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any reps, etc. This is a typical form of direct selling that involves face to face sellings. The reps may go door-to-door and give one on one presentations to sell the products for sales. In fact, sometimes, these sales representatives may ask the customers if they want to organize and host selling parties. Mary Kay is a common example as they often arrange social events and sell their products at such gatherings. Multi-level marketing can be a blend of the above-mentioned methods as well as new practices. For instance, a sales company may do single-level marketing, host or party sales, and hire new salespersons as well. This way, a sales company or representative earns commission through sales and sales made by the other hired sales partners/reps. Some common examples of this blended strategy include Arbonne, LulaRoe, Mary Kay, Avon products inc, Herbal Life nutrition, and Scentsy. Most of these firms do single-level direct selling, host social events, and hire new recruits for selling products. It is pretty difficult to distinguish these two terminologies because of similar characteristics. However, there are few specific differences that can differentiate one from the other. Direct SellingPyramid SchemeThe core objective in Direct selling is to sell the products.The pyramid scheme mainly focuses on hiring new people (base workers). It can be done through single-level sales, host/party sales plans, or MLM.Organizations that follow this scheme mainly focus on hiring new recruits rather than selling the products. Everyone who makes sales get a rewarding commission. Base workers hardly earn good reasonable money. Also Read: What is a Consumer? Definition, Rights & Responsibilities Direct selling is one of the most popular modes of selling products, and here is why: Direct selling is one of the most effective methods to get direct feedback from the customers. As sales companies or reps interact directly with customers, their feedback helps the companies to improve their products regularly.It is a great way to ensure maximum personalization. Sellers know what their customers want and what kind of offers will suit different customers. Customers prefer those brands which offer them customized offers and recommendations.Price regulation is another brilliant advantage of direct selling. As there are no intermediaries, the companies have better control over their products' prices and a more transparent sale process.Customer retention is one of the most important objectives of any business. It allows businesses to directly interact with their customers and be more empathetic. When you know what your customers want, you can easily satisfy them.Direct selling also allows companies to set higher profit margins. As there are no middlemen to take their share of profit, a business can earn more profit with this scheme.Convenient working hours is another benefit for sales reps. They don't have to follow strict working hours. As long as they are making sales, everything will be fine. Direct selling can be a tricky scheme for reps or distributors. The manufacturing company generally does not provide any leads. Therefore, reps have to build their network on their own.If the seller/manufacturer focuses on incentivizing the reps to recruit new people than actually selling products, it may create a pyramid scheme.Direct selling can be a difficult method when you talk about business growth or expansion. These sellers heavily rely on distributors and reps. Besides, this business model will work only if the reps/distributors are giving you constant and growing sales.Last but not least, direct selling requires reps and distributors to have literally "impeccable" marketing skills. It is extremely difficult to persuade a customer and sell a product door-to-door. Also Read: Customer Vs Consumer - Differences & Similarities Direct selling is not that easy as one may think, but following few valuable practices can make things a lot easier. Knowing your potential customer is extremely important in any form of business. Therefore, the first priority should be establishing a relationship with potential customers and finding their "pain points." When you know what your customer needs, you can make a much better product. It is not easy to convince someone to buy your product. You may get rejections, but it is important that you are consistent with your efforts. Constant efforts and customized offers can turn a prospect into an actual customer. Building a strong and growing network is vital in the direct selling method. In fact, it is virtually impossible for direct sellers to actually establish their business without networking. A thorough customer database can help you build and track a strong network. It is important for direct sellers to stay connected with their customers. Customers can easily forget you if you are not in touch with them. You can educate them about the product features and upgrades. Inform them about your new offers through emails or newsletters. Your sales reps or distributors are as important as your customers. If you reward them handsomely, you can earn their loyalty and maximized efforts. You can offer them higher commission rates to motivate them. If you are paying more commission, it means you are making more sales. Well, direct sellers don't have to give a share from profit to whole sellers and other intermediaries. However, investing in your reps can be very profitable. You can train and upgrade their professional skills regularly. Selling requires updated and effective communication skills, and this investment will definitely bring more sales. There is no better way to market your brand than "word of mouth" from an elated customer. A happy customer will surely bring more customers, and this chain will never stop if you keep delivering what you promise or what your customer needs. The sale process is more than just selling products or services and closing the deal. It is a step by step process which begins long before the contact of the customer and the salesman. Now, the question is what's the point of following the sales process? Why not just follow the conventional approach of selling, sell the product and get it over with. It is because the sale process; Develops and nurtures the relationship between the customer and the seller,Helps you to implement marketing strategies effectively, Lowers the customer acquisition cost and bring more customer referrals, Allows you to speed up the sales Depending on the nature of business and different types of sales teams and reps; different sales teams follow different sales processes. However, the standard seven steps involved in the sales process which are mostly followed; starting from finding the customer, customer acquisition, sale, then building a long-term relationship with the customers. Here are the 7-steps of Sales Process. This is the first step in the sale process where you find your initial customer, and then you check whether or not his need and demand for your product or service. While doing so, you also check whether he qualifies to pay for the product or not. You make the first contact with your customers at this stage, by reaching the market and collecting all the relevant data related to the sale of the product or service. You also develop your sales strategy that how you'd target the needs of your customers. You approach your initial and prospect customer at this stage, this is the only chance you have got to connect with your customer. The contact could be personal, face to face, emails, or telephone calls. There are usually three ways to approach your customers; Premium. You provide a gift at this stage to your customer even before the occurrence of the sales. Questions. You ask certain questions to your customers at this stage, to attract the attention.Gifts/free sample. You provide a sample of your product to your customers for free. The purpose is to get the reviews of people. You present different features of the product to your target customers and how they could meet their needs and requirements. The presentation could be in the form of a video, written post or a PowerPoint presentation. But it doesn't have to be a lecture method; customers' needs and demands should be listened first, and then plan the presentation accordingly. You have successfully pitched your product to your potential customers; addressing customer's views and objection is the most important part because it could save from a lot of future failure costs. People often ignore this stage; they just call it that these are just a few people. Those objections could be about anything, brand name, price, product improvement, etc. Successfully closing the deal is an art which requires a plethora of practice. The best practice is to start with the proposal of the product, present its different features before disclosing the price. Once you're finished with the proposal, and then discuss the price of the product. Sales tips: offer them some discounts, provide them available choices, so that they could make the decision what you want. The blunder salespeople often make that they think that their job is done after the sale. That's where they're wrong. Getting reviews of the customers and how was their experience? It is also equally important. If they are happy with the product, then they'd refer your product to their friends as well. Flowchart of the sales process is a graphical representation of different stages of the sale process; that how a product moves from stages and then finally reaches the hands of the customer. Sales Flowchart is very useful to train new sales reps and employees and explain to them the importance of various stages of the sale process. Different types of businesses use different flowcharts because the stages to the sale process vary from business to business. However, there are different software which help you to create your customized flowchart. Creately.Com. Creately provides you diagram and flowchart software where you can edit built-in flowchart templates and make your own. Lucidchart.Com. Lucidchart provides your ready-made templates and also gives you the option of making some change according to your requirements. by LucidChart Real-life example of one "real-estate" business which follows the sale process; even in the economic downturn where real estate business is one which is mostly affected. Stages of the sale process are as follows; They search for the people who want to sell their house; after the search and compilation of the list. They contact the lenders and put their houses up for sale. As the name implies, the exchange of documents takes place between the lenders and the company. They negotiate on the price and percentage of what they keep, and then they also discuss short term and long package details. The lawyers of the lenders and the company check and review each other's documents. If there's any discrepancy to found, then the party is required to correct it. After the reviewing and screening stage, all the documents are sent for the approval of the loan. If the documents are verified, the letter is sent to the listing agent. If it doesn't, then each party make the counteroffer to close the deal. This the final stage where all the finances are complete. Everything is finalized. This is one example of the funnel of the sale process where parties follow each stage, and then they close the deal. There is no place for errors, each party should agree to all the terms and conditions. Nothing should be hidden, and all the parties should have confidence and trust in another; because this is the only way that they will close the deal. Stages of funnel of the sale process may vary from business to business. Some businesses might have a few stages and others have long.