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Using Prospecting to Expand Your Customer Base¹

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Introduction

For many companies the preferred choice for promoting products and services is direct selling. This document is intended for salespeople who must seek out potential customers by prospecting, as opposed to waiting for potential customers to enter a retail establishment. Obtaining a customer base from which sales can be achieved is one of the most challenging aspects of selling, especially for a new salesperson. Prospecting involves contacting potential customers for the purpose of creating new sales for the salesperson. Prospecting is as old as the profession of selling and has always been an important method of obtaining new customers. However, while prospecting is a good way to increase sales, it is also one of the most difficult. One reason why prospecting is often avoided is its high failure rate; it is a struggle to be motivated to prospect when it seems to be met with constant failure. This paper will focus on three keys to successful prospecting:

1. Overcoming barriers to prospecting.
2. Making effective use of prospecting time.
3. Creating interest.

Overcoming Barriers to Prospecting

Two of the major barriers to prospecting are lack of motivation and fear of rejection—both are detrimental to sales. The lack of motivation and the fear of rejection must be overcome to achieve long-term sales success.

Becoming Motivated

Prospecting has been used for many years, in many markets, and has proven to be a successful method of increasing sales. Motivation is a powerful tool and requires the *right attitude* (Galante, 2002). Motivation in selling is directly related to the strength of ego-drive (the need to succeed) a particular salesperson possesses. Sales professionals with a strong ego-drive are generally highly motivated to prospect; they understand that effective prospecting leads to increased selling opportunities.

Overcoming Fear of Rejection

Realizing that prospecting is largely a numbers game is a huge step in overcoming the fear of rejection. For example, the average professional baseball player only gets on base 2.3 out of every 10 times he is up to bat. That means a professional

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baseball player, the best at what he does, will fail 77 percent of the time. In the sales field, the success rate achieved by the top sales performers is 20 percent, which means that eight out of 10 prospects usually fail. Learn to focus on your successes, rather than on your failures (Palmer, 2003).

Overcoming the fear of rejection, just like becoming motivated, is related to ego-drive. Sales professionals with strong ego-drives are more likely to overcome the fear of rejection than are sales professionals with low ego-drives.

Making Effective Use of Prospecting Time

Salespeople know time is an invaluable asset and, if used properly, prospecting is a great way to create more *time* in the workplace. Being organized, seeing the end before you begin, and utilizing qualifying criteria are examples of making effective use of prospecting time.

Be Organized

Organization can save countless hours of work in prospecting. It is important to keep detailed records of contacted customers to save time and avoid the embarrassment of repeated customer calls. Try using computerized organizing systems such as Excel and Outlook to record and sort company information, contacts, initial calls, and follow-up calls.

See the End Before You Begin

Establishing goals and keeping them in mind throughout the entire process will keep you from deviating from your original plan and wasting valuable time. For example, a salesperson's main goal is to create more sales as a result of scheduling more appointments (Goldner, 2002).

Use Qualifying Criteria

Too much valuable selling time is wasted on unqualified prospects (those who will never buy). You can increase your sales ratio (sales meetings/sales orders taken) and bring in more total sales by eliminating or at least minimizing the time spent on unqualified prospects. One way to do this is by developing qualification criteria. This begins by

using historical analysis to create a customer information sheet that includes details on each customer:

- Method, date, and name of initial contact.
- Customer's current and previous relationships with your company.
- Contact's first reason for inquiry (e.g., poor service from current supplier).
- All contact details throughout the contact experience.

The time spent developing these criteria will reward you 10-fold. Creating a customer information sheet on each and every customer should allow you to develop criteria to be used for future prospects (Parker, 2002); however, it should be used only as a guideline, not as a crutch.

Creating Interest

Building rapport and showing interest in the needs of your prospects are important to avoid the *automatic cutoff response* (ACR), which occurs when the prospect breaks off the sales presentation (Schiffman, 2002). There are several objectives to be accomplished when prospecting: identifying yourself and your company, involving the customer in the sales process, and letting the customer know what is in it for him. Potential customers want to hear how you can help them, rather than hearing you simply talking up your product.

Identify Yourself and Your Company

Come up with an original way to present yourself and your company to establish rapport with potential customers. The average customer is being targeted by 3,000 commercial messages per day (Brooks, 2002). This means that a successful salesperson needs to create a sales presentation that stands out from all the others. One way of doing this is to begin your sales pitch by talking about something that personally interests the customer. For example, you could ask the prospective customer about his favorite sports team or hobby. Keep in mind that establishing rapport with the customer is a major factor in involving the customer in the sales process.

Involve the Customer

The best way to involve the customer in your sales pitch is to ask questions and solicit concerns. Asking questions gives you information concerning the customer that may be beneficial to you in the future. For example, below are two examples of phrasing an opening. Which do you think will have better results?

- "Hello Mr. Jones, I am Kelly Fairfield with Wind Company, and I would like to tell you about our new efficiency equipment . . ."
- "Hello Mr. Jones, I am Kelly Fairfield with Wind Company, and I am here today to see if your company is having any problems with your utility efficiency that we could help you resolve through our new efficiency equipment."

Using openings that focus on the customer's needs will help the customer feel that you, as the salesperson, are truly concerned with helping him, rather than just making money.

Let the Customer Know What Is In It For Him

This is the most important objective, because people buy results (Sobczak, 2002). Letting the customer know what is in it for him includes presenting features, advantages, and benefits. You should always make sure that you answer the "so what is in it for me?" question. If you have not answered this question, you should reevaluate your presentation.

Conclusion

When facing the challenge of obtaining a new customer base, prospecting can be an important tool. Becoming motivated to prospect and learning to accept the failures associated with prospecting are the initial barriers to overcome. Once you have begun prospecting, it is important to make efficient use of your prospecting time so as to not waste valuable sales time. Your success rate at prospecting also depends on creating interest in your product or service. All of these factors are crucial in expanding a customer base for both beginning and experienced sales professionals.

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