

Lesson B4–3

Relating and Dealing with Customers

Unit B. Starting and Operating the Agribusiness

Problem Area 4. Operating the Agribusiness

Lesson 3. Relating and Dealing with Customers

New Mexico Content Standard:

Pathway Strand: Agribusiness Systems

Standard: VI: Use sales and marketing principles to accomplish an AFNR business objective.

Benchmark: VI-D: Merchandise products and services.

Performance Standard: 2. Build and develop customer relationships. 3. Conduct sales presentation. 4. Provide post-sale service. 5. Handle customer complaints.

Student Learning Objectives. Instruction in this lesson should result in students achieving the following objectives:

1. Discuss how to identify customers for a particular business.
2. Describe the purpose of advertising and what various methods are available.
3. Describe the responsibilities of the sales staff working with customers.

List of Resources. The following resources may be useful in teaching this lesson:

Recommended Resources. One of the following resources should be selected to accompany the lesson:

Newman, Michael E. and Walter J. Wills. *Agribusiness Management and Entrepreneurship*. Danville, Illinois: Interstate Publishers, Inc., 1994. (Chapter 13)

Other Resources. The following resources will be useful to students and teachers:

Moorman, Jerry W. and James W. Halloran. *Entrepreneurship*. Cincinnati, Ohio: South-Western Publishing Co., 1993. (Chapter 3)

List of Equipment, Tools, Supplies, and Facilities

Writing surface

Overhead projector

Copies of student lab sheet

Terms. The following terms are presented in this lesson (shown in bold italics):

Customer

Market

Market research

Market segments

Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Begin this lesson by asking students to identify the most important person in a business. List class response on the board. After several possible answers have been given, lead student discussion to the fact that the customer is the most important part of a business. Because without the consumer, there would be no need for the business.

Summary of Content and Teaching Strategies

Objective 1: Discuss how to identify customers for a particular business.

Anticipated Problem: How does a business identify its potential customers?

- I. Customers are the most important part of a business. A **customer** is an individual who has the means to satisfy his or her needs. To be sure of having customers, businesses must make an effort to determine the needs of the market and identify groups of consumers that are likely to have an unsatisfied need for the product or service the business will offer. The term **market** refers to a group of consumers who have an unsatisfied need for a particular product or service.
 - A. The starting place for approaching a market is determining what group of customers has the strongest need and motivation to buy what is being sold. It is essential to learn how many customers there are and where they are located. This process is called **market research**. During this process, businesses try to learn about the characteristics of their market. The more a business knows about the people or companies they will be serving, the more successful they will be at making wise, well-informed decisions.

A variety of techniques may be used to assist students in mastering this objective. Students should use text materials to help understand how to identify customers for a particular business. Chapter 3 in Entrepreneurship is recommended. Use Lesson B5–2 Developing a Marketing Plan to more completely explain how to use a marketing plan in relating and dealing with customers.

Objective 2: Describe the purpose of advertising and what various methods are available.

Anticipated Problem: What is the purpose of advertising and what various methods are available?

- II. Advertising and sales are a vital part of a market economy operating under the free enterprise system. They provide a means by which a business makes a profit and they fill a need, derived or conceived, that a consumer has for a product or service, or they improve the quality of life. For each of the **market segments** (classifications of customers into categories according to similar characteristics) where a business intends to sell its goods or services a marketing plan must be developed. This plan will be the “blueprint” for all marketing decisions. The purpose of advertising is to increase sales of your products or services. Increasing the consumer’s need for your products or services does this. One broad based advertising campaign will not be as effective as specialized advertisements for each of the market segments identified in the business’s marketing plan.
 - A. Businesses advertise in a variety of ways and locations, including newspaper, radio, television, brochures or catalogs, “yellow pages,” handbills, letters, and word-of-mouth. Many public relations activities are also a method of indirect advertising. Advertising campaigns may be handled within the marketing and sales department of the business

or, in some cases, professional assistance can be obtained through an advertising agency. The methods used in advertising are directly affected by the marketing and sales promotion budget. Professional advertising agencies can aid in developing any or all parts of an advertising program. However, they can be expensive so their assistance may be limited by budget constraints.

A variety of techniques may be used to assist students in mastering this objective. Students should use text materials to help understand the purpose of advertising and what various methods are available. Chapter 13 in Agribusiness Management and Entrepreneurship is recommended. Use LS: B4–3A to assist in discussion on this topic.

Objective 3: Describe the responsibilities of the sales staffing working with customers.

Anticipated Problem: What are the responsibilities of the sales staff working with customers?

- III. A good sales staff must continually work at keeping their existing customers satisfied with the products and services they have to offer. At the same time they must also work at developing new customers. They need to know the types of goods and services customers want and need, and the extent to which their business can provide them. There are cases where good customers have never purchased certain products or service because no one had ever told them that the business was able to provide such goods or services.
 - A. People skills are basic to the success in sales and the success of a business. Each customer is an individual, and the sales staff must know which products and services meet a particular customer's requirements. The contact person must be in a position to develop a sales approach that will motivate a particular customer to respond as the salesperson wishes. Tailoring the sales approach to each customer on the basis of that individual's specific needs and requirements becomes an important part of the sales strategy. There are several different approaches to take. Some of them are as follows:
 1. Personal contact—Much selling is done in this manner. While this approach to selling is relatively expensive, most businesses recognize that the personal relationship involved in such an approach is generally more effective than other methods of selling. At the same time the salesperson is selling products, he or she is also providing many other types of information that will help the potential buyer make a decision. The salesperson is also able, through these contacts, to help develop a more favorable image for the business.
 2. Direct mail—This approach is used most often to develop early contacts or to keep customers informed of new developments or to remind them that the company and the sales staff is always interested in their operation and ways that they may better serve them.
 3. Customer education program—These programs can take two basic forms:
 - a. A business could hold field days or meetings. These could be held in conjunction with local universities. These provide customers an opportunity to see the business products in action.

- b. Another form of educational program would be to provide customers and potential customers a regular publication. This publication would not only carry information about particular products but also frequently provide timely information that will help the readers to more effectively carry out their operations.
- B. In some businesses, the sales staff's responsibility extends beyond making the sale. The sales personnel are also responsible for making deliveries. This requires that the sales staff have a close working relationship with the people who are making the deliveries. The salesperson must acquaint the delivery person with the customer's preferences and dislikes. In many cases, the salesperson will accompany the delivery themselves.

A variety of techniques may be used to assist students in mastering this objective. Students should use text materials to help understand the responsibilities of the sales staffing working with customers. Chapter 13 in Agribusiness Management and Entrepreneurship is recommended.

Review/Summary. Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle. Questions at the end of each chapter in the recommended textbooks may also be used in the review/summary.

Application. 1. Invite a salesperson from a local agribusiness to speak to your students on the different aspects of dealing with customers. 2. Tour the customer service department of a local agribusiness to see how orders are taken, problems solved, customers reached, etc.

Evaluation. Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activity. A sample written test is attached.

Answers to Sample Test:

Part One: Matching

1. c
2. a
3. d
4. b

Part Two: Completion

1. Personal contact
2. Direct mail
3. marketing plan
4. Customer education

Test

Lesson B4–3: Relating and Dealing with Customers

Part One: Matching

Instructions. Match the term with the correct response. Write the letter of the term by the definition.

- | | |
|-------------|--------------------|
| a. customer | c. market research |
| b. market | d. market segments |

- _____ 1. The process of learning how many customers there are and where they are located.
- _____ 2. An individual who has the means to satisfy his or her needs.
- _____ 3. The classification of customers into categories according to similar characteristics.
- _____ 4. A group of consumers who have an unsatisfied need for a particular product or service.

Part Two: Completion

Instructions. Provide the word or words to complete the following statements.

1. _____ is the sales approach that is relatively expensive, but most effective.
2. _____ is the sales approach most often used to develop early contacts.
3. The _____ will be the “blueprint” for all marketing decisions.
4. _____ programs are a sales approach which provides customers an opportunity to see the effectiveness of a businesses product as compared to the competition.

Lab Sheet

Identifying Target Audiences in Advertising

Directions: Select three to five different advertisements. They may be in any form, print, radio, or television. In groups of three, determine the target audience for each advertisement and answer the following questions.

1. What is the target audience for this advertisement? (age, gender, profession, etc.)

2. Where was this advertisement seen? (name of magazine or newspaper, station, time, etc.)

3. Is this effective placement of this advertisement? Why or Why not?

4. Does this advertisement deter any group from its product? If so, what group?

5. Overall is this an effective advertisement? Why or Why not?