

**Management of Field Sales**  
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**Lecture – 06**  
**From Product to Benefit**

Hello, I am Jayanta Chatterjee IIT Kanpur. And we are going through this sets of sessions on Management of Field Sales on this NPTEL platform. We have just completed yesterday during the last session our first week of a discussions. Today I am going to add to what we were discussing in the last session. If you recall in the last session we said that; a salesperson to be effective will have to be adaptive and flexible. And that adaptability or flexibility should be guided by the nature of the buyer, the nature of the product.

While discussing about the nature of the product we said that the product goes through a life cycle. And at different stages of the life cycle; that means, at the early stage of the product introduction. We have buyers who are innovators they are early adopters and they have certain characteristics and accordingly they behave or they have certain kinds of dominant need. And salesperson must tailor at that stage the sales proposition based on product advantages feature based advantages.

On the other hand at a later stage when the market or the product or the technology is in the early majority or late majority stage; then the buyer pattern changes the buyers primary needs will then become more reliability assurance quality oriented. The features will at that stage will not be so important because a dominant design would have emerged by then.

So, more or less all products will be in the marketplace from all competitors will be more or less the same there will be very minor differences. At that stage therefore, price becomes very important and therefore, it is very important to be a low cost producer. But in the sales process the primary focus then becomes references successful installations the assurance the responsiveness and the quality reliability and such issues.

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**Product-Solution Strategy**

- A **product** = goods and services, information, ideas, tangible properties, intangible attractions
  - Combination of these that satisfy the customer's needs with the right solution.
- Field Sales person makes correct decisions concerning the selection and positioning of products to meet identified customer needs.

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Today, I am going to discuss another aspect of this modulation or flexing or adapting the sales process with respect to the product proposition. Now we have discussed a little bit before, but in this slide which you see I am putting it all together that the concept of product today is a broad as well as multi level concept. So, a product will may be goods or services and most usually it will be a combination of goods and services.

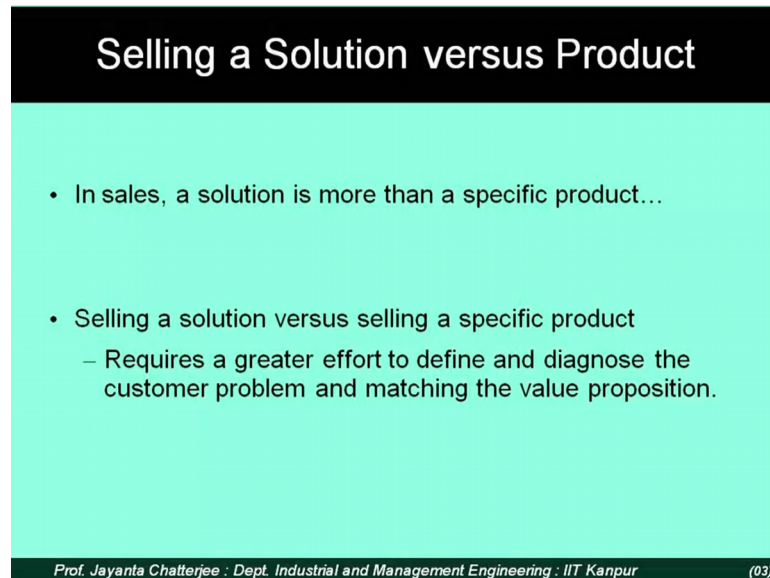
There will be information associated with the product in terms of how to use it and the different derivatives of the usage all kinds of information related to the technology of the product and the features of the product and so on. There will be ideas related to the product there will be even sometimes a product becomes important because of it is a historicity. And therefore, there are tangible aspects as well as intangible aspects. There are logical aspects as well as emotional aspects all encapsulated by this concept of product.

The key here is that the combination must be structured with respect to the customers need, customers pains and the solution orientation in this solution orientation a salesperson must understand the total process of consumption; that means, how that product is going to be used in real world what are the other products or customer requirements that are associated with usage of that product.

And therefore, those inputs are important to create the good strategic value proposition package. The concept of strategic value proposition we have discussed last week when

we said that it is based on recognition of customers primary needs and creation of gainful ways to meet those needs pains and gains is the key to understanding the strategic value proposition.

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**Selling a Solution versus Product**

- In sales, a solution is more than a specific product...
- Selling a solution versus selling a specific product
  - Requires a greater effort to define and diagnose the customer problem and matching the value proposition.

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So, therefore, when you are selling then you as I was saying that the salesperson will have to understand the product in the context of other associated requirements. So, most often these days successful selling is linked to certain innovations in the way the product is presented. So, the product is very often presented as a solution.

So, solution selling has become a very important message in today's sales paradigm. And obviously therefore, you can understand that the solution selling means you will have to go deeper into the customer usage the way customer will bring out needs solution and how your product can contribute to the overall success of the customer. So, matching the need with the value proposition will often ask for this solution approach.

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## Solution Sales Process

- During the solution sales process the salesperson:
  - Uncovers and clarifies a customer's problem
  - Works with the customer to create a vision of how things could be better
  - Develops a plan for implementing the vision

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Now during the solution sales process the customer is communicating with the sales person and the sales person's role at that stage objective at that stage is to uncover and clarify not only the explicit problems, but also some problems which may be implicit or not immediately visible the more expertly a salesperson can do this. That means, identifying these latent needs and coming up with associated solutions which are packaged together and offered as a solution that the salesperson will create the bigger opportunities.

And bigger possibilities for success let me explain this with a two small examples. For example you know that these are cutleries normally used in western style of eating. So, we have a spoon and a fork and a knife right. Now this style of eating needs usually two hands and so if you are sitting on a table like this that I am sitting and you have a plate in front of you this is a set of product which is a quite fine. However, in today's world in most urban situations we often have a buffet which means that you the food is laid out on a table and you take your plate and you go there and you serve yourself. Or there may be other persons serving you, but then ultimately you hold your plate in one hand and you eat with the other hand right.

At that stage therefore, it is very difficult to use both instruments because using these two with one hand is a not elegant. And therefore, this solution or the solution to this situation once identify it created this interesting product this product is often called fork, because it is a combination of spoon and fork and as you can see here. I can use this for the fork purpose then it has a flat surface which is can be used for the spoon part of it and

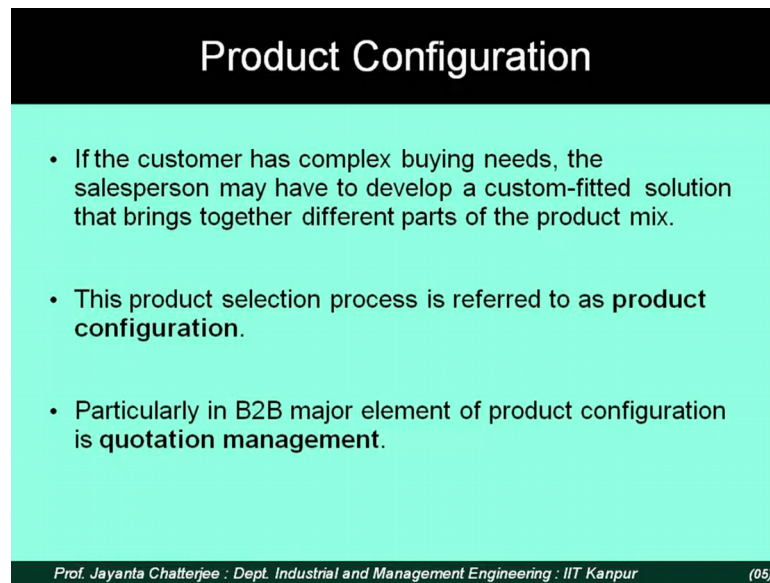
one edge is usually sharper and that can actually often act as a knife for most purposes particularly Asian style of a cooking.

Ah of course, if you are eating a large chunk of meat and etcetera you may need a proper knife otherwise this will be fine. So, this is a way if a need is identified associated needs are identified and then from the core need associated need a solution is created. You will understand this even better from this example. Normally when we are drinking a beverage then in the market this beverage will be available in a bottle. However, in many cases we may not be able to drink it directly from the bottle right. So, we may need some glass or cup or something.

In the solution approach of selling there is this innovation that we have actually made the cap of this bottle into a glass right. So, I can actually take the beverage pour it in this glass and usually the content of the bottle may be equivalent to one or two glass full. And therefore, this combination is a solution it addresses the core problem which is availability of the beverage in a portable form and then it also addresses associated need of providing a suitable drinking vessel which goes hand in hand in combination.

So, it is almost taking the same shelf space and it can be put on the shelf and come up as an innovative interesting solution to the customers need and it can actually enhance the sales prospect of whatever beverage you are. So, here as you can see this solution approach also triggers different kinds of innovations. So, sales persons can bring this input to the organization work hand in hand with the designers and with the operations people and can create a superior product.

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## Product Configuration

- If the customer has complex buying needs, the salesperson may have to develop a custom-fitted solution that brings together different parts of the product mix.
- This product selection process is referred to as **product configuration**.
- Particularly in B2B major element of product configuration is **quotation management**.

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But I took some simple examples in industrial selling in the B2B business to business context. There may be many other detailed technical needs that will be associated with the product as well as with the associated products. In that case you will have to come up with a sort of detailed specification or list of requirements and list of associated requirements so, that that is that process we call it is configuring the product. So, if the customer has complex buying needs the salesperson will have to create this customized solution that brings together the different parts of the product range product mix or whatever way you want to present it the core product. And associated product and this process of determining the list of requirements associated requirements and coming up with the solution and associated solutions and packaging it together is the process of product configuration. The product configuration is a very important part in B2B sales particularly what we call for the quotation management.

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**Preparing Quotations**

- A Quotation typically includes five parts:
  - Budget and overview
  - Objective
  - Strategy
  - Schedule
  - Rationale

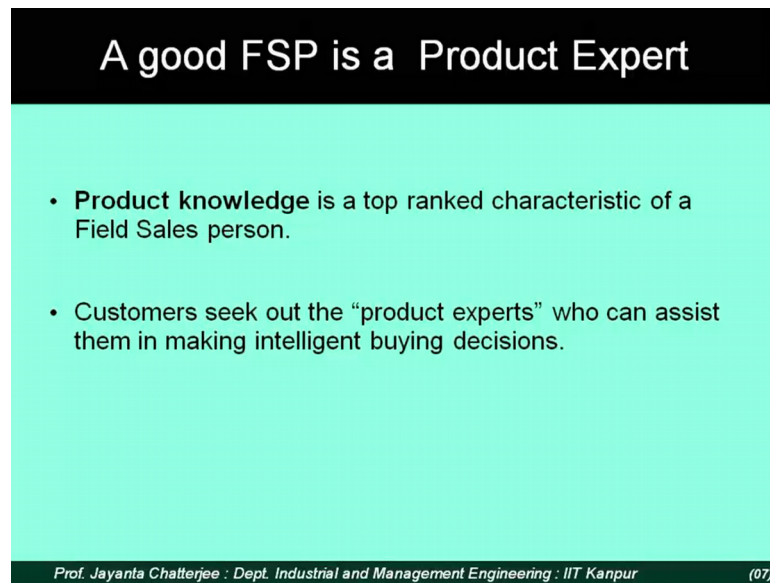
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Because once a tender or requirement for purchase often called the RFP is declared by an industrial buyer, the competition is already defined by the features listed in the RFP good sales persons actually prospect identify the sales possibility even before this RFP is published. And that is what we call managing the quotation before the RFP is out. And this pre recognition of customers need and associated needs and fitting it to your product range is a way of managing the quotation process more effectively for your purpose.

This of course, is only possible if you have done your prospecting and your customer identification well. And you have a relationship based selling process emotion we all these. That means how do we prospect and from that create these relation oriented approaches and how do you combine the two the relation creating intent. And your identification of the needs how that is part of the entire sales process, we will be discussing later in this week.

But at this stage what we are saying is that is quotation management; that means pre identification of the customers need and creating the product configuration meeting. That need will have also parts relating to the budget and process overview and customer schedule the rationale for buying the product. And all of these issues will be there and these five parts will have to be addressed when you are actually configuring the product bundle what we also call solution when you are configuring the solution to meet.

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## A good FSP is a Product Expert

- **Product knowledge** is a top ranked characteristic of a Field Sales person.
- Customers seek out the “product experts” who can assist them in making intelligent buying decisions.

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The customers need and that solution profile you will actually put to the customer even before the RFP is published. And if you have good relation with the customer trust with the customer if you are actually proposing it not selfishly, but keeping the customers interest as a prime. Then you know you will be able to come up with a much better sales result day after day.

So, to be able to do this a good sales person must be also a product expert; obviously, and you should not only know your product as it exists today. You should know that what are the associated products that could be integrated into the configuration some of those products may be produced by you some may be out sourced. But you will have to work hand in hand with the designers and with the operations people that so, that this packaging becomes possible. For example, the beverage manufacturer is not they are in the business of manufacturing beverage they are not in the business of manufacturing bottles or caps there was will be out sourced.

But, in the outsource if the salesperson has given a right feedback then it will be possible to do outsource not only a bottle with a normal cap. But a bottle with a more innovative cap and this is what the salesperson can contribute to in the process of knowing what is the core product which his company or her company is producing and how that can be combined with the possible innovation this possible innovation. That means, you are not



looking at some kind of a you know way out type of you are always looking at what is feasible and you are managing.

Therefore, you look at what the customer desires and then match that with a feasible solution feasible technically and viable commercially this is a very important part of coming up with a proper configuration a proper solution which is we call sometimes that DVF principle. That means, desirability and come up with a solution looking at what is technically feasible for your organization not something that could be done by somebody in a Europe or America. You look at your organization and what is feasible for your organization technically sometimes you may be taking help of your sub suppliers.

But that feasibility on from the technical side and also all these things will have to be done economically. So, commercial viability will have to be also looked at you should not actually increase your cost to the extent. That there is such a difference between the price of a beverage in a normal bottle and beverage in a kind of innovative bottle becomes that the difference causes prohibitiveness in terms of pricing no.

So, desirable identification comes from under deep understanding of customer's needs and associated needs, explicit needs, expressed needs, and latent needs from that. Understanding of the desirability in a bigger sense you come up with a solution which not only addresses the core problem. But also associated problems comes up with therefore, an a solution and to configure that solution you must integrate desirability with feasibility and viability.

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**Product Information Categories**

Common product information categories include:

- Product development and quality improvement processes
- Performance data and specifications
- Maintenance and service contracts
- Price and delivery

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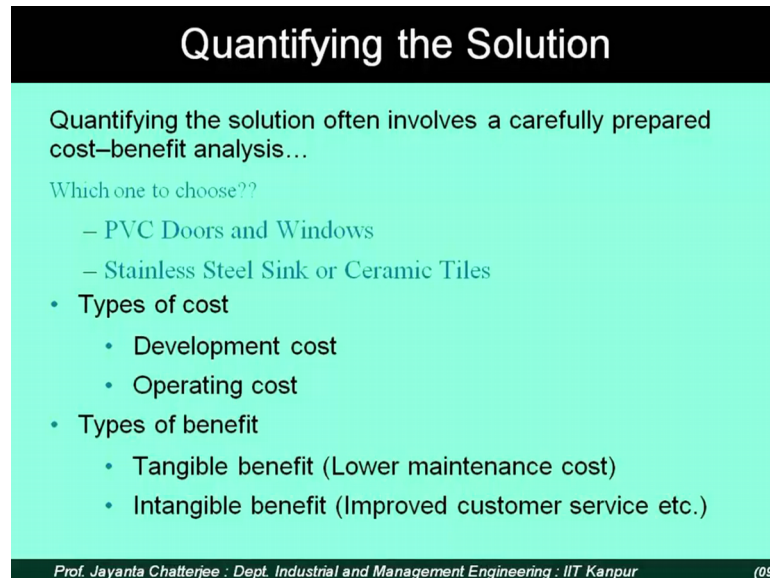
The product information which we are looking at in this case the research that you do is a not only relating to the performance data and specification. But you have to also look at what competitors are doing. And you have to look at not only the product features of now but also you have to look at the product in usage. And therefore, you have to look at the lifetime cost of the usage of the product; which means that you have to also look at the maintenance and a service contract which will be based on identification of those costs.

Ultimately you have to ensure that that the maximization of the uptime; that means, the availability of your product and associated products is a solution to the customer day in and day out. So, that uptime is very important. And also if by chance there are failures there are in all kinds of you know products there will there may be situations of a problem which will need maintenance. At that stage what we TTR mean time to repair becomes very important and as I was mentioning that depending on your product life cycle stage these types of assurances.

That means, how quickly your maintenance team will make it up and running those become very important. Again at that stage the product must be looked at from a solution perspective. So, which means like for example, you are selling the car the car has tire, but a good solution expertise created the tool kit which goes in the car. So, that if there is by chance a tire failure tire puncture then the tool kit allows the user to quickly change the tire with minimal fuss. And this is the approach that looks at the product the purpose

it serves, but also certain kinds of failure situation and what the customer can do to recover from the failure situation.

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**Quantifying the Solution**

Quantifying the solution often involves a carefully prepared cost–benefit analysis...

Which one to choose??

- PVC Doors and Windows
- Stainless Steel Sink or Ceramic Tiles

- Types of cost
  - Development cost
  - Operating cost
- Types of benefit
  - Tangible benefit (Lower maintenance cost)
  - Intangible benefit (Improved customer service etc.)

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I will now conclude by taking some examples and looking at the solution approach how the seller can come up with propositions that alert the customer to not only the core need, but also long term associated needs. For example say PVC doors and windows. Now doors and windows have a core function. So, if you are actually positioning your PVC doors and windows against say traditional wooden doors and windows and just focusing on the core function of closing and opening and so on your sales will not be as effective.

As you can also bring out tangible benefits like lower maintenance cost deterioration it is better resistant against weather or it is less prone to attack from white ants all these if it can be put forward then; that means, you are actually saying the proposing the virtues of the PVC doors and windows over and above those of the conventional solutions. By pointing out not only it is effectiveness to perform the core function of opening closing. But you are also bringing out other factors which are pertinent factors they are not figments of imagination that for example, the weather effect on wooden products as opposed to the PVC products can definitely be put forward as a superiority of the PVC product.

Or this white ant issue which affects doors and windows in all buildings over time many times can therefore, be addressed with this the property of the this PVC door and

window. Or for example, say stainless sink or use of ceramic tiles. Again we are bringing out that how the stainless steel sink in the kitchen is a not only it serves as a sink, but also it is healthier because it can be cleaned better. And it can be cleaned more effectively with a proper reagents which can affect a normal the old type of ceramic sink. And you can also bring out that the it can be kept shiny and always looking beautiful it will not age as quickly as the conventional sink.

And you can also bring out that it is in certain cases the steel solution is more user friendly and also more environment friendly. And therefore, you are pointing out usually the first cost as well as usage cost you are talking about cost of acquisition along with cost of maintenance or running cost and so on. And by putting together you are taking the solution approach to selling by pointing out not only the product as it is, but all the different associated elements that the customer will have to face.

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**An example**

	Option A	Option B	Option C
Total Cost	INR 100	INR 300	INR 200
Total Benefit	INR 200	INR 400	INR 100
Cost Benefit Ratio (Total benefit / Total cost)	2	1.33	.5

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And if it is possible in you can quantify the benefits that you are offering the core benefits as well as the associated benefits like; the PVC door being less susceptible to white ants. in this kind of facts if they can be translated into quantitative rupee based benefits then of course, you are in a good shape then you know then you can create a compelling argument. That may not be always possible, but you can always create some proxy quantification.

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**Statement of Values**

Lexus has a statement of values that explains what is important to the company.

**WHAT IS LEXUS?**

Lexus is... Engineering sophistication and manufacturing quality.  
Lexus is... Luxury and performance.  
Lexus is... An image and an expectation of excellence.  
Lexus is... Valuing the customer as an important individual.  
Lexus is... Treating customers the way THEY want to be treated.  
Lexus is... A total experience that reflects professionalism and a sincere commitment to satisfaction.  
Lexus is... "Doing it right the first time".  
Lexus is... Caring on a personal level.  
Lexus is... Exceeding customer expectations.  
And... In the eyes of the customer  
I AM LEXUS !!!

**LEXUS**  
00-LTT-034

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And therefore focus on this cost benefit. but more importantly remember the concept of values. The values as you remember we discussed right in the beginning of this course that values are what are considered as valuable by the customer. And a statement of values means you are actually creating a whole package of proposition a solution approach, which combines tangible needs as well as intangible properties or virtues. So, this is a very famous statement this is from Toyota Lexus one of the very famous car brands of Toyota.

So, see this is taken from their documentation. So, the projection to the customer this in the solution say sales approach in that Lexus is an engineering sophistication and has high quality of manufacturing. We are focusing on as you can see a tangible aspects here, but then we immediately combine that that Lexus is luxury along with performance. Lexus is an image and an expectation on of excellence. Again we have combining tangible advantages with intangible advantages fact based propositions with emotion based properties.

So, Lexus is valuing the customer as an important individual Lexus is treating customers they want to be treated a total experience Lexus is doing it right. The first time carrying at a personal level Lexus is exceeding customer expectations in the eyes of the customer I am Lexus. A very interesting example of the solution best selling by creating almost a

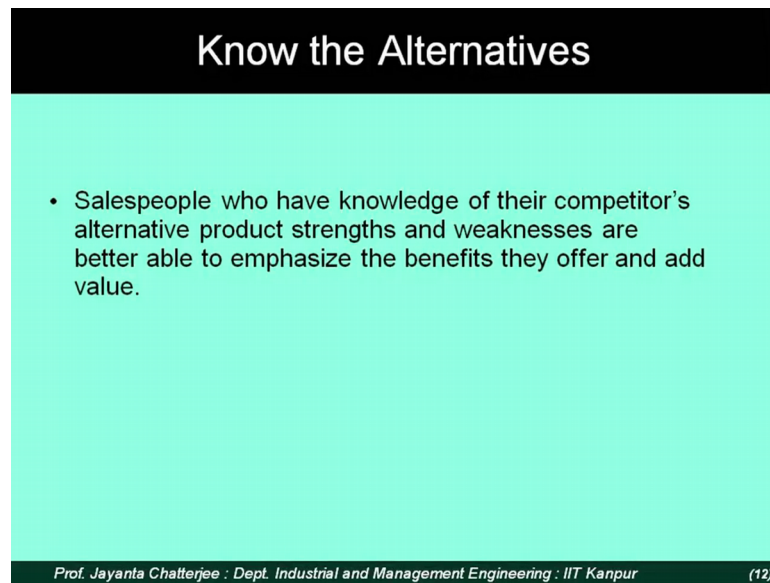
person a brand personality an interesting example I read about some where that how Lexus selling approach the solution approach.

My approach the solution technique and created a very compelling value proposition in many countries if the car needs to be taken for service it is taken by the lady of the house because the man of the house maybe you know may not be able to take leave and so, will depend on his partner to take the car for servicing. Understanding this situation, in the western world Lexus created a type of service station which was not a you know dirty filthy place. But it was very shiny interesting looking a warm and a friendly place.

And there when the lady drivers arrived with their husbands cars they were given royal treatment they were given a coffee shop type of environment they were given a spa kind of environment. So, while the car was getting serviced the lady could get a free nail care service or could get a nice cup of coffee, could get an interesting environment with attractive music. It could actually she could actually get some fashion advice on certain days, she could be given some demonstration of new toiletry or fashion goods.

So, the trip to the service station instead of being a drudgery became a very appealing proposition. In the process Lexus actually created an enduring relationship situation with the lady drivers and in the process influenced that Lexus was actually treating the customer as a person Lexus was actually luxury and Lexus performance was associated with the total experience. So, you see you come up with this kind of personification which is based on solution approach. And then you practice it with innovative understanding and innovation in the product feature as well as in the associated service.

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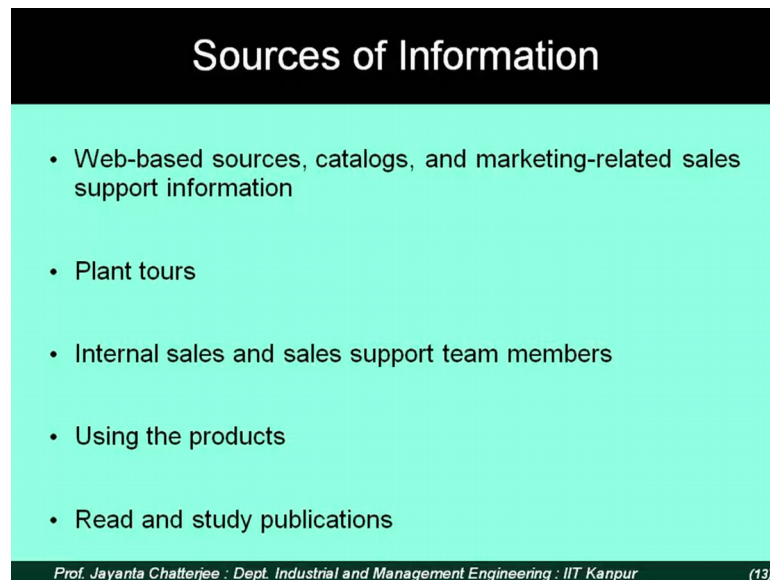
## Know the Alternatives

- Salespeople who have knowledge of their competitor's alternative product strengths and weaknesses are better able to emphasize the benefits they offer and add value.

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This is how solution best selling today is more and more taking over from the conventional product based selling. And in the process of course, you should also understand what your competitors are offering. And create superior solutions definitely matching solutions and if possible superior solutions.

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## Sources of Information

- Web-based sources, catalogs, and marketing-related sales support information
- Plant tours
- Internal sales and sales support team members
- Using the products
- Read and study publications

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This can be done by detailed interaction with the customer often certain latent needs can be brought out by offering trials and observing the customer using the product you can

therefore, identified the need of associated products sometimes you can get it by bringing the customer to your plant.

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## Feature–Benefit Strategy

Successful sales presentations create value by **translating product features into benefits** that meet a specific need expressed by the customer.

- **Features** include data, facts, and characteristics of a product or service.
- **Benefits** include whatever provides a customer with a personal advantage or gain, which can be general or specific.

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And so what we are saying is solution based selling is based on feature based cost and benefit. And understanding of the customer's total need and coming up with a competitive better package of values which will contain tangible values as well as intangible values.

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## Feature–Benefit Worksheet

FEATURE	BENEFIT
<b>Facilities</b>	This means for you . . .
The hotel conference rooms were recently redecorated.	All your meetings will be held in rooms that are attractive as well as comfortable.
All our guest rooms were completely redecorated during the past 6 months and most were designated as nonsmoking rooms.	Your people will find the rooms clean and attractive. In addition, they can easily select a nonsmoking room.
<b>Food Services</b>	
Our hotel offers 24-hour room service.	Your people can order food or beverages at their convenience.

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And ultimately create a sales guideline which will help to push this solution and it is superiority again and again. And for example, many things features of the goods or



services can be put forward as as a benefit and create this solution environment. Like if you say our hotel offers 24 hours room service that is a fact right. But the way to present that fact in the solution approach is to say that you the customer or your people can order food and beverage at any time during the 24 hours at their convenience right. So, there are other examples given on this slide which you can easily understand that how therefore, a fact or a objective feature of the product can be packaged for a more not only objective, but subjective appeal as well right.

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Feature–Benefit Worksheet	
FEATURE	BENEFIT
Our company has . . .	This means for you . . .
1. The best selection of customizable paint shades	<ul style="list-style-type: none"> <li>• Choice of the best options for your interiors</li> <li>• Speedy execution</li> </ul>
2. Area wise service technicians	<ul style="list-style-type: none"> <li>• Well-qualified service personnel keep your equipment in top running condition</li> <li>• Less downtime and higher profits</li> </ul>

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For example if you have a company where they have regional service technicians every sales area they have their own service technicians; now that is a fact. But that fact can be put forward in the solution approach in this benefit based selling approach to the statement that well qualified service personnel will keep your equipment in top running condition day in and day out right. Let us downtime and higher profit.

So, to conclude understand the bigger need understand customers need with an associated perspective address not only the conventional need, but understand how usage is changing. Like for example, in this cutlery example how this usage is a not as valid as it used to be in the urban a buffet dinner situation come up with an innovative solution and approach and put forward that solution pointing out the benefits. And of course, you have to do it in a way that the cost is not prohibitive, but you may be able to get a higher

margin because customer will be able to or will be willing to be a certain additional price if your benefits are really compelling.

And this approach is now important in almost all kinds of products definitely in B2B products. B2B selling a situation, but even in B2C or consumer products this combining objective fact based tangible benefits with associated and sometimes intangible benefits. and this approach has become now a core of sales strategy.

Thank you.