications or problems in its use peculiar to each stage. Where a method is used in two or more of the stages under very similar conditions, the method is listed under each successive stage without further comment. This is done to make the list of methods used in each stage complete.

I recognize, of course, that the channel of distribution may be different from that which I have assumed here. For example, a broker, sales agent or manufacturers' agent may be involved between the manufacturer and the wholesaler. However, since these operators typically do not take title to the goods, no problem of financing is generally involved. Or, retailers (particularly large scale retailers) may buy direct from the manufacturer. In such cases the retailer may be performing the wholesaler's functions, at least in part, and, hence, would use the methods of financing which I have discussed under the manufacturer to wholesaler stage. While recognizing these possibilities, I nevertheless believe that the organization of the material which I

have used here covers the problems of financing as you are most likely to find them.

I should also point out that where I have discussed a given method of financing under only one stage of the channel of distribution, it does not mean that this method is never used in other stages. It may mean simply that the method is used primarily in that stage or is best adapted to use in that stage. You can doubtless find isolated examples in which any of the methods discussed are used in all the stages. Again, I am considering the *typical* usage.

In every stage of distribution the use of cash to complete a transaction is common. Cash sales are completed more quickly than any other type. But cash sales do not constitute a method of financing in the sense in which I am using the term here. This is also true of C.O.D. and S.D.B.L. terms, but since special financial practices and problems are involved in their use, I have nevertheless included them in this discussion.

Financing Manufacturers' Purchases

Open account credits

Mines, mills and other large-scale producers as a rule do not concern themselves with the manner in which their customers finance their purchases from them. The accommodation which they extend is limited strictly to a simple commercial open account, the counterpart of your charge account at a department store. Terms of payment vary, depending on the situation, and usually allow just enough time for the purchaser to audit his invoices and make payment. The usual terms are net thirty days, with a small discount allowed for payment within ten days. Thus, the basic producer makes his working capital available to his customers only to the extent of carrying an open account for him as a convenience. It permits immediate shipment from the mill and business-like payment within a reasonable period.

Direct Bank Loans

Another method by which manufacturers finance their purchases is through working capital bank loans. These are simple short-term loans extended to the manufacturer by the bank for the purpose of financing his requirements for supplies and materials. Depending upon his manufacturing cycle, his need for a loan may be for not more than ninety days to six months at a time. Usually, such loans are unsecured and based on the manufacturer's good standing. Security is sometimes required, depending on circumstances. After the manufacturer has purchased his materials, labor and supplies, and has delivered his products and received payment, he is then in a position to repay the bank, together with accrued interest. So, his balance due on loans at the bank fluctuates from month to month, depending on how much working capital he needs to borrow. This method is used, as a rule, by manufacturers who have adequate working capital, except for certain seasonal periods.

Additional capital from investors

The other typical method by which a manufacturer finances his purchases is the introduction of additional working capital into his business through sale of stock to investors. Thus, private investors make cash available to him on a permanent basis, in return for the prospect of dividends. In this way, the manufacturer takes in more partners, so to speak. This may be done whenever a manufacturer finds that his working capital is inadequate.

As a salesman for a basic producer, you are seldom, if ever, concerned with the methods by which a manufacturer finances his purchases from you. You are almost never required to explain financing plans. But knowledge of the methods used is helpful information in sizing up your prospects and customers, particularly those who are inadequately financed. Your company almost never has a hand in arranging financing for its customers.

Financing Wholesalers Purchases

Cash on delivery or sight draft bill of lading

The use of cash on delivery terms or a sight draft bill of lading cannot be considered financing in the truest sense of the word. They are simple devices by which the purchaser tenders cash to the seller upon receipt of the goods.

C.O.D. is a device well known to all of us, and requires no explanation. I might note, however, that it is practical only in the case of local deliveries, parcel post or express shipments. Freight and trucking concerns are not generally equipped to collect cash upon delivery of the goods. For this reason, the sight draft bill of lading is in common use where freight shipments are involved.

Let us take the example of a manufacturer who wants to make a freight shipment to his wholesaler for cash. (I assume that it is already agreed between the two parties that the wholesaler will pay cash upon receipt of the goods.) The usual practice is for the manufacturer to consign the goods to himself at the town where the wholesaler is located. He draws up a bill of lading accordingly and prepares a sight draft. A sight draft is simply an order drawn by the seller against the buyer ordering him to pay a certain amount of money to a designated third party when the draft is presented to him. This draft is mailed to the wholesaler's bank along with the bill of lading. The wholesaler's bank is requested to hold the bill of lading until the wholesaler pays the sight draft, at which time it may be surrendered to him. The wholesaler may then present the bill of lading to the transportation company and pick up his merchandise.

The element of financing sometimes enters into a sight draft bill of lading transaction. This occurs when the wholesaler makes arrangements with his bank to lend him sufficient money to pay the draft, it being understood that at a future date he will repay the bank with interest.

Many wholesalers have standing arrangements with their banks whereby sight drafts are paid automatically and the amount of the payment put on automatic loan. Of course, the bank is

permitted to charge the draft to the wholesaler's account without notice if sufficient balance is available, and if the wholesaler has previously arranged for the bank to do so. This practice is most prevalent in the automobile field, where manufacturers for years have expected their distributors to pay cash for cars upon delivery. There are, however, exceptions to this practice in the automobile trade.

As a matter of interest in this connection, there is the fact that many business men believe that shipments to wholesale concerns should be for cash, thus forcing the problem of financing stocks into decentralized areas. The arguments are: (1) that local bankers can maintain closer relationships with their customers and (2) that it keeps financing control out of the hands of monopolistic banking interests.

Open account credit

Another prevalent method available to wholesalers in financing their purchases from manufacturers is open account accommodation, described above under "Financing Manufacturers' Purchases."

I might say a word here regarding the establishment of an open account. The manufacturer's credit manager has available to him confidential information regarding almost any wholesaler in whom his company may have become interested. This gives him a reasonable estimate of the amount of open account credit which the manufacturer can afford to extend to the wholesaler. If the amount involved is larger than this, it is customary for the credit manager to ask a new wholesale account to furnish him with a financial statement. Often he asks for names of other suppliers as references. The more the credit manager knows about the account, the more likely he is to grant intelligent and quick approval.

One of the best sources of information available to the credit manager is the salesman. I can say without hesitation that the credit manager's greatest volume of credit extension and greatest success, as well as his best customer relationships, exist in those areas where the company's sales representatives pass on to him all the information they have regarding a given account. This

has been my experience, and the experience of innumerable friends in the credit field. The value of your close relationships with the credit department of your business cannot be stressed too much.

Short-term commercial paper

One of the most common financial needs in the wholesale field is for a convenient credit device which makes it possible for the wholesaler to borrow working capital temporarily in amounts exactly equal to his purchases, order by order. His need begins when the goods are shipped to him, and ends when he resells them and receives payment.

Instead of going to the bank and asking for a short-term loan which would make it possible for him to pay cash, he says to his manufacturer, "I would like to buy this stock and sign trade acceptances. I would like to have these trade acceptances mature in sixty days (or thirty days or ninety days)." The manufacturer says, "All right, we will send you a trade acceptance for signature covering each shipment of stock, and it will fall due sixty days from the date of the invoice on which the goods are billed. Please return each one immediately after signature and we will accept it in payment for the goods."

This means that the wholesaler signs a particular promise to pay on a particular date for a particular shipment of goods. These trade acceptances are a common form of what is known as "commercial paper." They are usually short-term obligations, and are similar to a promissory note. Upon endorsement by the manufacturer, they are negotiable, and may be purchased and sold.

When the manufacturer receives such a trade acceptance properly signed, he may hold it until it matures, at which time he presents it to the wholesaler's bank for payment. Or, if he needs the funds immediately, the manufacturer may take it to his own bank, which will purchase it from him at a small discount. Beyond this, the bank may, in turn, sell the trade acceptance to a Federal Reserve Bank, which will purchase it at a smaller discount, because they buy commercial paper on a wholesale scale. If the trade acceptance is discounted, whoever

holds it when it reaches maturity presents it to the wholesaler's bank for payment. The wholesaler, of course, is honor-bound to have funds available in his account to meet this payment.

This device, which is in widespread use, makes available to the wholesaler a method whereby he can, in effect, secure automatic short-term loans without security and, strange to say, without interest. The use of trade acceptances has been developed in America as a convenience in short-term financing of consumer goods purchases. They are used principally by manufacturers as a device for extending credit to their customers. The cost falls upon the manufacturer. The principal advantage of this method lies in the ease with which a promise to pay can be converted into cash. It is like an ordinary bank check in that it must be made good by the party who accepts it in payment of merchandise if the man who signs defaults in payment.

Trust receipt plan

Very often, a wholesaler wants to purchase a stock of goods for a complete season but finds that his ready funds are not sufficient to buy the stock. Or, he may not want to tie up all his working capital for the full period involved. In such a case, he might say to his manufacturer, "I would like to purchase this stock on a trust receipt plan." This means that he would like to have the manufacturer or a third party—probably a bank or finance company—buy the title to the goods for cash and permit him to hold the goods in his warehouse in trust, with the understanding that as he sells the goods, he will pay the manufacturer or the bank (whichever retains title) the purchase price immediately after each sale, together with interest from the date of the trust receipt agreement.

Under such an agreement, the wholesaler is bound by trust law to turn over the purchase price of sold goods without delay. The manufacturer or the bank customarily makes a periodic audit of the stock on hand at the wholesaler's premises to be sure that it tallies with the items carried on the trust receipt as yet open and unpaid. There is usually a time limit placed on the life of such a trust agreement. Any balance not liquidated at the end of the limited period is paid by the wholesaler whether

or not he has disposed of the stock. The expiration date is usually set at that point in the season when, in the normal course of business, most of the goods will have been sold.

This device is more cumbersome than some others, but because the title remains with the lender, it is possible for a wholesaler to finance larger amounts of merchandise than he could on open account or through trade acceptances. Also, he can finance the goods over a longer period than ninety days.

Warehouse receipt plans

Another plan available to wholesalers which is more strict than the trust receipt plan, is called the warehouse receipt plan. Under such a plan, the wholesaler says to his manufacturer, "I have made arrangements with the ABS Finance Company, or with the XYZ Bank, to finance a warehouse stock for me. Therefore, please ship my order to the XYZ Bank at my warehouse and bill the bank." This means that the bank has agreed to buy the merchandise and that non-negotiable warehouse receipts are delivered to the bank. When the wholesaler wishes to withdraw stock from the warehouse, he buys these non-negotiable receipts from the bank. He then presents the receipts to the warehouse and withdraws the stock. The man in charge of the warehouse is bonded by the bank to release goods only upon presentation of proper warehouse receipts. Since the receipts are non-negotiable, it means that the bank has agreed to hold the stock for the wholesaler, meanwhile charging a premium for its service.

There is usually a time limit on this type of agreement also, after which the receipts become negotiable and the bank has the privilege of disposing of the warehouse receipts to other parties. How much of this type of financing can be made available to a wholesaler depends largely on his proved ability to handle a given volume of business. Like other forms of credit, it depends on his character and reputation as a good businessman. At the same time, the fact that he is unable to withdraw goods without first paying their purchase price means that the measure of security is large and, therefore, he is able to finance a greater

amount of stock on this plan than on the other less restricted plans which I have just reviewed.

Financing Retailers' Purchases

Consignment

Some commodities lend themselves to what is known as *consignment selling.* I am speaking now of the flow of goods from wholesaler to retailer. A good example of this is the garden and seed business. A good friend of mine sells seeds to retail stores on consignment. When he or his men talk to a grocer, they say, "Mr. Grocer, we will deliver to you six cartons of assorted seeds, together with a display rack. You do not have to pay for the seeds until you sell them. They remain our property until they are sold. All you have to do is sign this agreement and report to us once each week on your sales, sending along a check for the purchase price of the seeds sold during the week."

This goes all the way in financing a dealer's purchase. The dealer does not have to worry about investing his capital in inventory. The plan is adapted to only certain types of commodities, especially those which are fast-moving, perishable consumer goods, of the sort usually displayed and in steady demand by floor customers. Consignment selling cannot be used satisfactorily in selling specialty goods or high-cost durable goods. This is due chiefly to the fact that dealers are naturally inclined to merchandise aggressively the stocks in which they have an investment. It is not hard to understand that a dealer who has an investment in one brand of appliances will sell that brand in preference to another which is in his store on consignment. Countless experiments in several fields have proved this to be true.

Cash on delivery or sight draft bill of lading

A considerable volume of goods is sold by wholesalers to retailers on a C.O.D. or sight draft bill of lading basis. We have already discussed the mechanics of such a transaction, and it is not necessary to say more here.

Open account credit

The most frequently used and most convenient type of short-term commercial financing is the open account line of credit. This holds true of transactions between the wholesaler and retailer, as well as elsewhere. We have already reviewed briefly the methods available to the credit manager in establishing open account accommodation for his customers. One additional factor is significant in wholesale-to-retail selling. The typical wholesaler has a large number of retail accounts, and many of them are small businessmen. Success in doing business with them depends largely on personal contact and a personalized service. Credit and financing relationships between a wholesaler and a small retailer can be no less personalized than other merchandizing relationships. The average small retail operator enjoys discussing his particular points of view with you, as the wholesaler's representative. He airs his grievances. He makes known his prejudices. He shares his daily troubles. He welcomes the right kind of advice and help. Today more than ever before, he needs well-conceived co-operation. These observations are self-evident to all men who have had experience with the typical small American retailer. The point which I want to stress is that he is almost always entitled to the very best consideration which the wholesaler's credit manager can give him. This means that you, as the wholesaler's representative, would do very well by yourself and your company to keep the credit department personnel posted at all times. If you write regular sales reports, you will want to make the added effort to include small-talk and gossip in the reports. It gives your credit manager a better inside view of the account. It places him in a position to give you the utmost in co-operation. At times, you will be interested in arranging personal contact between certain small retail customers and your credit department. Business is still transacted between human beings, and present-day trends make the small businessman's lot none too happy, especially if he is handicapped by lack of adequate capital. A satisfactory wholesale business is dependent to a large extent on repeat sales. This explains the importance of close co-operation between wholesaler and retailer

in financial as well as merchandising matters. Nothing counts in extension of credit to retailers more than watching out for the other fellow's interest.

Short-term commercial paper

Although commercial paper, or trade acceptances, are designed primarily for use in transactions from manufacturer to wholesaler, they are occasionally used between wholesaler and retailer. They are less important in retail trade largely because the size of orders financed is usually smaller. Most retailers do not stock up for a whole season, especially when quick deliveries are available from the wholesaler's stocks. Nevertheless, there are occasions when a retailer welcomes the opportunity to finance his purchases through the medium of trade acceptances. Many wholesalers make this accommodation available to their customers, especially at the beginning of the season. This helps the retailer to buy his initial stock and yet permits him to pay for it on a deferred short-term basis. Thus, the retailer can buy a complete stock assortment early enough in the season to permit him to set up complete merchandise displays. He does not have to buy piece-meal because of lack of funds. Trade acceptance maturities, in these instances, run up to ninety days. Occasionally a retailer splits his payments into three installments, one-third in thirty, one-third in sixty, and one-third in ninety days, each installment being covered by one trade acceptance.

The floor plan

Many retailers, especially in the case of high-cost units of sale, have need of this method of financing, already described. It permits them to place a representative stock of merchandise on the floor without having to draw on working capital. Or, the retailer's funds may be tied up in other stocks. It may be early in the season and he does not want to make complete investment in the stock as yet, but would like to show the merchandise and demonstrate it. In any event, there are occasions when he needs to finance floor stocks. In such a situation the wholesaler offers him a trust receipt plan, under the name *Floor Plan.* It operates exactly as the trust receipt plan which we reviewed above.

Warehouse receipt plans

Warehouse receipt plans are available to retailers who want to carry an abnormally heavy inventory. The plan, described above, is designed primarily for wholesale accounts, and retailers seldom use it. But when they do, the plan works exactly as it does when used by a wholesaler.

Financing Consumer's Purchases

"Lay-away" plans

Most of the methods of financing retail sales are entirely different from the forms of commercial credit which we have just discussed. I want to cover not only plans which are, in fact, finance plans, but also those which constitute simply a method of paying for merchandise and little more.

The first is well known to you as the "Lay-Away" Plan. It is much in vogue among the women. They see a coat or a hat, or some article in which style is an important factor, and say to themselves, "I just know this won't be here when I come back. I haven't the money with me. I'll make a small deposit and ask the clerk to lay it away for me." This accommodation by many retailers accounts for a surprisingly large volume of business. It does not represent a method of credit extension but rather a peculiar method of purchase and payment.

Cash on delivery

Another method of payment is C.O.D., well-known to all of us and described above.

"Convenience" charge accounts

A tremendous amount of retail business is transacted on what the retailer calls a "charge sale." This is our old friend, the charge account, previously referred to as "open account credit." Its advantage in retail selling is two-fold. First, it makes available to the consumer a means by which the store keeps track of his purchases for a month, renders him a statement, and makes it possible for him to pay for his purchases in one remittance. In this

sense, it is a convenience, and for many of us a very real one. Second, it serves a merchandising end. Mrs. Consumer (by far the most important retail buyer) quite naturally shops in those stores where she has charge account accommodation. Moreover, there is a human tendency among many, as we all know, to make a purchase because all it is necessary to say is "Charge it." The fact that the day comes when the bill must be paid does not seem to make any difference in a great many cases. The ease, the speed, the success with which retail establishments all over the country extend retail credit on "convenience" charge accounts is phenomenal. It is one of the most important methods of financing consumer purchases.

Deferred payment charge accounts

Some retailers offer deferred payment charge account accommodation. This is much the same plan as the "convenience" charge account service, except that payments may be made on a deferred basis. Common terms are, one-third in thirty, one-third in sixty, and one-third in ninety days from the end of the month in which purchases are made. Other plans permit twenty payments over a period of twenty weeks. These plans are used by retailers who have relatively high-cost consumer goods for sale. Clothing stores are a good example.

Conditional sales deferred payment plans

When consumers purchase relatively high-cost durable goods, such as furniture, stoves, refrigerators, radios, sewing machines, etc., they more often than not need a deferred payment plan which requires a down payment, or deposit, and the remittance of installments out of income over a period of time. A deferred payment plan of this type is often referred to as "a dollar down and the balance when they catch you." Please do not confuse a standard deferred payment plan with that sort of merchandising. The "dollar down, etc.," plan is used by many credit clothing and credit furniture houses as a merchandising device. It is not my purpose to discuss such plans.

The sound type of conditional sales contract with a deferred payment plan is the kind which Mrs. Consumer gets when the

clerk asks her, after she has purchased a suite of dining-room furniture, "Is this to be a cash sale or a charge, or do you want to put it on contract?" Almost always, Mrs. Consumer wants to "put it on contract." Then it is the salesman's responsibility to explain to her how the contract operates, and he usually says something like this, "Our plan calls for a down payment of 10%. The balance may be paid in equal installments over a period of twelve months. If you prefer, you may spread the payments over eighteen months. The carrying charge is a little more in that event." And so it goes. There are many variations on the theme. Mrs. Consumer signs a conditional sales contract, which in essence says, "This merchandise remains the property of the store until paid in full. In event of default of any payment, the merchandise, at the option of the store, may be re-possessed." In general, re-possessions are low. Mrs. Consumer usually discharges her contract responsibilities quietly and methodically. As a rule, she and her husband would have considerable difficulty in acquiring the household goods which they want if they were forced to save the full purchase price before actually buying. It puts the expenditure of their future income on a schedule and permits them to start enjoying their purchase immediately.

I should mention one other fact about such contracts. The smaller retail establishments usually depend on a third party to finance their customers' purchases. It may be the bank. It may be one of several large finance companies. It may be a local finance company. In this event, the sale is made to the bank or finance company for cash and the conditional sales contract agreement is written between the bank or finance company and Mrs. Consumer, who pays her installments to the bank or finance company.

Personal loans

With increasing frequency, consumers are using personal loans to finance the purchase of durable goods. In such cases, they pay the retailer cash which they have previously borrowed.

Most of the larger commercial banks have established personal loan departments which specialize in making loans to consumers. They may or may not require co-signers or pledge of security.

Mrs. Consumer may also go to a bank which deals exclusively in personal loans, such as the Morris Plan banks. These banks are called Industrial Banks.

A third alternative open to Mr. or Mrs. Consumer is the personal loan company, such as the Household Finance Company. The charges made by these personal finance companies may be higher than in the case of commercial or industrial banks, but they may also offer more liberal terms.

Many consumers are financing their purchases through such agencies in order to have greater freedom in selecting their goods and to take advantage of the "cash price" which may represent a substantial savings.

Summary and Conclusions

We have turned the floodlight briefly on the credit and financing panorama as it relates to movement of consumer's goods. We have observed that by far the greatest volume of the nation's business is transacted on some sort of credit—in fact, over 90%. We have inquired into the nature of the reasons for credit. We learn that financing is a modern development which has grown to meet the needs of human beings who trade goods, one with the other. One of the most interesting factors in this whole picture is the fact that, given savings in the hands of those of our people who accumulate capital, all that creates credit is confidence in character, the faith of one man in the ability of the other. We have observed that, fundamentally, successful financing of business transactions involving purchase and sale of commodities is contingent on this faith, is dependent on knowledge of the other fellow's position and a general desire to offer every possible aid to him which is within the realm of good business reason. Its success is definitely not built on suspicion of the other fellow's shortcomings or an unwarranted concern in running his business for him.

Further, we have observed that the phenomenon of sound financing enables housewives, storekeepers, commercial wholesalers and manufacturers to carry on their business in the most convenient manner, at volume levels much higher than would ever be possible through barter or exchange of cash. We have ob-

served the leverage which financing gives to sales volume. It *is* true that Mrs. Consumer can purchase $1,000.00 worth of goods which she desires with only $200.00 or $300.00 in ready cash, paying the balance from her income at a very low cost when she chooses a sound financing plan. It *is* true that businessmen in retail and wholesale enterprise can operate successfully with a minimum of cash working capital if they can add to it the intangible capital values of capable business ability and a successful business record. We have observed that the velocity of business is stepped up tremendously by the use of well-conceived finance and credit mechanisms. We know that without them man's achievement of the standards of living which he most cherishes would be more difficult to obtain. Many of the best examples of this faith about which we have been talking can be found in our own Eastman Kodak Company, Bausch & Lomb Optical Company, and others which started with little or no capital and a great deal of faith in the ability of men. That faith, applied to commercial buying and selling, is the essence of financing orders.

We have turned the spotlight briefly on specific methods of financing orders or purchases. We have seen that there are numerous major circumstances in which sales are made, and that there are financing methods available for each one. I want to emphasize that there are all sorts of variations on these themes, much as a symphony is built on variations of the theme. Because human behavior varies, the applications of financing methods vary. It is important for you, as a progressive and sound salesman, to become acquainted with those methods which apply particularly in your business.

Become well acquainted with your credit department's personnel. Keep them informed about your customers' character and progress. Every good man spends a large number of his waking hours in selling, usually in selling himself and his ideas. When he sells himself, he is successful in his business and social relationships. Do not fail to include your credit department personnel among the men and women to whom you sell yourself. Get to know them. It is important to remember that over fifty per cent of the success which your credit manager and his people

will have in making good service available to your customers is dependent on how much they know about your accounts. Keep them posted. They are trained to respect confidence and will keep your information confidential. Give them the whole story about your prospect or customer when there is a financing problem in the offing. You will find that they have an answer for practically everything, and a good credit manager's answer is almost never "No."

This review is simply an attempt to orient you men in sales in financing and the part it plays in our daily business. Good financing moves on day in and day out, unobtrusive, hardly noticed, but effective only when it is given the best attention. *Study your company's plans for financing customers' purchases. Know them well.* Your credit department people will be happy to devote as much time as you wish to studying them with you. They will be prepared with the whole story.

Chapter XVIII

CUSTOMER SERVICE AND THE USE OF PRODUCTS

by

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CUSTOMER service is selling. In rendering proper customer service you never stop selling.

Webster gives several definitions for the word "service." One which applies strictly to Customer Service is: "Accommodations to a dealer or consumer to promote the sale and use of a product." Another, which a salesman or serviceman should always carry with him to back up the first is: "Act or instance of helping or benefiting—the deed of one who serves."

The Full Meaning of Service

To impress this word "service" on your mind, I am going to take it apart letter by letter and attempt to show you just a few of the important details that go to make up one of *the most important subjects in selling.*

We will start with the letter "S." This letter suggests "Sold," "Survey," "Supplies," "Schedule" and "Success."

Sold

You may have followed through the selling process to the point where your prospect has signed the order. At this point the customer is supposed to have been "sold." But let me caution you right here that a real sale is never actually concluded. One

hundred years ago Giuseppe Mazzini, the Italian patriot, said, "The morrow of the Victory has more perils than its eve." You have secured a signed order which represents only the initial selling of the product. From this point on those in your organization who handle that prospect, whether it be you or junior salesmen or mechanical servicemen, start a long and continuous selling performance that will last as long as that customer does business with you. Just as soon as your product loses its efficiency, or the service that goes with it appears at all inferior to your customer, he becomes "unsold." In other words, selling is not just taking orders and then forgetting all about your customer and the item which you sold him. Remember that more real salesmanship needs to be exercised *after* the sale than before it.

If this seems to be a contradiction, let us look at one or two hypothetical cases. Take, for example, the "canned goods" salesman, working for a large packing house or jobber and calling on retailers. You often hear the so-called "specialty salesmen" refer to jobber salesmen rather contemptuously as "order takers." In many instances this contempt may have been justified. In the past many salesmen have, in effect, been robots going out every day, order book in hand, with a stock phrase on their lips, "How many cases today, Mr. Jones?" However, the trade salesman who is really thinking of "customer service and use of products," operates differently. He makes it his business to know all about Mr. Jones and his store. He knows all about the neighborhood in which the store is located. He knows in about which income group the average family falls because there is no use having Jones loaded up with peaches to sell at 35¢ per can if the average family in Jones' trading area buys 25¢ peaches. He learns about the national origin of the people in Jones' neighborhood. Neighborhoods may have one or two nationalities predominating, which means that their tastes for food differ. When the salesman has "specials" pertaining to foods that go well in Jones' neighborhood, he tells him about them. If Jones is progressive and circularizes his customers, whether by mail, handbill or newspaper advertising, the salesman helps him to prepare the material. His firm furnishes advertising material for window displays, store decorations, etc. The "customer service and use of products" salesman

will see that the featured items in Jones' circular are tied up with this material.

The salesman will school Jones and his clerks on the selling points of his products as compared to other brands. He will show him how to make his store attractive. Thus, he will make a "customer service and use of products" man of Jones. Being that type of salesman himself, he will realize full well that unless what he sells *to* Jones is, in turn, sold *by* Jones, his orders will be smaller, and fewer and farther apart.

Now for the so-called "specialty" man. Sometimes this fellow is erroneously referred to as that "high pressure guy." Usually he sells things that people do not use, to people who do not want them. But he knows that they *will* want and *will* use the goods after he has done his preliminary selling. It is even more important that he be a "customer service and use of products" man. Very often when the order is signed the customer is only half or three-quarters sold. He may still feel that what he has bought is, to all intents and purposes, just another item of expense. The profit from this item may be so intangible that it can be realized to its fullest only as the salesman, through his follow-up contacts, shows him the real benefits of its use.

A successful salesman holds his customers. Remember that it is better to keep one good customer than to gain two new ones.

Survey

In selling your customer in the first place, you studied his requirements sufficiently to get him to place the order. Keep in mind that you must continue constantly to study his application, his procedure, and his requirements if you are to render "customer service."

Supplies

If the commodity you sell is one which consumes, let us say, paper, tape, string, cards, ink or some other supply item, and your company handles these items, never allow yourself to become so interested in selling the piece of equipment, at say $500, that you neglect to follow through carefully on a regular basis to see that the customer buys all of these supplies from you.

We had a case in point in our own organization a year or so ago. When I brought to the attention of one of our most successful machine salesmen the fact that the figures showed that one of our best selling supply items throughout the country was extremely low in his particular territory, he bluntly informed me that he "just could not be bothered." His time was too valuable; he wanted to continue selling just the high priced machines. It was necessary to sit down with that man and show him that if 200 of the 300 customers he had in his territory bought one of these items twice a year at $10.00 apiece, it would net his agency some $1,400 per year, in commissions. Furthermore, the service that he was rendering those customers by "going to the trouble" of calling on them at least once in sixty days to see that everything was going right, would enable him to sell not just this one supply item, but all that the customer bought. *And,* when that customer was in the market for more equipment, he would buy of this salesman, and not his competitor. Therefore, do not let the big items that pay big commissions dwarf the small ones which you may carry in your line.

Schedule

The case above shows the importance of calling on customers at regular intervals. Every successful salesman should keep a carefully planned and always up-to-date record of every customer in his territory. He should have an automatic follow-up system which would tell him that Jones has not been called on in sixty days. Scheduling calls, whether it be on prospects or customers, is another important rung in the ladder of success in selling.

The salesman who puts all these "esses" to work in selling will find that they add up to "Success" in keeping customers sold and in steadily mounting repeat orders.

The second letter of the word *Service* is "E" and this suggests "Efficiency," "Engineering," "Enlarge," and "Evidence."

Efficiency

Whether you are calling on prospects or customers, be efficient and prompt. If you make an appointment for 10:00 in the morn-

ing, be in the man's waiting room at 10:00 o'clock. Have your material organized so that you can present whatever you have to offer to your customer quickly. Do not delay or waste his valuable time. Be efficient.

Engineering

It has been my experience that the best source of ideas for improvement in products is your customers, and particularly customers who have been receiving real "customer service." A man who is using your product every day is bound to think of little changes in that product which would definitely speed up production in his organization. If you are calling on him regularly and have properly established yourself with him, he is going to pass these ideas to you. You, in turn, should pass them on to your home office as suggestions from the field. In that way your product will be improved and will maintain its position in the field against competition. Anything you can do to help your company and its product, helps you toward success.

Enlarge

How many times have you fellows, sitting around a club room or in your own home talking with neighbors, heard such remarks as, "I'll never buy another one of those so-and-so cars. The darned brakes are no good." You remember that remark. In fact, you probably pass it on to somebody else the next time you happen to be discussing makes of cars and their good and bad qualities. How did that particular remark originate? Perhaps the dealer who sold that man the car did not properly service it before it left his salesroom. Perhaps those brakes did work satisfactorily for a time, but some poorly trained mechanic ruined the adjustment when the car was in for service. The result is that the next time that man, his friends and friends of his friends want to buy a car, they will avoid that particular make.

If you are going to enlarge your business and continue to sell, you must render Customer Service; you must keep it in mind at all times. Some of our oil companies have educational films which are used in educating their service station men in the proper ways to enlarge their business. I would urge you to see

these films if you have an opportunity. Running a service station for automobiles requires just as much Customer Service as does servicing the most expensive type of accounting machine. Your approach to the man or woman who drives up to the gas pump for five gallons of gas and the way in which you treat that customer every minute of the time he or she is there determines whether or not you continue to do business with them, and that means that your business either enlarges or diminishes.

You should constantly work to increase the volume of business you get from each individual customer. One of the best ways to do this is to keep yourself familiar with his methods, procedures, and requirements. Always try to anticipate opportunities to improve that customer's operations.

Evidence

In Chapter VII on "Sales Interview and Presentation," Mr. Victor Noel brought out the importance of answering the question "who did it." Collecting evidence for your own use, for the use of your brother salesmen, and for the use of your company in its advertising program is a definite requirement of Customer Service. If you have done, and are continuing to do, your job of rendering service to that customer, you may not have to ask him for a testimonial. It will come automatically. Just a few weeks ago we received an order from a new metered mail user out in Hammond, Indiana. In writing out this order for twelve rolls of gummed tape for parcel post packages, the manager of the business took the trouble to write in the body of the order, "I wish I had time to compose a letter telling how nice your mailing machine works and the time it saves and the possible leakage it has stopped. Before installing the machine I had a hard time getting any of my employees to put stamps on our packages, but now it's just the opposite—they all want to work the metered mail machine because it's easy." This order is evidence to us that the salesman has been giving that customer, and probably all of his customers, real Customer Service.

Testimonials are important tools in selling. Good Customer Service produces them.

"R" suggests "Read," "Remember," "Repeat Orders," "Records," "Respect" and "Repairs."

Read

Make it your business to read business magazines and the business section of newspapers. Keep in touch with the financial markets, especially those that relate to your customers or your field of selling. Know what is happening to your customers, their associates and their trade organizations. Keep yourself posted on current events. Make it your business to read regularly every day and every week, and it will do no harm if you make notes now and then.

Remember

"Never forget a customer and a customer will never forget you." Always remember names and always carry a notebook with you so as to record things that you want to remember. One of the worst habits any salesman can develop is to think he can carry everything in his head. Old and experienced salesmen will tell you that it cannot be done.

Repeat orders

I need not go into this subject since it was covered so completely by Mr. Hellebush in Chapter X. All that he said could very well be put under this subject of "Customer Service."

Records

Keeping records will help you *make a record* with your company. A good salesman will make individual call records for each call he makes, whether or not his local manager or his company requires it. Records are essential to your success. And, do not stop making reports after you have once turned a prospect into a customer. Remember, as I said in the first place, Customer Service is still selling; therefore, records are very necessary.

Respect

It is often said that you have reached the high point in customer relations when the customer begins to *respect* you. Wild horses cannot then break him away.

Repairs

Many organizations call a serviceman "one who handles mechanical service or repairs." The mechanical serviceman and the salesman doing his customer a service are both selling.

Bear in mind that no product is 100 % perfect. Naturally, the better the product is made, the less will be the service requirements, *but* when service is required, then it must be of the best. It should be done by trained men and they should use only genuine parts and supplies, manufactured, sold or recommended by your company.

Sales direct to the user present somewhat different circumstances from those involved in sales to dealers and wholesalers. A factory engineer or an office manager will often spend weeks of study and weeks of your time in selecting the best product for a certain job, whether it be a turret lathe for the factory or a machine for the office. For example, you may have sold an expensive, fully automatic metered mailing machine. It is installed and you do a splendid job of operator instruction and take care of the immediate supply requirements by including tape, ink, etc., with the original order. As time goes on you hear nothing from the customer. You assume that all is well. But is it? A little later the customer runs out of the ink you sold with the order. You neglected to impress upon the department head and the operators the fact that this particular ink is the product of years of study, research and experience. It does not contain any chemicals that are injurious to the dies and the printing head of that expensive meter; it is quick drying and will not smear the mechanism and the mail.

This customer has a bottle of ordinary red ink in his office. He pours it into the automatic inker on the machine and immediately your machine is damaged. The mechanical service department is called and a well trained factory man immediately discovers what has happened. He diplomatically explains it to the office manager. He has to dismantle the entire printing head, install new ink rolls and wash the dies and feeding mechanism. This job takes four hours of his time at the customer's office. Yes, it delayed the customer's normal routine for perhaps six to

eight hours (allowing for the travel time of the serviceman) and what did it cost, and who pays for it? Assuming that the standard hourly rate for service in your company is $2.00 per hour, four hours' work plus one hour travel gives a charge of ten dollars. New parts account for another ten dollars and travel expenses are seventy-five cents. The total bill is $20.75. Standard practice says the serviceman should present this bill to the customer. He does, and a row results.

Now what does all this bring out?

First: The importance of real Customer Service on the part of the salesman at the time of the installation of his product.
Second: The importance of a carefully planned follow-up record in the possession of each salesman, showing when your customers should re-order, whether it be the product itself, or the supplies that go with it.
Third: The importance of stressing at all times the fact that your product deserves nothing but the *best* service and the use of genuine parts and supplies of your own manufacture or recommendation.
Fourth: The importance of close co-ordination and co-operation between the sales service and the mechanical service.

If, at the time of the original sale or when making the installation, you had sold your customer on the importance of keeping his new, valuable machine in tiptop shape through having regular inspections made by a factory trained man, possibly through service contracts, this incident would never have occurred. The question of who was to pay the $20.75 would never have arisen. Your company would have had a satisfied customer instead of a disgruntled one.

Now, in selling to distributors, dealers or wholesalers, you are the direct contact between them and your company. You must teach them how to handle service. You must supply your home office with facts concerning particular service problems. You must be prepared to handle special cases requiring personal contact. You must be the guardian of your company's interests.

One other point in connection with this repair or mechanical service. The profit minded mechanic will too often price his mechanical service just as high as he possibly can so as to make

profits. This is a very bad policy for a manufacturer's service organization. Mechanical service should be priced so as to cover costs and overhead, but never to provide for excessive profit. This is especially true with any mechanical service that goes hand in hand with the sale of the product.

The letter "V" suggests "Veracious," "Verify," "Vigilance" and "Value."

Veracious

Apply the Golden Rule to Customer Service. *Your customer knows your company only as you represent it.* On your integrity depends the reputation of your company. That is one of your most important responsibilities as a salesman and it is met best by the quality of Customer Service you render year after year.

Verify

Check up and verify financial facts on customers and report them to your credit department. Mr. Pritchard brought out this important fact in his chapter on "Financing the Order."

Check on every complaint about which you hear. "Where there is smoke there is fire."

Vigilance

Be on your toes. There is nothing that will impress your customer more completely than the fact that you contact him at the so-called "psychological" time. Call on him before he calls you. Being there at the right time is not a matter of accident. It is the result of sticking to a predetermined schedule.

Value

Keep your customer acquainted with the profit angle of his investment. And remember, the little fellow who was a clerk in the purchasing office when you sold your product may be the Purchasing Agent in a year or two. Personal contacts are of great value to you. Never under-estimate the value of any of them. A seemingly small omission in real Customer Service at just the wrong time can cost your company hundreds, yes, thousands of dollars in prestige and good will.

"I" suggests "Information," "Installation," "Interest," "Inventory" and "Instruction."

Information

It is the duty of every salesman or serviceman to be a traveling advertising and publicity agent for his company. Word of mouth advertising or "lip service," properly handled, is more valuable than any other type of advertising that can be obtained. Do not hesitate to write personal letters to your customers if you really have something worth-while to pass on to them. Establish a program for disseminating information to your customers. Show them your house organ and keep them advised of the fundamentals of your company's program.

Installation

This has been partly covered under "Records," but it is so important that I would again like to emphasize that installation records, particularly if you are selling machines and equipment of any kind, are most important. Every salesman should keep a record of his own, or have available in his office, the dates and important facts regarding the installation of equipment in every customer's office. This should include items or events that have transpired after installation and which come under the subject of Customer Service. For example, when a customer calls up in a huff to say that his equipment has not been inspected for months, always be able to tell him that according to your records, it was actually inspected within thirty days.

Interest

Always have a customer's interest at heart. Suggest ways in which the correct use of your products or new application of additional products will save him money.

Inventory

Every good, service-minded company representative should calmly and surely check himself frequently. Don't wait until New Year's and have what is often called "an annual inventory."

Do it regularly once a week to be sure that you are following the principles of selling which you are now learning.

Instruction

Good constructive Customer Service minimizes the need for repairs and adjustments. Every man should know what his company's warranty or guarantee policy is. He should be so familiar with it that at the time of the sale and the time of the installation he can very definitely explain it to his user. This saves a lot of trouble in the future.

The instruction and training of servicemen is a very big subject in itself. All we can say here is that every man who goes out to represent a company or a product should be *thoroughly* trained. Only a few weeks ago a neighbor of mine was having trouble with his electric refrigerator. He called a very well known firm and asked to have a man sent out to inspect and service the machine. In due course a young fellow arrived and the first thing he said, after noticing that there was a very definite squeak somewhere in the driving pulley or belt was, "Well, I'll just put some oil on this belt." Perhaps, to the average user, this would sound logical or not mean a thing, but it happens that my neighbor knows that putting oil on belts ruins them. Now what does he think of that local firm?

If you would give good Customer Service you must see to it that the customer and his operators, clerks or any other employees who have anything to do with your product, clearly understand the functions and purposes for which it was designed. Unless your product is used in the right way and for the purpose it was designed to accomplish, it cannot give satisfactory results. Therefore, make it a point to educate your customers in the proper use of the equipment.

Next comes the letter "C." This suggests "Courtesy vs. 'Courtesies'," "Confidence," "Competition," "Complaints," "Customer-Conscious," and "Convenience."

Courtesy vs. "courtesies"

It is safe to say that today the great majority of buyers, purchasing agents and other employees in responsible positions in your customers' offices want good, courteous "customer service." But seldom do they expect "courtesies." One of the well known items on the old traveling salesman's expense account is and has been "customer courtesies." This includes all kinds of entertainment, gifts, favors and the like. I am not saying that a little entertainment or a gift is not in order at the proper time. But in the majority of cases today, it is not expected and it is not required. Genuine courtesy at all times is far more important.

Confidence

Your objective at all times is to create confidence. Play your cards face up in dealing with a customer and you will soon find that he will do the same.

Competition

Perhaps, if I have failed so far to convince you of the importance of continued and constant contact with customers, there is one word which *will* serve the purpose better than any other. That word is "competition." In looking over your schedule of calls for the day you may say, "I can't waste time calling on Smith today—he won't be in the market for any more of our stuff for the next five years." But remember that Mr. Smith, the man to whom you sold originally, is undoubtedly a busy man and cannot afford to spend his time running all over his place of business checking to see whether or not your product is serving the purpose for which he bought it. Perhaps there have been changes in personnel. Have these new people been properly instructed in the operation of the equipment? If you are to give real customer service, you must call and take care of such problems, painful though the task may be. Remember that your competitor is not going to find it painful to get around there regularly to seek out these things, and may soon convince Mr. Smith that his product is better than yours. If that happens, you can only blame your failure as a Customer Serviceman.

Complaints

Handling customer complaints is very much like "Handling Objections." If you will review Mr. Frank Ward's discussion of this subject in Chapter VIII, you will find it, too, is a definite part of Customer Service.

If you will only realize it, a genuine opportunity presents itself each time a complaint arises. All complaints are by no means the fault of the customer. His complaint may be entirely justified. The old service slogan, "The customer is always right" (not "trite," as it is sometimes mis-quoted) comes into play right here. If the complaint is justified, then do not quibble and try to convince Mr. Customer that he is wrong. Correct the mistake; replace the goods or the part and render real Customer Service.

Complaints can often be changed into good-will builders. Make replacements promptly. Keep in close touch with your factory and advise your customer of progress. Phone or write the customer as soon as the goods are shipped. Customers like this personal interest and will not forget the salesman who is thoughtful and anxious to help.

Now, there is the complaint which develops because the customer did not specify the right material or machine for the specific job, or because he did not give the salesman enough information to enable him to order the right item. Either situation challenges your ingenuity and diplomacy. If you took your order from the purchasing agent, here is your opportunity to get in to tell your story personally to the people who actually use the products. Some purchasing agents are difficult to get by, but a proper approach from the Customer Service angle will frequently do the trick.

You should try to cash in on complaints. Handle them properly and respect, confidence, and good will may result.

Customer-conscious

You have learned of the many desirable traits which a salesman must possess. He must be aggressive, alert, intelligent,

persuasive, etc. One other characteristic should be added. You should be "customer conscious."

Remember, "a customer is your best prospect." A customer, in his associations, clubs, church affiliations, business groups, etc., is always meeting some one who wants to know how he does a certain job. There is no better salesman working for you than a satisfied customer. Customer Service is an important factor in making satisfied customers. Some years ago I made a study of new accounts obtained by my company over a year's time. I found that more than fifty per cent of these new accounts could be traced to old customers.

Convenience

Always make it easy for a customer and all of his employees using your product to reach you or your office or your service. Automobile service stations have a little sticker which tells you when it is time to grease your car and gives the telephone number and address of the station. Have stickers made for your product, or instruction cards which show your name, address and telephone number prominently, which can always be kept on or near your product.

The last letter is "E" and there is only one word left. The word "service" contains two "E's." I deliberately left this one word out of the first group so as to conclude with the one which I think is so important in "customer service." That word is *"Ethics."*

We place a great deal of importance on "maintaining the American standard of living—the American system of free enterprise." Our most optimistic planners venture to hope that these standards may be brought to the rest of the world. This is all very fine, but is enough attention being focused on the only foundation for proper human relations which contains any element of permanence in this world? Is a solid foundation of the right ethical principles and fundamental honesty of purpose evident in every transaction? You may hasten to say that selfishness in business does not appear on the road that you travel, that you have known many instances of splendid, clean, honest service. True, but if you get down to analyze the motive, you will

too often find that honesty is calculated, measured—just enough to retain a customer's good will and no more. The motive is too often selfish. It is not built on recognition of the ethical obligation that each one of us bears toward his neighbor. Sound ethical principles must be followed in business because they are *right*, whether or not they are profitable. All the material advantages in our American way of living mean nothing and will not endure unless they rest on the right ethical basis. I would, therefore, earnestly urge all students who are choosing selling as their occupation to give serious thought to raising the ethical standards in this field. You can do this best by keeping your own standards high. It is written in the Scriptures (and there is no evidence of any intention that salesmen were to be excluded from these sacred counsels of daily conduct), "Do unto others as you would that they do unto you," and "Let us not be weary in well doing for in due season we shall reap, if we faint not."

These counsels of perfection simply mean that it is the *right* thing to render service in all things in full measure, and to the utmost of our ability, and in complete sincerity *without thought of reward.* If you do this, you will find some few in business who will take advantage of your good will. But in the main, if you build your salesmanship and Customer Service on this basis of pure ethics, you will achieve peace of mind and lifelong satisfaction in your work, and a host of permanently satisfied customers who will remain your lifelong business friends. You will also do more than all the planners and politicians combined to sustain our standards of rightly cherished liberties.

Summary

Giving customer service is a means of continuing the selling process, which is never finished.

Continue to study your prospects after you have sold them so that you can anticipate and satisfy their needs. Do not neglect the sale of supplies to go with equipment. This is a real service to customers and helps keep them satisfied.

Call on customers regularly to learn of their needs and see that your product is being used properly and is giving satisfaction.

Be prompt and efficient. Welcome suggestions from users as to product improvement and pass these suggestions on to your company.

One of the benefits of good Customer Service is the word-of-mouth advertising which it gives you. This is invaluable.

Collect and use experiences of others in using your product. Keep yourself well posted on business affairs, especially in your own and your customers' lines. Do not let yourself forget your customers and their needs.

Keep records to enable you to call when you are needed and render good Customer Service. It will pay you.

Make every effort to teach your customers how to use your product and what kinds of supplies to use. This minimizes repair expense. Good repair service, reasonably priced, is an invaluable Customer Service sales aid.

Be truthful and honest with customers. You are the company to them. Play your cards face up and you will gain their confidence. Check on every complaint, handle it courteously and efficiently and you will build customer good will.

Careful attention to service makes it difficult for competition to get in. Keep the welfare of your customers always in mind. Make it easy for them to get in touch with you when they need help.

Of the utmost importance to real customer service is a high ethical standard. Customer Service should be given as a part of your responsibility to your fellow man and given in full measure because it is *right* to give it. Our American standard of living and our American system is based on this concept of ethics as contrasted to the philosophy of giving as little as you can to keep customer good will just because you have to make money.

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Chapter XIX

PUBLIC RELATIONS FOR SALESMEN

by

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IN THIS chapter I want to discuss a topic which concerns your success and happiness in the field of selling and which can have much to do with building strong public respect for the occupation of selling. Public Relations for Salesmen means simply, your relation to your community and to the society in which you live. I shall devote my attention primarily to three aspects of this topic: (1) what your public relations should be, (2) why you should build sound public relations and (3) how to build them.

Why Be Concerned About Public Relations?

Establishing proper public relations is a matter of importance to you. It can increase the dignity and importance of sales work in the eyes of other people. To gain the respect of our fellow men is important to all of us. Proper public relations affects your own individual status in the community or the group with which you associate, immediately and directly. Establishing proper public relations can help you to earn a better living and to live a happier, more normal life than you could otherwise.

Three Pillars of Public Relations

I do not claim to have all the answers as to what factors are important in determining your relations with the people about you. However, there are three factors which seem to me to be

of particular importance. If you develop them properly, you should be able to maintain the proper and desirable relationship with the people around you. These three factors are: (1) your attitudes, (2) your training, and (3) your community or group activities.

Attitudes

It is important that you as an individual and salesmen as a whole develop wholesome attitudes. They can affect your own ability to produce and the opinion which other people form of you.

Attitude toward people. Your attitude toward people has much to do with your ability to get along with them and to make them like you. The healthy attitude in this respect is to look upon the people with whom you deal as fellow human beings entitled to the same consideration you want to receive. It enables you to render Customer Service better and more sincerely. All of us have our weaknesses and peculiarities but you can like most people if you make up your mind to do so. Try it. If you like people, they are likely to return the feeling. I think you will find that you are happier with such an attitude and, most likely, you will find that it helps in your selling work.

General attitude toward life. Do not be cynical. A cynical attitude may make you feel more sophisticated but it is my sincere belief that it is destructive of your morale, dampens your enthusiasm and makes it difficult for those with whom you deal to have confidence in you and in your sincerity.

Try not to be dogmatic. It is part of your business to get along with other people. If you are too positive in your opinions you are likely to make yourself obnoxious. Others may not argue with you but they will probably mark you as a narrow and, perhaps, ignorant person. This will not help you as a salesman and will reflect on the entire community of salesmen. The more you know of the pros and cons of any question, the less likely you are to be dogmatic.

If you would advance your own interests and enhance the public respect for selling as a vocation you must avoid selfishness. If there is anything to what you have read in previous

chapters—and I assure you that it is sound—you cannot avoid the conclusion that success in selling in the long run depends upon your ability to serve your customers. This does not mean that it is not necessary for you to look out for your own interests. But it does mean that to center your attention too closely on promoting your own interests and neglecting those of others is not compatible with successful selling. There are sharpers and frauds in our field just as there are in all others. But good public relations demand that we weed them out as soon as possible and keep others from growing up in their place. Selfishness is poor public relations and poor selling policy.

Attitude toward customers. In treating customers under a separate heading I do not wish to imply that they are not people. What I said above as to your attitude toward people applies to your customers—to them in particular. Perhaps I may be repeating myself here but if repetition adds emphasis then so much the better. Do not make the mistake of looking upon your customers as suckers to be milked for all they are worth. Such an attitude can go far in destroying public respect for you and your calling, not to mention the effect on the customer when he finds you out. The reputation of selling as a whole and of you as a salesman can be improved if you and all other salesmen look upon your customers as people whom you have a special obligation to serve as well as a source of profit.

Attitude toward contemporary problems. You may think it strange that I should mention this but it is important. It is a mistake to center all your thought and attention in the details of your work. You will find it well worth your while to consciously cultivate an interest in and an understanding of the social and economic world about you. To do so will help establish you on an even footing with your customers and others with whom you associate. If your conversational stock in trade consists only of your product and small talk you may find that some people are inclined to look upon you as "just a tradesman." If you can talk easily and intelligently about the problems of the day in which businessmen as a whole are interested, if you can talk to businessmen in their own language and in terms of their own interests, you become one of them. You can more

easily gain their respect for yourself and for the occupation which you represent.

It seems obvious that the development of desirable attitudes in these and in other respects may have much to do with your own success and the reputation of the field of selling. A conscious effort to develop yourself along these lines will pay you real dividends.

Training

Another of the essentials of good public relations is training. I have in mind not only your technical training in your product, its uses and how to sell it, but also general educational background.

Why is training important? In so far as your technical training in selling is concerned, I need say very little. The importance of knowing your product, your industry and that of your customers has already been emphasized time and again in preceding chapters. This has an important bearing on public relations. Unethical practices in the past on the part of a few who attempted to make a living in selling by slyness and fast talking, has caused some people to look upon salesmen at best, as men engaged in a non-productive occupation and, at worst, as a downright predatory group. We who know that this is not true and who want to see selling acquire the status of a profession recognize the need of combating that idea even though it exists in the minds of only a few people.

Perhaps the best way to do this is to train ourselves to really sell. A real salesman renders his customers a valuable service and training is a prerequisite of such service selling. Make it your business—even if your sales manager does not—to know as much as possible about your product and the services it can render and about your customer's problems, needs and methods. Only in this way can you put yourself in a position to serve your customers in the best possible manner. The more you know about these things, the greater is the value of your advice in helping customers satisfy their needs or wants in the most satisfactory manner.

Then there is another reason for the importance of training

in building good public relations. In the introduction to this book, Mr. Lee McCanne highlights the role which training must play if selling is to become a true profession. "In no true profession would a man be expected to 'make good' with so little preparation." If selling is to acquire the public respect which professional status implies, we must know something more than just how to sell effectively. This requires a broader type of training than the old time salesman had. It means that to an increasing extent, salesmen must have an appreciation of art and literature and of the natural and social sciences. This is not to say that he must be learned in all these fields but that he needs at least a speaking acquaintance with them.

With such a background of training, a salesman cannot be considered a narrow specialist, good in his line but a blank otherwise. He is a well rounded man capable of holding his own with other men in any level of society. Like other professional men, he will be a specialist in his line but still possess some understanding and appreciation of others. If we are to be realistic in approaching this question of attaining professional status we must recognize the importance of something more than just technical training. We have deceived ourselves too long about this matter now. The highest success in public relations demands training.

How to obtain training? Many people do not have the opportunity to get the type of training of which I have spoken before entering their chosen vocation. Fortunately, however, this does not mean that they cannot get it at all.

There are few people who do not have access to some kind of formal education after working hours. Most high schools and colleges offer a variety of courses in evening schools. It is probably easier, quicker and more effective to get your training through such formal courses which you can take while you are working. But fortunately this is not the only means of training available to you. Some of the best educated men I know have had little formal schooling. They got their training from reading and talking to other people. So long as there is a library or book store available to you it is possible for you to continue your training as far as you like. The larger public libraries, at least,

can furnish you with expert advice as to desirable books in the various fields of learning. You can learn much from talking to other people also. Perhaps it might be helpful in this regard to develop the habit of listening more and talking less.

Self education is within the reach of practically every American. It will pay you to take advantage of this possibility.

Community or Group Activity

Participation in community or group activity is another of the pillars of sound public relations as well as of personal development. You will do well to make a conscious effort to enter into such activity.

Why participate? The society in which we live has made a contribution to whatever success each one of us has made. Therefore, it seems to me that each of us owes some personal obligation to the community in the form of participation in some worthwhile group activity. This alone is sufficient reason for your participation. But there are others.

Our own self-interest should give us a sense of responsibility for promoting the advancement of our chosen field of selling. It is my belief that the more salesmen participate in community activity and contribute to community progress, the greater will be the public respect for them as individuals and for the field of salesmanship. This is a means of building public relations of the very best kind.

A more personal reason for your participation in community activities is the role which it can play in your own personal development as a man. You need to meet all kinds of people outside your day-to-day business contacts. You will be a better man and salesman if you understand better the viewpoints and feelings of men in all walks of life. In taking on some of their interests and ideas and letting them share in yours you can avoid becoming lop-sided or "queer." If we live too much within ourselves and lose sight of the interests and problems of others we are likely to lose our zest for living. We may go stale. Change from our everyday routine, in itself, is good for every one of us. Participation in community activities can furnish that diversion.

For the benefit of the man who must see a dollar in every move

he makes, I might just mention the fact that in many types of selling valuable contacts can be made from such activity. Getting acquainted with your potential customers and earning their respect never hurt a man's chances of making a sale. I believe, however, that if you participate in community activity with that alone in mind, you will lose some of the more important benefits.

One more thing I would like to mention and it is an important one. The self-respect and pride which you can get from knowing that you belong, that you are contributing to the life of your community or your group can do wonders for your morale. To know that your actions reach beyond yourself and your family and that your own success adds to the success and prestige of others with whom you are associated should be a powerful incentive in making you a better producer as a salesman.

What kinds of activity? The question of what kind or kinds of activities you should get into is not particularly important because it makes little difference so long as they are constructive. Civic organizations, fraternal organizations, religious organizations, political organizations, professional organizations, etc., all give you a chance to round out your personality.

There is just one caution that I would make in this connection. That is to avoid confining your activities to those dealing with your own vocation. Take part in them, yes. But you need the stimulating and broadening effects of outside community activities.

Summary

Public relations are important to you because they influence your own happiness, the status of your occupation and your own ability to succeed as a salesman.

There are three important pillars of sound public relations: (1) your attitudes, (2) your training, and (3) your community or group activities.

Your attitudes toward people, toward life in general, toward customers, and toward the problems of the world about you all influence the opinion which people form of you and your occupation.

The training which you get is important to public relations.

Technical training enables you to do a better job of selling. A broad educational background from formal schooling or reading enables you to win the respect of other businessmen and enhances the reputation of the field in which you work.

You have an obligation to society and to your vocation to participate in community or group activity. Furthermore, it builds up you and your work in the eyes of others. It gives you added interests which help to make you a well-rounded man and to keep you from going stale on your own job.

Chapter XX

CONTRACT LAW FOR SALESMEN

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Contracts

Formation of contracts

CONTRACT law for salesmen is the same as contract law for any other person. The contents of this chapter will deal, however, with those branches of contract law which a salesman is most likely to use or with which he will come in contact most frequently.

What constitutes an offer? A contract is made up of an offer and acceptance. Under certain circumstances a proposal may constitute an offer which can be accepted and thereby ripened into a contract. Therefore, you need to know just what constitutes a valid offer. In the first place, an offer must be definite and certain. For example, if a salesman is seeking a new and desirable connection as sales manager and receives a proposal from the president of a concern promising to pay "a fair share of the profits of the company" or "a fair percentage on the gross sales," the salesman would not have received a valid offer of a job. This is because such an offer is not definite and certain. What constitutes a fair share of the profits or a fair percentage on the gross sales is subject to a wide difference of opinion. The employer would not know what his obligations in the way of compensation to the sales manager would be and the sales man-

ager, on the other hand, would not know what he was to receive in salary, nor would he have any method of computing the amount of his salary. Similarly, price lists, circulars and advertising brochures, for the most part, are not valid offers. Instead, they are but solicitations of trade. They are not definite and certain enough to constitute a valid offer. Take, for example, the circular that is mailed to the customers of a men's furnishing store which says, "Special Sale, Large Stock of $75.00 Men's Suits, Marked Down to $69.50." This circular is not a valid offer. The customer who receives it cannot accept that kind of offer. He would not know which one of the $75.00 suits he was to receive, the blue one or the brown one.

When does an offer become effective? A valid offer becomes effective when communicated to another. An offer may be spoken or it may be written. A written offer should be carefully and accurately prepared because if accepted, it constitutes the only basis and terms of the contract and the rights and liabilities of the parties are controlled solely by the terms of the offer. In this connection it is well to point out that matter which is printed in small type on the reverse side or on the margin of a typed or printed offer, even though intended by the offeror to constitute part of the offer may turn out not to be binding upon the other party. A question of fact might be presented in such circumstances which could be resolved only by proof that the other party read the terms or that they were accurately explained to him.

Acceptance of an offer. Any one of four things may happen to an offer. It may be accepted by the offeree, in which case it ripens into a contract. It may be revoked by the offeror, in which case it may not thereafter be accepted. It may lapse. It may be rejected.

An offer may be accepted only by the offeree, that is, the person to whom the offer was made or communicated. Suppose, for example, that on a cold, winter's day while walking down the street I observed a poor old man shivering from the cold and lack of an overcoat. Needing a new overcoat, myself, I walk up to this man and say to him, "My good man, I'll sell you this overcoat I'm wearing for a dollar. Would you like to buy it?" An old

clothes man who happens to be nearby hears my remark and immediately steps forward and says, "I accept." The old man says, "Sorry, I haven't got a dollar. I can't accept your offer." The question is, Have I sold my overcoat to the old clothes man? The answer is, I have not, because the offer was not made to him and for that reason he cannot accept it. How, then, does one accept an offer if made to him? Well, the offer should be accepted in the way that the offer says it is to be accepted. If no method of acceptance is specified in the offer, then it may be accepted through the same media by which it was extended. Suppose, for example, that a salesman writes a letter to a customer saying, "I have in stock one dozen wooden waste baskets, Style No. 44, as described in detail in our catalog, which I can sell to you for $2.00 provided you wire acceptance on or before March 10th. The customer replies by mail accepting the offer but the letter is not received. There is no contract. Let us suppose, however, that the customer wires his acceptance March 10th and the telegram is lost and never delivered. In this case there is a contract.

The general rule is that an offer communicated by mail may be accepted by mail and if accepted by mail, acceptance is complete and the contract in existence upon the mailing of the acceptance. Similarly, if an offer is communicated by telegram, it may be accepted by telegram and, if so, the contract comes into existence upon the sending of the telegram. If the acceptance is communicated by some means other than the manner in which the offer was communicated, the acceptance does not ripen into a valid contract until actually received by the offeror.

An offeror may provide in the offer that the offer will not be deemed accepted unless acceptance is actually received by the offeror within the time specified. In such case the terms of the offer control over the presumption specified above and the acceptance must be received in order that it may ripen into a contract.

Revocation, lapse or rejection of an offer. An offer may be revoked at any time before it is accepted. The revocation of an offer is the withdrawal of an offer. Notice of revocation or of

withdrawal of the offer must be communicated to the offeree prior to acceptance in order to be effective.

An offer may lapse because it has not been accepted within the time specified for acceptance. If no time for acceptance is specified in the offer, the offeree has a reasonable time within which to accept.

What is a reasonable time is a question of fact to be determined by the circumstances in each case. If the specified time on the one hand, or the reasonable time on the other, elapses without an acceptance, the offer is said to have lapsed and may not thereafter be accepted.

An offer may be rejected. The offeree may actually communicate a rejection by saying, "No, I do not wish to accept your offer." He may reject the offer by making a counter-offer, for a counter-offer is treated in the law as a rejection of the offer. If Jones says to Smith, "I will sell you my horse Midnight for a thousand dollars spot cash" and Smith replies, "I'll give you nine hundred spot cash for him," that is a rejection of Jones' offer and Smith may not thereafter change his mind and by agreeing to pay a thousand dollars spot cash compel Jones to go through with the sale.

Some textbooks and many decisions speak of a contract's coming into existence upon the "meeting of the minds" of the parties. This phrase is confusing, it seems to me, because contracts are not formed on the basis of the secret intention of the parties but rather on the expressed thoughts. In the case last given, Smith may have made up his own mind from the very beginning that he was willing to and could pay a thousand dollars for Midnight if he had to but at first he preferred to try to buy for less. It might be said that there was a meeting of the minds between Jones and Smith but, nevertheless, no contract resulted because the statement communicated differed from the secret intention.

Competency of Parties to a Contract

Contracts of incompetents voidable

Contracts with infants, and any one under 21 years of age is an infant in the eyes of the law, are voidable by the infant. This

is the general rule. There are some exceptions which will be discussed later. An infant can enforce a contract but the other party to the contract cannot enforce it as against the infant. If an infant should go to a store and buy a bicycle on credit, the proprietor of the bicycle store could not compel the infant to pay for it. The infant could escape liability for payment by tendering return of the bicycle even though the bicycle had been damaged or broken during the period that he used it. In general, the courts say that if he wishes to avoid payment, an infant must return what he has received if he is in a position to do so. If he cannot return the mechandise, he, nevertheless, has no obligation to pay for it. The exception previously referred to in regard to infants' contracts has to do with so-called necessities. A contract with an infant or a sale to an infant of necessary clothing, lodging, food, and in certain instances, education, can be enforced. There are decisions, however, which hold that if an infant has a parent or guardian who is furnishing to the infant all that is needed in the way of food, lodging and clothes, then additional articles which may be sold to him directly are not necessities and payment thereof cannot be enforced.

If one of the parties to a contract is an incompetent person, such a contract is voidable in its entirety if there has been no change of position. But it may not be voided even by the incompetent person if the contract has been partly performed by the other party. This rule applies only in the case where the incompetent person has not been legally adjudicated incompetent. For example, if a contract is made between Mr. Jones and Mr. Smith whereby the latter agrees to purchase from the former 100 shares of stock in the AB Company at $100 a share, sale to be completed January 25, Mr. Smith, if incompetent, can repudiate this contract and will not be liable upon it and cannot be required to pay damages for its breach. On the other hand, if Mr. Jones had already delivered the shares of stock in the AB Company and had received Mr. Smith's note in exchange, then Mr. Jones could require Smith to perform by paying the note even though Smith was incompetent. However, if at the time of the making of the contract, Mr. Smith had been judicially declared to be an incompetent person, no contract would have

come into existence and Mr. Smith could not be required to perform even though Jones had actually performed on his part.

Consideration

Nature of consideration. Consideration is briefly defined as anything which is or produces a detriment to the promisee or a benefit to the promisor. Here is an example of consideration which is a detriment to the promisee without being of any benefit to the promisor. I agree to pay Joe $10 if he mows my neighbor's lawn. I agree to pay my son $25 if he does not smoke until his twenty-first birthday. In both of these examples I receive no benefit from a performance but it is a detriment to Joe to be obliged to mow the lawn and it is a detriment to my son to be deprived of his privilege of smoking until his twenty-first birthday. At this point it is well to point out that the law considers detriment to be an obligation to do something which one is not legally bound to do or an agreement not to do something which one has a legal right to do. The question of whether the act or the failure to act is for one's own good has no bearing on the problem. In the example given above, for instance, wherein my son agrees not to smoke until he is twenty-one, many people would say that it was an actual benefit to him because his health would be impaired if he should smoke before reaching twenty-one. This may be true but in the law of contracts it is a detriment to him because he has agreed not to do something which he is privileged to do. Consideration may consist of a benefit to the promisor. This is the usual case in which I agree to pay Joe $10 to mow my lawn or where I agree to pay $5 for a box of cigars. In each case I am receiving a benefit. I am having a service performed for me in one case and I am receiving something I want in the other.

Unilateral and bilateral contracts. There are two types of contracts. One type is called a bilateral contract and the other is called a unilateral contract. A bilateral contract is one in which each party promises to do something. In this kind of contract the promise of one is sufficient consideration to enforce the promise on the part of the other party. Jones promises to wash my car every week for three months. I promise to pay Jones $15

at the end of the three months period. Neither party has done anything at this point except to make a promise and yet there is a valid and enforceable contract.

A unilateral contract is one in which a promise is made by one party to pay for an act or a performance by the other party. A typical example is the situation where I promise to pay Smith one dollar for mowing my lawn. In this case Smith need make no promise whatever. He is under no obligation to mow my lawn. However, if and when he does, he is entitled to enforce my promise to pay him a dollar for it.

Past consideration. Past consideration usually is not sufficient to constitute valid consideration for a promise or agreement. Past consideration is consideration which has already been performed or given. Example: Upon my return from my vacation I find Smith has mowed my lawn without any request on my part. When I see, however, what a good job he has done, I say to him, "How nice, I'll pay you $2 next pay day." By the time next pay day comes around I have forgotten all about how nice my lawn looked; the grass has grown in the meantime and I have had to cut it again myself and I forget all about paying Smith. Smith cannot compel me to pay him the $2 inasmuch as the only consideration for my promise was consideration which had been given by Smith before I made the promise.

There are one or two notable exceptions to the general rule that past consideration is insufficient to support a contract. Past consideration is usually held to be sufficient to support a promise to pay a debt barred by the Statute of Limitations or a debt barred by bankruptcy. In certain states such promises must be in writing and signed but are then enforceable without any new consideration. An agreement by a person upon reaching his twenty-first birthday to pay a debt incurred during infancy is enforceable even though the only consideration for the twenty-one-year-old is past consideration.

Insufficient consideration. There is one interesting feature which is pretty generally recognized in reference to consideration. It is this. An agreement to do what one is already bound by contract or by law to do is not sufficient consideration. Example: Jones hires Smith, a professional ditch digger, to dig a

ditch 10 feet long for $10. Smith starts the job and gets it half done. He comes to Jones and says, "I find I can't do this job for $10 and unless you will pay me more for it, I'm going to quit right now. Jones, anxious to have the job done, agrees to pay Smith an extra $5 whereupon Smith completes the 10 foot ditch and asks for $15. How much is Jones obliged to pay? $10. The reason for this is that there was no consideration for Jones' promise to pay an extra $5 inasmuch as Smith was already bound by contract to dig a ten foot ditch and he agreed to do no more when he exacted a promise from Jones to pay an additional $5 for the job. Jones' promise to pay $5 extra is unenforceable because there was no consideration for it.

There is an easy way out of such a predicament, however. If any of you happen to be in Smith's position and wish to enforce greater payment for the same job, be sure that you agree to do something else in addition to what you were already previously bound by contract to do. If in the example just mentioned, Smith had agreed to dig a ditch 11 feet long in exchange for Jones' promise to pay $5 extra, or if Smith had agreed to finish the job sooner than he was previously bound by contract to finish it, there would have been consideration for Jones' promise to pay an extra $5 and Smith could have enforced that promise.

Many people have the idea that if they owe $100 and mail a check for $90 and mark on it "Paid in Full," their obligation to pay the $100 is discharged. Under certain circumstances this may be true but it is not universally true. Ordinarily the payment of $90 is not sufficient consideration to constitute discharge of a debt of $100. Even if the creditor agrees to accept $90 in payment of the $100 account, he may later enforce payment of the $10 balance because there was no consideration for his promise and agreement to accept $90 in full payment. This rule is a corollary to the previous rule to the effect that an agreement to do what one is already bound to do does not constitute consideration. The debtor, by agreeing or even by paying $90, is doing only what he was previously bound to do anyway and for this reason his agreement to pay or his actual payment, as the case may be, does not constitute any consideration for the creditor's agreement to accept less than the full amount.

There are exceptions to this rule. If the smaller sum is paid before the larger sum is due, then it constitutes full payment for under such circumstances the debtor is doing something he is not already bound to do; namely, paying ahead of time, before the due date. If some article is given or service rendered in addition to the payment of the smaller sum with the agreement of the creditor, it constitutes full payment. If the debtor agrees to pay $90 cash and, in addition, agrees to mow the creditor's lawn and creditor agrees to accept the payment and service in full for the $100 debt, such an agreement is enforceable.

If a bona fide dispute exists between the debtor and creditor as to exactly how much is really owing, then a payment of something less than what the creditor claims is owing, if accepted by the creditor in full payment, is an enforceable accord and satisfaction and constitutes full payment of the claim. And lastly, if the debtor is insolvent and unable to pay all of his creditors 100 cents on the dollar, the agreement of all these creditors to accept 50 cents on the dollar, let us say, is enforceable and, in this instance, the agreement of one creditor to accept less than full amount on his claim is sufficient consideration for a similar agreement on the part of other creditors to accept less than the full amount on their claim. Under statutes in some states a formal written release, if signed by the creditor, is enforceable even though the amount paid for it by the debtor is less than the full amount owing. This is a statutory modification of the general common law rule.

Defenses to Contracts

So far, we have been discussing the formation of contracts and the element making up a valid contract. It serves little purpose to enter into a contract with a competent party by a valid offer and acceptance and support it by a sufficient consideration if the contract is subject to a defense. We ought to consider, briefly, defenses to the enforcement of a contract.

Fraud. Lawyers say that fraud is a defense to an action on contract. What do lawyers mean when they speak of fraud being a defense? They mean that at the time of or during negotiations leading up to the making of the contract one party made a

material misrepresentation of fact with knowledge of the falsity and an intention that the other party would rely on it, coupled with actual reliance by the other party to the contract resulting in damage to the other party.

First, we must distinguish between a material misrepresentation of fact and a statement of opinion. Statement of opinion which turns out to be untrue is not sufficient to constitute fraud. If a salesman, while fitting a customer to a suit, says, "This suit will wear like iron" or, "You will never be sorry you bought this suit," he is not making a representation of fact. Whether what he said is true or not is immaterial insofar as a defense to the contract of sale is concerned. On the other hand, if the salesman says, "This suit was made by the AB Company" and, as a matter of fact, it was made by the XYZ Company, then the salesman has made a misrepresentation of fact, and, if the other elements constituting fraud as defined above are present, the purchaser cannot be compelled to go through with the contract.

You should have no difficulty in interpreting the other elements. The person alleging fraud as a defense to a contract must prove that the other party to the contract knew of the falsity at the time he made the misstatement of fact and he must show also that he believed the misstatement to be true.

If a contract has been produced by fraud as defined above, the buyer of merchandise has two alternative remedies. He may rescind the contract. That is, he may cancel the contract, return the merchandise and be relieved of the obligation to pay for it. Or, if he has already paid for it, he may demand and recover the amount he paid for it. A further alternative is to keep the goods, pay for them and then bring an action against the other party to recover damages sustained by reason of the fraud. The defrauded party may not do both. He may not rescind the contract and at the same time or thereafter bring an action for damages.

Duress. Duress is a defense to an action on a contract. Duress is the exercise of force or threat of force or threat of imprisonment, in order to compel a person to enter into a contract. The threats of force or imprisonment must be made to the party himself and must relate to the party himself or to a member of his immediate family. Threat of imprisonment or criminal prose-

cution or the use of force upon some one not a close relative is not generally recognized as duress.

For example, if a salesman should approach Mr. Jones and say to him, "Now, Mr. Jones, I would like to have you give me an order for a carload of dog biscuit and if you don't do it, I am going to have your partner, Mr. Smith, indicted for forgery." Under these circumstances Jones places the order. If he should later try to disaffirm this contract on the ground of duress, he would be unsuccessful unless his partner Smith was a member of his immediate family or a near relative. This, at least, is the common law rule. In certain states it may have been modified or extended by statute or by judicial decisions.

Mutual mistake. Mutual mistake justifies rescission of a contract, if both parties to the contract were mistaken as to the existence of the subject matter of the contract. Suppose, for example, that Mr. King and Mr. Prince are discussing the sale of Mr. King's horse Jubilee. Mr. King agrees to sell Jubilee for $10,000 and Mr. Prince agrees to pay that sum in cash. The bill of sale is made out and delivered by King to Prince and Prince delivers a certified check to King. The next day Mr. Prince goes to the stable to receive delivery of the horse and it is then discovered for the first time that three hours before the bill of sale and check were exchanged, Jubilee had been accidentally shot and killed without the knowledge of either King or Prince. The sale will be rescinded because both parties of the contract were laboring under a mistake as to the existence of the subject matter of the sale.

Similarly, if both parties are mistaken as to the identity of the subject matter of the sale, the contract will be rescinded. For example, Mr. Sailer owns a sailboat and a motorboat. Mr. White knows that Sailer owns a sailboat but does not know Sailer owns a motorboat. Sailer offered his motorboat for sale but had not offered his sailboat for sale. They met at the yacht club and White offered $600 to Sailer for his boat. Sailer accepted and made out a bill of sale, delivered it to White, and White delivered a certified check for $600. The next morning White went down to take possession of the sailboat and then discovered for the first time that Sailer had meant to sell the motorboat

and White had meant to buy the sailboat. Here there was a mutual mistake as to the identity of the subject matter of the sale. The sale will be rescinded and both parties restored to their previous position.

The fact that the parties make a mistake in the value of the thing sold does not constitute grounds for rescission. Mr. Rubens has an oil painting which he picked up at an auction. Mr. Phillips admires it and offers to pay Rubens $50 for the painting. The painting is delivered to Phillips and Phillips delivers the certified check. It later turns out that the oil painting is a genuine Rembrandt, worth many thousands of dollars. This contract cannot be rescinded.

An unilateral mistake, or a mistake made by only one party to a contract is not grounds for recission. Phillip, believing that he has lost his fountain pen, goes to the store and buys another. Before using his new pen, he finds his old pen and wishes to rescind on the ground that he bought the new pen under the mistaken impression that his old pen was lost. He cannot rescind.

The Statute of Frauds

The Statute of Frauds was originally an act of English Parliament. It was in existence at the time of the founding of the American Common Law which was based upon English law, and most of its provisions were incorporated into American law. Most states have re-enacted the Statute of Frauds as a statute by the state legislature and there is quite general uniformity in its provisions. In general, the Statute of Frauds provides that certain types of contracts must be in writing and signed in order to be enforceable.

An agreement which cannot be performed within one year must be in writing. For example, an agreement made December 24 whereby a florist agrees to deliver a bouquet each Sunday during the succeeding Calendar year cannot be performed within a year from December 24 and, therefore, is unenforceable unless reduced to writing and signed by both parties.

A contract to sell or buy merchandise of a value of $50 or more must be in writing and signed, unless (a) the buyer accepts

delivery of part or all of the merchandise, (b) the buyer makes a part payment to bind the contract, or (c) the goods are made to order.

An agreement to pay or to be responsible for the payment of a debt of another person must be in writing and signed by the guarantor. If Mr. Rich says to the tradesman, "Sell Mr. Poor what he needs. If he doesn't pay for it, I will."; such a promise is unenforceable and the tradesman cannot compel Mr. Rich to pay. There are other types of contracts which must be in writing and signed in order to be enforceable but they have no particular significance in contract law for salesmen.

Performance of contracts

We assume now that a valid contract has been made and that there are no defenses to its enforceability. How does one discharge or terminate his liability under the contract? The most commonly accepted method of course, is by performing it. In order to escape liability for breach of contract the contract must be performed within the time fixed by the contract for performance and if no time is specified, then the law grants a reasonable time.

Time of Performance. Certain types of contract must be performed at the exact time specified in order to escape liability for breach. In other types of contracts performance may extend over a period of time. Where time of performance is the essence of the contract, late performance may be refused and liability for damages incurred. Suppose, for example, that Mr. Phelps's daughter is to be married at the church on June 20 at 4:00 P.M. He places an order with his florist for ten dozen roses to be delivered at the church at 2:00 P.M. The florist delivered the flowers at 5:00 P.M., only one hour late; but certainly in this case time of performance was the essence of the contract and Mr. Phelps is under no obligation to pay for the roses.

Just as late performance is not sufficient, so too early performance will not fulfill the contract under certain circumstances.

Suppose, for example, in the case just cited that the florist delivered the roses at the church two days before the day of the wedding and by the time of the wedding they were all wilted. Mr.

Phelps would not be obliged to pay the florist. Parties may stipulate and agree that the time of performance shall be of the essence of the contract, even though a contract is of the type in which normally the time of performance would not be so important. Ordinarily in the purchase of a suit of clothes, for example, whether the finished garment is delivered on the 10th of the month or the 25th of the month makes little difference. However, the purchaser may have a particular need for the suit of clothes on or before a specified time and if he buys the suit on condition that it be delivered by the 10th of the month and specifies that if it isn't delivered by that date he will not take the suit, then time has been made the essence of the contract by agreement of the parties and if the suit is not delivered by the time specified, the purchaser is under no obligation to accept and pay for it.

Personal satisfaction. In certain types of contracts the parties provide for "personal satisfaction." If the subject matter of the contract is something which involves personal taste, then a provision in the contract by which one party agrees to perform to the other's personal satisfaction is enforceable. On the other hand, if the nature of the contract is such that it does not involve personal taste, then even though one party has agreed to perform to the other's personal satisfaction, the other will be required to accept performance if performance is sufficient to satisfy any reasonable person.

Two examples will serve to clarify this point. Suppose a photographer agrees to take the portrait of a movie actress and agrees that he will take her portrait for a specified price and agrees that it will meet her personal satisfaction. The photographer does an especially good job but the actress is not satisfied and refuses to accept the portrait and refuses to pay for it on the ground that she is not satisfied with it. In this case the photographer cannot compel payment even though it is a good portrait because the subject matter of the contract involved personal taste.

On the other hand, suppose a garage man agrees to repair my car, especially in reference to a bent and mashed fender, to my personal satisfaction. If he repairs the car in a good work-

manlike manner so that any reasonable person would be satisfied with the job I have got to accept the car and pay his bill even though I am not personally satisfied with it. The repair to the car is not the kind of contract which deals with personal taste.

Substantial performance. The modern law applies the doctrine of substantial performance. Even though a party to a contract does not perform it in accordance with the contract in every minute detail, he can require the other party to a contract to accept performance with an adjustment on the contract price. Suppose that Mr. Morris engages an architect who draws plans for a new house which Mr. Morris plans to build. The plans are submitted to contractors who bid on the job and the contract, incorporating the architect's plans and specifications, is signed by Mr. Morris and the contractor. The house is to cost $40,000. Within the time specified for completion, the builder completes the house. Mr. and Mrs. Morris make an inspection and discover that the paper in the baby's room is pink instead of blue, that the floor covering in the kitchen is not the same color as that required by the specifications and they find a number of other changes and substitutions of a similar nature. Can Mr. Morris refuse to accept the house? Can he refuse to pay the contractor and leave to the contractor the task of selling the house to some one else? No. Under the doctrine of substantial performance Mr. Morris must accept the house and the contractor will be paid the contract price less some reasonable adjustment to take care of the errors and shortcomings in the construction.

Performance by person required to pay. The way to perform a contract by the person who is required to pay is to pay what the contract calls for. Legally, payment means in cash or by legal tender. A check is not payment unless the party receiving payment agrees to accept the check as such or unless by a course of previous conduct between the same parties a course of dealing has been established whereby checks have been regularly accepted as payment.

Tendered performance. A person may discharge his obligations under a contract by tendering performance. Tendered performance is an offer to do what one is required to do by the contract. It is proof of one party's willingness and ability to

perform his part of the contract and puts him in a position to recover damages for the other party's failure to perform. For example, Jim Peters is a book salesman. He has a special introductory offer of a full set of books at 50% off list price provided the full purchase price is paid by December 10. He takes an order for a set at the list price from Mr. Wilder and writes on the order form, "50% discount will be allowed if paid in full by December 10th." On December 5 Jim Peters' company withdraws the special discount allowance and Mr. Wilder is notified of the withdrawal. On December 10th Mr. Wilder tenders the full purchase price less the discount which is refused because the discount has been withdrawn. A lawsuit results. Held, Mr. Wilder is entitled to the discount. If he had not made the tender on December 10th, he would not have been successful and if he had imposed any condition on his tender, such as a demand for a receipt or delivery of the books, it would not have been a valid tender.

In contracts of sale the impossibility of performance is not usually a discharge or a defense. A few examples will indicate how the rule should be applied. A noted pianist agrees to give a concert once a week for three months at a specified price. He dies at the end of the first month. The contract is discharged. His estate is not liable.

Joe agrees to scrape and varnish my boat for $100. Before the work is completed, my boat burns up. The contract is discharged. I am liable for no more than the work performed up to the date the boat was destroyed.

A salesman makes a contract on behalf of his company to sell 100 radios for delivery by October 1st. A strike occurs at the plant and the company cannot make delivery. This is not a discharge of the contract and the company is liable. It is for this very reason that contracts of sale frequently have a special clause excusing performance or extending delivery date in the event of a strike.

Release or agreement. A contract may be discharged by release or agreement. Suppose your company agrees to sell and deliver 100 pairs of shoes each month for a year and before the year is up your company desires to go out of business. The lia-

bility on this unfilled contract may be discharged by a release. Of course, it may be that your company will have to pay the customer in order to procure a release from him. But once release is given, whether as a result of cash payment or not, the contract has been discharged by agreement.

Certain types of contracts may be assigned. In this last example, if the customer would not release your company from the contract to sell shoes, your company could assign the contract to another shoe company who could continue to perform under the contract and collect the agreed price from the customer. Frequently contracts contain a clause prohibiting assignment. However, even though a contract is assigned, the original contracting party who has assigned the contract remains liable on the contract until fully performed by the assignee.

Law of Sales

At this point it is well to distinguish between a sale on the one hand and a contract to sell on the other. A sale occurs when title to the property is immediately transferred from the seller to the buyer and a contract to sell is an agreement by which the seller agrees some time in the future to transfer title to the buyer. Price is an essential part of both, but price need not always be expressly stated and specified. Suppose, for example, that the housewife telephones in an order for groceries. She says, "Send me a loaf of bread, a pound of butter and a quart of milk." Nothing is said about the price of the articles and at the end of the month the grocer sends a bill. In this situation the price is the reasonable market value of the groceries. It is, nevertheless, inherent in the transaction and just as much a part of the sale as if it had been mentioned in dollars and cents. Suppose, however, that Mr. Forbes orders 40,000 feet of lumber, price "to be mutually satisfactory." This is neither a contract nor a sale for one of the essential elements, namely, price, has not been determined. There is a limitation placed on the amount to be paid which is not represented by reasonable value; instead it is to be the subject of a future agreement.

When Does Title Pass?

It is essential to know when title to the merchandise passes from the seller to the buyer. Especially is this true in the case where the merchandise is lost, destroyed or damaged. There are certain general rules which can be applied in determining when title passes. Title will pass when the parties agree that title shall pass. If the contract of sale is silent on the subject of when title shall pass, then the law steps in to fill the breach.

If the goods which are the subject of the sale are in existence and are specific and are ascertained, then title passes just as soon as the goods have been selected by the buyer or as soon as they have been selected by the seller with the buyer's consent. Here is an example of goods selected by the buyer. Phillips goes to the music store and picks out a particular piano which he wishes to buy and tells the proprietor to ship the piano to his residence and send him a bill. Title passes immediately even though the piano was not delivered until some time later.

In the following case is an example of merchandise selected by the seller with the buyer's consent. Peters writes to Sears, Roebuck and orders a pair of hunting boots, Serial No. 33426, and requests that they be sent C.O.D. Just as soon as the employee of the seller sets aside the boots of the kind ordered, title passes.

Unascertained goods

If the subject of the sale consists of goods which are not yet in existence, they are called unascertained goods and title cannot pass until the goods have come into existence and have been appropriated to the contract.

Ascertained goods

If ascertained goods are in deliverable state, as shown above by the example of the piano, title passes immediately even though delivery of the merchandise has not been made and the purchase price paid. In the piano case mentioned above, the loss would fall on the buyer if a fire occurred and the piano was burned or destroyed. If, however, something remains to be done

to the goods before they are in a deliverable state, title does not pass until this thing has been done even though the goods are specific and ascertained. For example, Smith goes into the men's furnishing store and selects a suit of ready-made clothes. Some slight alterations are required which are to be made by the store. Title does not pass until the alterations have been completed because the merchandise is not in a deliverable state until then. If a fire occurred before the alterations have been completed, the loss would fall upon the seller. If the alterations have been completed and the suit packaged and awaiting delivery at the time of the fire, the loss would fall upon the buyer.

Goods subject to return

Nowadays, retailers frequently sell merchandise "on sale or return." The merchandise is sold and delivered to the customer but the customer has the privilege within a specified time of returning the merchandise for credit. Under such circumstances title passes to the buyer as soon as the goods are ascertained and in a deliverable state and revests in the seller as soon as the goods are returned or tendered to the seller. Of course, the right to return the merchandise is limited to the time fixed for its return. If no specified time is fixed, the law again fills in the gap and provides that the buyer shall have a reasonable time within which to return the merchandise if he does not wish to keep it. If the buyer fails to return the merchandise within the time specified or if no time is specified, within a reasonable time, then the buyer loses his right to return the merchandise and title is irrevocably vested in the buyer.

Goods sold on approval

Sometimes, however, goods are sold, not on a basis of sale or return, but "on approval" and under such circumstances title does not pass until the buyer has indicated either by word or deed that he elects to purchase the goods. A typical example which probably has occurred many times in the experience of department stores is the case where a lady buys a hat on approval, wears it once to a cocktail party and discovering a similar number on a rival returns the hat to the store. Even though the

hat was sold on approval, by wearing it the customer has by her act indicated her approval of the merchandise and she cannot thereafter say that title did not pass. The fact that present day merchandising custom varies from the rule of law does not place a limitation upon the seller's rights to insist upon payment for the merchandise rather than its return.

Contracts for the sale of merchandise not yet in existence are frequently made by means of samples or catalog numbers. The seller may have an inventory of several thousands of the articles which are the subject of the sale but the goods remain unascertained until the seller has selected from his inventory the particular number ordered by the buyer and appropriated them to the buyer's order by packaging them and marking them with the buyer's name. Under such circumstances title does not pass until the goods have been so set aside and marked. It is for this reason that, in shipment of goods from the buyer to seller, the risk of loss is on the buyer during shipment. When the goods are placed in the hands of the carrier, they are unequivocally appropriated to the buyer's contract. The fact that the seller retains the right of stoppage *in transitu* as a lien for the unpaid purchase price does not prevent passage of title. Even in C.O.D. transactions, the title passes immediately upon delivery to the carrier with the right in the seller to revest title in himself if the merchandise is not paid for on arrival.

Bear in mind that the parties to a contract of sale may by agreement fix the time at which title will pass and may make their own rules for risk of loss and right of return. The rules outlined above apply only where the contract of sale does not specifically cover the situation.

Agency

The act of an agent is binding upon the principal and the principal is entitled to the benefits of the agent's acts and is likewise subjected to liability for those acts. This rule is subject to proof that the agent was authorized to do on behalf of his principal what he purported to do.

Creation of an agency, appointment, or agreement

An agency may be created by appointment or agreement. It is in that way that a salesman becomes an agent. The concern by which he is employed enters into an agreement with him and appoints him agent to perform certain acts on behalf of his employer. An agency agreement need not be in writing unless it is an agreement for more than one year.

Ratification

An agency may be created by ratification. Suppose, for example, that Phelps, claiming to be an agent for the AB Company, procures an order for a carload of golf balls and takes the order to the AB Company. Although he never had any previous connection or contact with the AB Company, the Company is pleased to fill the order and it does. The AB Company, by accepting the benefits of Phelps' efforts has ratified the purported agency.

In order that ratification can be effective, the agent's acts must have been done in the name of the principal. The principal at the time of the ratification, must have had full knowledge of all the facts relating to the agent's transaction and the principal must ratify *all* the terms and provisions of the acts of the agent relating to the transaction. In the case of the golf balls, for example, the principal cannot ratify the agent's acts insofar as the taking of the order is concerned and repudiate the agent's acts so far as the terms of credit are concerned.

Estoppel

An agency may be created by estoppel. Suppose, for example, that the Moon Automobile Agency advertises a repair shop. Mr. Star takes his car there for repairs and through the neglect of the mechanic his car is damaged. It later develops that the repair department was run by a man who had no connection with the Moon Agency. The space had simply been leased to him and he ran his own repair shop. The Moon Agency would be estopped from proving this arrangement and would be liable

for the damage to Mr. Star's car because it represented to the public that it was the Moon Agency Repair Shop.

Obligations in agencies

When a principal and agency relationship exists, there are certain obligations imposed upon both parties to the relationship.

Obligation of principals

The obligations of the principal are to pay the agent the agreed price or the reasonable value for the services which he renders for the principal, to reimburse the agent for all reasonable expenses and disbursements incurred by him in the discharge of his duties and to indemnify the agent against risks necessarily assumed while carrying out his mission. If Mr. Cunningham is retained by a manufacturing concern to go into the market and buy up raw materials in his own name for the manufacturing concern without disclosing to any one for whom Mr. Cunningham is acting, the undisclosed principal must reimburse Mr. Cunningham and stand back of him financially if Mr. Cunningham incurs liability for non-performance of the contracts he makes in his own name. If Mr. Cunningham places an order for a carload of lumber and the manufacturing concern cancels the order and the lumber dealer brings an action against Cunningham for damages and recovers a judgment, the manufacturing concern must pay the judgment.

Obligations of agents

There are certain obligations on the part of an agent. He owes to the principal the duty of loyalty and fair dealing. He stands in a confidential relationship with his principal. He may not represent two principals who have conflicting interests. He may not make any secret gain or profit for himself or have any private personal interest which conflicts with the interest of his principal.

If the agent for a cold storage company is requested to buy 5,000 bushels of potatoes at the best price obtainable, he may not buy potatoes from his own farm without making disclosure of such fact to the principal for if he were permitted to do so, there would be a conflict between his own personal interest

to get a high price for his potatoes and the interest of his principal in buying the potatoes as cheaply as possible. An agent is under obligation to carry out faithfully the instructions and wishes of his principal.

Powers and obligations of agents

Unless the agent is vested with discretionary powers he may not use his own judgment in his dealings with third parties but must carry out the instructions of his principal even though the agent feels those instructions are unwise. Suppose a salesman is instructed by his principal to accept orders from the AB Company granting 90-day credit if necessary to get the order. A salesman calls on the company and determines that he can procure a very substantial order if 90-day credit is given but that he cannot get an order with less than 90-day credit. The Salesman is bound to accept the order even though he personally may feel that a mistake is being made in extending such credit.

An agent has a duty to account to his principal for all property, assets, money and things of value which come into his hand as agent. The nature and extent of the books and records required to be kept by the agent will vary, depending on the nature of his work. But even in the absence of any specific instructions from his principal, he is bound to keep such records as will enable him to report faithfully to the principal concerning his financial activities on behalf of the principal.

Refer now to the example above of the agent whose job it was to buy five thousand bushels of potatoes. Let us assume that the principal had instructed the agent to pay up to $1.25 for U. S. No. 1 potatoes.

The agent was able to purchase five thousand bushels of U. S. No. 1 potatoes at $1.10 a bushel. The agent may not charge his principal with more than $1.10, even though he knew the principal was willing to pay $1.25. The agent is bound to make full disclosure to the principal of the facts.

When principal is not liable

We have seen that a principal is liable for the authorized acts of an agent. It is also true that the principal is not liable for un-

authorized acts of his agent unless the agent has been vested with apparent authority to do the unauthorized act. Let us suppose that it is the custom and usage in the coal business for a salesman to arrange credit terms. A salesman accepts on behalf of the coal company an order from Jones for 100 tons of coal on 90-day credit. The coal company cannot insist on payment before the 90 days have expired and must fulfill the contract or be liable to Jones for damages. This is true even though the coal company had specifically instructed the salesman to give to Jones no credit beyond 30 days. In this case the salesman had apparent authority to negotiate credit terms on the sale of coal and even though his specific instructions with reference to Jones were different from the credit terms actually given to Jones by the salesman, the coal company is nevertheless bound by the salesman's contract. On the other hand, note that the salesman in this case has violated his specific instructions and if the coal company sustains a loss by reason of the violation of the specific instructions, the salesman will be liable to his employer for those damages. Distinguish the foregoing example from the case where the salesman for the White Paper Company calls upon the Vice President of the Knight Radio Company in an endeavor to get an order for the paper needs of the Knight Company. The Knight Company Vice President was a better salesman than the White Paper Company representative and persuaded the salesman to place an order with the Knight Company for 30 radios to be delivered to the White Paper Company offices. The radios were delivered and the officials of the White Paper Company were delighted with them and used them, believing them to be a good-will gesture from the Knight Company. When the bill for the radios came in the following month, payment was refused and the Knight Radio Company sought to enforce payment for the radios on the strength of the order placed by the White Paper Company. Will the radio company be successful in forcing payment? It will not. The salesman who placed the order had no apparent authority to *buy* merchandise for the White Paper Company and the company would not be liable for the salesman's unauthorized acts which were not within the scope of his apparent authority.

Just as there is sometimes difficulty in determining in borderline cases whether an agent had apparent authority to perform certain acts on behalf of his principal, similarly, there is difficulty in determining under what circumstances the principal is liable in damages for wrongful and negligent acts which result in personal injuries or property damage to third persons. Every one is familiar with the rule that the AB Company is liable to a pedestrian who is injured through the negligent act of the driver of the AB Company car while engaged on company business.

On the other hand, if the salesman for the AB Company should imbibe too freely and become involved in a tavern brawl and commit assault and battery on the bartender, no one would seriously contend that the AB Company should be liable for the latter's broken nose and black eye. The line cannot be drawn, however, between negligent acts and intentional acts; nor between criminal and non-criminal acts.

Sometimes a principal is liable for an agent's acts in assaulting a third party. The bouncer in a night club who uses more force than necessary to evict an obstreperous patron is acting within the scope of his authority and if the patron should be injured, the night club proprietor would be liable, even though he had expressly instructed the bouncer to be gentle. Although the borderline cases will be difficult to distinguish, the example given above should be of some assistance in helping you to determine under what circumstances the principal is liable for the acts of the agent.

Conclusion

This chapter has been written to give the salesman a broad general view of the nature of the legal problems which might very likely arise in selling. Each state, however, has the right to make its own laws and what may be the generally accepted and well-known principle of law in one state may be different in another. You should not attempt to resolve, on your own responsibility, the legal questions which arise. Such decisions are outside the scope of your authority. However, if you can more readily recognize the existence of a legal problem by reason of

the fact that you have read this chapter, and are thereby prompted to procure competent advice on the correct solution of the problem, a real benefit will accrue, not only to you but to your employer as well.

Chapter XXI

MORALE BUILDING

by

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IN EARLIER chapters you have studied various technical aspects of selling. I want to consider now an intangible factor in selling which is of the utmost importance to salesmen and management alike since it influences the effectiveness with which you use the sales tools and techniques with which you are equipped. That factor is the salesman's morale.

What Is Morale?

Morale is defined by Mr. Webster as: "The moral condition, or the condition in other respects, so far as it is affected by, or dependent upon, moral considerations such as *zeal, spirit, hope,* and confidence; [1] mental state as of a body of men, an army and the like." Boiled down to its simplest terms and applied to selling, this means the salesman's mental attitude toward his work—the amount of zeal, spirit, hope, and confidence he can put into his contacts with customers and prospects.

About thirty pounds ago I played football between a big tackle and a peewee center. When we were lining up for the first play against an unusually tough and heavy club one afternoon, the tackle looked at his opponent and said to me, "How do they expect me to move that Mastodon?" At the same moment I looked at our peewee center. He reached up and tapped his opponent on the shoulder and said, "Buster, you want to watch out for

[1] The italics are the writer's.

me on this play. I'm going right through you—and I mean through you"—which he proceeded to do for the rest of the afternoon. The big tackle was suffering from lack of zeal, spirit, hope and confidence—in other words, his morale was poor. Though much better equipped physically than the center, he could not move his opponent and had to be pulled from the game—much to my relief. On the other hand, I would say that the morale of the little center was in very good condition. His statement was partly bravado, of course, but there was also behind it the fact that he knew that he could snap a ball and then get moving faster than most of us could lift our feet; that he had a pair of legs and a back that would propel him like a steam roller; that through experience and good coaching he knew all the tricks of the trade; and, most important of all, he knew that he had been able to do just that thing on numerous other occasions. Zeal and spirit he certainly had, and confidence in abundance.

While a salesman's tactics must usually be somewhat more subtle than those of a cocky football player, the same zealous, spirited, confident mental attitude is just as important to him.

The Importance of High Morale

But *why* is high morale so important to you as a salesman? In the first place it enables you to do a better job for yourself and for your company. Just as a football team or an army can accomplish unexpected feats if their morale is at top pitch, so high morale can make it possible for you to turn in the best performance of which you are capable. Very few sales have ever been promoted by indifference or pessimism. To make a sale it is generally necessary to produce some degree of zeal and enthusiasm on the part of the buyer. It is exceedingly difficult to create such a mental attitude on the part of a buyer if you yourself do not possess it. Most of us are not good enough actors to put on the pretence of enthusasim and confidence if we do not actually feel it within us.

In the second place, a cheerful, zealous, confident attitude, free from prejudice and depression feeds sales ideas to your mind better than the opposite mental attitude. Discouragement, resentment and indifference act as bottlenecks in the flow of ideas

when you are planning a sale, or actually meeting the buyer face to face.

The third reason for the importance of morale is, in a sense, a part of the first. However, I believe that it is worth separate mention. That is, that you as a salesman represent your company to your customers and prospects. In many cases their contact with your company is their contact with you and they form their opinions accordingly. You are a reflection of your company in their eyes, the mirror by means of which they see the firm in back of you. Poor morale may result in the customer forming an extremely undesirable picture of the company you represent.

What Can You Do?

By now you are probably saying to yourself, "Is not the morale of a salesman a factor largely beyond his control—a responsibility of management or of the conditions under which he is working?" Probably the sales managers would be the first to accept a large share of the responsibility for your mental attitude. Certainly they can do much to make or break it. But they cannot manufacture it by turning a crank. They must work through you and a part of the responsibility is yours.

Recognize the importance of selling

That being the case, the next question is, what can the salesman himself do to maintain good morale or to improve it. For one thing, it is important for a salesman to understand the importance of the work he is doing. Self-respect and respect for your work is the cornerstone of good morale. Never forget that, in normal times, unless the sales department maintains the demand for the product your firm is making, the superintendent, foreman and workers in the factory will soon find themselves looking for another job. An efficient sales job is a prerequisite to the entire operation of the business.

But we can go even further than that. Your work as a salesman is important to the advancement of industrial efficiency and to the improvement of our standard of living in just as real a sense as is that of the engineer or the chemist. It is said that if you build a better mousetrap, the world will beat a path to your

door. Perhaps that may be true. But if you wait for the world to beat a path to your door, the mice can eat a great amount of cheese before the would-be trapper gets there. And who knows; perhaps the man in search of the more efficient mousetrap may get lost in the woods and never get to your door.

However that may be, it is neither good business sense nor good economics to wait for that process to take place of its own accord, as Mr. McCanne and Mr. DuBois have already pointed out. Through you, industrial buyers learn of devices and methods which may cut costs or improve their output. If you are a "Customer Service" salesman, they are able to adapt machinery and methods to their own particular needs better than they otherwise could. This increased output and lowered costs result in higher profits and eventually may lead to lower prices or higher wages or both. Furthermore, the work of a salesman may lead customers to accept things which they previously did not want, either because they did not know about them or because they did not understand what the articles could do for them. But through the activities of salesmen and advertising men they learn of new devices or find out what already existing devices can do for them. These new products may add immeasurably to the satisfaction of living. The radio, mechanical refrigerator, and automobile, among a whole host of others, may be cited as examples.

The acceptance by consumers of any new goods or the acceptance by new buyers of old goods not previously used, is the means of creating more jobs and more business enterprises as well as bigger jobs and bigger enterprises. Never lose sight of the importance of your work to your company as a whole and of the economic significance of selling.

Look for faults in yourself

Another contribution you can make as a salesman to your own morale is to refuse to let yourself get cynical or discouraged about your product, your territory, your company or its policies when you hit a sales slump or the going gets tough. We human beings are so constructed that we will not blame ourselves for failure until we have exhausted all other possibilities. When sales slump, and the corners of your mouth begin to turn down, begin to ask

yourself some questions. The fault may be yours and you may be able to remedy the situation and "get back in the groove" if you apply a little common sense.

Do you really know your product as you should? Have you kept up with all the improvements and changes both in your own and competing products? Perhaps you are unable to present your product in its best light because of lack of knowledge.

You might also ask yourself if you are doing a good job of prospecting. Are you seeking out the right buyers? Maybe you are hunting bears under the kitchen table.

Perhaps your product may not be the best one available. But might it not be the best one at the price, designed to be sold to stores catering to the lower income groups or to industrial buyers who need it only occasionally?

Or, you may be tempted to put the blame for failure on some company policy which you do not like. The policy may have a purpose about which you do not know and which is designed to make sales easier for you in the long run. For instance, a strict credit policy may be for the purpose of enabling you to quote lower prices, not for the special purpose of causing you to lose sales.

Think it over. If you find an unusual number of buyers whose reaction to your company is not pleasant, before you begin grousing, consider whether or not you or the man who preceded you may have been doing a poor selling job and thus have created the unfavorable reaction to the company. To most buyers the salesman is the company. If the fault is in you or your predecessor, the prescription is to attack with renewed zeal and enthusiasm and not to give up in despair. Ask yourself if you are following the principles laid down by Mr. Russell in his discussion of "Customer Service and the Use of Products." I believe that his statements would bear me out in saying that if you are really doing a service job for your customers and your own attitude is right, you will not for long find a material degree of unfavorable customer reaction.

Maybe you have become discouraged because you think you have a poor territory. No one can deny that some territories are better than others. But, until you can honestly say to yourself

that you are getting out of that territory all the business that it is practically possible for you to get, is the territory any more to blame than you yourself? Be sure that you are making the best of your present territory and are capable of handling a better one before you let yourself get discouraged.

I have in mind a friend who sells for a clothing manufacturer. When he started working for the company he was assigned to a sparsely settled, Far Western territory which had paid the man before him about twenty-five hundred dollars a year. This man had come back to the sales manager and told him what he thought of the territory and the job. The territory, up to the outbreak of the war, was paying between ten and fifteen thousand dollars a year and is being eyed with envy by many of the other men. In short, do not get discouraged and pass the buck on to someone else if the going gets tough. First, look for the trouble within yourself and if you find it there, as you often will, attack the problem with new zeal and enthusiasm.

Study home office literature

Another step which you can take in maintaining your own morale is to read and study the letters and bulletins sent out from headquarters. Sales managers certainly will have no objection to this suggestion. It is made on the premise that anything which helps you to sell helps to maintain your morale. The purpose of these letters and bulletins is generally to give you needed information about your product, your customers, etc., to suggest methods and techniques which build sales, to stimulate and encourage you and to help you to keep a healthy mental attitude. The men who write them have doubtless been over the same road you are traveling and know from long experience the problems you face. They may just have worked out in some other territory a solution to the very problem that you face and want to give you the benefit of this information. Also, you can generally take it for granted that they have other things which they could be doing and are not just writing letters to kill a little time.

I shall never forget the time when I was selling automobile tires and was confronted with a serious prospecting problem. I sweated and fumed for weeks and finally hit upon what I felt

was a good solution to the problem. I was feeling pretty good about it and said something about it to one of my fellow salesmen. He promptly informed me that the suggestion had been made in a letter from the sales manager about a month before and which I had not had time to read. I took time to read them after that.

Make reports promptly

Another suggestion is to "Keep your skirts clean" with headquarters. The feeling that you are a fugitive from the sales manager is not conducive to good morale. Respond promptly to requests for information even though it may not seem to be in the line of your regular work. Such tasks are a part of your job and will usually be considered in evaluating your work.

Another important part of "keeping your skirts clean" with headquarters is that of sending in your reports when they are due and in the manner required. You will seldom find sales managers collecting salesmen's reports as a hobby. They are usually required because they are necessary for the proper operation of the sales department. They constitute one of the best means by which the sales manager can see your problems and deficiencies and help you overcome them.

Furthermore, you can often profit from them directly if you go to the trouble to fill them out properly. For example, in some types of selling you may be asked to submit lost order reports in which you attempt to analyze the reasons for losing a sale. If you do an honest job on them (whether you actually send the honest job in to the sales manager or not) the self-analysis should prove most illuminating to you in pointing up your mistakes and in enabling you to avoid them in the future. To avoid mistakes is to improve your selling and, hence, your morale.

Daily call reports, if used properly, should tell you immediately whether or not you are "in there pitching" as you should be. If, as the result of these reports, you have definite evidence that you are making an honest effort, you have your mind and conscience free on that point. This satisfaction should help you maintain your morale.

Budget your time and work

A further suggestion is that your morale may be indirectly, but very materially, bolstered by budgeting your time and your work. You know how many customers and prospects you have to call on. You know about how many calls per day you can make. From experience you should have a pretty accurate idea of how often each particular customer should be called on in a given period of time. With this information you can readily make up a schedule of calls for the week, month, or for a longer period. This sets up a goal for you to shoot at and should go a long way toward insuring a reasonable apportionment of your calls in such a way that they will do the most good. If you meet your schedule you will know that your territory has been properly covered. It could hardly be doubted that the sense of accomplishment and of work well done which this would give you would stimulate morale.

Watch your health

The next suggestion may seem like preachment but is made from a practical business point of view rather than from the moral angle. That is to watch your health. Eat right and get enough sleep. Indigestion and exhaustion are not particularly conducive to zeal, spirt, hope and confidence. If my information is correct, they might even be conducive to ill-humor, depression and generally poor morale.

Live within your income

Your personal finances may seem far removed from the problem of maintaining your morale as a salesman. However, it seems inevitably to be true that our personal financial problems affect our work. It is most difficult to maintain high morale in selling when you are talking to prospects about making money and saving money, but know all the time that you do not have the money to meet the next installment on the radio, or are wondering if your last check is going to bounce. Money worries *are* destructive to morale and therefore careful management of your personal finances is important in maintenance of high morale.

Establish social contacts

The establishment of pleasant social contacts is also conducive to good morale. We all need to get away from our own kind occasionally and do something other than talk shop if we are to maintain a balanced perspective. We need to relax and to enjoy the company of others where we can just be ourselves. Sometimes a man's territory keeps him traveling too much to permit many social contacts, but usually this is not the case. Membership in business and civic clubs gives a salesman diversion, new ideas and new contacts, as Mr. Burridge so ably pointed out in Chapter XIX. All these things which help to keep a man happy and balanced, help to maintain morale. It should not be necessary to point out that by establishing social contacts I do not mean spending a lot of time in night clubs and gin mills.

Never stop learning

It seems reasonable to assume that keeping yourself informed about the world in general, your product and competing products and the activities of buyers would act as a morale builder. General reading should stimulate your mind and give you added confidence and poise in conversation. Reading trade journals and product literature should keep you informed as to the trends in your trade, the activities of your customers, the latest in product development in your field, and thus improve your confidence and your sales presentation.

Help maintain customers' morale

Finally, properly selling your prospects—ultimate purchasers, dealers or distributors and their salesmen—may help to maintain your morale. Building morale in others is one of the best ways to maintain your own. In the case of the ultimate purchaser, a salesman must prove to him and inspire him to accept the fact that the ownership of the product in question will give him pride of ownership, comfort and/or profit. He must also prove that the use of the product will build up the morale in *his* organization and thus create greater efficiency, production and profit.

In selling the dealer or distributor it is necessary to show him

how your line will add to his prestige, how you will help train his sales organization, how your factory will train his service organization, how your company's advertising will pave the way for increased sales; that all these things will increase his profits and enable him to give better service on all his lines.

You can help to improve the morale of retail salesmen by meeting with them and familiarizing them with the product, its uses, methods of selling it, how to service it and how to install it. By making an honest effort to do a complete and effective selling job, you go a long way toward making yourself a successful salesman and the effort in itself is a direct stimulant to morale.

Morale is one of your most important assets as a salesman. Do your part to preserve it.

Your Sales Manager Is Helping Too

You can be sure that any effort on your part at morale building will be more than duplicated by the sales manager and his staff. We are not primarily concerned here with the activities of the sales manager in respect to morale building but this activity is of vital interest to him and nearly all of his activities, in so far as his relations with the sales force are concerned, affect this factor directly or indirectly. It has been pointed out that anything which helps salesmen sell promotes their morale. Much of the sales manager's time is devoted to such efforts.

Neither salesmen nor sales managers can carry the job of maintaining and improving morale by themselves. Working together in all their activities and with the importance of morale in mind, the two together can keep it at its highest pitch.

Chapter XXII

SALES RECORDS AND REPORTS

by

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Yawman and Erbe Manufacturing Company

Your attention has already been called to a number of factors other than your sales presentation itself which have an important bearing on your ability to sell. This gives emphasis to the point that has already been made that selling is not a routine job and that success in the field—real success—requires a greater degree of ability and training than most people realize.

We have seen fit to include a consideration of sales records and reports in this book because we believe that a proper appreciation of the value of making out careful reports for the home office and of keeping records for your own guidance can also materially add to your ability to sell goods and earn money.

For our purposes we are not interested in problems such as those of devising a system of reports, methods of handling reports and the best way to analyze them. Those are jobs for the sales manager or his staff. We are interested in sales records and reports as they pertain to your work of selling in the field. For this reason I want to give my primary attention to two things: (1) why it is to your interest as a salesman to be conscientious in making the reports which the home office asks for and (2) what records you should keep for your own benefit, whether or not they are required, together with a consideration of how they will help you.

Why Make Reports?

I hardly need to say that in the very nature of things you may occasionally be called upon to make some report that is really not necessary. But more often than not the report is useful but the salesman fails to see its importance or to realize that, in reality, it may benefit him directly or indirectly. Certainly it would be dangerous for you to assume that you know more than management about what reports are useful and can be used to help you.

Probably no man is so good at his job that he cannot benefit from the council and advice of experts who are interested in his success. Your sales manager or supervisor is an expert in the field who has a very direct interest in your success. But he cannot go along with you to call on each customer. If you are to benefit from his knowledge and experience he must keep in touch with what you are doing, your successes and failures, through the medium of written reports.

Furthermore, if he is to lay plans for a broad, general program of sales promotion which will be most effective in breaking the ground for your own sales efforts, he needs an intimate knowledge of the problems and difficulties which you meet as well as of your strength and weakness. Without your reports he cannot accomplish either of these missions.

For example, you may be asked to send in a routine report in which you will show the towns you expect to cover each day during the week and the customers on which you expect to call. In the first place, the mere fact that you make out such a report forces you to plan your work for the week—to work out an itinerary that is most economical in time and travel and to select in advance the accounts upon which you need to call. Surely, this could benefit no one as much as it does you. It can save you much time and insure the coverage of those accounts which need attention. In the absence of a plan made in advance you may waste valuable time and find yourself unable to contact valuable accounts.

In the second place, if the sales manager looks over your plan he may be able to see improvements which will help you. It is quite possible that you may not have any way to tell what the

potential volume in certain towns or for certain accounts may be. Your manager may be able to tell you that the amount of business available does not warrant the amount of time you are devoting to a given area or to certain accounts. Or he may know that certain seemingly unimportant customers can give you a surprising amount of business. He is likely to have available records which enable him to judge such matters better than you can. This can save you an appreciable amount of wasted time and effort.

Or, take for example the daily call report. No ambitious and conscientious salesman would fail to keep such a record whether or not he is required to do so. But in keeping them yourself you are not likely to take time to analyze them carefully over a period of time. On the other hand, the sales manager may have before him a series of such reports, or a tabulation of them, covering a considerable period of time. From this he may spot several things about which you need to know. He may see that in the long run you are giving too much time to certain accounts and not enough to others. One manager tells of one of his best men who proved to be calling more than twenty times a month on a very small account which could not possibly be worth more than three or four calls. It so happened that the salesman liked the man and his office was on the road between the salesman's home and office. He had let himself slip into the habit of dropping in for a call more often than he realized. When the salesman's attention was called to this matter he sheepishly admitted that he did not realize how often he was calling. Later he was able to keep the same volume of business from this customer with less than a fourth as many calls. The time he saved was put to good account elsewhere.

You may possibly be overlooking certain prospects from which you could get profitable business. This will show up in your reports and can quickly be remedied.

While Lost Sales Reports may not often be required, if you make them out honestly and conscientiously, it may enable your sales manager to spot your difficulty and help you remedy it. I think that I need go no further to show you that these sales reports which may be so irksome can be of real help to you.

Personal Records

I want to consider now some records which you can keep for your own benefit; records which you will probably never be required to make but which may prove to be valuable sales tools or a definite stimulation to greater effort.

Customer record

Many *good* salesmen would feel completely lost without their Customer Record. If you are just starting out in sales work you will find the habit of keeping a careful Customer Record an invaluable aid. If you are an old hand at the game, try keeping one and see how much it helps you.

It is usually most convenient to keep such a record in a loose leaf note book which you can carry around with you. You will have a page for every customer or prospect upon whom you have called or upon whom you intend to call. In the case of prospects whom you have not sold you would jot down all personal or other data which will remind you of his characteristics and peculiarities, information about his firm, his product, his needs, his present equipment and the existence of competition against which you must compete. You will also keep a running record of the calls you make, what you have done in each case and what you want to do next. The benefits of this part of your records are almost too obvious to need mention. It will prevent your forgetting between calls, the little things about him which help you to make a personalized and effective approach. You will not make the classic mistake of asking the recently divorced man about his charming wife. If golf is his pet peeve, you will not start talking golf, etc. If there are certain times when he is likely to be most receptive you will not be likely to forget and call on him at the wrong time. You will know what things you have talked to him about on previous calls and what his reaction was. Thus, you will avoid repetition and know where you stand in the job of selling him.

When you have sold this customer you are by no means finished with his record. You want a record of just exactly what he bought, how much he bought, and when he bought it. You will

also want to note what he did not buy that he needs. If there are any peculiar conditions surrounding the sale, delivery, installation or use of your product, you will want a record of that too. Why? The chapter on Customer Service should surely make this clear. If he is likely to have any troubles in installing or using the product, you want to know about it in order to forestall it if possible. You may need to make a few extra calls to see that it is adjusted for the unusual use to which it is to be put or to see that the operators know how to use it properly. You want to have a record of the parts, service and supplies which he is likely to need and when he is likely to need them. Otherwise your customer may not get proper satisfaction from your product, you may lose the sale of supplies, to say nothing of his good will, and you will make it easier for competition to uproot you. In any case, where repeat business, service or sale of supplies is important, such a record is indispensable to effective selling.

Furthermore, in selling a product which is used up and reordered in a short time, a record of previous purchases is desirable so that you will know how much of your product your customer usually buys and will not try to sell him too much or too little. It might also prove somewhat embarrassing if you tried to sell a customer an item which he bought from you on your last call and which could not possibly be used up. He would not feel greatly flattered, to say the least.

Analysis of sales presentations

Another record which you should find extremely valuable is the Analysis of Sales Presentations. A simple form for such a record is shown in the illustration which appears on page 263. Each of the columns represents a step which you must take in making a sale. Each horizontal line represents a call. After each call you rate yourself by putting an "x" in the column for the step or steps in which you believe you were successful. If you complete this record honestly and accurately it should give you a pretty good idea of the part of the selling process in which you are falling down. For example, the chart above shows that the salesman is weak in closing. It shows further that he is smooth enough to make a good approach and to get the attention of his

Approach	*Attention*	*Interest*	*Desire*	*Close*
x	x			
x				
x	x	x	x	x
x	x	x		
x	x	x	x	x
x	x	x	x	
x				
x	x	x		
x	x	x	x	x
x	x	x	x	
x	x	x		
x	x	x	x	
x	x	x		
	x	x	x	

prospects in most calls but that he begins to fall down in creating interest and is still poorer when it comes to making the prospect desire the product. It will be noted, however, that in a very high per cent of the cases in which he created desire, he also closed the sale. In view of this analysis, it would seem that this salesman's real weakness is in his presentation more than in his closing technique. Where he creates desire he has a very good batting average for closes.

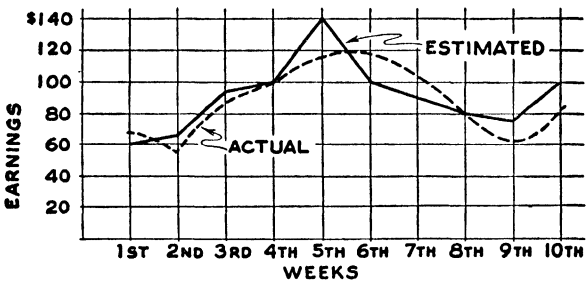
This sort of analysis should help you get at the bottom of any difficulty which you may be experiencing in selling. Without it you will just be stumbling around in the dark, wondering what is your weakness with no real basis for finding out about it.

"Planned and accomplished" charts

Another type of record from which you can benefit greatly we might call the "Planned and Accomplished" chart. Such charts

can be used to show a variety of information. Those which I have in mind compare planned performance with actual performance by the use of a line graph.

One such chart which should prove interesting and stimulating is a comparison of the earnings which you estimate you should be able to make with actual earnings. Such a graph is shown below.



A graphical comparison of actual and estimated earnings.

In making this graph the salesman has estimated how much he ought to be able to earn each week for a ten weeks' period. This is based on his past experience and his idea of current prospects. He has then drawn a solid line to show the estimated earnings from week to week. Then each week as he goes along he puts in a dotted line to show his actual earnings. Of course the statistician would prefer a bar chart for this purpose but the simpler line graph will serve our purposes just as well.

The same sort of chart could be used to show a comparison of estimated and actual calls per sale over a period of time. Or, you could set for yourself a goal in opening new accounts each month, showing your estimate by one line and your actual performance in another. This can be carried on for any kind of goal you may want to achieve. Estimated as compared to actual credit losses, estimated and actual number of physical units sold, etc.

These figures could simply be kept in a notebook. But there are reasons for suggesting the line graph form. In the first place a record for a long period of time can be kept on one sheet with practically no trouble at all. No figures to deal with once the chart is made. In the second place by means of such charts you can tell at a glance just how you stand as compared to your esti-

mate at any time and can see, by the proximity of the two lines, just how well you have been doing in the past. Some of us can tell more about a graph made of plain lines in one quick glance than we can by looking at columns of figures for an hour—and we will not be bothered by looking at figures in the first place.

Now the purpose of keeping such charts is not just to satisfy your curiosity. They serve the purpose of giving you a quick and easy means of continuous self-evaluation. You can evaluate yourself on as many different points as you like. Unless you *are* as good a man as you think you are or can make as good a record as you know your fellow salesmen are able to make, it should keep you from getting smug and self-satisfied or from coasting along at the end of the week or month. You cannot kid yourself about how good you are if the record is right there in front of you in graphic form. It will take you only a couple of minutes to keep these records and they will show you just where you stand.

Summary

There are few salesmen who cannot profit from suggestions and aid from their sales manager. The sales manager can best tell what help you need or how to help you through sales reports. He cannot follow you around everywhere you go. For this reason it is to your interest to be careful and prompt in making and sending in reports such as your route report, call report, report of lost sales, etc.

You should also keep certain records for your own use. Perhaps the most important is your Customer Record in which you collect all the data on each individual customer needed to understand him and his problems, to provide needed customer service and to know when to call back and how big an order you can sell.

By keeping a special form to analyze your sales calls, you should be able to spot the weaknesses in your sales efforts which are responsible for lost sales.

A group of graphic charts comparing your actual performance with estimated performance in earnings, calls per sale, etc., will show you easily and quickly whether you are up to par and should stimulate you to give your best efforts.

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