

BCOS-186
Personal Selling and Salesmanship

BLOCK

1

Personal Selling and Sales Management

UNIT 1

Introduction to Personal Selling

UNIT 2

Salesmanship

UNIT 3

Sales Management

UNIT 4

Sales Force Management

BLOCK 1 PERSONAL SELLING AND SALES MANAGEMENT

This Personal Selling and Sales Management Course is designed to help you learn basic concepts and practices of personal selling and sales management in a practical way. This first block introduces you to the concept of personal selling, the importance and role of salesmanship, sales management and sales force. This block consists of four units.

Unit 1 discusses the concept of personal selling, nature and importance of personal selling, diversity of personal selling situations, types of personal selling situations, challenges of personal selling and changing roles of salesperson.

Unit 2 explains meaning, importance and role of salesmanship, attributes of a good salesman and types of sales person.

Unit 3 introduces you the concept of sales management, salesmanship and sales management, difference between personal selling, sales management and salesmanship, and trends in sales management

Unit 4 discusses about various aspects of sales force management : organising the sales effort, recruitment and selection , training and development, and compensation.

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UNIT 1: INTRODUCTION TO PERSONAL SELLING

Structure

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1.0 OBJECTIVES

After studying this unit, you should be able to:

- describe personal selling, its characteristics and types;
- explain advantages and disadvantages of personal selling; and
- discuss objectives and process of personal selling.

1.1 INTRODUCTION

You have read about 4Ps of the marketing mix and one of them is Promotion. The ultimate purpose of promotion is to communicate with consumers to persuade them to buy and hence contribute to company's sales. It is also referred as **promotion mix or communication mix**.

Various tools of promotion mix are: Advertising, Personal selling, Sales Promotion and Public relations. Out of these, the major elements of communication are: Advertising and Personal selling.

Advertising is non-personal way to communicate with large number of consumers through mass media like TV, newspaper, hoardings, radio, digital media etc. to sell the product.

Personal selling is personal communication to sell the product. It is a process wherein salesperson attempts to sell the products to the customer by interacting with consumers either face-to face or contacting them through online medium like email, videoconference etc. It involves direct and personal communication with one or few prospective customers to influence them to purchase goods and services. To summarize, Personal selling is a part of promotion mix, which involves person-to-person, two-way communication for the purpose of creating awareness and selling the product and services. In this unit, you will learn

1.2 PERSONAL SELLING

According to American Marketing Association, “Personal selling is **the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sale**; it is the ability to persuade the people to buy goods and services at a profit to the seller and benefit to the buyer”.

Philip Kotler defines “*Personal selling is a face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions and procuring orders.*”

Nature of Personal Selling

Personal Selling is a two-way communication, in which the salesperson educates the customer about the features, benefits, price, delivery etc. of the product and apply persuasive skills to sell the product while handling queries and objections of buyers. The salesperson can customize the communication according to the requirement of every buyer. Salespeople stimulate consumers to purchase by matching product benefits with their needs, convincing them about product benefits and reducing people's inherent reluctance to make purchase decision.

1. Personal selling fulfils the objectives of (i) selling the product and (ii) developing long-term relationships with customers.
2. B2B and B2C selling: Personal selling is generally used as major element of promotion mix in B2B selling situations. Whereas advertising is used as major element in B2C selling situations. Personal selling may be used as minor element in B2C selling and advertising may be used as minor element in B2B selling.
3. Art and Science: Personal selling is both art and science. It is considered as an art because salesperson applies the creative abilities in making final sales presentation before each customer in a unique way. It is considered as a science because salesperson applies the principles of consumer behavior and stages of selling process as a basis of sales presentation to persuade buyers for purchase.

4. Salespeople may be called as: sales representatives, salespersons, account executives, sales consultants, sales engineers, field representatives, agents, service representatives, marketing representatives etc.
5. Offline methods: Salespeople can reach the prospective customers through offline methods such as face to face meeting or through a telephonic call.
6. Online methods: connecting with customers through emails, social media and other digital platforms. It may be comparatively difficult to keep the customer engaged and interested through online methods.
7. Selling and Non-Selling activities: Personal selling may include both selling and non-selling activities. Activities like finding potential customers, contacting them, making presentation, and taking sales orders from them are selling activities. Activities like maintaining records, writing reports, attending meetings, training dealers' salespeople, building relationships with customers, providing after-sale services etc. are non-selling activities.

Growing importance of personal selling

The technological advancements have allowed the interactive contact between buyer and seller to be made through video conferencing, email etc. Now, it is possible for the companies to apply personal selling to the customers spread across the globe.

With increase in use of technical aspect in the new products being launched, role of personal selling is increasing for educating the customers about such new technicalities of the products. For example, use of micro chips, artificial intelligence, online services etc.

1.3 CHARACTERISTICS OF PERSONAL SELLING

Let us know about the key characteristics of personal selling and how are these different from advertising.

1. Buyer-seller interaction: In advertising, communication is one-sided, from seller to consumers whereas, in personal selling, it is two-way communication between salesperson and

the prospective buyer.

The interaction is not just limited to geographical boundaries as the technological advances have made it possible to interact through video conferencing, email etc.

2. Direct communication: In advertising the message is conveyed in non-personal manner through mass media like TV, newspaper, hoardings, radio, digital media etc. but in personal selling, salespersons convey the messages personally to the consumers.

3. Push strategy: In personal selling, salespeople present the product and information about it and persuade consumers to buy it. It is referred as 'push strategy' as the product is pushed towards consumers. In advertising, consumers get drawn towards the product through ads which capture their attention, get them interested and persuade them to buy the product. It is referred as 'pull strategy' as consumers get drawn towards product.

4. Customization and personalization: In advertising, message sare standardized i.e., same message is conveyed to all the consumers through ads wherein the salesperson can modify the message to make it suitable to each of the prospective buyer.

5. Human element: Person engaging in personal selling serves as the personal connection between a company and its customers. So, along with verbal communication, it also includes use of non-verbal communication of body language, tone, appearance etc. in conveying messages to the buyer.

6. More engaging: The real time sales presentation and demonstration makes it more engaging and experience for buyers.

7. Quick response: Direct communication in the case of personal selling, allows the seller to gauge the response and purchase intention of prospective buyers. It helps seller to keep adapting the sales talk accordingly, which may positively influence buyer's purchase intention.

8. Customer feedback: Two-way communication makes it possible for the buyers to express the feedback about product, price, its comparison with competing products, etc. This information

from prospective and existing customers can be useful for the company for making improvements in the marketing strategy.

9. Cultivating relationships: It is possible for the seller to use personal interactions with buyers for developing and strengthening relationships and building goodwill for the company.

Check Your Progress A

1. State whether the following statements are **True** or **False**.

- i. Personal selling is one of the promotion tools in the promotion mix.
- ii. In personal selling, meeting with prospects can be face to face or through online media.
- iii. Personal selling function may involve non-selling activities also.
- iv. Personal selling can be used for both B2B and B2C markets.

2. Fill in the blanks.

- i. Personal selling is astrategy.
- ii. Personal communication includes verbal andcommunication.
- iii. Flexibility of personal selling makes it possible tosales presentations.

1.4 TYPES OF SELLING SITUATIONS

Salespeople work in variety of selling situations, which can be classified broadly as follows:

1. **Based on type of consumers:**

Existing customers and New customers

Selling to acquire new customers who have not been using the product or have been using competitor's product. It is called developmental selling situation. It is a more

challenging job as compared to selling to existing customers.

Existing customers are targeted for repeat orders from existing customers of the company. It may also involve maintaining relationships with old customers to continue selling them. It costs lesser money and efforts to sell to existing customers. It is also called service selling situation.

2. Based on type of market:

Business to Consumer (B2C) and Business to Business(B2B)

In B2C, salesperson sells the product to consumers for their personal use and in B2B, salesman sells to other companies, which will be using the product for use in manufacturing of goods or carry out their business operations (such as office supplies), or for resale to other consumers, such as wholesalers or retailers. In B2B, salesperson tries to meet rational buying criteria of the customer, wherein B2C, selling can be done on emotional or mix of emotional and rational buying criteria.

3. Based on type of product:

Consumer products and industrial products

Personal selling plays major role in the communication mix for selling of industrial products to other companies. It may involve frequent visits of salesperson, negotiations, greater emphasis on developing relationships with customer companies. In the case of consumer non-durables like shampoo, bread, salesperson hands over the product required by the customer and there is not much scope for use of persuasion for such products.

Comparatively, role of salesperson is more in selling of consumer non-durables like TV, Laptop, car to customers. Salesperson makes presentation, demonstrates product, answers queries, persuades customer for closing the sale.

1.5 WHEN TO USE PERSONAL SELLING

Personal selling is not an appropriate tool for every product or service, and its use also depends on marketing strategy/business model of the company. In general, use of personal selling is more

in B2B market and use of advertising is more in B2C market. when their products or services are highly technical, specialized, or costly—such as complex software systems, business consulting services, homes, and automobiles.

In addition, there are certain conditions that favor personal selling:

1. **Product situation:** Personal selling is relatively more effective when a product is of a high unit value (expensive office equipment-digital Xerox machine), highly technical product (complex software), when a product is in the introductory stage of its life cycle and requires consumers to be educated (robotic machinery), when it requires personal attention for consumer needs (real estate), or when it requires product demonstration or after-sales services (manufacturing machinery).
2. **Market situation:** Personal selling is appropriate when a firm has small number of large-size buyers (selling machinery to textile manufacturing companies only) or when selling is small/local market only (selling tiffin box facility to nearby customers only). Also, it can be used for selling to middlemen when a company is using an indirect channel of distribution for selling the products to consumers (PepsiCo selling its products through wholesalers and retailers)
3. **Company situation:** Personal selling is best utilized when a firm cannot afford to have a large and regular advertising budget.
4. **Consumer behavior situation:** It is suitable to use personal selling when it is a valuable and infrequently bought product by the customer. For example, customers like to interact personally at car showroom before buying a car. Personal selling is also appropriate to use when consumers require more persuasion like in selling of interior design services.

Check Your Progress B

1. State whether the following statements are **True** or **False**.
 - i. Personal selling is used more in selling of industrial products.

- ii. Role of personal selling is more in selling of consumer non-durables in comparison to consumer durables.
- iii. Acquiring new customers is called service selling.

2. Fill in the blanks.

- i. Personal selling is more suitable for selling ofpriced products.
- ii. Personal selling is more suitable for selling to sized customers.
- iii. Personal selling is more suitable for selling ofproducts to the customers.

1.6 DIFFERENT ROLES OF PERSONAL SELLING

Wide variety of selling situations call for different selling strategies and changing role of salespersons. These are broadly grouped as:

1. **Communication strategies:** Role of salesperson mainly involves with information about product, its price, delivery, service strategies to help prospective customer take the purchase decision.
2. **Persuasion strategies:** In salesperson's role, there is more emphasis on convincing the prospective customer by matching the product benefits with need and satisfaction of the customer for persuading the customer to buy.
3. **Negotiation strategies:** In some situations of selling to other companies, negotiating the product specifications to be provided and other terms like prices, after sale-service etc. become more important. For example, if a manufacturing ingredient is to be supplied regularly to a company over a longer period, the negotiations between buyer and seller

become more important as it will be influencing costs for buyer and profits for seller over extended period of time.

4. **Client-profit planning strategy:** In industrial selling of high priced, technical products, there is sharing of information by the buyer company with the salespersons about its different areas of operations, future plans, R&D, finance, logistics etc. Then, the salespeople along with higher authorities suggest and develop products within suitable price, which can help increase the profits of the client.

1.7 ADVANTAGES AND DISADVANTAGES OF PERSONAL SELLING

1.7.1 Advantages: The advantages of the personal selling are as follows:

1. **Two-Way communication:** In personal selling, it is possible to have communication from seller to buyer and from buyer to seller. Salesperson can provide information to the prospective customer, ask questions from the customers and customer can also raise the queries and get them clarified.
2. **Flexibility in communication:** The significant advantage of personal selling is its flexibility to customize sales presentations for different customers and different situations. Salesperson can tailor their presentation to fit the needs, motives, and behavior of individual customers. A salesperson can also go on assessing the customer's reaction while making sales presentation and immediately adjust the message to facilitate better connection between the message and the needs of the customer. Thus, it helps in increasing the probability of getting the sales order.
3. **Sharp focus on target customers:** Through personal selling, effort to sell is focused on potential customers only. Thus, it minimizes wasted effort whereas it is not possible in advertising. Ads reach much larger number of audiences which may include many people outside the target market of the product. A lot of time and money gets wasted in advertising that reaches many people outside the target market (who are not likely to buy). In personal selling, the salesperson identifies the potential customers who have the need, ability and desire to buy the product and focuses selling effort on them only.
4. **Personal attention and detailed presentation:** Needful information is gathered about every prospect to plan and make sales presentation. Every customer is given personal

attention and it is possible to give detailed demonstration about the product, answer customer queries. For example, salesperson gathers data about size of the company, priority of needs, purchase department policies, type of customers of the company etc. to develop right presentation for the company.

5. **Instant feedback:** Salesperson gets instant feedback from customers about their intention to buy or not to buy and may also know the reason for not buying.
6. **Measuring effectiveness:** Another advantage of personal selling is that it is easier to assess the results of time and money spent in personal selling efforts. Results can be measured in terms of number of sales calls made, number and size of sales orders, expenses incurred, and profits earned. So, measuring sales effectiveness and determining ROI are easier for personal selling than for other promotion tools.
7. **Getting customer's attention:** The one-on-one interaction of personal selling makes it easier to get customer's attention, to respond to questions and to motivate the customer to buy. However, all the people getting exposed to an ad (watching TV, reading newspaper etc.) may not pay attention to the ad or may forget it or may not get persuaded enough to buy.
8. **Performing additional tasks:** Through personal selling, it is possible for the salesperson to perform multiple tasks. For example, in addition to selling, a salesperson can perform non-selling tasks like: provide after-sales service, collect payments, and collect customer feedback for the company.

1.7.2 Disadvantages of Personal Selling: The disadvantages of personal selling are as follow:

1. **Higher costs:** One of the disadvantages of personal selling is high cost due to hiring, training, compensation costs of salespeople, selling expenses of travel and lodging of salespeople. Though many companies try to control costs by paying salespeople through sales commissions alone, thereby paying them only if they generate sales. However, commission-only salespeople may indulge in persuading customers aggressively to get the sale without paying much attention to their need satisfaction. It may result into bad word of mouth and loss of repeat sale for the company. Another way to reduce costs is that companies can use telemarketing, direct mail, and online communication with

qualified prospects to reduce the costs of personal selling but their effect in getting customers' attention and persuading them for sale can be much lesser.

2. **High turnover:** Another disadvantage of personal selling is the issue of high turnover rate among salespeople due to its problems of travelling, no fixed hours, stress of obtaining sales, problem of handling difficult customers etc. As a result, it increases the cost of hiring and training new salespeople. Also, companies face the difficulty of finding suitable good quality salespeople.
3. **Lack of standardisation in communication:** Another weakness of personal selling is that salespeople of a company may differ from each other in their communication with customers. As customers differ from each other, salespeople vary in their final communications made to them. Even the same salesperson may differ in handling of similar customers each time due to differences in circumstances. As a result, there may be variations in results, and it may also influence the coordination of selling efforts with rest of the marketing mix.
4. **Salespeople may vary in their abilities and motivation:** Members of sales team may vary in their levels of motivation leading to variations in their selling efforts. For example, salespeople may vary in their ability to make the desired number of sales calls each day or in their willingness to put enough efforts to prepare for presentations etc. Sales manager needs to put in extra efforts in managing each member of the sales team to get the best from them.

Check Your Progress C

1. State whether the following statements are True or False.
 - i. It is not possible to measure the results of selling efforts of salespeople.
 - ii. In personal selling, effort to sell can be focused on potential customers only.
 - iii. There is standardization in communication in personal selling.
 - iv. Members of a sales team may vary in their abilities and motivation.

1.8 OBJECTIVES AND FUNCTIONS OF PERSONAL SELLING

There is wide variety of functions that are performed by salespeople across different types of products, type of customers, types of selling strategy. For example, a salesperson selling large machinery or a salesperson selling small stationary items of companies will be different in their specific selling functions. Travel Company selling tickets to individual walk-in customers or selling to big companies will differ in its selling functions. These functions contribute to achieving of personal selling objectives of the company.

Ultimate objectives of all the functions/activities of sales department is getting sales, growth in sales and to contribute to profits of the company. At specific level, these objectives can be divided into two categories: quantitative and qualitative. whereas qualitative objectives are long-term.

The qualitative personal-selling objectives are set for the long term and contribute to achieving long term company objectives. These objectives are related to selling strategy of the company and thus carried over from one promotional program to the next one. Quantitative objectives are set for the short-term and are adjusted from one promotional program to the next one. Let us learn them in detail.

1.8.1 Qualitative Objectives

The qualitative objectives are as follow.

1. **To search out prospects:** For any company to grow in its sales and market share, it is required to keep adding new customers. Thus, it is important objective of personal selling to keep finding new prospects for putting selling efforts to convert them into new customers.
2. **Stimulating demand:** Salespeople interact with them to perform activities such as: informing and educating them about the product. They answer their questions and

convincing them about how the product matches with their need and how its benefits will satisfy their needs in order to stimulate demand for the product.

3. **Informing, educating and guiding:** Salespeople may be assigned with objectives to perform the task of helping prospects identify their needs, providing information to create awareness about the new products and services, educating the potential buyers with respect to using the product, guiding them about benefits of products. It may also include other services like installation, repairs and maintenance that can be made available to buyers.
4. **To serve the existing customers:** The objective of personal selling effort of salespeople can be to keep in touch with existing customers to serve them in different ways. It can be: for after-sale services, training of company's employees about using new software, to provide technical assistance, to check on their need satisfaction by company's product etc. Meeting them regularly and to continue serving them helps to increase customer loyalty. It costs less to serve the existing customers to get the sales as compared to acquiring new customers for getting the sale.
5. **To do the entire selling job:** When personal selling is the only tool being used in the promotion strategy of the company, its salespeople may be assigned with objective of performing all the sales related functions from locating prospects to selling the product, serving existing customers, providing after-sale service and follow-up. They may also be assigned with other non-selling tasks like for after sale service, meeting regularly to maintain relationships with customers, collecting payment etc.
6. **Developing long-term relationships with customers:** Salespeople may also be assigned with the objective of putting the required effort for developing and maintaining long-term relationships with customers. Activities like meeting and communicating regularly with existing customers, to arrange for any after-sale support required by them etc. can help to retaining the customers for long. It is important for getting repeat orders from the customers. Serving existing customers costs less to the company as compared to acquiring new customers. Thus, developing long-term relationship with customers is more profitable for the company. For example, getting repeat sales for office stationery from existing corporate customers or renewing of maintenance contracts from existing customers.

7. **To collect and report market information:** Salespeople work in the field and are in direct contact with the customers. Hence, salespeople may also be assigned with the objective of gathering information about customers' feedback regarding company's products and competitors' products to help the company make improvements in its marketing strategy.
8. **Strengthening brand image, building company goodwill:** Salespeople through their interactions with customers can help with the objective of building and improving brand image. For example, Sales people may emphasize it as a prestige product, and may link it with certain lifestyle of customers. Salespeople can also contribute to building company's goodwill through their efforts like company's policies to care for customer satisfaction.
9. **Help in launching new products in the market:** In certain situations, instead of using advertising for informing prospects about the new product, salespeople may be assigned with the objective of introducing new product to the prospective customers. For example, salespeople may be given the objective to inform farmers about new brand of fertilizer and educate them about its benefits. He/she may compare it with competing products to show it as a better solution. Customers may buy it through retailers.
10. **Help in establishing market positioning:** salespeople through their interactions with customers can communicate about the brand positioning of the product to prospective customers. For example, salespersons can stress in their communication about better taste of water from their brand of RO water filter system as compared to other brands. Thus, personal selling may help with the objective of communicating its positioning on better taste of water.
11. **Provide support to middlemen of the company:** Large number of companies sell their products through indirect distribution channel involving middlemen like wholesalers, retailers, agents etc. Such companies often employ salespeople to serve these middlemen. Salespeople are assigned with various objectives of performing functions aimed at middlemen to help increase company's sales. Company's salespeople may be assigned with objectives to perform functions like:

(i) To maintain enough stocks of the product, providing enough shelf space for the product, desired display of the product, advertising and sales promotional materials like point of purchase display material and guidelines on how to use it, collecting payments etc.

(ii) To keep customers informed of changes in the product line like addition or deletion of product item or modification of a product in the product line.

(iii) To guide customers in selling optimum mix of products from the company's product line.

(iv) To provide technical assistance and training to middlemen for selling the products if company products are technical in nature.

(v) To provide assistance to middlemen by guiding them on 'how to sell' its products.

1.8.2 Quantitative Objectives

In addition to the qualitative objectives mentioned above, certain quantitative objectives are also assigned, which are short-term objectives, to personal selling. These objectives are as follow:

1. To obtain a specified sales volume.
2. To obtain sales volume in specified numbers of different products for selling proper mix of products to contribute to profit objectives.
3. To keep the personal selling expenses within specified limits.
4. To secure and retain a specified share of the market.
5. To obtain some number of new customers of given categories.

1.9 Diversity of Personal-Selling Situations

Consumers buy wide variety of products and services leading to different kinds of selling situations and selling jobs. Each kind of selling situation requires different kind of selling style involving different selling activities. These are namely:

1. **Delivery salespersons:** Primary job of salespeople is delivering the products to customers to make the sales. For example, vegetable vendor, person going to residential areas to sell bread, milk, delivering Pepsi to retail shops etc. Such salespeople need to be regular in visiting customers and be courteous to them. They do not have much scope of using selling skills to influence the customers.
2. **Inside order-taker:** Retail salespeople behind the counter are inside order-takers. Customers visit retail stores with an intention to buy certain products and salespeople need to serve customers with their requests. Customers are free to choose any product. Salespeople have little scope of using their selling skills in influencing their purchase decisions by suggesting other products and brands to them.
3. **Outside order-taker:** salespersons visiting wholesalers and retailers to take sales orders and support them in their selling activities. Salespeople call on retailers to motivate them to keep and sell their products. Their primary role is to take requests for stocks. In addition, salespeople can educate middlemen about new products and use some selling skills to persuade them to keep it in their stores. Salespeople may also need to inform middlemen of any changes in products, prices etc. For example, asking the retailer to keep and sell new brand of chips or taking order for supplying of soft-drink or chips, which are already being sold by the retailer. The Salesperson will keep on updating them about the new products as well as existing products.
4. **Missionary salespeople:** Salesperson's role is to inform and educate those individuals about benefits of the products, who influence buyers in their purchase decision for the product. Missionary salespeople do not take purchase orders and do not call on ultimate customers. Goal of missionary sellers is not to complete a transaction and get the sales volume. This is a form of indirect selling as they do not make a direct sale to consumers. For example, a pharmaceutical representative might call on a physician to provide the doctor with clinical information about a medication's effectiveness. The salesperson hopes the doctor will prescribe the drug. Patients, not doctors, actually purchase the

medication. Or salespeople of book publisher do not sell books directly to students instead work with educators to inform them about the books.

5. **Support salespeople:** These can be: **Technical salespeople, Merchandisers, Customer service salespeople.**

Technical salespeople: when a product is highly technical and negotiations are complex, salesperson need to be technical specialist to provide detailed information to the client, help in installation, provide training in using the product. For example, sales engineers.

Merchandisers provide with assistance retailers on shelf display, implementing promotion schemes, ensuring stock levels etc.

Customer-Service salespeople: such people look after maintenance of products and solve customers' problems if any, after the purchase of the product.

6. Creative salespeople or order-getters: such salespeople create demand for the product by using their creative skills. They sell a new product to the customers who do not know about it or who have no interest in it. They use creative skills for making the customers aware of their needs and show how the product can solve the problem or how new product can solve their problem better than from the products they are using and make sell the product. They get new customers for the company by getting them interested in the product, making them desire for it and helping them decide to buy it.

There is lot of scope for use of selling skills in persuading the prospects. Such salespeople may be involved in selling tangibles like vacuum cleaners, digital cameras, paintings or intangibles like consulting services, insurance policies. This is a form of direct selling as they make a direct sale to consumers. Such Salespersons require to have detailed knowledge about the product as well as robust selling and negotiation skills.

Based on above type of Salespersons, different selling styles can be:

- i. **Door-to-door selling:** The Salespersons visit customers at their place to interact with them and sell the products.
 - ii. **Trade selling:** They perform sales and other related functions for customers like retailers, wholesalers, agents.
 - iii. **Missionary selling:** Salespersons educate an individual with the power to influence buying decision of others to buy a product.
 - iv. **Technical selling:** They provide technical advice and look after the technical problems of the customers.
 - v. **New business selling:** They make effort to find and persuade new customers to sell the products.
-

1.10 PROCESS OF PERSONAL SELLING

A sales process is a set of steps that a sales team takes to convert a prospect into a customer. Having a standardized sales process adds structure and accountability to sales activities, leading to a higher rate of successful sales.

It consists of sequence of steps that a salesperson goes through to sell a product or service. It is:

7-step sales process. These steps are as follow.

- Prospecting.
- Preparation.
- Approach.
- Presentation.
- Handling objections.
- Closing.
- Follow-up.

Now, Let us learn them in detail.

1. **Prospecting:** Prospect or a potential customer is a person or organization who has a need, ability, desire to buy a product. Prospecting is the process of searching for prospects. Objective of prospecting is to find sales leads for making sales call and trying to convert them into customers. List of prospective customers is generated through various sources

like references, publicly available data, company records etc. The Salespersons have to make sincere efforts to find out the leads. They must interact with the leads and enquire about their requirement of products or services. They must try to develop good impression about himself/herself.

2. **Preparing:** It involves customer research and planning for presentation. It is collecting all the relevant information about the prospect like size and location of the clients, their needs, financial resources, purchase policies etc. It helps developing suitable presentation for each of the client by focusing on needs important to the client and communicating relevant benefits to the client. The presentation must be very impressive so that the prospects may get provoked to think about the products or services.
3. **Approach:** It is the first contact with the prospective client or opening lines at the beginning of the meeting for about first two minutes. First impression is important to get the customer interested in listening to the presentation. Salesperson may start by showing the product or mentioning the most important problem of the client that match the product. He may inform about special schemes, discounts, offers, etc. for the customers.
4. **Presentation:** A well prepared sales presentation can keep the client engaged in listening carefully. It involves talking/showing about features and benefits of the product, how it meets the need, demonstrating the product. Contents of presentation should be clear and credible. The Presentation should focus on the detailed features of the product for which customers may be interested to know. He/she has to arouse the interest of the customers about the products.
5. **Handling objections:** These are questions raised by the prospect which can indicate barriers to purchase or an unwillingness to buy. It is listening to the concerns of the customer and answering them and providing solutions wherever possible. The objections of customers can include objections to prices, products, services etc. For example, the concern can be competing product being offered at a lesser price, which can be answered by showing the difference in quality or features of the company's product. Another objection can be inability to pay for it, which can be solved by offering installment plan.
6. **Closing the sale:** It refers to the stage of getting the order from the customer. Salesperson can first go for trial close in different ways like: by asking for choice in payment method, selection of model or size or after-sale service plan etc. Answers to such questions can

indicate if the customer is ready to close the sale. If not, salesperson can ask questions to know the reasons for it and again try to close the sale.

7. **Follow-up:** After closing the sale, it is important to keep in touch with customers to know about their satisfaction with the product or to solve the problem if there is any. It also helps in building relationship with customers and get repeat sales from them.

You will learn about the Sales Process in detail in Block 3, unit 8,9 and 10.

As with any other marketing communication method, personal selling must be: compared with other promotion tools and evaluated for its appropriateness in achieving promotion objectives and its profitability as a component of promotion mix. It also must be evaluated for its contribution to the overall marketing mix.

Once the decision to use it and its selling strategy gets decided, it must be well coordinated with other elements of promotion mix for maximizing effectiveness of communication strategy of the company.

Check Your Progress D

1. Fill in the blanks.

- i. Potential customer is a buyer who has.....
- ii. Gathering information about the client is done in.....step of sales process.
- iii. Missionary salespeople educate the people who can influence others to.....
- iv. Trade selling is aimed at.....as customers.
- v. Keeping selling expenses in limits is..... objective

- vi. To provide selling support to retailers isobjective.
- vii. Salespeople can help build.....with customers.
- viii. Personal selling objectives can be divided in categories namely

1.11 Let Us Sum Up

This unit discusses the concept of personal selling element of the promotion mix. It highlights that personal selling is a process wherein salesperson attempts to sell the products to the customer after interacting with them personally either face-to face or contacting them through online medium. There is direct two-way communication between buyer and seller. Along with verbal communication, it also uses non-verbal communication of body language, tone, appearance etc. It is referred as 'push strategy' as the product is pushed towards consumers. It has characteristics of: flexibility of customizing presentation according to the customer, more engaging, allows for developing relationships with customers, quick response and feedback from customer.

Salespeople work in variety of selling situations which can be classified broadly as three types of selling situations based on type of markets, types of consumers, types of products. It is more appropriate to use personal selling in situations like: B2B selling, high priced product, technical product, new kind of product requiring educating the customers about it, large and few customers, for serving middlemen as customers, when company cannot afford to have large advertising budgets, for high value and infrequently bought products by consumers.

Different roles performed by personal selling for different situations can be: communication, persuasion, negotiation, client-profit planning strategy. Like other communication tools, personal selling also has certain advantages and disadvantages. Its advantages include two-way communication, flexibility in communication, sharp focus on target customers, personal attention and detailed presentation, instant feedback, measuring effectiveness, getting customer's

attention, performing additional non-selling tasks. Its disadvantages include- higher costs, high turnover, lack of standardisation in communication, salespeople may vary in their abilities and motivation.

Personal selling is used to fulfill qualitative objectives like-to search for prospects, stimulating demand, to serve the existing customers, developing long-term relationships with customers, to collect and report market information, to serve middlemen, building relationships with customers, providing support to the middlemen of the company, strengthening brand image, and building company goodwill. Along with such qualitative objectives certain quantitative objectives are also assigned to personal selling, which are short-term objectives. These can be: to obtain a specified sales volume, sales volume in specified numbers of different products for selling proper mix of products to contribute to profit objectives, to keep the personal selling expenses within specified limits, to secure and retain a specified share of the market, to obtain some number of new customers of given categories. There is vast diversity in personal selling situations resulting in different selling functions which are: Delivery salespersons, inside- order-taker, outside- order-taker, Missionary salespeople, support salespeople like technical salespeople, merchandisers, customer service salespeople, creative salespeople or order-getters.

Process of personal selling consists of sequence of steps that a salesperson goes through to sell a product or service. These are: prospecting, preparation, approach, presentation, handling objections, closing the sale, follow-up.

Personal selling must be evaluated based on its contribution to the overall marketing mix. In addition, it can be very effective when personal selling is well integrated with other elements of communication strategy,

1.12 KEY WORDS

Promotion mix: Mix of different communication tools, which are advertising, personal selling, sales promotion and public relations

B2B: Selling industrial products and services to other businesses in facilitating manufacturing their products and services

B2C: Selling products to customers for their final consumption

Prospect: Potential customer having need, ability to pay and desire for the product

Push Strategy: Salespeople present the product or information about it and persuade consumers to buy it.

Door to door selling: Visiting customers at their place to interact with them and sell the products.

Inside-order taker: Salesperson behind the retail counter taking customers' orders

Outside-order taker: Salespersons visiting wholesalers and retailers to take sales orders and support them in their selling activities.

Missionary selling: Educating people who influence buying decision of others. Like medical representatives persuade doctors to prescribe and influence the customers to purchase the product.

Technical selling Providing technical advice and assistance as part of sales job.

New business selling: To seek out and persuade new customers for

selling the product

1.13 ANSWERS TO CHECK YOUR PROGRESS

A.1. i. True ii. True iii. True iv. True 2. i. Push ii. non-verbal iii. Customize

B.1. i. True ii. False iii. False 2. i. High ii. Large iii. Small

C.1. i. False ii. True iii. False iv. True

D.1. i. Quantitative ii. Qualitative iii. Relationships iv. Quantitative and Qualitative v. Need, ability to pay and desire vi. Preparation vii. Buy viii. Wholesalers and Retailers

1.14 TERMINAL QUESTIONS

1. What do you understand by the term Personal Selling and how is it different from advertising?
2. What are the advantages and disadvantages in using personal selling as a promotion tool?
3. Explain the various qualitative and quantitative objectives of personal selling.
4. Can the same selling style be used in all the selling situations? Explain the diversity of selling situations.
5. Do you think it is important to use selling process steps in personal selling? Discuss the various steps of selling process.
6. Suggest why would the use of personal selling be more appropriate for selling the following products:

- (i) Ultrasound machines
- (ii) Customized business software

7. (i) What is the type of personal selling used by pharmaceutical companies for selling their medicines?
- (ii) What is the type of personal selling used by companies selling their products through retailers?

SOME USEFUL BOOKS

Thomas N. Ingram, Raymond W., LaForge, Ramon A Avila, Charles H. Schwepker, Michael R. Williams.(2018).*SELL: Trust-Based Professional Selling*, (5th ed.).Cengage Learning India Pvt. Ltd.

Krishnamoorthy, R. (2015). *Personal selling and sales management*, (1st ed.).Himalaya Publishing House

Tracy, B. (2006). *The Psychology of Selling: Increase Your Sales Faster and Easier Than You Ever Thought Possible*. HarperCollins Leadership (20 June 2006)

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UNIT 2: SALESMANSHIP

STRUCTURE

2.0 Objectives

2.1 Introduction

2.2 What is Salesmanship

2.3 Scope of Salesmanship

2.4 Type of Salesmanship

2.5 Significance of Salesmanship

2.6 Role of a Salesman

2.7 Qualities of a Salesman

2.8 Functions and Duties of a Salesman

2.9 Creative Salesmanship

2.9.1 Characteristics of Creative Selling

2.9.2 Creative Salesmanship Vs. Competitive Salesmanship

2.9.3 Creative Selling Process

2.10 Let Us Sum Up

2.11 Keywords

2.12 Answers to Check Your Progress

2.13 Terminal Questions

2.0 Objectives

After studying this unit, you should be able to:

- Explain the meaning of salesmanship
- Describe the roles and duties of a salesman
- State the scope of salesmanship
- Analyse the different types of salesmanship
- Appreciate the significance of salesmanship
- Discuss an understanding on the functions and duties of a salesman
- Explain the meaning of creative salesmanship
- Differentiate between creative and competitive salesmanship

- Outline the process of creative selling
-

2.1 Introduction

Traditionally referred to as a “door to door” profession, salesmanship refers to the ability of an individual to sell a product/service to another individual. In the complex and competitive world that we live in today, the importance of salesmanship has been consistently increasing. A salesman today, is one of the key figure in the manufacturing and distribution world. Accepted as an essential component of the sales and marketing, the importance of salesmanship ranges from producers to society to consumers. As the famous saying in marketing goes “consumer is always right”, it is the salesman who helps the consumer in being right - by assisting in the decision making process and selection of products. In this unit, you will learn scope, type, significance, role, qualities and functions of salesman.

2.2 What is Salesmanship?

“Salesmanship is a marketing strategy by which a salesman can sell his goods or services to a person”. W. G Carter defined salesmanship as “an attempt to induce people to buy goods”. Acting as a bridge between buyers and customers, the main goal of salesmanship is profit maximization. However, salesmanship is not merely about selling goods. As described by W. Major Scot, the job of salesman is also to create demand “by demonstrating that the need does exist, although before his visit there was no consciousness of that need”. G. Blake added to the above by identifying salesmanship as “winning the buyer’s confidence for the seller’s house and goods thereby winning regular and permanent customers”.

Salesmanship also represents the seller-initiated efforts offered to prospective customers. These efforts are complimented with product information and motivate customers to make favourable buying decisions. A salesman must possess the ability to interact with customers utilizing different mediums and methods. In this sense, it may also be right to describe a salesman as a psychologist with a knack for marketing. Salesman is nothing but an advisor with one customer, a friend to some other customer and a store of all information to others. Donning these multiple hats, salespersons must therefore be able to adjust their personalities to suit every type and mood of customer.

Salesmanship is a dynamic element of economic strategy where selling plays a vital role in industrial profits. As a profession, salesmanship is a glamorous constituent of a capitalistic economy.

Salesmanship as an Art

It may be apt to describe salesmanship is an art, as it relates to selling a product or delivering consumer satisfaction. It is an art because:

- a) Salesmanship requires the necessary skill set to appeal to the customer.
- b) The knack of persuasion possessed by a salesman encourages the buyer to make the purchase decision.
- c) It requires the salesman to possess the art of communication to structure its interactions with the customer.
- d) The salesman must be able to influence the buyer towards the directed product / service.

Duties of a Salesman

- a) Make sales of assigned products or services
- b) Perform the assigned duties (including travelling to distant locations for the purpose)
- c) Collection of bills related to sales
- d) Customer complaint resolution
- e) Customer relationship management
- f) Develop and maintain firm goodwill
- g) Contribute to inventory management
- h) Ensure proper reporting – sales made, calls made, services offered, lost customers, and any other important matters related to either the competition or firm

2.3 Scope of Salesmanship

Salesmanship is not confined to merely making sales, but also includes its ancillary activities such as repairing, teaching, legal, medicine and so on. At the higher-level, salesmanship also refers to product knowledge, customer knowledge, training and control, management of sales department etc. The scope of salesmanship has also been increasing consistently for a firm,

with the advent of new technologies. With more transactions taking place on the internet today, its scope has been expanding. Persuasive skills are still an important requisite to salesmanship, as customer interactions go virtual. With sales meetings going online, it is only the platform that has changed but the approach to salesmanship remains the same.

Salesmanship may be described as a collection of different functionalities at different points of time. These include,

1. Collection of more information regarding the market.
2. Increasing economic power in various standardized sectors.
3. Growth of technological progress.
4. Enrichment of managerial efficiency.
5. Extension effect on the economy.

Thus, it may be appropriate to say that salesmanship is a specialized craft that does not include merely sale of products and services. It covers a wide range of activities and there is still scope of more development in this sphere.

Check your Progress A

Fill in the blanks:

- i. The knack of _____ possessed by a salesman encourages the buyer to make the purchase decision.
- ii. _____ is an attempt to induce people to buy goods.
- iii. With sales meetings going online, it is only the _____ that has changed but the approach to salesmanship remains the same.
- iv. Salesmanship also involves collection of _____ regarding the market.

State whether the following statements are True or False:

- i. The salesman must be able to influence the buyer towards the directed product / service.
- ii. Salesmanship represents the seller-initiated efforts offered to prospective customers.
- iii. A salesman does not contribute to inventory management

- iv. The advent of new technologies have had no impact on salesmanship.

2.4 Types of Salesmanship

Depending on the varied roles performed, salesmanship may be divided into the following categories:

a) Wholesaler's Salesman

The wholesaler's salesman is concerned only with the wholesaler. The purpose of this type of salesmanship is to market the product only to the wholesaler. The role includes: taking orders from wholesalers, guiding wholesalers to offer credit to retailers, assisting wholesalers in improving their sales, collect bills and to keep track of important marketing information.

b) Manufacturer's Salesman

The manufacturer's salesman may be sub-divided into following sub-categories:

- Missionary Salesperson – These salesperson interact with wholesalers, retailers and consumers to offer and guide them regarding the product / service.
- Technical Salesperson – These salespersons are hired to sell technical products, such as machines and equipment. These salespersons possess professional training on the product and are able to guide and help the customer both before and after sales.
- Merchandising Salesman – These salespersons not only sell products but also guide retailers in terms of in-store product display and arrangement. These type of salesmen are usually found promoting products, such as, grocery, drugs, apparels, fashion etc.
- Sale Promotion Salesmen – The main job of this type of salesmen is to convince customers to buy their products. They provide product demonstrations, and also offer samples to prospective customers.

c) Retailer Salesman

Retail salesman works with the final consumer directly. They can be subdivided into following categories:

- Indoor Salesman – Indoor salesman works inside a store. These are hired by store owners to help shoppers make buying decisions.

- **Outdoor Salesman** – Outdoor salesman work for the retailer by visiting customers and taking orders. They also facilitate with lead generation for the retailer. Impressions, interactions with the customers may facilitate generation of lead as well as may evoke customers to take decision for buying the product.

d) Specialty Salesman

Specialty salesman sells products such as expensive durable goods, furniture, books, house furnishings, washing machines, automobiles, refrigerators etc. Salespeople of this kind must master the art of salesmanship. They are representatives of manufacturers who produce special items.

2.5 Significance of Salesmanship

A salesman is a friend and guide to its customers while a support to its producer. The significance of salesmanship can be described based on the following factors:

- Flexible Tool:** Salesmen present their ideas tailored to customer needs and desires. Based on a judgment of consumer reaction, a salesman can adapt its sales approach and make adjustments to sales presentations in real-time. This offers producers a flexible tool in hand to reach to prospective customers.
- Minimum Wasted Efforts:** The efforts of a salesman are directed only towards prospects. It does not waste its time on those who it does not find suitable to sell the product. Therefore, salesmanship is an activity characterized by minimum wasted efforts.
- Results in Actual Sales:** Salesmanship is a tool used by organizations to complement their other promotional activities. However, while advertising and promotions can only lead to demand creation, it is salesman who converts the demand into actual sales. By clarifying consumer doubts, resolving their issues and making product presentations, it is the sales person who convinces the customer to make the purchase.
- Offers Feedback:** A salesman is a medium for companies to engage in two-way communication with the customer. A salesman not only offers product information to the customer, but also provides knowledge to the company about tastes, habits and attitudes of prospective buyers. The company may also decipher the strength of its marketing program based on the feedback received from the salesman.

- e) **Advantageous to Consumers:** Salesman is of great help to customer as well. The salesman is the primary source of information to the customer regarding new products in the market as also for existing products. Further, salesman also helps customers in complaint resolution, identifying products suited to their needs and clarifying any doubts.

2.6 Role of a Salesman

Selling forms an important component of the marketing function in organizations.

A salesman performs the following roles:

a) Sales Lead Conversion

Salespersons act as a bridge between consumer needs and products. In this sense, salespersons close deals by introducing consumers with additional product information helping the customers form a connect between their needs and the product. Direct interactions with customers offers salespersons the advantage of tailoring their sales pitch and offerings to suit customer need. This forms the most attractive aspect of a salesperson to the consumer, as they view salespersons as product experts, building credibility and also converting leads or prospects into customers. Sales persons should possess detailed knowledge of the products and impressive presentation style for facilitating decision making of customers for buying the product.

For example, at a car showroom, the salesperson asks questions to its customers regarding their personal life including size of family, typical daily routine, etc. This helps the salesperson gain knowledge on what type of car would be suitable for the customer. It can then offer information to the customer about various cars available and convert the prospect into customer.

b) Business Growth

Salespersons play a critical role in building loyalty and trust between customers and businesses. During sales interactions, it is the salesperson who plays a crucial role towards converting a prospect into customer. Also, it is based on salesperson's interactions that the

customer recommends the firm to friends and family, thereby aiding in business growth. The sales person must have sound convincing skills to persuade the customers to buy the product. Sales persons should make their best efforts to satisfy the customers. The satisfied customers may recommend other persons to buy the product. Such customers will play significant role in the growth of business.

c) Customer Retention

Customer retention is a very challenging task. Selling is a personal interaction. Excellent salespersons are not those who make sales, but those who also make a long-lasting impact on their customers. Long term customer relationships further lead to repeat customers increasing the brand reputation and WOM.

Sales follow-ups are an important tool of customer retention utilized by the salesperson. This gives the salesperson an opportunity to get customer feedback and engaging in resolution of customer issues in a timely and professional manner. For this purpose, the sales persons have to interact with the customers after the completion of the sale. If there is any grievance, sales person must make sincere effort to resolve it so that the customer feels good about the product. Once the customer is satisfied, he/she may be loyal towards the product and brand.

2.7 Qualities of a Salesman

Mayer & Greenberg (2006) in their article published in the Harvard Business Review identified for a good salesman to be possessing the following qualities:

- **Ability to Feel:** Empathy was identified as a crucial quality towards becoming a good salesman. A salesman cannot sell without the ability to gain feedback from customer through empathy. A salesman must be able to sense the reactions of customers and should be able to adjust its responses based on those responses.
- **Need to Conquer:** The drive to get the sale through is another important quality of a good salesperson. Closing the sale must act a drive to enhance a salesperson's ego. Also, failures must act as triggers to greater efforts that bring success.
- **Need for Balance:** This calls for several combinations of empathy and ego drive. In this sense, a salesman must possess qualities that display its ego towards closing the sale yet also contain empathy towards customers' needs and perceptions.

Other qualities that describe a good salesman are:

- a) Good Listener: Good salespersons treat customers to be equally responsible for the talk. While the salesperson possesses the capability to communicate, it must also provide time for customers to respond.
- b) Resilience: A good salesperson should be able to accept failures without despair. Rejections should not act as lows but as motivators for future.
- c) Confidence: A good salesman is confident, in control of its surroundings and informative. Confidence reflects in the manner one presents itself and their views.
- d) A good salesperson must possess the ability to analyse customer motivation and behaviour.
- e) A good salesperson must possess complete information on the product, and should also be able to demonstrate the product to prospects.

Check your Progress B

1. Fill in the Blanks:
 - i. _____ interact with wholesalers, retailers and consumers to offer and guide them regarding the product / service
 - ii. _____ salesman sells products such as expensive durable goods, furniture, books, house furnishings etc.
 - iii. Salespersons act as a bridge between _____ and products
 - iv. Salesmanship is a tool used by organizations to complement their other _____.
2. State whether the following statements are True or False:
 - i. Sales promotion salesmen convince customers to buy their products.
 - ii. Retail salesman has an indirect interface with the customer.
 - iii. Selling is a personal interaction.
 - iv. The efforts of a salesman are directed only towards prospects.

2.8 Functions and Duties of a Salesman

The following are functions and duties of a Salesman:

1. Selling: To meet prospects, demonstrate products and to induce prospects to buy.
2. Guiding the buyers: To guide buyers towards products suiting their needs and requirements
3. Attending to complaints: To attend to customer complaints and engage in grievance redressal
4. Collection of bills: To collect outstanding bills for sales made
5. Collection of credit information: To collect information on credit-worthiness of customers
6. Reporting: To send daily, weekly or monthly reports to its firm regarding calls made, sales impact and services rendered.
7. Organizing: To organize tour programs.
8. Attending sales meeting: To attend sales meeting to discuss marketing problems, sales promotion activities, sales policies etc.
9. Touring: To undertake regular travel to meet prospects and customers in the assigned territories.
10. Arranging for packing and delivery: To arrange for packing and delivery of the goods sold
11. Window & counter displays: To arrange for attractive window and counter displays so as to induce the prospects to buy
12. Promotion of goodwill: To promote goodwill of the firm in the market
13. Recruitment and training: To recruit new salespersons and give them training.
14. Working with middlemen: To establish direct relations with the middlemen such as wholesalers and retailers, while collecting marketing information and passing it on to them.

2.9 Creative Salesmanship

A good salesman creates in customer's minds the desire to possess the product / service it is selling. This act of educating the public leading to a desire to possess the goods and services, while also resulting in an enhanced civilized society is known as creative salesmanship. Salesmanship applied to good ends is creative salesmanship. With the salesman always looking for new ideas to reach its prospects minds, the modern salesmanship may also be termed as creative salesmanship.

Creative salesmanship may also be described as a means to explore new markets for existing products, to sell new products to customers who do not have interest in or are not aware of it. The salesman here is required to play an intelligent role by awakening customer interests, creating desire, answering objections and helping the prospect make up its mind in favour of the product.

2.9.1 Characteristics of Creative Selling

- a) Creation of market for old and new products. Salesman is assigned the task to create new market for old or existing products.
- b) Salesman present facts in an interesting manner so as to generate consumer interest.
- c) Sales may take place immediately or after some delay, but time is not a consideration.
- d) Emphasis lies on service and utility of the product and incentives like discounts, credit facilities and home delivery.
- e) Focus lies not on the price, but the satisfaction that the product may deliver.

2.9.2 Creative Salesmanship Vs. Competitive Salesmanship

Competitive salesmanship refers to the routine work whereby existing or traditional tactics are employed. These could also include lowering quality, lowering of prices, and offering incentives such as credit on liberal terms, extra discount and other concessions possible.

The differences between creative and competitive salesmanship are summarized below:

	Creative Salesmanship	Competitive Salesmanship
Sales Objective	To create new sales by breaking new ideas.	To increase sales under existing conditions.
Approach to Sales	Use of unique and latest ideas.	Usual or regular sales tactics employed.
Results	Lays a strong foundation for present and future sales.	Aim at quick sales.
Option of the	Focus on creating desire.	Focus on increasing and

start		maintaining turnover.
Coverage	More comprehensive and encapsulate competitive salesmanship as well.	All competitive salesmanship is not creative.
Relationship Building	Builds long term relationships with customer with trust as the building block.	Competitive forces may not lead to long term relationships.

2.9.3 Creative Selling Process



Figure1: Creative Selling Process Steps

The following are the steps to creative selling process:

Step 1: Prospecting: The process of finding and qualifying potential customers is known as prospecting. This is the foundational step in a sales process. The activities involved here, include:

- Generating Sales Leads – the likely prospects

- Identifying Prospects – a prospect who indicates need or desire for the products
- Qualifying Prospects – Prospects who possess the authority to decide and have money to buy the product

Step 2: Preparing: This step entails preparation for the sales call. The steps here include:

- Creating prospect file: names of key people, role in decision making process
- How to approach the prospect: exploring options of first contact
- Establishing objectives: the flow of communication during sales call is based on these
- Preparing presentation: based on objectives of the sales call

Step 3: Approaching: This is the step where a salesperson can make a lasting impression.

Three elements guide first impressions:

- Appropriate appearance
- Salesperson attitude and behaviour
- Salesperson's opening lines

The prospects may be approached using one of the following means:

- Premium method: Offering the prospect a gift to begin the interaction
- Question method: Posing questions on topics of interest
- Product method: Offering a sample or a free trial of the product for review

Step 4: Making the presentation: A presentation may take many forms, but its purpose remains the same: to communicate the product message in such a manner that it convinces the prospect to buy. Two methods of presentation are generally utilized:

- Canned approach: a memorized presentation
- Need satisfaction approach: identify customer needs and create a presentation to specifically address their needs

Step 5: Handling Objections: The prospect may raise various doubts and objections during the presentation. Salespersons must view these objections as a prospect's interest in the product, and as an opportunity to garner more interest.

Step 6: Closing: This is the step that involves persuading the prospect to make the purchase. There are several closing techniques employed by salespersons. These include:

- Alternative Proposal Close – Assuming that the prospect has already decided to buy.
- Silent Close – Finish presentation and sit quietly, waiting for the customer to respond.
- Direct Close – Asking for the order directly.
- Extra Inducement Close – Offering the prospect something extra so as to close the deal.
- Standing Room Only Close: Create an urgent demand of the product to close the deal quick.

Step 7: Follow Up: Following up on existing sales is an effective means to generate repeat sales. Before the follow – up a salesperson must ensure that the product has been properly delivered and the customer is satisfied. An unhappy customer must also be followed up using appropriate techniques to resolve complaints. The following tactics may be employed at this step:

- Handle complaints promptly and in a pleasant manner
- Maintain regular contact with customers
- Be appreciative

Check your Progress C

1. Fill in the Blanks:

- A salesman promotes _____ of firm in the market
- This act of educating the public leading to a desire to possess the goods and services, while also resulting in an enhanced civilized society is known as _____.
- In creative selling, focus lies not on the price, but the _____ that the product may deliver.
- _____ focuses on increasing and maintaining turnover

2. State whether the following statements are True or False:

- The salesman may arrange for attractive window and counter displays so as to induce the prospects to buy.

- ii. Creative salesmanship may also be described as a means to explore new markets for existing products
- iii. Time is a constraint to creative selling.
- iv. The process of finding and qualifying potential customers is known as prospecting

2.10 Keywords

Salesmanship: the ability of an individual to sell a product/service to another individual

Wholesaler's salesman: concerned only with the wholesaler. The purpose of this type of salesmanship is to market the product only to the wholesaler

Missionary Salesperson: These salesperson interact with wholesalers, retailers and consumers to offer and guide them regarding the product / service.

Technical Salesperson: These salespersons are hired to sell technical products, such as machines and equipment.

Merchandising Salesman: These salespersons not only sell products but also guide retailers in terms of in-store product display and arrangement.

Sale Promotion Salesmen: They provide product demonstrations, and also offer samples to prospective customers.

Retail salesman: works with the final consumer directly

Specialty salesman: sells specialty products such as expensive durable goods, furniture, books, house furnishings, washing machines, automobiles, refrigerators etc.

Creative Salesmanship: The act of educating the public leading to a desire to possess the goods and services, while also resulting in an enhanced civilized society.

Competitive salesmanship: the routine work whereby existing or traditional tactics are employed.

2.12 Answers to Check your Progress

Check your Progress A

Fill in the blanks:

i) Persuasion ii) Salesmanship iii) Platform iv) Information

True or False:

i) True ii) True iii) False iv) False

Check your Progress B

Fill in the blanks:

i) Missionary Salesperson ii) Specialty iii) Consumer Needs iv) Promotional activities

True or False:

i) True ii) False iii) True iv) True

Check your Progress C

Fill in the blanks:

i) Goodwill ii) Creative Salesmanship iii) Satisfaction iv) Competitive Salesmanship

True or False:

i) True ii) True iii) False iv) True

2.13 Terminal Questions

- 1.) What is Salesmanship? Is it an art?
- 2.) What are the duties of a salesman?
- 3.) What does salesmanship encompass? Discuss its scope.
- 4.) Differentiate between the various types of salesmanship?
- 5.) How would you describe a good salesman? What qualities must it possess?
- 6.) What is creative salesmanship?
- 7.) Differentiate between creative and competitive salesmanship?
- 8.) Highlight the creative selling process in detail.

Some Useful Books

Whitehead, Harold. 2010. *Principles of Salesmanship*, Kessinger Publishing

Russel, Frederic A. 2016. *Textbook of Salesmanship*, McGrawHill.

Cates, M. F. 2015. *Seven Steps to Success for Sales Managers*, Pearson FT Press.



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UNIT 3 SALES MANAGEMENT

Structure

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Evolution
- 3.3 Meaning
- 3.4. Importance of Sales Management
- 3.5 Scope of Sales Management
- 3.6 Types of Salespersons
- 3.7 Difference between Selling & Marketing
- 3.8 Sales Management Process
- 3.9 Trends in Sales Management
- 3.10 Let Us Sum Up
- 3.11 Key Words
- 3.12 Answers to check your progress
- 3.13 Terminal Questions

3.0 OBJECTIVES

After studying this unit, you should be able to:

- describe the evolution, meaning and importance of sales management;
- discuss the scope of sales management;
- explain the role of sales managers;
- distinguish between selling and marketing; and
- discuss the Sales management process.

3.1 INTRODUCTION

This unit introduces you with the fundamentals of sales management -evolution, meaning and importance in the business context. You must note that sales is the only function of marketing that brings in revenue to the organization and hence assumes a key role in the entire scheme of things. The sales managers use scientific processes to design and implement sales management program for their organizations. The salespeople act as the linking pin between

the organization and its customers. They are the face of the companies. Thus, it is very important to organize and direct their efforts both within and outside the companies.

The sales managers create the formal and informal structures for the effective communication within the sales department. While outside the organizations, the sales managers build and maintain effective distribution networks for their brands. In this unit, you will learn about the evolution, definition, scope and importance of sales management. You will also learn about the different types of salespersons and sales management process.

3.2 EVOLUTION OF SALES MANAGEMENT

Pre industrial revolution era - Prior to industrial revolution, the economic scenario was well dominated by the small-scale industries whose focus always remained catering to the needs of the local customers. Manufacturing and selling functions in such a setup were taken care of by the single person. The prime challenge that small scale businesses faced was to produce enough to meet the customer demands. Thus, the focus was more on manufacturing issues and selling was not a problem at all as all the orders were received well in advance of the production taking place.

Post industrial Revolution - Industrial Revolution that took place in England in the year 1760 brought about some significant changes in the marketing scene for the businesses. There started mass production of goods in factories with the help of modern machines which in turn led businesses to hunt for newer markets to sell their produce. The demand in local markets was not large enough to absorb the huge quantities produced by the factories. Thus emerged the need for sales to ensure the surplus produce to be absorbed. The other operational issues which dominated the business scene were that of recruitment of workers in large numbers and acquisition of fixed assets like building, machinery etc. for which large funds were required to be raised. Thus, forcing many firms to adopt the corporate form of organization. Since the magnitude of the operations increased multifold, separate functional departments came into being like the financial department, manufacturing department, personnel department, sales department.

The establishment of sales department helped the firms with the problems related to expansion of their markets. The goods were sold to the small retailers who then sold in small quantities to the end users. Subsequently wholesalers came into being who purchased in large

quantities to sell in smaller quantities to the retailers who finally sold to the end users. The emergence of so many intermediaries created the challenge of communicating with end customers for the businesses.

On the other hand, the marketing function started receiving more importance in the firms with advertising and sales promotions becoming more complex. The need to separate marketing from sales function was increasingly being felt. Thus, new departments like Marketing Research, Advertising, Merchandising etc. came into existence. In spite of emergence of separate marketing functions, sales department continue to hold important position for the businesses as it is the only function that brings in revenue. It is aptly termed as “Income Centre” of the business organization. Now let us try to understand the meaning of sales management.

3.3 DEFINITION

Sales Management was originally said to be the function of directing the efforts of the salesforce of the business. However, in the modern times the broader view of sales function is found to be more popular with the businesses. Accordingly, the Sales Management is concerned with development of the sales staff, managing sales related operations and implementation of sales techniques such that sales targets of the business are accomplished effectively.

American Marketing Association defines sales management as follows: *“Sales Management is the planning, direction and control of selling of business unit including recruiting, selecting, training, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to the personnel of the sales force”.*

The definition of AMA focuses on two broad aspects of sales management. First you have to plan, direct and control selling activities. Second, you have to recruit, select, train, equip, assign, route, supervise, pay and motivate the sales force. The definition equates sales management to the management of sales staff however contemporary sales managers have a broad spectrum of responsibilities to perform. In addition to managing the sales staff they are also responsible for developing the company's long-term sales plan, chalking out sales

strategies to be implemented in target markets, implementing sales budgets. They are responsible for managing omni channels of the company. They scan the marketing environment continuously to frame the responsive sales strategies.

The sales management function primarily seeks to accomplish three basic functions namely sales volume, profit maximization and growth. The authority to achieve these three goals is delegated by the top-level management to the sales management through marketing management.

3.4. IMPORTANCE OF SALES MANAGEMENT

The significance of sales management as a function is evident from the huge budgets allocated for the same across the companies. This is because it helps the firm deal with competition and is thus considered an inevitable part of the business organization. Importance of the sales management as a function can be summarized in the following points:

1. **Attains organizational goals:** Sales management helps in achieving predetermined organizational goals by transforming the marketing plans into actions to generate profits, meeting customer demands effectively and capturing the market share.
2. **Aids in better planning:** One of the fundamental tasks of sales management is to formulate the sales plans, sales budgets and drawing sales strategies so that the efforts of the salesforce can be well directed towards achieving the common organizational goals.
3. **Maximises the sales:** By supporting the establishment of SMART sales plans, the sales management aids in maximizing the sales and thereby revenue for the organizations.
4. **Fosters strong customer relationships:** Sales management urges the salesforce to attach highest importance to building strong customer ties. The strong ties with the customers facilitates the brand develop a loyal customer base and increased profitability.

5. **Optimum utilization of distribution channels:** Channels of distribution can be more optimally utilized by the organization when the sales management is able to identify appropriate distribution channel. They must take adequate step to resolve the distribution issues and enhance the smooth operations of the distribution channel.
6. **Develops result driven salesforce:** Sales management is concerned with not only recruiting but also training, motivating and compensating the sales staff. The continuous training, development and motivation drive them to contribute effectively towards the profits of the firm.

3.5 SCOPE OF SALES MANAGEMENT

Sales is the management function responsible for ensuring that an organization has sustainable cash flow. For this, sales department undertakes a variety of functions. Look at Figure 3.1 which shows scope of sales management.



Fig 3.1: Scope of Sales Management

The scope of the sales management has been discussed below:

1. **Sales Forecasting and Budgeting:** The sales managers are expected to chalk out well-structured sales plans well in advance. She/he should estimate the expenses that will be incurred as a result of various sales activities.

2. **Sales Team Structure:** The sales team is expected to perform variety of sales related activities. The sales manager is responsible for determining and organizing the functions to be performed by his sales team.
3. **Manpower Planning and Hiring:** The sales manager is required to estimate the requirement of sales personnel in the organization. As per requirement of the organization, She/he should plan recruitment and selection activities.
4. **Sales Training:** To drive effective performance from the salespeople, it is important to impart them with the right skill sets. The sales managers are responsible for providing training and orientation to newly hired sales candidates so as to establish a suitable match between the know-how and job position.
5. **Sales Areas:** The sales manager is responsible for establishing sales goals for the team, for this purpose she/he determines the sales quotas and identifies the sales territories. She/he further determines the region where the company wants to sell its products depending on the profitability of the organization.
6. **Salesforce Management:** The sales manager is entrusted with the responsibility of motivating the sales personnel, appraising their performance, ascertaining their remuneration and rewards for the targets achieved. Therefore, she/he should manage the sales force in such a way that they are driven towards the achievement of the goal.

Check your progress A

1. Fill in the blanks.
 - i. The is responsible for determining and organizing functions to be performed by his sales team.
 - ii. is the management function responsible for ensuring that the organization has sustainable cash flow.
 - iii. Industrial revolution took place in England in the year brought about some significant changes in the marketing scene.

- iv. The sales management functions primarily seeking to accomplish three basic functions namely sales volume, and growth.
2. State whether the following statements are **True** or **False**.
- i. Sales management is the function of directing the efforts of the sales force of the business.
 - ii. The sales management does not use scientific processes to design and implement sales management program.
 - iii. Sales Management seeks to accomplish only sales volume.
 - iv. Sales Training comes under the scope of sales management.

3.6 TYPES OF SALESPERSONS

The existence of varied buying situations has led to the emergence of various selling functions. Selling tasks determine the nature of the sales process for any situation. Figure 3.2 shows various types of salespersons classified on the basis of various selling situations:

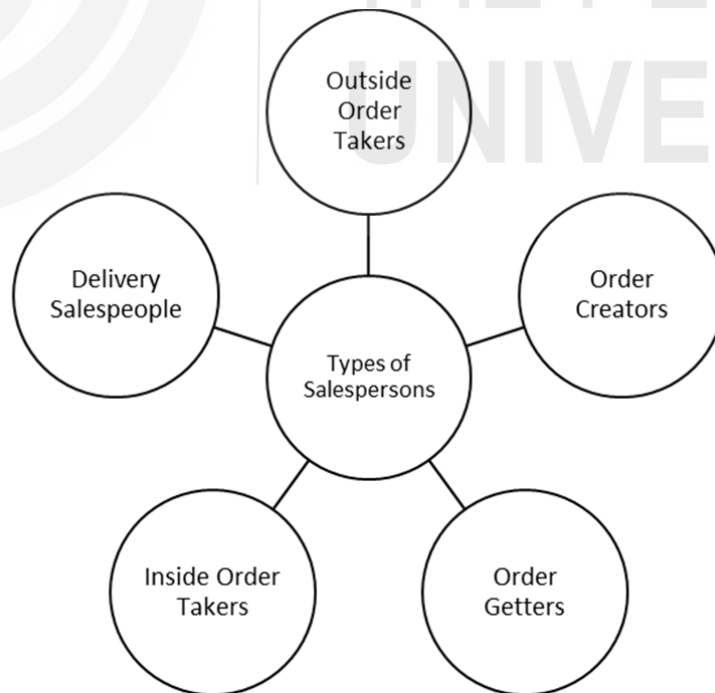


Figure 3.2: Types of Salespersons

1. **Order takers:** Order takers are not anticipated to steer clients to buy the organization's merchandise or increase their quantity of purchase. They are required to take the orders from the customers and share the information with the relevant people within the business enterprise. They are also expected to have an up-to-date information of the date and time of delivery of orders that have been booked by them to the customers. They need to respond to the queries regarding the delivery date to the customers.
2. **Inside order takers:** Retail sales assistants may guide the customers inside the retail store. The customers freely select the products from the retail outlet without the presence or impact of a salesman. He is responsible for taking the payments and delivering the goods.
3. **Delivery Salespeople:** Timely delivery of the product is the primary responsibility of delivery salespeople. They do not try to persuade the customers to increase the order size. Reliability of product delivery determines the probability of getting or losing the order from the customers. Therefore, the delivery has to be made on time.
4. **Outside Order Takers:** They are primarily concerned with responding to the customer calls. They secure the orders from the customers on the basis of sales calls.
5. **Order Creators:** In certain industries, the job of a salesperson is not to close the sale but to convince the customer to promote the seller's brand. Such salespersons are termed as Missionary Salespeople. For example, medical representatives contact doctors not for the direct sale but convince them to prescribe their brand's medicines.
6. **Order Getters:** The main aim of order getters is to convince customers to shop for the company's merchandise. The salesman must be able to comprehend client needs and persuade him that his company's products best serve his needs. The order getters must have complete knowledge of the products so that she/he may convince the people by highlighting the functions and features of the product.

3.7 DIFFERENCE BETWEEN SELLING & MARKETING

In our day to day lives, the term marketing and selling are used synonymously. Both marketing and selling functions are directed towards revenue generation. Being so closely interwoven, it becomes difficult for many to differentiate between the two. However, there exists a big difference between the two functions.

Selling is the part of Marketing. It is concerned with delivering the goods/ services to the customers in exchange for price. For example, one goes to a shop to buy a pair of shoes and the shopkeeper sells the shoes in exchange for the price paid to him for the same.

Marketing is much broader in scope. It is a function that begins with determining the needs and wants of the customers and ends with the customer satisfaction and feedback. In between various activities like production, pricing, promotion and distribution take place and at last the selling happens. The customer always remains the focal point of marketing. For example, when one buys a car and gets after sales service which is also a part of marketing. Let us learn the difference between marketing and selling.

Point of Difference	Marketing	Selling
Definition	Marketing is concerned with creating value for the customers by delivering them goods and services according to their needs and making a profit.	Sales are the process of persuading the customers to buy the products to increase the sales.
Scope	It is wider in scope.	It is narrow in scope.
Business viewpoint	It views the business as a process of satisfying the customer.	It views business as a process of manufacturing goods.
Orientation	Profit orientation.	Sales orientation.
Price	Price is determined by the consumer.	Price is determined by the cost.

Customer orientation	It views the customers as the starting point of any business.	Customers are viewed as the last link in any business in selling.
Profits	It focusses on earning profits through customer satisfaction.	It focusses on earning profits through aggressive promotions
Emphasis	Emphasis on adoption of latest technology for product innovation to provide enhanced value to the customers.	Emphasis on cost reduction by staying with the same technology.
Views of seller's needs	It stresses on the needs of the customers.	It stresses on the needs of the sellers.

3.8 SALES MANAGEMENT PROCESS

Sales management process is concerned with accomplishing salesforce objectives and targets effectively and in an efficient manner by implementing the management processes of planning,organizing,staffing,training, leading and controlling. The sales management is a three-step process. Look at figure 3.3 which shows three steps of sales management process.



Figure 3.3: Sales Management Process

Let us learn the sales management process in detail.

Devising Strategic Sales Management Programme

A well-planned sales management programme begins with an extensive environment scanning by the sales planner. The trends prevailing in the contemporary political, economical, social, technological, ecological and legal environment must be thoroughly examined to identify the upcoming opportunities and threats for the business. The competitors' moves and the demands of the potential customers must also be ascertained.

An appraisal of firm's internal environmental factors i.e., organizations' strategic intent (Vision, mission, objectives), human capital, financial resources, firm's current level of capacity utilization, manufacturing processes, research and development activities must also be undertaken by the sales planners to determine firm's ability to carry out certain strategies.

The sales manager is expected to take following five important decisions at this stage:

1. Determining firm's personal selling strategy.
2. Determining firm's account management policies.
3. Organization of firm's salesforce.
4. Decisions regarding the sales forecasts, establishing sales quotas and sales budgets.
5. Designing the sales territories and allocation of the territories to the salespersons.

Administration of Strategic Sales Management Programme

Administering the sales management programme involves channelizing the efforts of the salespeople towards attainment of organizational goals. Various factors play an important role in determining the job behavior of the salespeople. A sales manager must have the knowledge of these factors which are stated below:

1. **Environment:** The macro environmental variables which affect the ability of the salespeople to achieve their sales goals are economical, political, social, technological, ecological and legal conditions prevailing in the market. The micro environmental variables include demand supply related market conditions, competitor's strategy etc. Various components of marketing mix like brand image,

product quality, pricing policies, channel design and promotional efforts of the firm also have a significant bearing on the performance of the salespeople towards attainment of the sales targets. Therefore, they should analyze the whole range of marketing mix carefully.

2. **The clarity of job description:** The roles and responsibilities of the salespeople should be clearly laid down in the job description so as to clarify the role expectations and to avoid any confusions. They must be equipped with the know-how of handling various sales situations which they would face on a day-to-day basis. The proper analysis of Job and the roles of salesperson may facilitate them to perform sales activities effectively.
3. **Personal factors:** Various personal traits possessed by the salesperson like personality, analytical and critical thinking abilities, education level, sales aptitude, selling skills, motivation and commitment level etc determine the performance levels of the salesperson. These traits are very much helpful in performing the sales job.
4. **HR Policies:** The HR processes of recruitment and selection criteria for the salesman must be carefully designed. An ongoing training program is a must to upgrade the know-how of salesforce regarding various aspects of market and the product. To keep the salespeople going, it is very important for the sales manager to reward the superior performances suitably. Both financial and non-financial rewards go a long way in motivating the salesforce towards a consistent superior performance.

Assessment and Control of Strategic Sales Management Programme

To ensure that the sales management programme generates the desired outcome, it's important for the sales manager to monitor its implementation in a way stated out in the strategic plan. The sales manager should keep a close watch on the environmental changes in the light of which sales plans may need some adjustments from time to time.

Various performance parameters need to be measured to make accurate decisions. Three basic analysis conducted by the firms in this regard are as follows:

1. **Sales Analysis:** It is a practice to break down the total sales territory wise, product wise and customer wise a comparison between the quotas and forecasted sales in the said areas. If there is any discrepancy, the proactive steps should be taken to bridge the discrepancy. The breaking up of these activities provides good opportunity to make.
2. **Cost Analysis:** The sales managers work out various costs pertaining to each salesperson, product line, sales territory and customer type. This data then is combined to the sales analysis data to ascertain customer profitability and the profitability on each segment. In case the cost of a particular unit is more or less, necessary corrective measures should be taken.
3. **Behavioral Analysis:** Here, the salesperson's job-related behavior is evaluated using various techniques like self-appraisal, field observations, customer feedback forms, supervisor's ratings along with his sales volume to assess his/her overall performance. The good performers should be encouraged and incentivized.

3.9 TRENDS IN SALES MANAGEMENT

Contemporary businesses operate in the VUCA world which is characterized by high levels of Volatility, Uncertainty, Complexity and Ambiguity. To survive in this highly disruptive business environment, the sales manager must continuously scan the emerging trends shown in figure 3.4

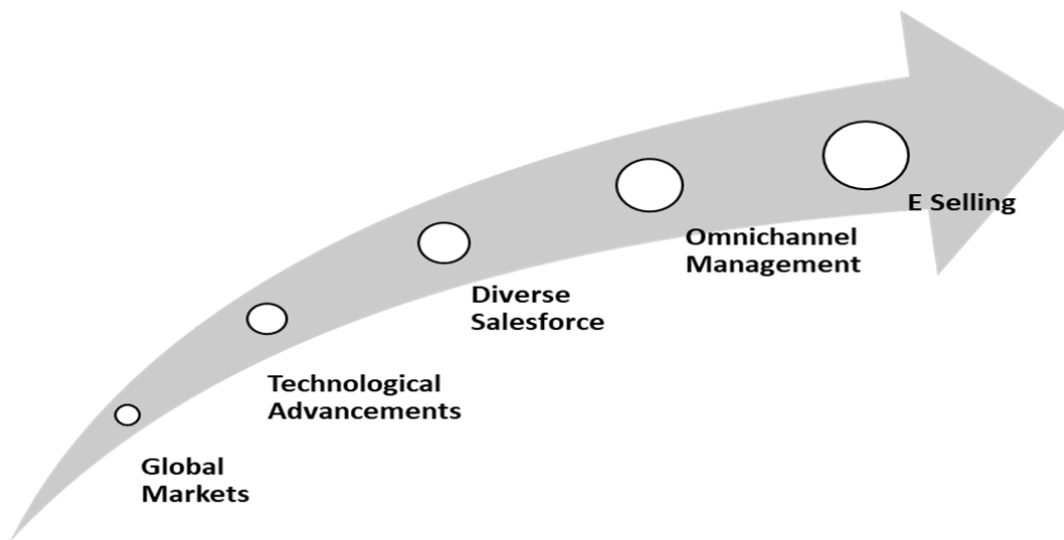


Figure 3.4 Trends in Sales Management

Global Markets: With the rise of globally connected economies, the companies have also begun expanding their operations across the national frontiers. While selling the products abroad, the sales managers may have to face many challenges related to differences in culture, laws, customer preferences, negotiation style etc. The sales managers must take into account the global competitors while devising their sales strategies to tap the business opportunities arising in the global markets.

Technological Advancements: The emerging digital technologies have made the modern-day customers more aware than ever before about the new product launches, price of various products, the strengths and weaknesses of various products. The customers can access almost every information about the brands online. The internet-based content consumption has gone up significantly amongst the consumers. Marketers are also leveraging the technology to collect the information about their customers, competitors, market trends and to develop customized products that offer superior value to their customers. The sales managers also are utilizing technology at large in the form of latest sales and CRM softwares, videoconferencing apps etc to deal with the competition effectively and in a cost-effective manner.

Diverse Salesforce: Modern day salesforce consist of individuals with diverse backgrounds, gender, age, culture, education, etc. This diversity brings in a difference in the needs and

expectations of the salesforce. A sales manager needs to understand these differences to manage them effectively.

Omni-Channel Management: Contemporary businesses are increasingly adopting multichannel route to provide superior customer experience whether they shop from online or offline. The use of omni channels offer many benefits like reduction in channel cost, better market coverage and customized selling. However, one flip side of using omni channel is that at times it leads to emergence of channel conflicts when two or more channels start competing against each other. The sales managers must utilize various conflict resolution techniques to handle such disputes.

E-Selling: With the increased internet penetration, more and more customers expect the companies to sell them online. Increased online buying makes brands focus their efforts on selling to convert passive audience into active customers. The sales managers must select shopping cart softwares and services carefully.

CHECK YOUR PROGRESS B

1. Discuss technological advancements in trends in sales management.
2. What is the clarity of job description?
3. What is the difference between selling and marketing?
4. Fill in the blanks:
 - i. is the planning, direction and control of selling of business unit including recruiting, selecting, training, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to the personnel of the sales force.
 - ii. is a practice to break down the total sales territory wise, product wise and customer wise so that a comparison can be made between the quotas and forecasted sales in the said areas.
 - iii. The main aim of is to convince customers to shop for the company's merchandise.
 - iv. emphasis on adoption of latest technology for product innovation to provide enhanced value to the customers.

- v. The job of a salesperson is not to close the sale but to convince the customer to promote the seller's brand.

3.10 LET US SUM UP

Sales is the only function of marketing that brings in revenue to the organization and hence assumes a key role in the entire scheme of things. The salespeople act as the linking pin between the organization and its customers.

Sales Management was originally said to be the function of directing the efforts of the salesforce of the business. However, in the modern times the broader view of sales function is found to be more popular with the businesses. Accordingly, the Sales Management is concerned with development of the sales staff, managing sales related operations and implementation of sales techniques such that sales targets of the business are accomplished effectively.

The scope of sales activities revolves around sales forecasting and budgeting, sales team structure, manpower planning and hiring, sales training, sales areas and salesforce management.

Many times, sales and marketing are used synonymously however there exists many differences between them. Selling is the part of Marketing. It is concerned with delivering the goods/ services to the customers in exchange for price. For example, one goes to a shop to buy a pair of shoes and the shopkeeper sells the shoes in exchange for the price paid to him for the same.

Marketing is much broader in scope. It is a function that begins with determining the needs and wants of the customers and ends with the customer satisfaction and feedback.

Sales management process is concerned with accomplishing salesforce objectives and targets effectively and in an efficient manner by implementing the management processes of planning,organizing,staffing,training, leading and controlling.

To survive in this highly disruptive business environment, the sales manager must continuously scan the emerging trends like global market conditions, technological advancements, diverse workforce, omni-channel management and e-selling.

3.11 KEYWORDS

Cost Analysis: The process through which the sales managers work out various costs pertaining to each salesperson, product line, sales territory and customer type.

E selling: The process of selling the products using online platforms like websites, apps etc.

Missionary Salespeople: The salesperson who undertakes various activities like product demonstrations, presentations etc. to spread the word about the brand in order to convert prospects into customers.

Order Getters: The salesman who comprehends client needs and persuades them that his company's products best serve their needs.

Sales analysis: It is a practice to break down the total sales territory wise, product wise and customer wise so that a comparison can be made between the quotas and forecasted sales in the said areas.

Sales forecasting: It refers to the process of predicting the future sales revenue usually based on historical sales data and market trends.

Sales management: Sales Management is the planning, direction and control of selling of business unit including recruiting, selecting, training, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to the personnel of the sales force.

3.12 ANSWERS TO CHECK YOUR PROGRESS

- A. 1. i. sales manager ii. sales iii. 1760 iv. profit maximization
2. i. True ii. False iii. False iv. True

B. 4. i. Sales management iii. Sales analysis iv. Order getters v. Marketing v. Missionary

3.14 TERMINAL QUESTIONS

1. What do you understand by sales management? Describe the importance of sales management in the organization.
2. Discuss the scope of sales management activities in an organization.
3. Distinguish between marketing and selling.
4. Describe the steps in the sales management process in detail.
5. Write a short note on the evolution of sales management.
6. Discuss the contemporary trends in sales management.
7. Explain the types of salespersons.

SOME USEFUL BOOKS

Cavale, K. K. H. V. M. (2006). Sales and distribution management: text and cases. Tata McGraw-Hill Education.

Panda, T.K., Sahadev, S. (2012). Sales and Distribution Management. Oxford Higher Education.

Still, R. R., Cundiff, E. W., & Norman & A, P. G. (2011). Sales and Distribution Management.

UNIT 4 SALES FORCE MANAGEMENT

Structure

4.0 Objectives

4.1 Introduction

4.2 Sales Force Recruitment Planning

4.3 Recruitment of Sales Force

4.4. Selection of Sales Force

4.5 Selection of Sales Force

4.6 Sales Force Training

4.7 Sales Force Compensation

4.8 Sales Force Motivation

4.9 Sales Force Evaluation

4.10 Let Us Sum Up

4.11 Key Words

4.12 Answers to Check Your Progress

4.13 Terminal Questions

4.0 OBJECTIVES

After studying this unit, you should be able to:

- to understand the recruitment and selection process for the sales force;
- to examine the training process for the sales force;
- to discuss various methods of compensating the sales force;
- to examine the steps for creating the sales force compensation plan;

- to explain the need for motivating the sales force and analyze the different motivational theories in the sales context; and
- to understand the sales force evaluation process.

4.1 INTRODUCTION

Sales force of any organization is the main revenue generator for the business. Thus, it is important to manage them well. It is the responsibility of the sales managers to perform the function of Sales force management. Sales force management is a specialized form of personnel management wherein the sales managers plan and execute the recruitment, selection, training, motivation, compensation and evaluation processes pertaining to the sales personnel in an organization.

The sales job is considered to be highly stressful and thus are often prone to higher attrition rates in the organizations. Thus, it becomes very important for the sales managers to nurture them carefully under his guidance and pay constant attention to them.

This unit deals with the major decisions which the sales manager is required to take while managing the sales force.

The first and the foremost decision to be taken with regards to the salespeople is the hiring decision. Hiring process typically involves three sub processes namely Recruitment planning, Recruitment and Selection of sales force.

4.2 SALES FORCE RECRUITMENT PLANNING

When undertaking recruitment planning, the sales managers are required to work out the number of salespersons to be recruited based on company's long term and short-term plans, workload analysis and turnover analysis for determining the optimum sales force size

The starting point of the recruitment planning is Strategic Position Analysis. It is the process that specifies the method of performing the job and the skills and competencies required by salesperson to perform the job effectively. This involves conducting job analysis to prepare job description and job specification Job description is a written statement of duties and responsibilities pertaining to a job. Job specification refers to the statement of minimum qualifications required by the sales person to perform the job effectively. Both Job

description and job specification aid the process of recruitment, selection, training, compensating and evaluating the sales force.

4.3 RECRUITMENT OF SALES FORCE

Effective recruitment and selection of salespeople is one of the most crucial tasks of sales management. It entails finding people who match the type of sales position required by a firm. Recruitment involves sourcing the prospective candidates and encouraging them to apply for the job. Recruitment ends with the receipt of applications. Salesmen can be recruited through a number of sources as stated below:

1. EXTERNAL SOURCES OF RECRUITMENT

- i. **Newspaper advertisements:** The vacancy may be notified via way of newspaper classified ads. The nature of tasks, the qualification expected, prior sales experience, remuneration etc. can be stated in the advertisement itself. Interested candidates can be requested to send in their resume within a stipulated time.
- ii. **Employment exchange:** The employment exchanges operated by the government may be contacted in this regard. The business establishments can also request such employment exchanges to furnish a list of eligible applicants. Job consultants and employment bureaus also offer similar services.
- iii. **Campus interviews:** The firms visit universities every year to interview the students studying degree courses therein. Those candidates who are found suitable are placed with the companies and give appointment letters without delay. These selected candidates join the firms upon the completion of their degree course.
- iv. **Competitors' sales force:** It is possible to attract competitors' salesforce by offering them better compensation packages. This form of hiring is often known as poaching. The benefit of such hiring is that the salespersons selected through this method are already well trained in that business and therefore can carry out their work with greater efficiency.
- v. **Unsolicited applicants:** HR departments of the companies receive applications received from unsolicited applicants regularly. Any candidate's resume that matches the company's requirements can be recruited as and when any vacancy arises.
- vi. **Web sources:** With the advent of the internet, companies have been increasingly relying on web sources like job portals and social media for recruiting the sales staff.

The viral nature of social media makes them a popular tool for recruiting sales professionals.

2. Internal sources of recruitment

- i. **Employee Movements:** At any given point of time, some vacancies can be filled up internally by promoting the employees from within, by transferring the employees from one territory to another, lateral moves from one department to another.
- ii. **Employee referrals:** Existing employees can recommend candidates from their circles whose credentials could match company's requirements. Existing employees are well acquainted with the work environment and expectations of the firm so are in position to recommend a suitable candidate for the organization.

4.5 SELECTION OF SALES FORCE

Selection is the process of choosing the most appropriate candidates from among the pool of candidates who applied for the posts. Selection begins as soon as recruitment ends. The typical selection process consists of the following steps:

1. Pre-Screening interview: The purpose of pre-screening interview is to screen unqualified candidates at the outset. It consists of asking the candidates a series of questions to know the candidates better prior to conducting a detailed interview. The questions in this interview relate to career goals, job profile preferences etc.

2. Formal Application Form: Once the preliminary interview is done, candidates are asked to fill out a formal application. The application form is a quick way of screening out unsuitable candidates and shortlisting suitable candidates for interview. The questions contained in the application form should enable the sales manager to check if the applicant possesses minimum qualifications, skills and experience in accordance with the job specification. The application form seeks to reveal crucial information about the candidates. Some applicants may be habitual job-hoppers; others may lack adequate educational qualifications. The application form acts as an initial screening device for unsuitable candidates. Careful designing of application form must therefore be accorded the highest priority for the HR.

3. The Interview: The personal interview is the most widely used selection tool used by companies to evaluate the candidates. It acts as a reliable source of collecting information about the candidate on the basis of face-to-face interaction. A candidate can be evaluated for his/her selling skills , confidence , personal appearance and courtesy, attitude towards selling and life in general by the interviewer during the interview.

Types of Interviews

i) Structured interview: A structured interview requires the interviewer to ask a set of predetermined questions. It implies the same questions being asked to all the candidates. Also, each candidate is allotted the same time to answer. This allows the interviewer to assess the candidates in the most objective and unbiased manner.

ii) Non-structured interview: An unstructured interview does not contain a set of predefined questions. Here the interviewer asks the questions spontaneously as a part of free-flowing conversation, thus each candidate is asked different questions. The underlying principle for this interview is that it is able to generate truthful responses and brings out the real personality of the candidate. One of the major concerns for conducting this type of interview is that it requires immense skill and expertise on the part of the interviewer to administer and interpret the candidates' responses effectively.

iii) Semi-structured interview: It is a combination of structured and unstructured interview wherein only a few predetermined questions are asked by the interviewers while the rest of the questions are not pre planned. It allows for objective comparison of candidates along with offering a more personalized and spontaneous approach that allows for better selection.

iv) Stress interview: A stress interview is an assessment tool that seeks to measure a candidate's response to stress. It generates useful insights as to how a candidate will respond while juggling high-priority tasks, how he will conduct himself while dealing with challenging clients.

Here the interviewer creates a stressful environment for the candidates while interviewing by way of criticism, asking tough questions, creating interruptions etc. This technique works well for selecting the sales force that often needs to work under stressful conditions in actual selling situations.

v) Rating scales: An interview rating scale allows the interviewer to record the score to the candidate on the basis of how well he answers the pre-planned questions. Each question in the interview rating sheet addresses a specific skill of the candidate. Candidate receives a high rating if he answers the questions as expected by the interviewer. Towards the end of the interview, the overall score is arrived at by compiling the candidate's ratings. The scores of various candidates are compared against each other to determine the most suitable candidate.

4. Selection tests: Tests act as an effective tool of selection when the organization wants to hire a relatively large number of salespersons. Various types of tests are stated as follows:

- i. **Mental intelligence tests:** These tests seek to assess candidate's intelligence quotient (IQ) and capability to learn.
- ii. **Aptitude tests:** These tests seek to assess a candidate's sales aptitude. It helps interviewer identify and hire the candidate with highest potential for sales success.
- iii. **Interest tests:** These tests are designed to compare a candidate's interests with the interests of successful salespersons in the field.
- iv. **Personality tests:** These tests assess the candidate's personality traits to ascertain their suitability for a particular sales job.
- v. **Situation tests:** These tests assess the candidate's ability to work in the real work situation. It appraises the competence of candidates to deal with different types of customers.

6. References Checks: Reference checks are done by the organizations to find out more information about an applicant pertaining to their conduct, character, ethics etc by the way of contacting their previous employer, colleagues, friends etc. Some employers do not find the information generated from reference checks reliable as they believe that references are usually hesitant to criticize their acquaintances.

7. Medical Examination: A good health is a prerequisite for good job performance. A medical examination of the candidate is done to uncover any health disorders if any existing in the candidates. Sales jobs demand a good level of physical fitness on the part of the candidates. It is also the moral responsibility of the candidate to disclose about any health condition he /she is suffering from.

8. Determination of Terms of Service: As soon as the candidate clears the above stages, terms of service relating to compensation, allowances, other perquisites, working hours etc are determined prior to issuance of appointment letter.

9. Issuance of Appointment letter: An appointment letter containing the details about the terms of service, joining date, probation period etc is issued to the selected candidate. This letter must be signed by the competent authority and if the candidate is interested in the job offer, he/she is required to join the duty before the expiry date mentioned in the appointment letter.

10. Socialization and Assimilation: As soon as the candidate joins the organization, he is enrolled for an orientation programme wherein he is being provided with all the organization and job-related information. This helps the salesperson to assimilate smoothly into the company's culture and helps them adjust to their new jobs.

Check Your Progress A

1. State whether the following statements are **True** or **False**.
 - i. Terms of service relating to compensation, allowances, other perquisites etc. are determined prior to reference check.
 - ii. Aptitude tests seek to assess a candidate's sales aptitude.
 - iii. The personal interview is the not most widely used selection tool used by companies to evaluate the candidates.
 - iv. Existing employees can recommend candidates from their circles whose credentials could match company's requirements.
 - v. Sales force of any organization is the main revenue generator for the business.

4.6 SALES FORCE TRAINING

In the fiercely competitive market, training the sales force can help organizations achieve market success. Modern day customers often assess an organizations' product offering based on the performance of the salesperson's ability to flawlessly execute the sales demo, his confidence, objection handling abilities etc. The salesman's performance in front of customers becomes extremely critical in times when the market is competitive.

Rationale For Training

Training the sales force is very important because it presents an opportunity for salespersons to improve their knowledge base and job specific skills to become more effective at their work. Despite the high training cost associated with sales force training, the return on investment is immensely high, if undertaken consistently by the organizations. Sales Force Training intends:

1. To acquaint the sales person about the fundamentals of salesmanship.
2. To provide the sales person with the information pertaining to sales territories and customers.
3. To sensitize the sales force about the company's policies, mission, vision, business strategies, challenges and prospects.
4. To help the salesperson have a better understanding of products of the company.
5. To inform the salesperson about his job-related duties and responsibilities.

Sales Training Process

Sales training is a process of imparting the sales force with job specific skill set which helps them perform their task better and to correct the deficiencies in their sales performance.

Whenever the market scenario undergoes any change, the sales force needs to be trained to meet the emerging challenges. Training equips the sales force with the necessary skill to execute their job responsibilities in an efficient manner.

Sales training process consists of following steps to achieve training goals (Figure 4.1):

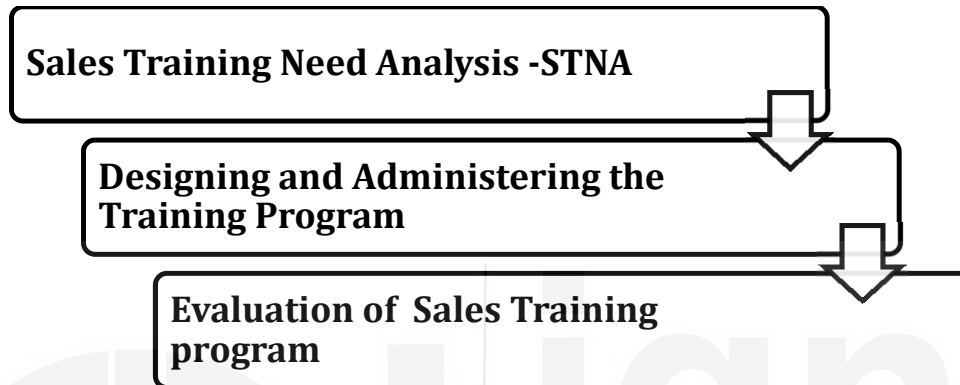


Figure 4.1: Sales Training Process

1. Sales Training Need Analysis STNA:

The starting point for designing an effective sales training programme is to identify the training needs by identifying the gap between the actual and the desired performance of the Sales Force. Training needs are identified at three levels namely:

- i. **Organizational level:** STNA at the organizational level refers to macro level analysis that aims to identify the areas where the sales force of the organization lacks necessary know-how or skills and provide need-based training.
- ii. **Task Level:** At the task level, STNA determines the type of training that needs to be imparted to sales staff to achieve a specified level of proficiency. This analysis can help identify the knowledge and skills required to perform specific jobs at the workplace.
- iii. **Individual level:** At the individual level, STNA seeks to assess the current performance of the salesperson in the given job role. The gap between the expected performance and the actual performance reveals the training needs of the salesperson.

2. Designing and Administering the Training Program

Once the training needs of the sales force have been determined, the sales manager should begin planning for designing and administering the training program.

Types of Salesmen Training: The training programme must be designed considering organizational needs so as to boost the productivity of the sales force. Different types of training can be provided to the sales force depending upon the organization's need and resource availability which are as follows:

- i. **On-the-Job Training methods:** These training methods are highly personalized in nature involving direct interaction between the trainer and the trainee. These are best suited in the situations wherein sales-force required to be trained is limited and needs individual attention.
- ii. **Field training method:** Under this method, the salesman learns by observing. The trainee accompanies the trainer who approaches the prospective customers with sales catalogues. The sales trainee observes the trainer performing various sales tasks carefully and thereby learns the selling techniques.
- iii. **Off-the-Job Training Methods:** Complicated jobs need much technical knowledge to be imparted in the classroom settings which are called off the job training methods. Class-room training offers a congenial learning environment without any fear of interruption of work.
- iv. **Lectures:** Under this method, experts deliver lectures pertaining to various aspects of sales to sensitize the salesmen about the fundamentals of selling. Towards the end of the lecture, salespersons participate in the group discussions and written tests.
- v. **Conferences and Seminars:** The sales force can be encouraged to attend conferences and seminars. Salespersons get an opportunity to discuss various sales related problems and solving techniques at such conferences. Sales force get to learn the latest techniques of solving problems by attending marketing seminars and conferences.
- vi. **Case Discussion Method:** Under this method, salespersons are presented with a hypothetical case having a sales related problem. They are expected to identify the

problem and select the specific solution from among the various alternatives available.

- vii. **Specialized Courses:** The organizations may send the salesperson to institutions of repute to take up the special courses on salesmanship. The expenses like tuition fees and other related expenses incurred for attending such courses may be borne by the organizations.

3. Evaluation of Training Programs

Training programs involve substantial investment in terms of time, efforts and money thus organizations are always very keen for measuring their effectiveness.

Kirkpatrick (1994) has suggested the following four level criterion of training effectiveness measures:

- i. **Reaction:** Reaction represents the first level of criteria which assesses the extent to which trainees found the training program engaging and relevant to their job profiles. This can be measured by conducting an after-training survey via questionnaire that requires trainees to rate their experience.
- ii. **Learning:** Level II measures the extent to which trainees acquired the skills, knowledge and aptitude from the training program. This can be done by conducting written exams or having a well-defined scoring system.
- iii. **Behavior:** Level III measures the change in the behaviors of the trainees' post attending the training program. Assessing the behavioral changes shows whether the trainees are able to apply the skills acquired during training to the actual work settings. This change can be noticed by the supervisors or by the customers too in many cases.
- iv. **Results:** This level measures whether the training program has led to any performance improvement of the salespersons or not.
- v. Results are often reflected in increased sales, customer satisfaction, reduced customer complaints, improved customer retention ratios, improved customer relations, etc. The organizations track the results after the training program.

4.7 SALES FORCE COMPENSATION

One of the key concerns of the sales management function relates to deciding on salesforce compensation as it not only impacts the sales costs but also more importantly influences the behavior, attitude and interest of the sales force towards their job role.

Sales compensation represents the payment that salesforce receive in return for their work. It is very important to design sales compensation carefully to drive the successful sales team's performance.

Types of Sales Compensation

Choosing the right compensation plan for the sales force will keep them motivated which will result in boosting the organizational sales and thereby the profits.

Organization can choose from among various sales compensation plans based on various factors like nature and size of organization, sales cycle length etc. Some of the sales compensation plans have been discussed below:

- i. **Straight Salary Sales Compensation:** Under this plan, the organization pays a fixed salary to its salespersons and no commission, no bonus, and no incentives. This sales compensation plan is popular with companies which do not allow direct sales. When the salespersons work in small groups where everyone has made an equal effort, this method of sales compensation is increasingly adopted.
- ii. **Salary plus commission:** This is one of the most popular sales compensation plans used in many industries. Under this method, the salesperson's base salary is kept low and they are paid the commission on the total sales generated by them. This sales compensation plan seeks to motivate the sales persons to put additional efforts and make more and more sales.
- iii. **Commission only:** As the name suggests, this sales compensation requires the organization to pay the salesperson only on the basis of sales generated by him, thus there is no guaranteed income to the salesperson. This plan is relatively very easy to administer as it required the organization to pay only against the sales generated.

- iv. **Profit Margin / Revenue:** This plan compensates the sales force on the basis of the organization's performance. This type of sales compensation plan is more popular with the startups that often face the liquidity crunch. This type of sales compensation plan is mostly used by start-ups because of the lack of liquidity. The organizations must adopt this plan only if the sales force is stable enough to survive well during off periods.
- v. **Territory volume:** The organizations having team-based corporate culture popularly adopt this type of sales compensation plan. This method of sales compensation requires territory volume to be calculated at the end of each term which is then divided equally among the total number of salespersons working within that territory.

Creating Sales Compensation Plan

To create a right sales-compensation plan for an organization, sales manager should take the following steps (Figure 4.2):

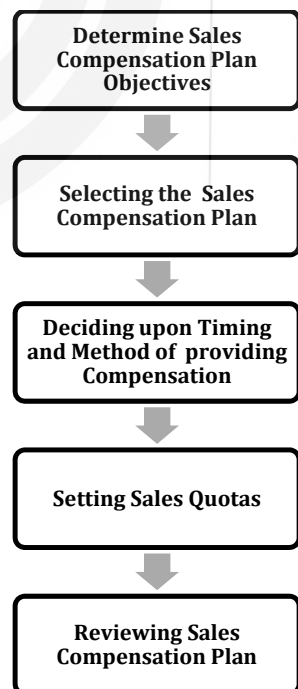


Figure 4.2: Steps for creating sales compensation plan

- i. **Determine Sales compensation plan objectives:** The starting point for working out a sound sales compensation plan is to establish the sales compensation plan priorities clearly. The organization may aim at increased revenue, reduced expenses, boosting the sales of a particular product etc.
- ii. **Selecting The Sales Compensation Plan:** Having defined the goals, the sales managers must select the type of compensation plan they prefer to have for their sales team based upon careful analysis of type and size of organization, its product line, sales cycle, size of sales team etc.
- iii. **Deciding upon Timing and Method of providing Compensation :** The sales manager must determine when the salespeople will get compensated: whether at the time of customer signing a contract or at the time when they send their first payment. Sales manager must also select their payroll software to administer a sales compensation plan.
- iv. **Setting Sales Quotas:** The sales quotas must be established so that salespersons know what they are expected to do to earn the compensation. It's important to fix these quotas reasonably yet in a manner that reflects organization's business goals.
- v. **Reviewing Sales Compensation Plan:** The sales managers must review these business plans in the light of changes taking place in the environment and in accordance with the changes in the expectations of the organization's sales force.

4.8 SALES FORCE MOTIVATION

The sales function plays a very important role in the success of the organization. The achievement of organizational goals depends on the organization's sales force thus it is necessary to keep them highly motivated throughout. Motivation refers to creating an urge in an individual to achieve a specified goal. The salespersons' motivation directly impacts his sales performance and his ability to achieve sales targets.

Sales force can be motivated using both monetary and non-monetary rewards. The monetary rewards may include bonuses, commission etc while non-monetary rewards may include vouchers, prizes, perks, gift cards etc.

Relevant Sales Force Motivation Theories

Motivation theories seek to explain why the employees behave the way they do at work. What drives their behavior at work. What makes some employees put in more effort at work as compared to others. Some motivational theories that are applied to the sales context are:

Maslow's Hierarchy of Needs Theory: This theory suggests that needs happen to an individual in a particular order. Higher order need needs become important to an individual only once the lower order needs i.e., the basic needs have been adequately fulfilled. The five need levels of Maslow's need Hierarchy are- physiological needs, safety needs, social needs, esteem needs and self-actualization needs.

Herzberg's Motivation-Hygiene Theory: This theory recognizes the factors that cause dissatisfaction at job as 'hygiene factors' which include working conditions, compensation, organization's policies and supervision etc and factors offering job satisfaction as 'motivators' which include incentives, bonuses, achievement, awards, recognition, more responsibility and growth opportunity. The theory states that the absence of hygiene factors can cause dissatisfaction among the employees at work but their presence would not lead to increased employee motivation.

Vroom's Expectancy Theory: This theory is based on three concepts named expectancy, instrumentality and valence. The theory suggests that an individual's motivation to do the effort depends upon his expectation of success. For example, if the salesperson believes that higher effort will generate higher sales (high expectancy) which in turn will generate higher incentive (high instrumentality) for him which is very important for him (higher valence) will result in higher motivation on his part. (You will learn in detail about sales force motivation in Unit 7.)

4.9 SALES FORCE EVALUATION

Sales force evaluation entails the comparison of the performance of the sales force with the objectives they were expected to achieve. It is the responsibility of every sales manager to appraise the performance of the salespersons working under him.

The objective of assessing actual performance against planned performance objectives is to identify the performance gaps so as to initiate timely action to improve the same. The evaluation also has a strong bearing on the motivation of the sales persons as it provides feedback to them as to whether their performance was good or bad.

Sales Force Performance Evaluation Process

The process of appraising sales force consists of the following steps:

- i. **Determining sales goals and objectives:** It is important to establish the long-term sales goals on the basis of outcomes expected in terms of profitability metrics, sales efforts and results. Having established long term sales goals, the sales manager must determine the short-term sales goals which may consist of more quantifiable targets like number of sales calls made, number of new accounts acquired, report preparation etc. It is always considered wise to use the combination of quantitative and qualitative performance standards
- ii. **Sales plan development:** A sales plan acts as a road map that guides the salespersons as to how the sales targets have to be achieved. The four aspects of the sales plan are: Analyzing the situation (2) Analyzing the opportunities and threats (3) action plans (4) performance appraisal system.
- iii. **Establishing performance standards for sales force:** Performance standards represent the yardsticks against which the performance of the sales force would be measured in future. Ideally, performance standards must be decided mutually by the sales force and the sales manager. Both quantitative and qualitative measures must be used to set performance standards for the salespersons considering the efforts required on the part of salespersons and the results to be achieved.
- iv. **Resource allocation through sales quotas:** Sales quota represents the sales target an individual salesperson is supposed to achieve. They play an important role in keeping your sales force accountable and motivated. Sales quotas ensure that the efforts of the organizations' sale force are aligned with the organizational overall goals. The sales

managers may set various types of sales quotas like direct quota, overlay quota, profit quota, volume quota etc.

- v. **Specify sales force performance appraisal system:** The sales force must know well in advance as to how their performance will be monitored and evaluated. Which job behaviors will be rewarded must be clearly specified and made known to the salespersons on a timely basis. Various methods of appraising the performance can be used for the said purpose like MBO, BARS, 360-degree appraisal, Critical Incidents Method etc.
- vi. **Appraisal feedback:** Having evaluated the performance of the salespersons, they must be provided with the performance feedback clearly mentioning the areas of further improvement in their performance. Special care must be taken to ensure that the appraisal should be free from any biases like halo effect, horn effect, recency bias, central tendency bias etc. The salespersons may also be referred to the sales training program to help them improve their future performance as the case may be.

Check your Progress B

1. Distinguish between On the job and Off the job training.
2. Fill in the blanks:
 - i. _____ has suggested the four-level criterion of measuring training effectiveness.
 - ii. _____ are highly personalized in nature involving direct interaction between the trainer and the trainee.
 - iii. The purpose of _____ is to screen unqualified candidates at the outset.
 - iv. Under _____ method, the trainee accompanies the trainer who approaches the prospective customers with sales catalogues.
 - v. Under _____ plan, the organization pays a fixed salary to its salespersons and no commission, no bonus, and no incentives.

4.10 LET US SUM UP

Sales force of any organization is the main revenue generator for the business. Thus, it is important to manage them well. It is the responsibility of the sales managers to perform the function of Sales force management. Sales force management is a specialized form of personnel management wherein the sales managers plan and execute the recruitment, selection, training, motivation, compensation and evaluation processes pertaining to the sales personnel in an organization.

The first and the foremost decision to be taken with regards to the salespeople is the hiring decision. Hiring process typically involves three sub processes namely Recruitment planning, Recruitment and Selection of salesforce. Recruitment involves sourcing the prospective candidates and encouraging them to apply for the job. Recruitment ends with the receipt of applications. Salesmen can be recruited through a number of sources namely – internal and external.

Selection is the way of choosing the most appropriate candidates from among the pool of candidates who applied for the posts. Selection begins as soon as recruitment ends.

In the fiercely competitive market, training the sales force can help organizations achieve market success. Modern day customers often assess an organizations' product offering based on the performance of the sales person's ability to flawlessly execute the sales demo, his confidence, objection handling abilities etc. Training the sales force is very important because it presents an opportunity for salespersons to improve their knowledge base and job specific skills to become more effective at their work. Despite the high training cost associated with sales force training, the return on investment is immensely high, if undertaken consistently by the organizations.

One of the key concerns of the sales management function relates to deciding on salesforce compensation as it not only impacts the sales costs but also more importantly influences the behavior, attitude and interest of the sales force towards their job role. Choosing the right compensation plan for the sales force will keep them motivated which will result in boosting the organizational sales and thereby the profits.

Organizations can choose from among various sales compensation plans based on various factors like nature and size of organization, sales cycle length etc.

The achievement of organizational goals depends on the organization's sales force thus it is necessary to keep them highly motivated throughout. Motivation refers to creating an urge in

an individual to achieve a specified goal. The salespersons' motivation directly impacts his sales performance and his ability to achieve sales targets. Sales force can be motivated using both monetary and non-monetary rewards.

Sales force evaluation entails the comparison of the performance of the sales force with the objectives they were expected to achieve. It is the responsibility of every sales manager to appraise the performance of the salespersons working under him. The objective of assessing actual performance against planned performance objectives is to identify the performance gaps so as to initiate timely action to improve the same. The evaluation also has a strong bearing on the motivation of the sales persons as it provides feedback to them as to whether their performance was good or bad.

4.11 KEY WORDS

Mental intelligence tests: these tests seek to assess a candidate's intelligence quotient (IQ) and capability to learn.

Personality tests: these tests assess the candidate's personality traits to ascertain their suitability for a particular sales job.

Salary plus commission: under this method, the salesperson's base salary is kept low and they are paid the commission on the total sales generated by them.

Sales Force Evaluation: Sales force evaluation entails the comparison of the performance of the sales force with the objectives they were expected to achieve.

Straight Salary Sales Compensation: Under this plan, the organization pays a fixed salary to its salespersons and no commission, no bonus, and no incentives.

Stress interview: A stress interview is an assessment tool that seeks to measure a candidate's response to stress. It generates useful insights as to how a candidate will respond while juggling high-priority tasks, how he will conduct himself while dealing with challenging clients.

Structured interview: A structured interview requires the interviewer to ask a set of predetermined questions. It implies the same questions being asked to all the candidates. Also, each candidate is allotted the same time to answer.

4.12 ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. False ii. True iii. False iv. True v. True

B. 2. i. Kirkpatrick ii. On-the-Job Training methods iii. Pre-screening interview iv. Field training method v. Straight Salary Sales Compensation

4.13 TERMINAL QUESTIONS

1. Examine the sources of recruitment for the sales force of an organization.
2. Outline the selection procedure that a sales manager must follow for hiring the salespersons in his organization.
3. Describe the steps the sales manager must undertake to arrange training for the company's sales force.
4. Write short note on different types of sales compensation plans.
5. Explain in detail sales force performance evaluation process.
6. Examine various motivation theories relevant to sales context.
7. Write a detailed note on the types of interviews.

SOME USEFUL BOOKS

Cavale, K. K. H. V. M. (2006). Sales and distribution management: text and cases. Tata McGraw-Hill Education.

Panda, T.K., Sahadev, S. (2012). Sales and Distribution Management. Oxford Higher Education.

Still, R. R., Cundiff, E. W., & Norman & A, P. G. (2011). Sales and Distribution Management.



BCOS-186
Personal Selling and Salesmanship

BLOCK
2

Buying Motives and Sales Force Motivation

UNIT 5

Buying Motives

UNIT 6

Buyer Behaviour

UNIT 7

Sales Force Motivation

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BLOCK 2 BUYING MOTIVES AND SALES FORCE MOTIVATION

In the previous Block 1, you have been acquainted with the concept of personal selling and sales management. Now in this block, you will be given a tour of the concepts of buying motives, buyer behavior and sales force motivation. This block consists of three units.

Unit 5 explains the meaning of concept of buying motives, importance of buying motives, types of buying motives, and application of buying motives in personal selling and buyers' motivation

unit 6 explains the meaning of concept of buyer behaviors, difference between buyer and consumer, and factors affecting buyer behavior

unit 7 explains the meaning and importance of concept of motivation, dynamic nature of motivation, motivation and need, maslow's theory of need hierarchy and motivational techniques for the salespersons (financial & non-financial motivators).

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UNIT 5: BUYING MOTIVES

Structure

- 5.0. Objectives
- 5.1. Introduction
- 5.2. Meaning of Buying Motives
- 5.3. Importance or application of buying motives in personal selling
- 5.4. Types of Buying Motives
- 5.5. Buyer Motivation
- 5.6. Let Us Sum Up
- 5.7. Key Words
- 5.8. Answers to Check Your Progress
- 5.9. Terminal Questions

5.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of buying motives;
- discuss the importance of buying motives in personal selling;
- describe the types of buying motives;
- apply the concept of buying motives in personal selling; and
- describe the notion of buyer motivation.

5.1. INTRODUCTION

The slogan “Consumer is the king of the market” is what forms the basis for the modern marketers today. A consumer is said to have a motive behind his each and every purchase. In other words, A consumer’s purchase depends upon the motives that he wishes to fulfil by buying that product. These motives are stimulated by various customer. Specific factors like physiological, societal, and financial factors etc. influence the buying motives. A customer is susceptible to buy a particular product if it fulfils his motive of purchase. To rephrase it, a marketer is likely to sell the product to the customer if he is able to identify his motive of purchase. For instance, during monsoon season, a customer is motivated to buy an umbrella to protect himself from the rain. Similarly, a customer is motivated to buy a detergent in order to wash his dirty clothes. The factors that stimulate or motivate the customer to buy a particular product are referred as ‘buying motive’.

A customer is said to make a purchase not just to own that particular product but to satisfy these forces that are the ‘buying motives.’ To reiterate, ‘buying motives’ are the “internal

feelings” of a customer/ buyer and he tries to gratify them to the fullest. Buying motives relate to the feelings and emotions of people which generates a desire to purchase. Buying motives are the motive to persuade the desires of people so that they buy a particular good or service. In this unit you will learn :

5.2. MEANING OF BUYING MOTIVES

Various authors have made significant contribution to the literature of buying motives in personal selling. Few of them have put forward the following definitions of buying motives:

As defined by W. J. Stanton, *“A motive may be defined as a drive or an urge for which an individual seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchase of something.”*

As per D. J. Duncan, *“Buying motives are those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods and services.”*

Prof. S. Davar defined it as *“A motive is an inner urge that moves or prompts a person to some action.”*

In the words of Berelson and Steiner *“A motive is the inner state that energizes, activates or moves and that directs or channels behaviour towards goals.”*

Prof. William G. Carter has given a long list of buying motives such as *“money, vanity, acquisitiveness, rivalry, adornment, cleanliness, collecting, amusement, construction, companionship, mental culture, appropriateness, ambition, inhibitive-ness, reverence, affection, tastes, sex, limitation, curiosity, self-preservation, sympathy, gratitude, patriotism, and so on.”*

From the above mentioned definitions we can conclude that buying motive is a psychological human urge which inspire the consumers to buy the products or services to satisfy their needs. In other words, a buying motive is the desire, stimulus, thoughts, urge, instinct, feelings that makes a buyer to buy a commodity.

5.3. IMPORTANCE OR APPLICATION OF BUYING MOTIVES IN PERSONAL SELLING

The understanding of the ‘Buying motives’ concept is necessary due to the following reasons:

1. Improvising salesmanship : As a buying motive is the sole reason behind every purchase, therefore a salesperson can improve his skills of salesmanship by understanding the buying motive of his customer. Once he understands the motive of his customer behind the purchase, he will be able to better cater his needs in terms of the quality, price, size, colour etc. of the product. Also, by understanding the purchase motive of the customer, the salesman will be in a better position to guide him and influence his purchase behaviour. The understanding of this concept will definitely help the salesperson to polish his skills on existing job and look forward to better career opportunities.

2. Assists in product planning : Buying motives facilitate the marketing experts and the firms, in taking product planning decisions in line with the customers' preferences. Under this, the various market experts conduct a thorough market research wherein they try to explore the buying motives of their target audience. They try to understand what colour, size, features, occasions, design etc, the target audience is looking for. Accordingly, these experts or firms take decisions pertaining to the planning of the product.
3. Facilitates in pricing decisions : Pricing decision is one of the critical factors that influence a firm's survival or growth in the market. Therefore, a firm must undertake a comprehensive analysis of the data while setting up the price of a product. Buying motives helps the firms in determining the motives of their target audience and further classifying them into rational or emotional buying motive categories. Based on these buying motives classification, their price sensitively can be determined. A rational buying motive buyer is likely to be more price sensitive than an emotion driven buyer.
4. Role in promotion- mix : A firm uses various promotional techniques viz. personal selling, advertising, direct marketing, sales promotion, and publicity etc. to spread awareness or communicate about its product or services to the target audience. Knowledge of the buying motives of the target audience can help the marketers to understand the forces that stimulates their target audience to make a purchase. A decision can be made whether the target audience is driven by rationality or is stimulated by emotions. Accordingly, a suitable promotion mix comprising of appropriate promotional technique, the type of advertising appeal used in the message, the body copy of the message/ advertisement etc. can be determined to communicate with the target audience effectively.
5. Determining channels of distribution : There are some consumers that prefer buying product or service from the wholesaler itself. They do not prefer buying commodities from some middlemen or retailer. Such customers are influenced by "self- protective" buying motives while making a purchase. Therefore, a marketer must take into consideration the 'buying motives' of the customers before taking any logistics related decision.
6. Contributes to firm's goodwill : Firms try to satisfy their customers by understanding their buying motives and cater their needs accordingly. Customer satisfaction in turn results into a positive image of the firm in the market which leads to the creation of firm's goodwill in the market.
7. Increases Customer trust and loyalty : Since, firms ensure their customers' satisfaction by analysing their buying motives, it builds the customer's trust in the brand or firm. Customer trust further induces the customer's loyalty to the brand or firm.

5.4. TYPES OF BUYING MOTIVES

Buying motives can be classified as follows (Figure1):

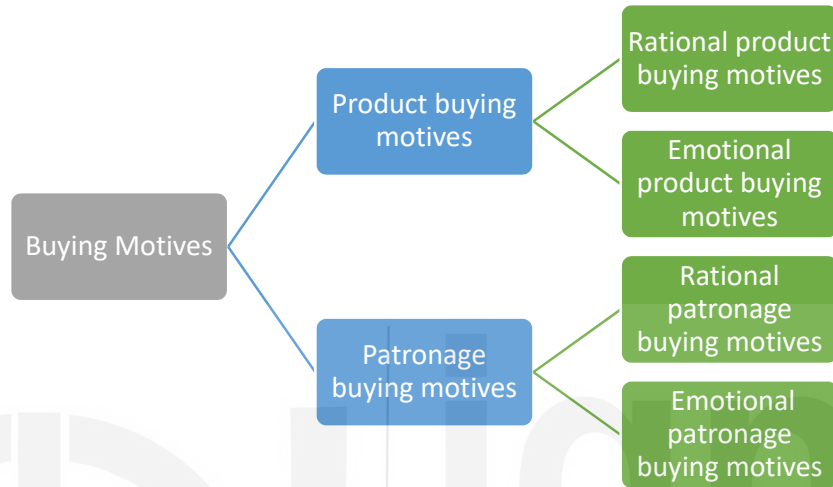


Figure 1: Types of buying motives flow chart, let us learn them in detail.

1. Product buying motives :

Under product buying motives, a customer is said to be motivated to buy a specific product. This motivation is induced by various product specific factors like size, colour, package, quality, quantity, and design etc.

Product buying motives can be further classified into rational buying motives and emotional product buying motives.

i. Rational product buying motives

When a buyer decides to purchase a certain product after carefully or logically considering each and every aspect associated with the purchase. Such purchase is said to be influenced by rational buying motives.

Some of the rational product buying motives are listed below:

- *Safety or Security*: Security or safety is one of the significant rational products buying motive of the customers which influences their purchase decision. For example, if one wishes to buy an iron safe or a locker to safeguard his jewellery or any other expensive item, he shall examine each and every aspect of the iron safe or the locker in terms of its strength, space, and security etc. to make sure that his belongings remain safe therein.
- *Economy*: Operating or maintenance cost of the product also plays a crucial role while making purchase decision. Customers often, prefer buying those

goods or commodities whose operating or maintenance costs are comparatively low. For instance, customers belonging to middle income group prefer buying a diesel or CNG operated cars since their prices are lower than petrol prices. Also, they give better mileage than petrol cars.

- Price of the product: It is the first and foremost factor that buyers consider while making a purchase decision. Buyers have a tendency of comparing the prices of the similar goods (substitute in nature) and buy the one which is relatively cheaper.
- Suitability of the product: Suitability is one of the buying motives which influences a buyer's purchase decision. A smart buyer usually buys those products that suits to his requirements. For instance, a buyer owns a small house and is looking for a dining table for his house, will go for a compact one rather than a big dining table as it will occupy more space.
- Versatility of the product: A product is said to be versatile when it can be put to multiple uses. A buyer's purchase decision is influenced by the versatility of the product.
- Durability of the product: Durability means long lasting that is something superior in quality which lasts longer in comparison to other products. Durability is one such factor that influences a buyer's purchase behaviour. Buyers even pay premium price for durable products. For example, buyers usually prefer teak or rosewood, though they are comparatively costlier over any other inferior wood for the furniture.
- Convenience/ comfort of the product: Buyers prefer buying those products that are convenient to use. For instance, a domestic gas stove. Here, the buyer prefers the most convenient model so that he can easily use it.

Emotional product buying motives

When a buyer decides to purchase a certain product without carefully or logically, but emotionally considering every aspect associated with the purchase. Such purchase is said to be influenced by emotional buying motives.

ii. Emotional product buying motives include the following:

- Prestige or Pride: Prestige is the one of the strongest emotional buying motives that buyers possess. Buyers feel proud of possessing certain products and purchase those products to ensure their social status in the society. For instance, preference for diamond jewellery, buying a newly launched iPhone model, new luxurious automobiles etc.
- Emulation: Some people buy certain products just because some other person owns that product. In other words, some buyers try to imitate others and tend to buy what others own. For instance, a boy is likely to buy a new bike just because his friend has bought the latest model of that bike. Similarly a housewife wishes to buy a diamond ring just because some of her relatives has bought one.

- **Affection:** Affection or love is the most common emotional buying motive. Buyers tend to buy certain commodities or goods out of their love or affection for someone. For example, a son buys an expensive watch for his dad and a mother gifts a costly ring to her daughter out of her love and affection.
- **Individuality or distinctiveness:** Desire to look different from others is one of the emotional buying motives. For instance, some people wear a specific type of clothes to make himself different and ensure their individuality.
- **Pleasure or recreation:** A wish for pleasure or recreation also induces a buyer to buy certain goods. People buy goods like musical instruments, radios etc with a desire for pleasure or recreation.
- **Habit:** Habit is a significant emotional buying motive. People become habitual of some goods and they need them at any cost. For instance, People get addicted with alcohol or cigarettes; some facewash that suits your skin; sleeping pills etc.

2. Patronage buying motives

Under patronage buying motives, a customer is said to be motivated to buy from a specific seller or shop. This motivation induced by various seller or shop specific factors like convenience, variety, shop reputation, and credit facility etc.

Patronage buying motives can be further classified as rational patronage buying motives and emotional patronage buying motives. Let us learn them.

i. Rational patronage buying motives

When a buyer decides to patronize or purchase from a certain shop or seller after carefully or logically considering each and every aspect associated with it. Such purchase is said to be influenced by rational patronage buying motives.

Some rational patronage buying motives are as follows:

Convenience: Convenient location or working hours is the most common rational patronage buying motive. A Buyer is likely to patronise a shop which is located at a convenient place. For example, local grocery shops, chemist shops, dairy etc.

In addition to convenient location convenient working hours also induces a buyer to patronise a specific shop. For instance, a 24- hours open chemist shop; grocery shop with long working hours; other convenience shops like 24*7 etc.

Lower prices: Price has always been the most dominating factor influencing a buyer's purchase decision. A buyer is most likely to patronise a shop which charges him a price which is comparatively lower than the price charged by

others. A special discount or rebate always motivates a customer to patronise the shop.

Credit facilities: Shopkeepers tend to offer certain privileges to the customers to engage them. One such privilege is credit facility. Many shopkeepers sell their products to the customers on credit basis and maintain a register/ record of the same. Later, the buyer at his convenience pays back to the seller.

Wider choices: Customer always prefers shops that offers them with wide variety of options. Hence, wider choice factor induces a customer to patronise a shop and is considered as an important rational consideration.

Reputation of the shop: Shopkeepers who are honest in their dealings and offer fair prices to their clients are always preferred by the customers. A customer automatically starts patronising a shop or shopkeeper who has good reputation in the market.

ii. Emotional patronage buying motives

When a buyer decides to patronize or purchase from a certain shop or seller without logically but emotionally considering each and every aspect associated with it. Such purchase is said to be influenced by emotional patronage buying motives.

Some emotional patronage buying motives are as follows:

- **Shop appearance:** Sometimes, customers find some shop attractive because of their ambience, display of the goods, theme of the shop etc., so they start patronising that particular shop.
- **Recommendations:** Recommendations plays a significant role in determining a buyer's purchase behaviour. Word of mouth or recommendation by some person for example family member, peer group, friends, relatives etc. plays an important role in influencing a buyer purchase pattern.
- **Emulation:** Some people buy certain shops or shopkeeper just because other people buy from that shop. In other words, some buyers try to imitate others and tend to buy from those shops from where other people buy.
- **Prestige:** Status or prestige is one of the significant emotional patronage buying motives. For example, people prefer visiting five- star hotels for dinner; people buy clothes from certain top brands etc.
- **Habit:** Habit is one of the emotional patronage motives. People are often seen buying products from some shops simply out of their habit of buying it from that particular shopkeeper or shop.

5.5. BUYER MOTIVATION

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision. In other words, these are the factors that drives a person to buy a product or service. For instance, a hungry person is motivated to buy food; people are motivated to buy new clothes during festivals etc. The concept of 'buyer motivation' has originated from a process known as the "Buyer's Journey." (Figure 2)



Figure 2: Stages of a buyer's journey

There are mainly three stages involved in a buyer's journey:

1. Awareness: This is the first stage of the buyer's journey. In this stage, the buyer becomes aware of the problem, need or want. To rephrase it, the buyer tries to identify the problem for instance, the buyer is feeling hungry or thirsty etc. In this, the buyer recognises the need, want or problem. The identified problem, need or want acts as stimulus that motivates the buyer to involve in information search. However, the stimulus can be internal or external. For example, a buyer was feeling hungry and started searching for a restaurant is an internal stimulus on the other hand the buyer searching for a restaurant on some friend's recommendation is an external stimulus.
2. Information search: At this stage, the buyer is well aware of the problem. The buyer has successfully identified his want or need. Now, the buyer tries to explore the various options that can satisfy his need or solve his problem. The buyer undertakes extensive research and gathers information about each available option. For example, the buyer was feeling hungry and started exploring the nearby restaurants.
3. Decision: This is the final stage where the buyer makes the decision and chooses the best suitable option among all other available options. The buyer is determined that the chosen option will solve his problem or satisfy his need or want to the fullest.

Check Your Progress

1. State whether the following statements are: True or False
 - i. A motive is an inner urge that moves a person to some action.
 - ii. Buying motives assists in product planning.
 - iii. Buying motives has no role in promotion- mix.
 - iv. Safety is a type of emotional product buying motive.

v. Rational Patronage buying motives are influenced by emotions.

2. Fill in the blanks:

i. Buying motives can be classified as _____ and _____ motives.

ii. The three stages of a buyer's journey are _____, _____ and _____.

iii. Emulation or imitation is a type of _____ product buying motive.

iv. Patronage buying motives are concerned with patronising a specific _____.

v. _____ and _____ are examples of rational patronage buying motives.

vi. Reputation is a type of _____ buying motive.

vii. _____ stage of buyer's journey is concerned with identification of the problem.

viii. A stimulus can be _____ or _____.

ix. A buyer's motivation is driven by a set of _____ factors.

x. Individuality is a type of _____ buying motive.

3. What do you mean by Buying motives? What is its importance in personal selling?

4. What do you mean by emotional patronage buying motive?

5.6. LET US SUM UP

A consumer is said to have a motive behind his each and every purchase. In other words, A consumer's purchase depends upon the motives that he wishes to fulfil by buying that product. These motives are stimulated by various customer – specific factors like physiological, societal, and financial factors etc.

The factors that stimulate or motivate the customer to buy a particular product are referred as 'buying motive'. A customer is said to make a purchase not just to own that particular product but to satisfy these forces that are the 'buying motives.' To reiterate, 'buying motives' are the "internal feelings" of a customer/ buyer and he tries to gratify them to the fullest.

The understanding of the 'Buying motives' concept is necessary due to the reasons: 1. Improvising salesmanship 2. Assists in product planning 3. Facilitates in pricing decisions 4. Role in promotion- mix 5. Determining channels of distribution 6. Contributes to firm's goodwill 7. Increases Customer trust and loyalty.

Buying motives can be classified into product buying motives and patronage buying motives, which can be further classified into emotional product buying motives and rational product buying motives and emotional patronage buying motives and rational patronage buying motives respectively.

Some emotional product buying motives are prestige, emulation, affection, individuality, pleasure, habit. Some rational product buying motives are safety, economy, price, suitability, versatility, durability, convenience.

Some emotional patronage buying motives are appearance, recommendations, habit, emulation, prestige. Some rational patronage buying motives are convenience, lower prices, credit facilities, wider choices, reputation of the shop.

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision. In other words, these are the factors that drive a person to buy a product or service. There are mainly three stages involved in a buyer's journey: Awareness, information search, decision.

5.7. KEY WORDS

Buying motives: factors that stimulate or motivate the customer to buy a particular product

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision.

Emotional patronage buying motives: When a buyer decides to patronize or purchase from a certain shop or seller without logically but emotionally considering each and every aspect associated with it.

Emotional product buying motives: When a buyer decides to purchase a certain product without carefully or logically, but emotionally considering every aspect associated with the purchase.

Patronage buying motives: a customer is said to be motivated to buy from a specific seller or shop.

Product buying motives: a customer is said to be motivated to buy a specific product.

Rational product buying motives: When a buyer decides to purchase a certain product after carefully or logically considering each and every aspect associated with the purchase

Rational patronage buying motives: When a buyer decides to patronize or purchase from a certain shop or seller after carefully or logically considering each and every aspect associated with it.

5.8. ANSWERS TO CHECK YOUR PROGRESS

1. i. True ii. True iii. False iv. False v. False

2. i. Product and patronage ii. Awareness, information search and decision iii. Emotional iv. Shop or shopkeeper v. Lower prices and wider choice vi. Rational vii. Awareness viii. Internal and external ix. Psychological x. Emotional product

5.9. TERMINAL QUESTIONS

1. Define buying motives.
2. Discuss the significance of buying motives in personal selling.
3. Explain the various types of buying motives with examples.
4. Differentiate between rational and patronage buying motives
5. Write short note on the following:
 - a) Buyer motivation
 - b) Emotional patronage buying motives
 - c) Rational product buying motives
 - d) Buyer's journey
 - e) Emulation



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UNIT 6: BUYER BEHAVIOUR

Structure

- 6.0. Objectives
- 6.1. Introduction
- 6.2. Concept of Buyer Behavior
- 6.3. Difference between Buyer and Consumer
- 6.4. Factors affecting/ influencing Buyer Behavior
- 6.5. Let Us Sum Up
- 6.6. Case Study
- 6.7. Key Words
- 6.8. Answers to Check Your Progress
- 6.9. Terminal Questions

6.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of buyer behaviour;
- differentiate between a buyer and consumer; and
- describe the factors affecting/ influencing a buyer's behaviour.

6.1. INTRODUCTION

Buyers are the foundation of any business organisation. No business organisation can grow, survive or excel without buyers or customers. Therefore, marketing firms must aim at understanding the behaviour of its buyers. They must conduct thorough research to find out “What factors drive his buyer to act?” “Who are the people influencing the buying decision of the buyer?” “What are the needs of their buyers” “What is the occasion for which the buyer is likely to make purchase?” “What is the frequency of buying?” Such questions will help the marketers to develop a deeper understanding of their buyer and formulate more appropriate strategies.

Since, buyer behaviour is a psychological construct which is complex to understand and act. Therefore, well-planned and equipped strategies are required to conduct an extensive market research and analyse the results carefully. In this unit, you will learn

6.2. CONCEPT OF BUYER BEHAVIOUR

Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not. Buyer behaviour is also termed as “consumer buying behavior”. However, the term consumer buying behaviour is limited to an individual buyer while using the term “buyer behaviour” a buyer can be an individual, group of individuals, organisation etc. A marketer tries to understand the underlying conditions or circumstances that drives a buyer to behave in a particular manner. In other words, the marketer tries to understand what makes a buyer to buy a given product and not some other product. Some important definitions of buyer behaviour are as follows:

According to Prof. Philip Kotler, *“Buying behavior is the decision process and acts of customers involves in buying and using products.”*

According to E. W. Condiff, R. R. Still and R. A. Govoni, *“Buyer behavior may be viewed as orderly process whereby the individual interacts with his/her environment for the purpose of making market place decisions on products and services.”*

According to C. G. Walthers and W. G. Paul, *“Consumer behavior is the process whereby individuals decide what, when, where, how and from whom to purchase goods and services.”*

According to Frederick Webster, *“Buyer behavior is all psychological, social and physical behavior of potential customers as they become aware to evaluate, purchase, consume and tell other people about the product and services.”*

Buyer behaviour is the process where people make decisions regarding what, when, how to buy and use the products. Buyer behaviour is the driving force behind any market process as it helps in understanding what the consumer actually wants.

From the above definitions we can conclude that The concept of ‘buyer behaviour’ facilitates the marketer to understand his customer well and make its ‘marketing mix’ strategies after considering his target buyers’ behaviour with due diligence.

6.3. DIFFERENCE BETWEEN BUYER AND CONSUMER

A buyer also known as customer, is the person who actually buys the product or service. Buyer is the person who pays for the product or services availed. A buyer may buy a product or service with an intent to resell or consume it. On the contrary, a consumer is the person who ultimately consumes the product or service. A consumer is said to be the end user of the product or service. For instance, Ram’s father buys a pair of shoes for Ram. In this case Ram’s father is the buyer or customer and Ram is the consumer. On the other hand, Ram’s father buys a pair of shoes for himself. In this case Ram’s father is the buyer as well as the consumer of the product. The following table outlines the difference between a buyer and a consumer taking various basis into consideration (Table 1).

Table 1: Difference between buyer and consumer

Basis	Buyer	Consumer
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Meaning	A person who purchases the product or service.	A person who uses or is the end user of the product or service.
Resell	A buyer can resell the goods.	A consumer can not resell the goods since he is the end user of the product or service.
Purchase of goods	A buyer needs to buy a product or service.	A consumer need not buy a product or service.
Purpose	To resell or consume the goods and services	To consume the goods and services
Price of the product	Price is paid by the buyer	Price may or may not be paid by the consumer
Target group	Individual or organisation	Individual, family or group of people

6.4. FACTORS AFFECTING BUYER BEHAVIOUR

There are five major factors that affects a buyer behavior viz. cultural, social, personal, psychological, and economical factors. The below given flowchart explains these factors in detail (Figure 1). Let us learn them in detail.

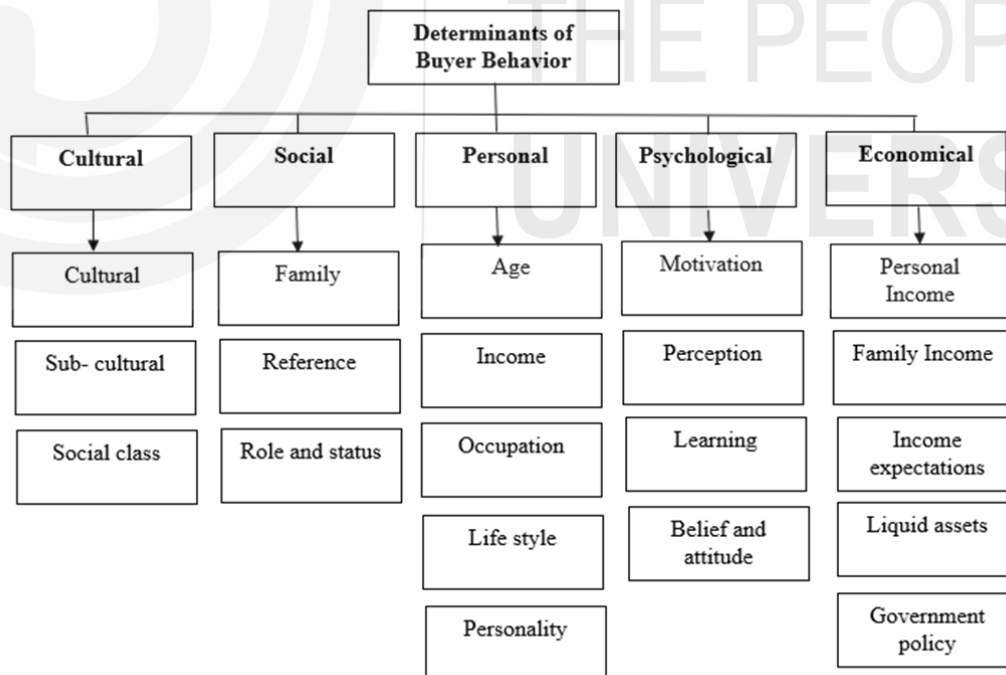


Figure 1: Factors affecting buyer's behavior flowchart

1. **Cultural factors:** Buyer's behavior is influenced by various cultural factors like the buyer's culture, social class and sub- culture. Let us learn various cultural factors.
 - (a) **Culture:** Culture is the most significant factor affecting a buyer's purchase behavior. Cultural factors include factors like ethics, values, wants, needs, preferences, perceptions etc. Cultural factors are the observed factors that a person deduces by observing his family members or the ecosystem he lives in.
 - (b) **Sub- culture:** A culture generally, consists of various subcultures like religions, geographic groups, racial group, nationality, caste etc. These subcultures share same set of values or beliefs. A marketers may segment the market on the basis of these subcultures and can accordingly cater the needs of the target segment. For instance, a marketer may target a specific religious group.
 - (c) **Social class:** Every society possess some form of social class. A social class is determined on basis of various factors like education, wealth, income, occupation etc. A marketer may aim at targeting a specific segment of social class. For example, apple inc. targets people falling in higher income group.
2. **Social factors:** Social factors also influence a buyer's purchase behaviour. These factors include various factors like family, reference group, roles and status etc. let us learn various social factors.
 - (a) **Family:** Family plays a significant role in influencing a buyer's decision about a product or brand. Family is said to be the strongest factor that impact a person's decision. Marketers must aim at understanding the role of the family members like parents, husband, wife, children, siblings etc. in influencing a purchase decision.
 - (b) **Reference group:** Reference group consists of the people whose suggestions or advices matter to one. Reference group generally consists of people like friends, colleagues, relatives, neighbours etc. who we look up to while making a purchase decision. For instance, buying an iPhone instead of an android phone because your friend has an iPhone.
 - (c) **Role and status:** A person's buying behaviour is significantly influenced by the role or status one holds in the society. A person's role or status is determined by the profession or the group of people one is associated with. For example, working in a finance company, a teacher, a housewife, a doctor, chairman of a housing society etc. A female playing dual roles of housemaker and a teacher, her purchase decision will be influenced by both the roles she is playing in the society.
3. **Personal factors:** Personal factors are equally important in determining a buyer's purchase decision. These include factors like age, income, occupation, lifestyle, personality. Let us learn various personal factors.
 - (a) **Age:** The age of a person influences his purchase decisions. As you must be aware that people pass through various stages of life cycle like from a child to an adult, from unmarried to a married couple, from parents to old age etc. at each stage a person's preference of products or services varies. For example, young buyers prefer flashy or fashionable clothes whereas an elderly person may prefer a comfortable and simple attire.

- (b) **Income:** Income is the most critical factor influencing a buyer's purchase decision. The first and the foremost requirement to make a purchase is affordability. A buyer is said to form demand of a product only if the product is in the reach of the buyer's income or affordability. People belonging to higher income group may purchase expensive items as they can afford it.
 - (c) **Occupation:** Occupation influences a buyer's behaviour while making a purchase. A buyer tends to make purchase as per his/ her profession. For instance, a teacher will buy clothes according to his/her profession and a doctor will buy clothes as per his job considerations.
 - (d) **Lifestyle:** Lifestyle is a way or an attitude that person follows to live in a society and lead his/ her life. Lifestyle is another important factor influencing a buyer's behaviour. For instance, a person leading a healthy lifestyle, tend to buy more healthy stuff than unhealthy or junk food.
 - (e) **Personality:** Personality refers to the totality of the behaviour a person in given situations at different point of times. Personality traits consists of factors like introvert, extrovert, aggressive, submissive, dominant etc. A marketer may always segment the audience on the basis of their personality and cater their needs accordingly.
4. **Economic factors:** Economic factors are concerned with the purchasing power of a buyer. These includes factors like personal income, family income, income expectations, liquid assets, consumer credit etc. let us learn various economic factors.
- (a) **Personal income:** Many economists have tried to correlate a person's income with his/ her spending. As per them, a person's spending increases with an increase in his/ her income. Therefore, personal disposable income of a buyer is a significant factor influencing a buyer's behaviour.
 - (b) **Family income:** The size of the buyer's family or the aggregate income of the family influences a buyer's purchase decision. A small or nuclear family is said to spend less whereas a big family may spend more.
 - (c) **Income expectations:** Expectations plays an important role in determining a buyer's purchase behaviour. A buyer expecting a lower income is tend to spend less. On the other hand, buyer expecting a higher income may spend more. Therefore, marginal propensity to consume or save of a buyer is greatly influenced by the level of expected income.
 - (d) **Liquid assets:** Liquid assets refer to those assets which can easily be converted into money without much variation in the value of the asset, for example: cash, marketable securities etc. A buyer's behaviour shall be influenced by the amount of liquid and fixed assets held by the buyer.
 - (e) **Consumer credit:** Nowadays, marketers have started offering credit to their buyers. Marketers are following the notion of "Buy now, Pay later". For example, Bajaj finance offers zero cost EMI to buyers.

5. **Psychological factors:** Psychological factors consist of four factors these are motivation, perception, learning and attitude (figure 2). Let us learn various psychological factors.

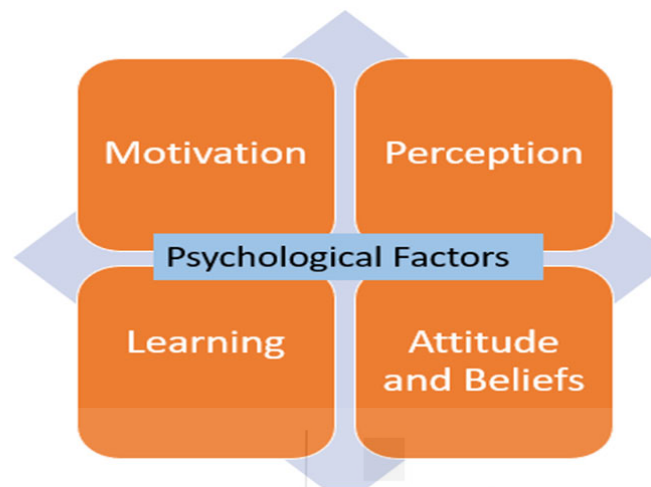


Figure 2: Psychological factors affecting buyer's behaviour

- (a) **Motivation:** Motivation plays an important role in determining a buyer's behaviour. People have various needs that motivates them and influences their behaviour. Some of these needs are physiological needs, safety needs, social needs, esteem needs, and self- actualisation needs. An unfulfilled need is said to motivate a buyer. However, once a need is fulfilled it no longer motivates the buyer. Hence, it may not be able to influence the buyer's behaviour. For instance, a person working at a higher position in an organisation might not feel motivated with an increment in the salary. However, a job promotion may interest him.
- (b) **Perception:** A buyer's purchase behaviour is critically influenced by the buyer's perception about the brand or product. Perception refers to the image that a person holds about a particular product or brand in his/ her mind. This perception is formed on the basis of cognitive processing going through a buyer's mind. A buyer or customer comes across various advertisements, reviews, comments etc. about a brand or product. These brand or product related activities may lead to formation of cognition in buyer's mind based on which a buyer forms an impression of the brand or product. For instance, a product having maximum positive customer reviews or comments is likely to form a positive perception in the buyer's mind.
- (c) **Learning:** Learning is an ongoing process that takes place over a period of time. It begins before a person buys a product or service and continues after he/ she buys it. However, when a buyer buys a product or service, he/she is likely to gather more information about the product or service.

Learning may be conditional learning, cognitive learning, social learning, etc. In conditional learning, a buyer is exposed to a recurring situation. Hence, he/ she develops a strategy to tackle the situation. Under cognitive learning, a buyer uses his/ her skills or knowledge acquired over a period of time, to seek satisfaction out of the purchase he/ she made. In social learning the person learns new behaviours by observing or imitating other persons.

- (d) Attitude: A buyer possesses certain belief or attitude towards a product or brand that guides him/ her to behave in a certain manner. This attitude or belief defines the image of a brand or product in the market. Marketers must aim at launching certain campaigns that can modify or change the existing attitude or belief in his favour.

Check Your Progress A

1. State whether the following statements are: **True or False**

- i A consumer is a person who uses the product.
- ii A buyer cannot resell products.
- iii Cultural factor does not influence buyer behavior.
- iv Attitude is a type of psychological factor.
- v Age influences a buyer's purchase decision.

2. Fill in the blanks:

- i Price of the product is paid by a _____.
- ii Income is a _____ factor which influences a _____.
- iii Motivation is a type of _____ factor.
- iv A buyer can either _____ or _____ the product.
- v Consumer credit and income expectation falls under _____ factors.
- vi Learning is of two types: _____ and _____.

6.5. LET'S SUM UP

Buyers are the foundation of any business organisation. No business organisation can grow, survive or excel without buyers or customers. Therefore, marketing firms must aim at understanding the behaviour of its buyers.

Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not. Buyer behaviour is also termed as "consumer buying behavior".

A buyer also may be a customer, is the person who actually buys the product or service. Buyer is the person who pays for the product or services availed. A buyer may buy a product or service with an intent to resell or consume it. On the contrary, a consumer is the person who ultimately consumes the product or service.

There are five major factors that affects a buyer behavior viz. cultural, social, personal, psychological, and economical factors.

Cultural factors include: the buyer's culture, social class and sub- culture.

Social factors include: various factors like family, reference group, roles and status.

Personal factors include: factors like age, income, occupation, lifestyle, personality.

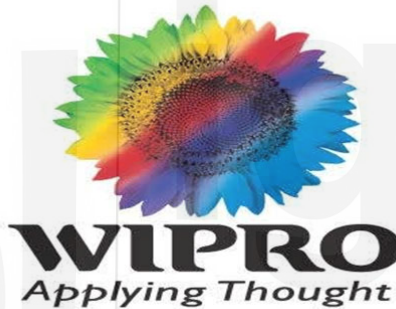
Economic factors include: factors like personal income, family income, income expectations, liquid assets, consumer credit.

Psychological factors: consist of four factors these are motivation, perception, learning and attitude.

6.6. CASE STUDY

Case study 1

Wipro: One Of The Foremost Names In The Global It Landscape



Wipro Ltd is a global information technology, consulting, and outsourcing company with 140,000 employees serving over 900 clients in 57 countries. It helps customers perform better by leveraging our industry-wide experience, technology expertise, comprehensive portfolio of services, and a vertically aligned business model. They are trusted partners for global businesses seeking to 'differentiate at the front' and 'standardize at the core' through technological interventions. In a competitive scenario, it is important to be highly customer-oriented. At Wipro, they have consciously adopted an outside-in' approach. They focus on customers challenges and the trends driving the customer's industry landscape, and work together to address these problems. These problems could range from strategic issue such as a customer intending challenges of increasing operational efficiency. They ensure customer focus by keeping a constant tab on our customers' needs. Hence, customer inputs and research are of prime importance. They try to identify the trends that influence customers and their technology demands. They conduct quarterly and annual pulse surveys to assess the factors considered significant by customers while taking decisions and their satisfaction levels after engaging with us. Wipro engage with its customers in multiple ways. This includes a combination of traditional and non-traditional means with a focus to bridge customers' needs with their offerings.

Wipro extensively leverages interest and social media platforms such as Twitter, Facebook, and blogs, where they have built a community of customers, employees, academic, and other interested stakeholders to engage in discussions on any relevant topic. For some specific large

accounts, they have created a customized platform as part of an account-based marketing (ABM) initiative wherein our communication is customized to suit the needs of specific accounts. They also engage through traditional means including seminars, trade events, and publications

- They also engage through with the influencer community extensively including analysts and advisors. These influencer communities reach out to the customers. Their customer-centric approach is important because it helps them to understand what is driving the business, what is impacting the top-lines and bottom-lines, and what is the next big thing that will transform the lives of people.

Source: Adapted by Sinha, Pyush (2013), Marketing, Asian Edition published in 2013, Oxford University

Questions

1. Wipro's customer engagement program outlines an outside-in approach. What internal (inside-out) changes do you think the company needs to undertake to increase its customers focus?
2. Global players such as Wipro have found a favorable economic environment and a challenging technological environment. What measures should the company take in order to thrive on the changes in its business environment.
3. How do you think Wipro should keep aware of the changes in consumer buying behavior so that they are able to achieve their objective of being highly customer oriented?

Case study 2

Case Study: Emami Fair And Handsome: Beauty regimes For Men?



Emami, has launched a unique fairness cream for men to make skin fair and handsome. Emami offers this cream to men who want to look younger. The cream also helps in relieving stress and fatigue signs-giving men's tough skin a firmer look.

Today, men want to look stylish at all times, and the rise in the demand for male grooming products prove this fact. According to an A.C. Nielsen survey conducted amongst 1000 SECA and B men in Mumbai, Delhi, Kolkata, and Hyderabad on male grooming, every second Indian man from the metros has a monthly date with the beauty salon. Men want to

indulge themselves in daily beauty regimes, and it is not only women who want to pamper themselves.

Men have increasingly started using gels, deodorants, and creams, which has led companies to launch several beauty products for men in recent years.

Source: Jomol (2010)

Questions

1. Why do you think younger men are most likely to use skincare products?
2. How do you think companies like Emami can better position their men's skincare ranges?
3. Consider your own perceptions of men's skincare products. If you are a man: have you ever bought any such product? If you are a woman: have you ever bought a male friend or partner any such product, or does he buy his own? If he buys his own, what are your perceptions of this behavior? If you bought such product for him, why do you think he does not buy these products for himself?

6.7. KEYWORDS

Attitude: A buyer possesses certain belief or attitude towards a product or brand that guides him/ her to behave in a certain manner

Buyer behaviour: Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not.

Buyer: A buyer also known as customer, is the person who actually buys the product or service.

Consumer: A consumer is the person who ultimately consumes the product or service.

Culture: Cultural factors are the observed factors that a person deduces by observing his family members or the ecosystem he lives in.

Lifestyle: Lifestyle is a way or an attitude that person follows to live in a society and lead his/ her life.

Liquid assets: Liquid assets refer to those assets which can easily be converted into money without much variation in the value of the asset, for example: cash, marketable securities etc.

Perception: Perception refers to the image that a person holds about a particular product or brand in his/ her mind.

Personality: Personality refers to the totality of the behaviour a person in given situations at different point of times.

Social class: A social class is determined on basis of various factors like education, wealth, income, occupation etc.

Sub- culture: A culture generally, consists of various subcultures like religions, geographic groups, racial group, nationality, caste etc.

6.8. ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. True ii. False iii. False iv. True v. True.

2. i Buyer ii personal and buyer behavior iii psychological iv consume and resell v economic
vi conditional and cognitive

6.9. TERMINAL QUESTIONS

1. Define the term 'buyer behaviour'.
2. Differentiate between a buyer and a consumer.
3. State the various factors affecting a buyer's behavior.
4. How income expectations influence a buyer's behavior. Illustrate with the help of an example.
5. Discuss the role of cultural and personal factors in influencing a buyer's behavior.
6. Write short notes on the following:
 - (a) Culture
 - (b) Motivation
 - (c) Types of learning
 - (d) Impact of economic factors on buyer behavior

UNIT 7: SALES FORCE MOTIVATION

Structure

7.0. Objectives

7.1. Concept of Motivation

7.2. Dynamic Nature of Motivation

7.3. Motivation and Need

7.4. Maslow's Theory of Need Hierarchy

7.5. Motivational Techniques for the Salespersons

7.5.1. Financial Motivators

7.5.2. Non- Financial Motivators

7.6. Let Us Sum Up

7.7. Key Words

7.8. Answers to Check Your Progress

7.9. Terminal Questions

7.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of motivation;
- explain the dynamic nature of motivation;
- differentiate between motivation and need;
- describe the hierarchy of needs; and
- discuss various financial and non- financial techniques of motivation.

7.1. CONCEPT OF MOTIVATION

Motivation is a stimulus which impels an individual to respond. If the motivation is positive, a person is likely to give his/ her full strength to a given work. Some scholars have tried to define motivation, few of them are as follows:

According to Vities, "Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to make in a goal-directed pattern towards restoring a state of equilibrium by satisfying the need."

According to Memoria, “A willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organisation.”

According to Dubin, “Motivation is the complex of forces starting and keeping a person at work in an organization.”

According to Vance, “Motivation implies any emotion or desire which so conditions one’s will that the individual is properly led into action.”

According to Lillis, “It is the stimulation of any emotion or desire operating upon one’s will and promoting or driving it to action.”

According to the Encyclopedia of Management, “Motivation refers to degree of readiness of an organism to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness.”

According to Berelson and Steiner, “A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals.”

7.2. DYNAMIC NATURE OF MOTIVATION

Motivation is the driving force that stimulates a person to act. Motivation is considered to be dynamic in nature which means it keeps on changing with respect to the changing circumstances. Needs and wants of a person constantly changes due factors like the person’s physical condition, environment, social network etc.

When a person achieves or fulfills one goal or need, he/ she tries to achieve or attain the new goals. Some psychologists have put forward certain reasons for the varying needs and advocated that “needs and wants are constantly changing” because:

- a) An individual’s existing need is never completely satisfied, which keeps on stimulating him to achieve complete satisfaction.
- b) Once a need is satisfied, the next higher- level need arises.
- c) An individual is said to set up new higher goals once he fulfills the basic goals

For instance, previously companies used to give a plastic bag to their customers to carry the product or goods. Now, as customers are becoming more environment conscious, these firms have shifted from plastic bags to paper bags.

7.3. MOTIVATION AND NEED

The desire to fulfil a conscious or unconscious need drives a person to take action. The energy of this which drives a person to perform or make choices is known as motivation. For instance, a person is feeling hungry. This need (hunger) will result into physiological discomfort to the person, known as drive (discomfort). As a result of which, a person gets motivated to buy food. The below figure well demonstrates this process:

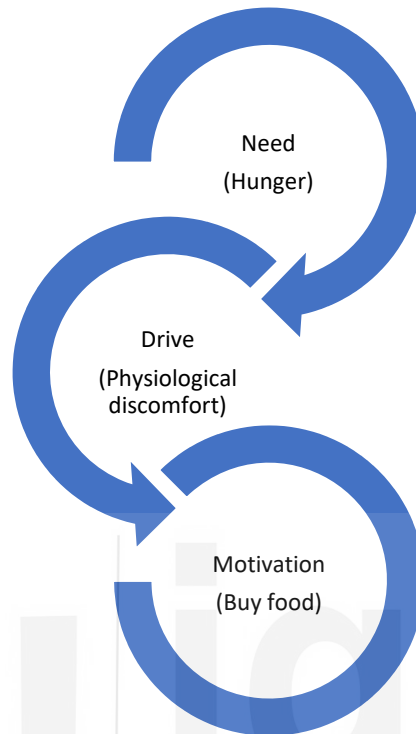


Figure: Process of need, drive and motivation

A marketer may plan to direct or influence the energy (motivation), generated through the need, towards his offerings. For instance, A marketer wants to advertise for his newly opened yoga centre. The marketer will probably come across a number of motives for which people will come to a yoga class. Some of the motives will be attainment of spirituality, making social circle, lose/ maintain weight etc. In this case the marketer must try to plan such promotion campaign that congruent to the majority of the people's motive to join a yoga centre. The marketer may aim at targeting the physical well- being as its advertising agenda. Alternatively, the marketer can plan to target a niche market by communicating the agenda of spiritual fulfilment.

7.4. MASLOW'S THEORY OF NEED HIERARCHY

Maslow need hierarchy theory of motivation was given by an American psychologist, Abraham H. Maslow in the year 1943. This theory explains the underlying human motivations with respect to the different level of human needs. The theory states that a person tends to fulfill his needs in a hierarchical manner starting from a basic need and advancing to higher level needs. In other words, higher level needs are not likely to motivate a person unless his basic needs are fulfilled. Maslow have categorized these needs into 5 categories (Figure 1):

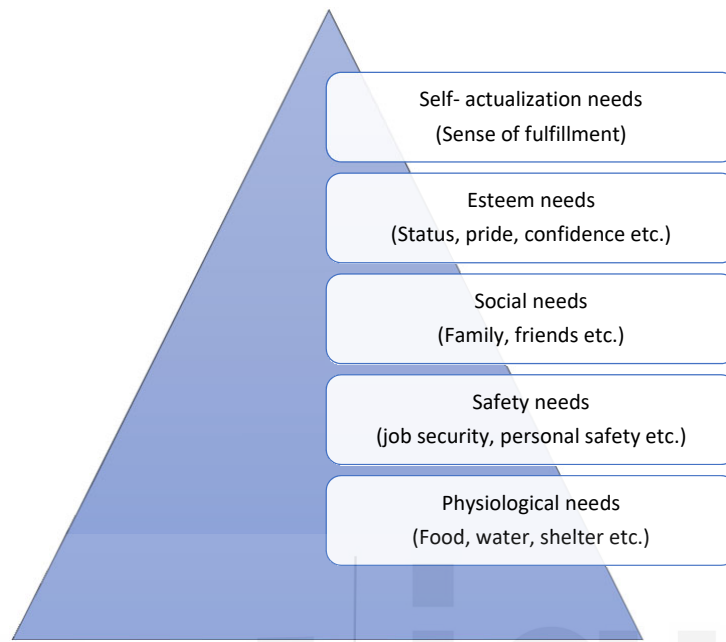


Figure 1: Maslow need hierarchy pyramid

1. **Physiological needs:** Physiological needs are the basic needs a person requires in order to survive. Some examples of physiological needs are water, food, shelter, sleep etc. If these needs are not fulfilled or satisfied, it will become difficult for a person to survive.
2. **Safety needs:** The second level of need is safety needs. Once the physiological needs of a person have been satisfied, he/ she asks for safety or security in life. The safety or security needs are concerned with job security, financial security, good health, and personal security etc.
3. **Social needs:** Social need is the third level of need. Social need is concerned with the love and belongingness. A person needs to feel a sense of belongingness and love either from a large group of social networks or a small group of connected people like family or friends. This connection can also come from association with some professional group, social media, religious group etc.
4. **Esteem needs:** The fourth level of the need hierarchy is esteem needs. These needs are concerned with a person's esteem that is respect, status, prestige, and validation by others etc. It is also termed as self-esteem which means how a person feels for himself. Lack of this esteem may result into inferiority complex or low confidence level.
5. **Self-actualization needs:** Self-actualization needs are the most advanced or highest level of needs of a person. At this level a person feels that his full potential has been utilized and he/she has reached to the best of his/ her capabilities. However, this self-

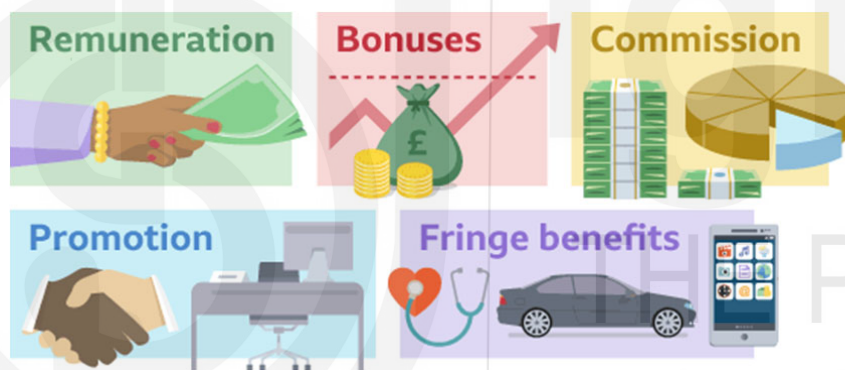
actualization feeling is transient since people tend to strive for personal growth throughout their lives.

7.5. MOTIVATIONAL TECHNIQUES FOR THE SALESPERSONS

A firm is unlikely to build successful sales even with the best of the product or a service, if its salesforce is not motivated to make sales. Therefore, marketers must aim at keeping their salesperson motivated, enthusiastic, and encouraged. The marketer may develop or adopt certain tools or techniques to keep his salesforce motivated. Some tools and techniques of motivation are discussed below:

7.5.1. FINANCIAL MOTIVATORS

A person can be motivated using both financial and non- financial tools. Some of the financial tools of motivation are as follows:



1. **Remuneration:** Remuneration is the salary or pay given to the employees. Remuneration is given according to the level or position at which an employee is working. Firms use remuneration as a tool to keep their employees motivated. They often offer regular yearly increment in the salary or pay to motivate their employees.
2. **Bonuses:** Bonus is another tool used by various firms to keep their employees motivated. Bonus is a form of extra income that an employee gets above his basic salary or pay. For instance, a firm declared an INR 10000 bonus over the basic salary to the top 5 salespersons of the year. This way the salesperson is motivated to sell more so as to get bonus in the end.
3. **Commission:** Some firms offer commissions to their employees to keep them motivated. A commission is an additional percentage of pay over the basic pay. For instance, a marketer announced that the salesperson will be given a 10% commission on the profits earned by the firm on the car sold by them.

4. Promotion: Promotion refers to an increase in the authority and responsibility of an employee along with an increase in the pay or remuneration of the employee. Promotion is used as a motivational tool by the employees.
5. Fringe benefits: Apart from the above monetary benefits, firms often offer other monetary benefits to the employees in the form of fringe benefits. Fringe benefits involve benefits like free car parking, accommodation by the company, holiday allowance, mobile phone by the company, etc.

7.5.2. NON- FINANCIAL MOTIVATORS

Some non- financial motivators are as follows:



1. Job security: Job security is a significant tool of motivation. A temporary worker or employee is motivated the most with job security than any other tool of motivation. A worker or employee no matter what monetary and other fringe benefits they are getting, if they do not have a secure job there is always a risk of losing the job which demotivates an employee to perform at his/her full capacity.
2. Challenging work: Challenging work always motivates a dynamic employee or worker as they may not order doing routine job. A firm should always focus at making a work challenging through job enlargement and job redesigning.
3. Recognition: An employer must appreciate his employee or worker for his hard work. A mere token of appreciation or few words of appreciation can boost the morale of the employee to perform even better in future.
4. Opportunities for Advancement: An employer must ensure that there is no stagnation in the growth of his employee specially at the prime time of the employee's career. Management must give opportunity to their employee to grow so as to keep them motivated.
5. Empowerment: The management must ensure a representation of the workers or employees in the critical issues of the firm. They must try to avoid unilateral decisions. Workers or employees must be involved in the decision- making process as this will provide them a feeling of belongingness with the company or firm.

Check Your Progress A

1. State whether the following statements are: **True or False**

- i. Maslow hierarchy of need represents five needs.
- ii. Physiological needs are at the top of the hierarchy.
- iii. Empowerment is a financial motivational technique.
- iv. Motivation is driven by needs.
- v. Motivation is dynamic in nature.

2. Fill in the blanks:

- i. Bonus is a _____ motivational technique.
- ii. _____ need is at the top of the need hierarchy.
- iii. Shelter is an example of _____ need.
- iv. Job security is an example of _____ need.
- v. _____ and _____ are two non- financial motivational techniques.

7.6. LET US SUM UP

Motivation is a stimulus which impels an individual to respond. It is the driving force that stimulates a person to act.

Motivation is considered to be dynamic in nature which means it keeps on changing with respect to the changing circumstances.

When a person achieves or fulfills one goal or need, he/ she tries to achieve or attain the new goals.

The desire to fulfil a conscious or unconscious need drives a person to take action. The energy of this which drives a person to perform or make choices is known as motivation.

The Maslow theory of need hierarchy states that a person tends to fulfill his needs in a hierarchical manner starting from a basic need and advancing to higher level needs.

A person can be motivated using both financial and non- financial tools. Some of the financial tools of motivation are remuneration, bonus, commission, promotion etc. Some non- financial tools of motivation are empowerment, recognition, job security etc.

7.7. KEY WORDS

Commission: A commission is an additional percentage of pay over the basic pay.

Esteem needs: These needs are concerned with a person esteem that is respect, status, prestige, and validation by others etc.

Fringe benefits: Apart from the monetary benefits, firms often offer other monetary benefits to the employees in the form of fringe benefits.

Motivation: Motivation is a stimulus which impels an individual to respond. It is the driving force that stimulates a person to act.

Physiological needs: Physiological needs are the basic needs a person requires in order to survive

Promotion: Promotion refers to an increase in the authority and responsibility of an employee along with an increase in the pay or remuneration of the employee

Remuneration: Remuneration is the salary or pay given to the employees.

Self- actualization needs: At this level a person feels that his full potential has been utilized and he/she has reached to the best of his/ her capabilities.

Social needs: A person needs to feel a sense of belongingness and love either from a large group of social networks or a small group of connected people like family or friends.

7.8. ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. True ii. False iii. False iv. True v. True.

2. i Financial ii self- actualisation iii basic iv safety v empowerment and recognition

7.9. TERMINAL QUESTIONS

1. Define the term 'motivation'.
2. Explain the process of need, drive and motivation.
3. State the Maslow theory of need hierarchy.
4. Explain the various financial and non- financial techniques of motivation.
5. Write short note on the following:
 - a) Dynamic nature of motivation
 - b) Empowerment
 - c) Financial motivational techniques
 - d) Esteem needs

BCOS-186

Personal Selling and Salesmanship

BLOCK

3

Selling Process

UNIT 8

Sales Process

UNIT 9

Sales Presentation and Demonstration

UNIT 10

Concluding

Sales

-

BLOCK 3 SELLING PROCESS

In the previous block, you have learned about buying motives, buyer behaviour and sales force motivation. In this block, you will learn about sales process, sales presentation and demonstration and methods of concluding sales. This block consists of three units:

Unit 8 explains the meaning of sales process, steps in sales process. This unit will also discuss about the methods of approaching prospects and how to make sales presentation and demonstration.

Unit 9 discusses the principles of effective presentation, planning the presentation strategy, essentials, tools and techniques and steps involved in sales presentations and demonstration.

Unit 10 discuss the various techniques of closing sales, sales resistance, handling of objections, and post sales services.

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UNIT 8 SALES PROCESS

Structure

8.0 Objectives

8.1. Introduction

8.2 What is meant by Sales Process

8.3 Steps of Sales Process

8.3.1 Prospecting and Qualifying

8.3.2 Planning the Sales Call (The Pre-approach)

8.3.3 Approaching the Prospect

8.3.4 Making a Sales Presentation and Demonstration

8.3.5 Dealing with Prospect Objections

8.3.6 Closing the Sales

8.3.7 The Follow Up or Feedback

8.4 Let Us Sum Up

8.5 Keywords

8.6 Answers to Check Your Progress

8.7 Terminal Questions

8.0 Objectives

After studying this, unit you should be able to:

- define and explain the steps in the selling process;
- discuss the needs of a prospect and prospecting methods;
- enumerate various methods of handling customer objections;
- state various methods to approach the prospect; and
- describe the concept of closing the sales.

8.1 Introduction

The selling process is a process wherein a salesperson identifies and qualifies the prospects, approach them, make a sales presentation, handle their objections and closes a sale. It is the responsibility of the salesperson to follow up with the existing prospects and further identifies sales leads to continue the process further. It is 90% preparation on prospects handling and 10% on sales preparation. So, salesperson must have scientific method of handling prospect and presentation for synergistic effect. In this unit we will discuss the meaning of sales process, what are the different steps in sales process, what are the various strategies used by salesperson at different stages of sales process and how can they maintain good relations with their prospects through feedback of follow up process.

8.2 What is Meant by Sales Process

A sales process is defined as a sequential step that a salesperson performs over a sales cycle to convert a prospect into a customer. Usually a tried-and-tested process, it acts as a guide for salespeople to move a deal through the sales pipeline and close it. It is a step-by-step process which begins long before the contact of the customer and the salesman.

A sales process is a set of activities undertaken to successfully obtain an order and develop long term customer relationship. A sales pipeline is a visual snapshot of opportunities in different stages of sales process. It also enables salespeople to know which deals to focus on, where do they need to put extra efforts, and how much are they likely to make in the coming months.

Benefits of Sales Process

A structured Sales process provides the following benefits:

- Develops and nurtures deeper understanding with the prospects
- Get more qualified leads
- Helps to implement marketing strategies effectively
- Lowers the customer acquisition cost and bring more customer referrals
- Allows to speed up the sales
- Move deals seamlessly by undertaking bottlenecks
- Forecast accurate numbers

8.3 Steps of Sales Process

Organisations can follow different steps in sales process depending upon the nature of business and different types of sales teams and representatives. Different sales teams follow different sales processes. Mentioned below are the generic steps that can be followed by all organisations:



Fig 1: The 7 Steps of a Sales Process

Let us learn these steps in detail.

8.3.1 Prospecting and Qualifying: It is a process of identifying prospective buyers of the product. A lead is not the same thing as prospect. A lead is one for which the salesperson has contact information. Once the lead has been qualified it becomes a prospect. An individual or an institution may be qualified to be a prospect if he has the *need, authority,*

ability and eligibility to buy. Improvement in prospecting is one way to stretch productive selling time. Sales persons who are proficient in prospecting apply their selling efforts productively and do not waste time on; non-prospects.

It is a wastage of time and effort and also unethical for salespersons to sell their product to people who do not **need** it. Salespeople should sell their product in such a manner that product do not come back but the customer do. Individual and organisations who do not have the **ability to buy** should not be pursued because they will try to postpone their purchase. Too much of sales persons time is wasted talking to people who do not have the formal **authority** to purchase a product. Majority of the time organisations have a buying committee who are responsible for making purchase. Purchase decisions may even be shared at consumer level between the family members. Before approaching a prospect, a sales person should confirm that the prospect has **eligibility** to purchase the required product.

Activity1

On the basis of examples below identify if the following leads will qualify to be the prospects and why:

1. Selling a Kanjeevaram silk saree to a household worker for personal use.....
.....
2. Selling a typewriter to a computer operator
.....
3. Convincing a clerk in a real estate company to convince the CGM of the corporate to provide the tender to a contractor.....
.....
4. Convincing a son of rich businessman to purchase a car.....
5. Selling Crizal lenses to a well sighted person

Steps in Prospecting

It is important to define your prospect so that the selling efforts are focused from the very beginning. Once the prospect is defined it is important to search for the potential prospects: where they are located so that the information about each tentative prospect can be collected.

Prospects with requirement ‘too small’ to represent profitable business are removed from consideration. In case more detailed information is needed personal visits may be handy to separate prospects from non-prospects. Finally, it is important to relate the company’s product to each prospects’ requirement in terms of its uses and application from customers point of view.

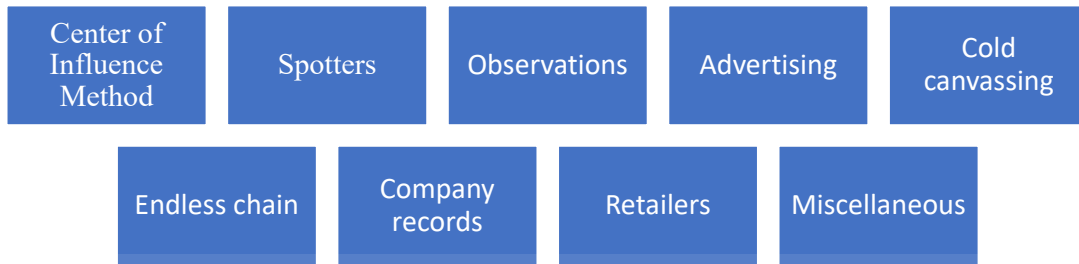


Fig 2: Major Prospecting Methods

Major Prospecting Methods

- i. **Centre of Influence Method:** Salespersons may join organisations, clubs like gymkhana club, press associations, lion’s club where they interact with people of influence who may become their clients or may assist in future networking. However, while doing so the sales people need to maintain a low profile so that the interaction seems accidental rather than intentional.
- ii. **Spotters:** They are also known as ‘sales associates’ and they help the sales person in further spotting the clients or providing a lead for a fee. Current satisfied customers, taxi drivers, clerks or even competitor’s sales persons can be a good source in providing referrals to the sales person.
- iii. **Observations:** Organized and scientific observation may provide salesperson with many fruitful leads. For example, reading newspapers, visiting shopping malls or interacting with people as a part of daily activities may provide sales people with information regarding new job offers, marriages, deaths, births that may indicate change in people’s need and requirement for diverse products.
- iv. **Advertising:** Efficient advertising by the companies in newspaper, radio, television and magazines may also attract the prospect to contact the salesperson and initiate sales.

- v. **Cold canvassing:** It is also known as ‘random prospecting’. In case of daily use products that are needed by everyone, simply knocking at the door to uncover potential prospects can be an efficient technique in generating sales.
- vi. **Endless chain:** By using referrals and testimonials from the satisfied customers, the sales representatives can develop endless chains of lead, but in such case contacting satisfied customer is of utmost importance otherwise chain may be broken.
- vii. **Company records:** Obtaining information from internal records of the company regarding list of customers, their profile, likes and dislikes may reveal information about potential prospects.
- viii. **Retailers:** They are in direct contact with the customers and are familiar about their tastes, needs and preferences.
- ix. **Miscellaneous:** Trade fairs and exhibitions, trade publications, computerized database, group or party plans organised by Tupperware, Oriflame and Amway invite the interested people to follow up later.

ACTIVITY 2

Discuss with the salesperson of an insurance company, an educational institution, a real estate broker and identify the prospecting methods and strategies used by them and discuss why they used those strategies?

Salesperson of an insurance company.....

Salesperson of an educational institution

Salesperson of a real estate broker.....

.....

8.3.2 Planning the Sales Call (The Pre-approach)

This is the second step in the selling process in which sales person gather information about the needs, behaviour, nature, likes, dislikes, preferences, economic and social status so that sales person equip himself to give effective sales presentation accordingly. This kind of preparation to meet the prospect is called **Pre-approach**.

The significance of pre approach lies in concentrating only on prospects and not suspects, hence saving time. It also provides all the required information about prospect so no loose talks or mistakes may happen and sales person can give sales presentation more efficiently and effectively. This builds up the confidence of the salesperson and demonstrate professionalism on his part. It also helps in developing goodwill between the salesperson and the prospect and enhance the probability of making a sale.

Planning the sales call requires **obtaining strategic information** about the prospects like their name, position, personal background, educational background, technical knowledge, normal buying behaviour, personality traits, authority in the decision making etc. Sales person must understand total buying situation and try to gather information from trade associations, chambers of commerce etc. Salesperson may also obtain preliminary information by gathering first-hand information by making a preliminary call. Such a detailed information is necessary to provide complete solution to the buyers.

A number of steps can be taken to **ensure a positive response by the sales person**. A senior official in the company can be asked to set an appointment and salesperson can send a sales promotion gift also known as 'door openers' like pen, key ring, calendar or diary along with a personalized letter and brochure targeting buyer's needs. Once the appointment is finalized the salesperson should plan his sales call route to minimize travel time and expense. Reconfirming the appointment on the scheduled day is always better to avoid unexpected cancellation of appointment.

ACTIVITY 3

1.What kind of strategic information a salesperson selling avacuum cleaner and a salesperson selling water purifier would require regarding their prospects before approaching them directly. Prepare a checklist of eight items for the same.

Checklist of a salesperson selling vacuum cleaner:

- 1.....2.....
- 3.....4.....
- 5.....6.....
- 7.....8.....

Checklist of a salesperson selling water purifier

- 1.....2.....
- 3.....4.....
- 5.....6.....
- 7.....8.....

2. Compare the checklist of both the salespersons, one selling vacuum cleaner and another selling water purifier. Is there any difference? Why?

.....

.....

.....

.....

.....

.....

.....

8.3.3 Approaching the Prospect

This is when prospect and salesperson come in direct contact with each other. Since this is the first opportunity for face-to face interaction, the salesperson should put his best foot forward and try to gain attention of the prospect by explaining the utility and true value of the product. He should create an impression through his personality, product information, professionalism and command of the situation.A salesperson should always be very well

mannered through-out his interaction with the prospect and show positive attitude to criticisms. This provides salesperson an opportunity to judge if the prospect has positive inclination towards his product.

A salesperson should always avoid paying surprise visits and should try to meet the prospects during the slack hours rather than odd hours like too early in the morning or too late in the evening or during financial closing. It is always advisable to meet during the slack hours. A number of methods and strategies can be used by the salesperson to approach the prospect depending upon the selling situation as explained in Fig 3.



Fig 3 : Methods for Approaching the Prospects

ACTIVITY 4

Identify which approaching method has been used in the following sentences:

1. “Well, I must say Mr. Sharma the interior of your office is very attractive. You have very good taste”.....
2. “Using our product will reduce your energy consumption by 15%”.....
3. “The furniture of our company is light weight, folding, adjustable and also anti-bacterial”.
.....
4. “What is the purpose for purchasing a printer, personal or official?”.....
5. “Let me show you how you can turn your white hair into black within 10 minutes”.....
6. “You can get Free headphones with purchase of a laptop”.....
7. “The premium that we offer if you purchase car could be a year of free gas-fill ups”
8. “Using this lightweight projector will create a balance between size, price, brightness and comfort. A perfect solution for last moment business trips or for work at home presentations”
.....
- 9 “Your friend xyz is satisfied with our washing machine and suggested that I contact you”
.....
10. Welcome to our Apex Audio. Have you been into our store before?

8.3.4 Making the Sales Presentation

Making the sales presentation or demonstration is an exercise to showcase the characteristics of the product and highlight its utilities, performance, services and quality. If the salesperson is able to make the product appeal to the customers half the battle is won. Prospects should be allowed to handle the product. If the prospect can test the product successfully in front of prospect, it will enhance the confidence of the prospect and buying decision is reinforced. Salesperson should never compare their product with the competitor’s product. Help can be taken from overhead projectors, videoplayers, tape recorders to demonstrate the product to

the prospects so that it appeals to all five senses viz: sight, hearing, touch, smell, and taste. Sales persons should make sincere efforts to influence the customers through all senses so that the customer may generate their interest towards the product.

Check your progress A

1. Which of the following statements are **True** and which ones are **False**:

- i. Sales process is a step of sequential steps that cannot be repeated. (T/F)
- ii. Qualifying a prospect on the basis of eligibility is a wastage of time for the salesperson.
- iii. Efficient sales person who aims to focus on productive selling should take time to qualify their prospects.
- iv. Forceful selling is the essence of success for a salesperson rather than to get entangled into the nitty-gritties of courtesies and mannerisms.
- v. A salesperson should always pay surprise visits to his prospects because these surprises rejuvenate his prospects and alleviate their boredom.

2. Fill in the blanks

- i. This stage involves the first opportunity for face-to face interaction, between the prospect and the salesperson and the salesperson should put his best foot forward, it is known as.....
- ii. In this approach a salesperson may carry references from previous customers, it is known as
- iii. An individual or an institution may be qualified to be a prospect if he has the need, authority..... to buy.
- iv. It is very common for the salespeople to overreact and indulge in a kind of performance to get prospects attention. This is known as
- v. Current satisfied customers, taxi drivers, clerks can act asand help in providing a lead for a fee.

8.3.5 Dealing with Prospect Objections

Seldom will the prospects can be taken straight from sales presentation to closing the sales. Once the product characteristics have been demonstrated any rational prospect will have

certain questions, doubts, objections in his mind about the performance of the product. So, objections should be taken as a positive sign of interest and involvement. It may be an indirect way of asking for more information, more time, more convincing or more assurance before they commit themselves. This is just to safeguard themselves to avoid taking a wrong decision. It is the responsibility of sales persons to remove such objections or barriers to the sale. Resistance can be expressed verbally (e.g. 'I am not clear how will this product help me') or in a non-verbal manner (e.g. Prospects facial expressions show that he is confused or is in dilemma). Sales objections is an indication that the prospect is paying attention to the sales presentation and may be interested if the objections can be addressed effectively.

Sometimes prospects objections may be to get out of the selling situations or brush off the salesperson. Like they may say, "we are just exploring our options right now" or "we are not ready to take a decision today" or "we do not have money right now". More often such statements indicate purchase anxiety which can be handled by reducing their risks by providing more information to them or link the product with their needs. Salesperson can use a number of methods to handle prospects objections:

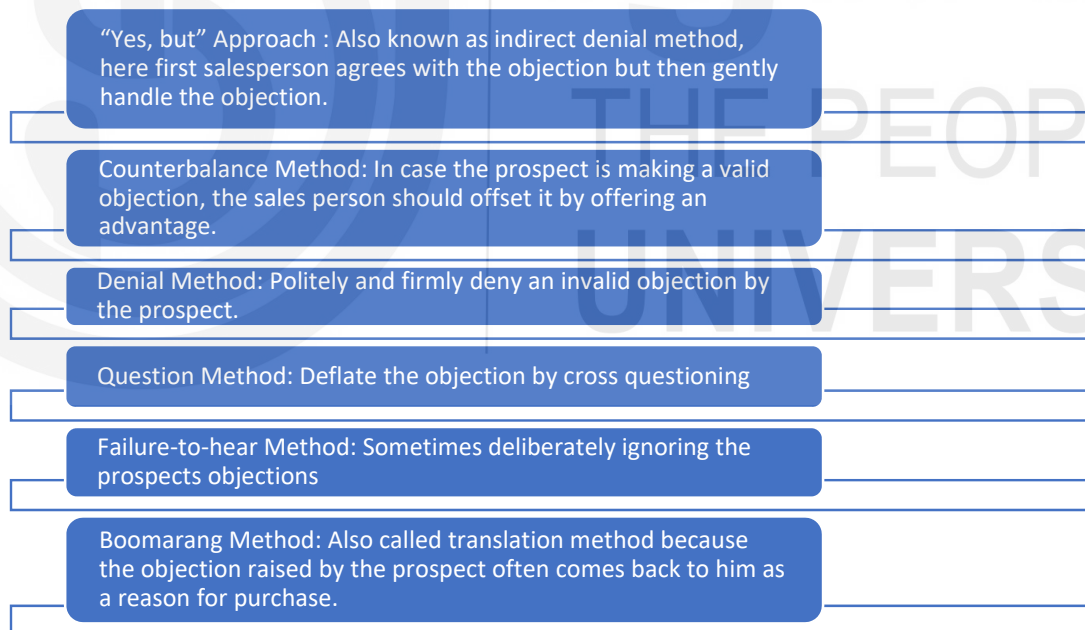


Fig 5: Methods to handle Objections

Rules for overcoming objections

- Never argue with your prospects
- Always refer to an objection as an 'interesting point'

- Don't jump into providing an answer or be in a hurry to answer. Give a pause then answer thoughtfully
- Don't overanswer. Stick to what has been asked
- If you don't know the answer then the best is to gather the information and then provide an answer
- Don't be drawn into useless discussions
- Be confident and never doubt your answer

ACTIVITY 5

Identify which method has been used to handle objections in the following sentences:

1. Buyer: "We cannot afford to purchase this product."

Salesperson: "Yes, but can you afford not to purchase it?"

2. Buyer: I think this ring is too expensive

Sales person: I do believe it is. I assume you don't want to gift your wife a much cheaper present.....

3. Buyer: I don't see the need for screen guard for the laptop

Salesperson: Do you have kids? If yes then you will be needing it.....

4. Buyer: The fabric of this shirt does not seem to be of the best quality

Salesperson: Yes, you are right. If it had been, the price would have been considerably higher.....

5. Buyer: the colour of this fabric is likely to fade

Salesperson: No, the material will not fade and it has been lab tested that the colour is a fast one.....

8.3.6 Closing the Sales

Once the salesperson has demonstrated the product and handled sales objections then finally the salesperson should close the sales at the right time. Closing time provides an opportunity to register tangible proof of selling skills. Inadequate preparation, poor impression, failure in meeting objections or wrong approach on the part of the salesman may come in his way. For a salesperson such rejections are painful especially if they are on continuous basis. However, if the salesperson has been successful in maintaining good relationship with the prospect closing the sale is a logical outcome.

There can be many ways of effectively closing the sale:

- Taking for granted
- Offer some incentive to purchase e.g discount or a small gift
- Telling success stories of people benefiting from it
- Creating fear of loss
- Stressing small relevant details
- Requesting straight for an order

Every salesperson reach closing with certain apprehension as he cannot be 100% sure because sometimes even after smooth flow throughout the sales process it may not end in sale. If it is a high-pressure sale the salesperson has to convince the prospect that the product is good for him and need effective persuasion to close the sale. Even after refusal of customer salesman should not give up and aim for at least five 'trial close'. A trial close is to see if the prospect is ready to buy and salesperson can close the selling procedure.

Prospects may provide a number of closing cues to the salesperson. For example, 'prospect may begin handling the product'; prospect starts testing and trying the product; 'prospect has nothing more to ask'; 'prospect start asking about the final price, installation, delivery etc.; 'prospect unconsciously reach for his wallet.

The salesperson may try for 'indirect trial closes' by asking questions like:

- 'Which colour you prefer to buy'
- 'What is your favourite payment option, cash or card?'
- 'The washing machine is absolutely maintenance free.'
- 'When and how will you like it to be delivered'

If even after theses 'indirect trial closes' salesperson fails to close the sale, then he should try for 'direct closes' Sometimes prospect expect the salesperson to 'push them into buying'. It makes them feel important and also put them at much better bargaining position. But certain prospects may respond negatively to such frank requests.

After all these efforts, if the prospect does not show any inclination to purchase the product the salesperson should continue to sell the product by providing more information about the product, stressing upon the positive points, summarising the benefits of the product, offering better price or extending the corporate warranty.

ACTIVITY 6

1. Suggest a suitable strategy for closing the sale of:
 - a) Washing machine
 - b) Car
 - c) Insurance
 - d) An apartment
 - e) A holiday package

8.3.7 The Follow Up or Feedback

Once the product is sold it is very important to take the feedback or follow up with customers to ensure if they are satisfied with the product. This step is very important to reduce post purchase dissonance of the buyers. The buyers may suffer from anxiety regarding their purchase decision. This anxiety can be reduced to a great extent by constant and continuous follow up and re-assuring the buyers about their right decision. It is very important to listen to buyers' feedback even if it is criticism because it provides an opportunity to improve the product and encourage repeat purchase behaviour.

Moreover, if the company do not listen to their criticism, they will bad mouth it to others and this will harm the credibility of the company. It is said that if the customers are dissatisfied only 10% customers come back to you and the remaining will bad mouth to others. Feedback may also help the salesperson to introduce complementary products of the company. A satisfied customer will always be brand loyal and can be used as a reference for establishing future contacts and networking. This is what relationship marketing is all about.

The following steps can be taken by the salesperson after the sales:

- Concentrate on account penetration. Look for people with needs and problems that can be satisfied by you.
- Maintain contact and relationship with customers.
- Handle customers complains immediately because this demonstrates your commitment towards them.
- Always keep your promise as nothing destroys the relationship then not keeping your promises.
- Become a valued partner in business. Shift your role from a salesperson to trusted advisor for customer.

- Appreciate your customer by offering him a birthday card, or a thank you note or, a thank you call.

Check your progress B

1. Which of the following statements are **True** and which ones are **False**:

- Sales objections is an indication that the prospect is paying attention to the sales presentation and may be interested if the objections can be addressed effectively.
- Salespersons should not listen to the criticism by buyers because the more they listen, the more buyers will complain.
- Creating a fear of loss in people can be an effective method of closing a sale.
- Salesperson feel relax once they have sold the product and should forget about the current customers and start afresh.
- Low pressure sales throughout is an indication that prospect will surely purchase the product.

2. Fill in the blanks:

- Prospects objections like they may say, “we are just exploring our options right now” or “we are not ready to take a decision today” show.....on their part.
- Nullifying prospects objections by cross questioning is known asapproach.
- Which color customer would like to buy, which payment option he will use are the few examples of
- Offsetting prospects valid objection by providing an advantage is known as
- Feedback of follow up is very important to reduce of the buyers.

8.4 Let Us Sum Up

This chapter discusses the process of selling as many sales people use in the field. A sales process is defined as a set of sequential steps that a sales person performs to convert a prospect into a customer. It also enables sales people to know which deals to focus on, where they need to put extra efforts, and how much they are likely to make in the coming months. Different organizations operating in different industries have to follow the basic selling process. For example, an automobile company will have a different selling process as compared to a company selling insurance.

The process of selling involves a series of seven steps that commence with prospecting and qualifying, Pre-approach, Approaching the prospect, sales presentation, handling with customer objection, closing the sales and finally, the follow-up action. An effective selling process bolsters the managers and organization to accomplish their aims and goals set for the individual, territory and organization.

Prospecting and qualifying is a process of identifying prospective buyers of the product. An individual or an institution may be qualified to be a prospect if he has the **need, authority, ability and eligibility** to buy. The major prospecting methods are center of influence method, spotters, advertising, endless chain, observation, cold canvassing, company records, retailers etc.

The second step in the selling process is Pre-approach in which sales person gather information about the needs, behaviour, nature, likes, dislikes, preferences, economic and social status so that accordingly sales person equip himself to give effective sales presentation. The significance of pre approach lies in concentrating only on prospects and not suspects, hence saving time.

Third step is Approaching when prospect and salesperson come in direct contact with each other. The salesperson should create a good impression on the prospect through his personality, product information, professionalism and command of the situation. A number of methods and strategies can be used by the salesperson to approach the prospect depending upon the selling situation this includes introductory approach, customer benefit approach, compliment approach, reference approach, interactive approach, dramatic approach and sample approach.

Fourth step is Making the sales presentation or demonstration which is an exercise to showcase the characteristics of the product and highlight its utilities, performance, services and

quality. If the prospect can test the product successfully in front of prospect, it will enhance the confidence of the prospect and buying decision is reinforced.

Fifth step in selling process is dealing with prospects objections. Once the product characteristics have been demonstrated any rational prospect will have certain questions, doubts, objections in his mind about the performance of the product. So, objections should be taken as a positive sign of interest and involvement. It may be an indirect way of asking for more information, more time, more convincing or more assurance before they commit themselves.

Once the salesperson has demonstrated the product and handled sales objections then finally the salesperson should close the sales at the right time. This is the sixth step in selling process. Inadequate preparation, poor impression, failure in meeting objections or wrong approach on the part of the salesman may come in his way of closing the sale.

Once the product is sold it is very important to take the feedback or follow up with customers to ensure if they are satisfied with the product. This last step of selling process is very important to reduce post purchase dissonance of the buyers and enhance their loyalty towards the company.

8.5 Keywords

Sales Process: It is a set of recurring steps that a sales person follows while selling a product.

It is a complete cycle which commences from identifying the customer to closing the deal with them.

Prospecting: It is the first step in process of sales, which involves identifying and qualifying potential customers. The aim of prospecting is to convert the potential customer into current customer.

Prospects: A prospect is a customer who has potential and has been qualified as fitting certain criteria outlined by a company based on its business offerings.

Approaches to selling: These are the approaches that a salesperson follow to reach the prospect and make good impression. This prepare the prospect to be receptive to sales presentation and demonstration

Approaches to presentation: These refer to the strategies adopted by a salesperson to present his product to the prospects.

Objection handling: When a prospect shows a concern or doubts about the product or service a salesperson is selling and the salesperson answered in a way that mitigate those concerns and allows the process of deal to move ahead.

Sales closing methods: These are the different techniques adopted by a salesperson to close the sales.

8.6 Answer to check your progress

- A. 1. i. False ii. False iii. True iv. False v. False
2. i. approach ii. reference approach iii. ability and eligibility iv. dramatic approach v. Spotters
- B. 1. i. True ii. False iii. False iv. False v. False
2. i. Purchase anxiety ii. question iii. indirect close iv. Counter balance method v. post purchase dissonance

8.7 Terminal Questions

1. Define Sales Process. What is the significance of sales process to sales management?
2. What are the steps involved in the sales process? Discuss.
3. What do understand by Prospecting? Discuss the various methods of prospecting.
4. What are prospect objections? Explain how a salesperson can handle the objections of a prospect.
5. Discuss the Strategies used to approach the prospect.
6. Write Notes on
 - a) Closing the Sales
 - b) The follow up or feedback

Some Useful Bookss

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Unit 9 Sales Presentation and Demonstration

Structure

9.0 Objectives

9.1 Introduction

9.2 Meaning of Sales Presentation and Demonstrations

9.3 Essentials of Sales Presentation and Demonstrations

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9.12 Answer to Check Your Progress

9.13 Terminal Questions

9.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the meaning of sales presentation and demonstration;
- describe the essentials of sales presentation and demonstration;
- outline Tools and techniques of Sales Presentation and Demonstrations;
- explain the steps involved in Sales presentation and demonstration;
- distinguish between different types of Sales presentations and demonstration;
- discuss different types of prospect categories and strategies; and
- explain different types of Sales Presentation Strategies.

9.1 INTRODUCTION

Sales Presentation and Demonstration is a very important aspect of selling process. Once the salesperson has identified his prospects, planned the sales call and made all necessary preparation for approaching the prospect, next important task is to demonstrate and present the company's product. It is an exercise to highlight the characteristics and attributes of the product. At this stage, the salesperson provides detailed information about the product, narrates the benefits and features of the product and explain real value of the product. During the sales presentation, the salesperson must hold attention of the prospect to stimulate his interest and arouse desire for the product. In this unit, we have discussed the meaning of sales presentation and demonstration, the essentials of sales presentations, tools and techniques of sales presentations, various steps involved in sales presentation and demonstrations, types of sales presentations and demonstrations, types of prospects categories and strategies and various sales presentation strategies.

9.2 Meaning of Sales Presentation and Demonstration

A sales presentation can be defined as a talk, giving information about a product or service that sales person is trying to sell, or intended to persuade people to buy it. A salesperson's success in his selling career is guided by his expertise over his art of presentations. It is persuasive verbal and visual explanation of the selling proposition. Effective presentation can definitely provide him competitive advantage over his competitors. Two-way communication between the salesperson and the prospect and creating a fit between the attributes and characteristics of the product and prospect's needs helps in clearing the doubts and objections of the prospect and help in creating low pressure sales. At no stage the presentation should ignore prospect's interest, nature of the product and availability of time at salesperson's disposal to demonstrate the product. If the salesperson can use sales presentation stage efficiently and effectively, the next stage of handling prospects objections can be effectively handled. An attractive packaging of the product, conspicuous display and placement of the product in a retail outlet and, aesthetic interiors of the retail outlet are also a part of good presentation. A good presentation is as important as good product. Effective presentation facilitates in creating first impression of the customer. Therefore, the sales person should prepare well and rehearse his/her sales presentation thoroughly.

In diverse global market, salespersons customize their presentation according to the customer needs and culture of that country. For example, in Southeast Asia the Muslims and Indian community used to own fine carpets. Electrolux salespersons focussed on cleaning efficiency of Electrolux vacuum cleaners. To cater to Chinese preference for polished floors, Electrolux emphasized on floor polishers in China. Countries have diverse point of view regarding door-to-door selling. In Denmark door-to-door selling is considered as high pressure selling and is legally banned whereas in United States of America door-to-door selling is more mature. In 1990s American International Group (AIG) was successfully selling insurance policies door-to-door in China. Eventually Chinese insurance agencies like People's Insurance and Ping An insurance had to safeguard themselves against the rising competition from AIG started selling door-to-door. Unlike American, Japanese car buyers never visited showrooms and were used to being catered by car salespersons. The auto salespersons and Japanese customers had a long-term relationship. Japanese car buyers used to have several face-to-face meetings wherein trust was developed and this relationship used to continue for effective follow up. Companies like Ford who had set up big showrooms in Japan found it difficult to establish themselves. In 1990s Moscow Bread Company faced a lot of problem with selling their bread which was sold in open without being wrapped as a result more than one third of bread was getting wasted. They hired Anderson Consulting who offered a very simple but effective solution- selling the bread in plastic bags that kept the bread fresh for days and also provided place utility.

ACTIVITY 1

You must have watched salesperson involved in sales presentation and demonstration in B2B and B2C selling. What difference in their approach was witnessed by you?

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Essentials of a good Sales Presentation and Demonstrations

A good presentation should fulfill the following requirements:

- The product should be located in a conspicuous place so that it is visible to the prospect and the salesperson can also present it to the prospect without any problem. Such a sorted approach creates good impression on the prospect.
- Packaging is known as ‘silent salesman’. The product should be packed aesthetically so that it attracts the prospect and take him through the AIDA model.
- Salesperson should be well informed and he should have through knowledge not only of his company’s product but also of the competitor’s product so that he is able to satisfy the queries of the prospect in a satisfactory manner.
- A wise salesperson should never compare his company’s product with the competitor’s product nor criticize the competitor’s product. A thorough knowledge of the competitor’s product shall be used to highlight the benefits of his company’s product and disadvantages of competitor’s product.
- The task of the salesperson is to facilitate decision making by the prospect. Prospect should be shown the kind of product he is looking for. Salesperson should avoid showing too many varieties to him because this will confuse him and should also avoid too less variety because then the prospect will not be able to decide.

ACTIVITY 2

Imagine yourself as a salesperson of Sony LED TV. How will you display a good sales presentation and demonstration?

.....

.....

.....

.....

.....

.....

9.3 Tools and Techniques of Sales presentations and Demonstrations

Historically sales presentations were delivered by salesperson on one-to -one basis using traditional tools like brochures, charts, slides movie clips etc. Technology further expanded the traditional way of presenting and demonstrating the product to include video cameras,

overhead projectors, telephone presentations, video conference presentations, presentations delivered via emails, internet.

Slide shows and power points do not have the ability to impress the prospects now. Increasing competition require that the message should stand out. Technology can make presentations more memorable and effective. Digital interactivity has become the buzzword today which allows the prospects and the clients to interact with the presentation making it more engaging. Companies are creating multi touch experience with their presentations. Prospects can interact with them using touch points, using their mobile or laptops sitting at home. Digital interactive software is making interactive and colorful presentations. Video conferencing that shows the body language, facial expression is an outstanding contribution of technology. It helped millions in connecting with each other during the pandemic.

The success of e-commerce lies in the power of technology that can effectively present the product using 3-dimensional presentations. Prospects are also provided options to view the product from different angles, in different colors.

However, technology fails to develop relationships and personal interaction to sales which are the foundation to sales. Salesperson should use technology selectively and chose the one that yield highest productivity and performance. A judicious blend of technology with personal touch will win the battle for salespersons.

ACTIVITY 3

- 1. What were the advantages of technology experienced by you in sales presentations during the pandemic recently?

.....

.....

.....

.....

.....

9.4 Steps Involved in Sales Presentation and Demonstration

Regardless of tools and techniques followed for sales presentation and demonstration, following logical sequential steps are a pre requisite for making sales. Let us learn them in detail.

1. **Attracting Attention:** It involves reading prospects mind and thoughts and providing them with appropriate product. Prospects attention can be gathered by well-designed and decorated retail outlet, proper illumination, attractive visuals, aroma, decoration and catchy product display so that it appeals to prospect's all five senses viz: sight, smell, sound, taste and touch.
2. **Creating Interest:** The sales persons should possess the detailed knowledge of the product and company. He should highlight the unique features of the product along with various schemes of the company so that the interest of the customers may be aroused. The salesperson create interest in the prospect by providing them more detailed knowledge about the product in terms of features, benefits of the product.
3. **Arousing Desire:** Taking the prospect to the next level in this stage the salesperson converts prospect's interest into desire by providing him emotional satisfaction and showing him that the product will fulfil his needs. The salesperson at this stage is able to influence the prospect's mind and build trust in the product and the brand. This trust may also arise out of prospect's dissatisfaction with products of other brands.
4. **Building Conviction:** At this stage salesperson has provided satisfactory reply to prospect's objections and complaints. The salesperson has provided references of the satisfied customers, explained the entire offer in details along with the discounted price, all warranties, compensations and warnings. The prospect is convinced that the product will satisfy his needs better than the earlier brands.

ACTIVITY4

High-tech Ltd. is an air purifier brand, which has just entered the market. The company wants to make its place in the competitive environment. You are required to design a sales presentation to increase its sales.

.....

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.....

9.5 Types of Sales Presentations and Demonstration

Sales presentations and demonstrations can be oral and written. Oral presentations are used in case of less expensive products and most of the times they supplement written presentation. Oral presentations are used more in case of business to consumer (B2C) selling and explain preliminary information related to features, benefits and uniqueness of the product.

Written presentations are an integral part of Business to business (B2B) selling. Sales presentations are of three types:

1. **Canned Presentations:** The presentations prepared by companies are known as canned presentations. They are designed by experienced people in the organization in the form of printed and audio-visual material and are used by new salesperson and provide them confidence initially. These presentations are not effective in case of multi-product selling and same customer selling situations. Such presentations are of not much interest to the prospects and they do not encourage two-way communication. However, this type of presentation becomes useful when the same presentation must be repeated multiple number of times.

Example: Generally, sales presentation to retailers who may not be always educated to catch up with the little content, so presentation has to be self-explanatory.

2. **Organized Presentations:** In case of organized presentation salespersons have more flexibility to adapt the presentation in accordance with company's guidelines and encourages two-way participation. They can be developed based on experience and understanding of the salesperson.
3. **Tailored Presentations:** Such presentations are tailored to the specific needs of the clients which can be wholesalers or retailers or other business clients and so are mostly used in B2B selling. However, such presentations should be used by experienced salesperson who understand how to portray the company's image and policy.

In modern parlance buying has become more complex because it needs approval from more than one person. Sales teams are involved who together design written proposal who should have following characteristics:

- They shall enhance salesperson and company's image and attract attention of the stakeholders.
- Build trust in the company's image to deliver and they get required response from their client
- The sales proposal should convey an understanding of their business client's needs.
- Deliver solutions to their problems.

Check your Progress A

1. State whether the following statements are **True or False**.

- A salesperson can follow an interactive communication with Canned Presentation T/F
- A salesperson should help customers to make the best choice by showing diverse varieties of a product T/F
- Reading minds of the customer can baffle the salesperson to proceed with his objective T/F
- Interest can be generated in the prospects by giving detailed information of the product. T/F
- Sales person should have thorough knowledge only about his company's product T/F

2. Fill in the blanks

- Prospects who say "This presentation is time-taking" or "Please cut to the chase" are Prospects
- Presentations which are made according to the specific needs of the clients are Presentations
- Strategy aims to provide solution to the prospect.
- Products when packed aesthetically attracts the customers and that is why packaging is also known as
- presentations are not successful in multi-product selling and same customer selling situations

9.6 Types of Prospects Categories and Strategy

Personal selling is a very important wing of promotion mix since it involves two-way communication. A salesperson should have the ability to understand the psyche of his prospect and sell the product accordingly. He cannot use the same selling strategy for all

prospects. Depending upon different categories of customers, different strategies should be used. Some of the strategies are discussed below:

1. **Skeptical Prospect:** This category of prospects cannot be convinced easily. They always have reservations and doubts. Such prospects should not be given a detailed presentation because they are fault-finding people. So, salesperson should be conservative in their presentation with them.
2. **Silent Prospect:** Prospect who are silent type should be asked more questions so that salesperson can understand their needs, interests, problems and provide the product accordingly.
3. **Opinionated Prospect:** Such prospects should be handled with care. Salesperson should listen to them carefully, agree with their point of views and pamper their ego.
4. **Procrastinator Prospect:** Certain prospects are in a habit of postponing the purchase decision. They should be informed of the benefits they will receive if they purchase the product now. They need to be reassured of their authority and purchase decision.
5. **Impulsive Prospect:** Impulsive prospects do not have patience to listen to the entire presentation in details. Salesperson should speed up the presentation and avoid presenting unnecessary details. They should just focus on the highlights and try to close as soon as possible.
6. **Methodical Prospect:** These prospects are interested in all the details, explanations and key points. Salesperson should go slow with them, provide them with all the information and close the sales only when prospect is ready.
7. **Timid and Cautious Prospect:** Too much of showmanship and confidence of salespersons can put such prospects off. Salesperson first should try to make them comfortable and then gently move forward with a simple and straight forward presentation.
8. **Talkative Prospect:** Such prospects have their own long stories to tell. Salespersons should not allow them to take the presentation off the track. He should listen to them but at the same time politely come back to the point. They should not let the prospects take control of the presentation.
9. **Chip on the shoulder Prospect:** These prospects have a lot of attitudes. They should be respected and handled in a sincere and friendly manner. Agree with them and quietly sell the product.

Check Your Progress B

1. Identify the type of prospect in the following statement.
 - i. I will purchase this washing machine later after discussing it with my family
.....
 - ii. Please be quick since I have back-to-back meetings
.....
 - iii. What if this part of the printer is not under the warranty?
.....
 - iv. Please provide delivery details and who else has bought your product
.....
 - v. Why should I listen to you?
.....
 - vi. Where do you hail from?
.....
 - vii. I am thinking to buy at some point later since I have financial
issues.....

9.7 Sales Presentation Strategies

A number of strategies can be used by salespersons to make their presentation and demonstration effective and efficient.

1. **Stimulus Response Strategy:** Salespersons using this strategy present the purchase stimuli in such a manner that it receives positive response from the prospects.
2. **Consultative Selling Strategy:** Also known as ‘problem solution strategy’, using this strategy the salesperson aims to solve the problem of the prospect. The entire presentation is guided to provide solution to the client or prospect. The solution is arrived at after several rounds of interaction wherein at each stage advantages and disadvantages are discussed. This is more common in case of technical products like purchasing a software to enhance efficiency, event planners who plan events as per specifications of their clients.
3. **Need Identification and Satisfaction Strategy:** In this selling strategy, the salesperson first identifies the need of the prospect. Prospects disclose their

psychographic characteristics in terms of their attitudes, interests, opinions, personality and lifestyles. This requires skillful questioning by an experienced salesperson. The salesperson, like a psychologist should try to understand the mental framework of the prospect. Try to understand his background and then indulge in demonstration and presentation. Misreading or too conservative reading of prospect may lead to losing the sale.

4. **AIDA Strategy:** When using AIDA strategy, salesperson move prospects through the sequential steps of AIDA: attention, interest, desire, and action. It demonstrates the stages a customer goes through during the process of purchasing a product.
5. **Professional Selling Strategy:** As buying has become more complex phenomenon with purchase committees involving more than one decision makers selling has become more professional involving team work. Each member of the Sales team is specialist in his own field and they make presentation to the purchase committee or buying team and must appeal to them all. Such kind of selling is very common in government organizations.
6. **Depth Selling strategy:** Depth selling involves applying all the above-mentioned selling strategies in unison. It starts with understanding the need of the prospect to uncover the buying motives, stimulus-response strategy to get a positive response from the prospect and then ends with problem-solving strategy to win prospects trust. Using these strategies salesperson takes the prospect through various stages of AIDA. So, it is a judicious blend of all selling strategies which can be used by a brilliant salesperson only.

Check Your Progress C

1. Identify what kind of sales presentation and demonstration strategy is used in the following examples:
 - i. “I am looking for a wedding dress for my sister’s wedding”
.....
 - ii. “I am sorry, I will not be able to provide more than 10% discount. If you want more
Let me, call my Team Leader. He can help you with it.”
.....
 - iii. “See how quickly and smoothly your photocopier runs,
isn’t?”.....

- iv. “ You can go for a top up in your existing general medical insurance if you are diabetics”.....
.....

9.8 CASE STUDY ON EUREKA FORBES

INTRODUCTION

Eureka Forbes Ltd. started under Shapoorji Pallonji Group in 1982 as a multi- channel, multi- product organization which included water purifiers, air purifiers, vacuum cleaners and security solutions and India’s leading health and hygiene brand. The prize winning Aquaguard is the star water purifier of Eureka Forbes followed the tried and tested direct selling route and is regarded as the first direct selling companies in India. Sales personnel was considered as the core strength of the company and they focused on recruiting young men in their 30s who were enthusiastic, extroverted, outgoing with effective communication skills called “Eurochamps”.

With a belief that ‘A relationship does not die with a sale. It actually begins.’ Eureka Forbes focused on Customer Relationship Management (CRM) and maintained fabulous customer feedback and today (2021) the company has a gross turnover of 29.6+ millions with 35 countries covered and 20+ million happy customers.

Sales Process

Usually, the following sales process is followed by sales personnel in Eureka Forbes.

Prospecting & Qualifying

The Euro champ requires to make a list of potential customers and qualify the leads.

Formulating prospect definition: They have to identify household, organizations and persons who have the requirement for a water purifier.

Searching out potential sources: A number of traditional and modern methods of prospecting are there and all Eurochamps continue looking for innovative sources.

Qualifying prospects: A customer can be qualified by giving answers to three simple questions asked by a sales person. A prospective customer must have the requirement for the

water purifier, the financial budget to purchase and authority to make a decision to purchase. After, assembling the information the needs of each prospect determined.

Need Identification: From the information that the Eurochamp has about the company's product, now chooses and recommends those that seem to be the most appropriate for a particular prospect.

Pre-Approach & Approach

Pre-approach: The initial contact that Euruchamp make with the prospect is known as approach, and preparing for approach is known as approach. In this stage, the Eurochamp of Eureka Forbes water purifiers gather knowledge about the water purifier he will sell, about the company he will represent i.e. the Eureka Forbes company that he will represent, the competitors, market in which he will sell and about the prices. Eurochamp is also working on the pre-sales objectives, pre-sale presentation plan, details about the requirements of the buyers, their buying behavior, personal characteristics. The more well prepared he is the more chances of success.

Approach: At approach stage when he is meeting the customer for the first time, it is important for him to decide on the approach style so that favourable response can be achieved.

Objectives of Approach:

Creating a favourable impression
(comfortable)

Breaking the ice (Making the prospect

Arresting the attention of the prospect
prospect

Probing to find out the needs of the

Creating an interest for the product
presentation

Planning and designing the

Presentation & Demonstration

This stage is also known as 'story telling stage' where the Eurochamp displays the product to the prospect. Demonstration is 'showing and telling' about the product. The ease of use of the

product is demonstrated to the prospect and how easy it is to have pure drinking water through the purifier is further explained. The presentation and demonstration can be made using brochures, pamphlets, fliers, charts etc. They, are used to 'paint a picture' in the mind of the prospect. Further testimonials and references are used emphasize his point. Eurochamp always link the features of water purifier with the needs of the customer thus, reducing the gap between the customers and the product and reducing the possibility of objection in the subsequent gaps.

While giving a sales presentation, the Eurochamp always try to associate features of the water purifier with the needs of the customer. This helps in lessening the gap and level of customer objection in the subsequent stages.

If the customer agrees with the opening idea, the salesperson goes for a trial closure. Otherwise Eurochamp further elaborates the additional benefits. The apprehensions of the customer regarding product performance are further clarified. More information is sought from indifferent customers. This probing helps in confirming the fit between the stated needs and promised benefits

Handling objections

The objections of the customers during the presentation are handled positively, deeper probing is done to further clarify the objections, deny the relevance of objections and transform the objections into the reasons for buying the product. Objections can be psychological objections like reluctance, giving up), objections related to delivery, price, company or product characteristics.

Closing

Once all the objections are countered successfully the sale is to be closed. Customers should be motivated to sign the order form. If the customers objections have been handled efficiently, presentation and demonstration is effective then final close should happen without any resistance. First close is hardly so Eurochamps should try for several close and keep trying various techniques of closing the sales.

Follow up and Maintenance

Once the sales has closed, the Eurochamp express gratitude to the customer. The continuous follow up is necessary to reassure him on his decision of purchase. Once again, all the

necessary details (like the delivery time, terms of purchase etc.) are clarified. A proper follow up should be done to ensure correct installation, instruction and after sales service. Proper follow up reduces the cognitive dissonance of the customers. These steps may create satisfied customers with brand loyalty.

9.9 Let Us Sum Up

This unit discusses sales presentation and demonstration and the steps involved. Sales presentation and demonstration can be defined as a talk, giving information about a product or service that salesperson is trying to sell, or intended to persuade people to buy. It involves a series of five steps which includes: Attracting attention, creating interest, arousing desire, building conviction of customers. The essentials of presentation and demonstrations are also discussed here. The units has also explained the tools and techniques used in sales presentations and demonstration emphasizing upon the role of technology in improving the product presentations. Different types of sales presentations have also been discussed in this chapter. Canned presentation, organized presentation and tailored presentation.

A prospect is a person who could be a customer of your business based on certain qualifying criteria. This chapter discusses the various types of prospects namely: skeptical prospect, procrastinator prospect, silent prospect, opinionated prospect, talkative prospect, timid and cautious prospect, methodical prospect, impulsive prospect and chip on the shoulder prospect.

This unit also discusses various sales presentation strategies which can be used by a salesperson to enhance the sales. Stimulus response strategy, Consultative selling strategy, need identification and Satisfaction strategy, AIDA strategy, professional selling strategy, Depth selling strategy.

9.10 Key Words

Sales Person: An individual whose primary job is to sell a product/service.

Sales Presentation: A sales presentation is a talk that attempts to persuade an individual with a planned strategy of sales presentation of a product or service.

Canned presentation: Standard presentations which are prepared by companies.

Organized Presentation: Presentations which are based on the experiences and understanding of sales person.

Tailored Presentation: Presentations which are made according to specific needs of the clients.

9.11 Answer To Check Your Progress

A. 1. i. False ii. False iii. False iv. True v. True

2. i. Impulsive ii. Tailored iii. Consultative selling iv. Silent Salesman v. Canned Presentation

B 1. i. Procrastinator prospect ii. Impulsive Prospect iii. Skeptical Prospect

iv. Methodological Prospect v. Chip on the shoulder prospect vi. Talkative Prospect

vii. Procrastinator Prospect

C. i. Need identification and satisfaction strategy ii. Professional selling strategy

iii. Stimulus- response strategy iv. Problem Solution Strategy

9.12 TERMINAL QUESTIONS

a) Define sales presentation and demonstration. What are the requisites for a good sales presentation and demonstration?

b) Explain the tools and techniques used for sales presentation and demonstration.

c) What are the steps involved in sales presentation and demonstration?

d) What do you mean by prospects? Discusses the types.

e) What strategies can be used by a salesperson to make its sales presentation and demonstration effective and efficient?

f) State and explain the types of sales presentations and demonstration.

Some Useful Books

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Unit 10 Concluding Sales

Structure

10.0 Objectives

10.1 Introduction

10.2 Meaning of Concluding the sales

10.3 Closing Cues

10.4 Trial Closes

10.5 Sales Closing Techniques

10.6 Case Study

10.7 Closing the sale is not the end

10.8 Case study on Asian Paints

10.9 Let Us Sum Up

10.10 Key Words

10.11 Answer to Check Your Progress

10.12 Terminal Questions

10.0 Objectives

After studying this unit, you should be able to:

- explain the meaning of closing the sale;
- describe the closing cues;
- examine the trial close;
- outline the sales closing techniques; and
- explain the importance of follow up.

10.1 Introduction

This is the culmination of selling process. The entire exercise of selling a product becomes futile if the sales do not take place. The objective of close is to convince the prospect to place an order immediately or sign the order form. Closing the sales is the logical outcome for every salesperson, the fruit of his labour at the end of long selling process after satisfactorily answering customers objections and removing all obstacles. The salesperson should attempt to close the sales when they are in the conviction stage of buying process. When sales presentation is thorough and complete there is no difficulty in closing the sales. Unfortunately, the research shows that 64% of salesperson fail to close the sales because they are afraid of being told “no”. In this unit, we will study the meaning of concluding or closing the sale, analyze the closing cues, explain how ‘trial close’ be attempted by salesperson, outline the sales closing techniques, and explain that the selling does not end with sale.

10.2 Meaning of Concluding the sales

Once the salesperson has demonstrated the product and handled sales objections then finally the salesperson should close the sales at the right time. An effective close is basically a proof of the efficiency of the salesperson. If the salesperson has been successful in giving impressive presentation, is successful in creating good impression, followed a positive approach in solving prospects objections and maintained good relationship with the prospect sale is bound to close. If he fails to create good impression, there may be rejections of sale which may demotivate a salesperson.

But no matter how good a salesperson is, he cannot be 100% sure that even in case of ‘low pressure sales’ sales are bound to happen and in case of ‘high pressure sales’ sales will not take place. Sometimes it may happen that throughout the selling process the prospect agreed with the salesperson and sales process was smooth, still sales may not happen. On the other hand, it may also happen that the prospect had a very critical approach and there was very high pressure on the salesperson but towards the end the prospect readily agreed to purchase the product.

10.3 Closing Cues

Throughout the selling process the salesperson should be alert and use his wisdom to identify an opportunity which could lead him to sales. Although it requires a lot of experience, the salesperson continuously has to assess the attitude and mood of the prospect, and he should have good understanding of different variety of prospects. The salesperson should be calm,

patient, attentive and answer all the queries of the prospect with a smile. The salesperson must learn not only 'how' to close but also 'when' to close. He should be very intuitive in identifying the 'closing cues. Given below are examples of certain 'closing cues'

- ✓ *When customer is interested, he will start handling the product. "Let me try the trousers to check the fitting and the style" or "let me check the camera of this mobile by clicking a selfie".*
- ✓ *When the prospect admires the product and make a positive statement about the product. He may say, "Oh! This blanket is very soft" or "This puppy is so lively. He will reduce all my stress when I am back from office after a hard day'.*
- ✓ *When the prospect asks for the order form and start reading it.*
- ✓ *When the prospect start asking about the 'best deal' that the salesperson can offer him', or he is interested in the final discounted price of the product.*
- ✓ *When prospect start asking much detailed questions like how will product be delivered, how it will be installed, how early it can be installed, who will come to instal the product.*
- ✓ *When the prospect's voice become soft, expressions become more friendly and pleased and the prospect start conversation with the salesperson in a relaxed and jovial manner.*
- ✓ *When the prospect becomes interested in who all are using the product. This is to reduce his post purchase dissonance and get social approval for his decision.*
- ✓ *When the prospect unconsciously checks if he has the cash or if he is carrying his debit/ credit card. He further asks about other payment options like UPI or net banking or any other.*
- ✓ *When the prospect is interested in trying or test the product.....Like.. "When can I test drive the car.*
- ✓ *When prospect has completed the sales presentation and now, he looks at the prospect for some indication or positivity from him.*
- ✓ *When prospect has answered prospects objections successfully.*

ACTIVITY 1

Have you ever used/ noticed the 'closing cues' in your interaction with salesperson? Is there any difference in the 'closing cues'while making a purchase for your home and while making a purchase for your office?

.....
.....
.....
.....
.....

Check Your Progress A

1. State whether the following statements are **True or False**.
 - i. Once the salesperson has demonstrated the product and handled sales objections then finally the salesperson can close the sales any time.
 - ii. The entire exercise of selling a product becomes futile if the sales do not take place.
 - iii. In case of 'low pressure sales' salesperson can be 100% sure that sales are bound to happen.
 - iv. The salesperson must learn not only 'how' to close but also 'when' to close.
 - V.** The salesperson continuously must assess the attitude and mood of the prospect.
2. Fill in the blanks:
 - i. If the prospect knows who all are using the product it is easy to get for his decision.
 - ii. The salesperson should attempt to close the sales when they are in the stage of buying process.
 - iii. When customer is interested, he will start the product.
 - iv. The research shows that 64% of salesperson fail to close the sales because they are afraid of being told
 - v. Continuous rejections can be for a salesperson.

10.4 Trial Closes

A trial close is often used by a salesperson to check whether the prospect is ready to buy the product and thus he may proceed to close the sale. It is suggested that a salesperson may use the 'trial close' at least five times before giving up closing the sale. A 'trial close' is a very significant tool at the disposal of salesperson and be used after the sales presentation and demonstration stage and close of the main body of the presentation before moving towards sale or when prospect is ready for sale.

The 'trial close' may help a salesperson to determine:

Whether the prospect likes your product

Whether his objections have been answered satisfactorily.

Whether some additional questions are not answered

Whether the prospect is ready to close the sales.

A salesperson may try for 'indirect close' using verbal and nonverbal forms in the following ways;

"Which brand will you prefer to buy.....SONY or Haier."

"Which colour refrigerator you would prefer to buy..... grey or white".

"Will you like to purchase an extended warranty of another one year for this Dell laptop".

"Will you pay all at one time in cash or you would prefer to pay in instalments and will take loan."

Give the perfume or product to the prospect to touch, smell, or hear. Let him have multi-sensory experience. "The fragrance of this perfume will last in your clothes for at least two washes".

"This cardigan will keep you very warm and cosy in this winter".

The prospect may respond in different ways to the salesperson's 'indirect close'. Some prospects may want more information before he makes his commitment while others may come up with more objections. The prospect may feel that salesperson is too hurried and so he may become defensive. If an "indirect trial close" fails to get a favourable response from the prospects the salesperson may try for 'direct close' as well. For example, he may try for 'direct close' and ask very politely, "What is your opinion about the product"; "What do you think about our offer"; "What is your point of view on the things discussed so far". If still it does not work, he should continue selling the product with a positive attitude.

ACTIVITY 2

Conduct a market survey with 5 housewives engaged in B2C purchase and 5 heads of purchasing in different offices engaged in B2B purchase. Identify the most common 'trial

closes' used by salesperson that they have noticed. Compare the trial closes used in B2C and B2B.

.....

.....

.....

.....

.....

.....

Check Your Progress B

1. State whether the following statements are **True or False**.

- i. It is suggested that a salesperson may use the 'trial close' at least five times before giving up closing the sale.
- ii. A 'trial close' is a very significant tool at the disposal of salesperson and be used after qualifying.
- iii. The different prospect may respond in similar way to the salesperson's 'indirect close'.
- iv. The prospect may feel that salesperson is too hurried and so he may become offensive.
- v. The prospect should not be asked personal questions like which color T-shirt they will prefer.

2. Fill in the blanks

- i. A salesperson may use the at least five times before giving up closing the sale.
- ii. If an "indirect trial close" fails to get a favourable response from the prospects the salesperson may try for
.....
- iii. "What do you think about our offer" is an example of
- iv. A is often used by a salesperson to check whether the prospect is ready to buy the product.
- v. "Which model you would prefer is an example of
.....

10.5 Sales Closing Techniques

There are several closing techniques that can be used by a salesperson alone or in combination with other techniques as per the situation. Let us learn them in detail.

Choice Close: Instead of being asked openly whether the prospect will purchase the product or not, in case of this technique the prospect is gently guided to choose between two items the seller has. For example, prospect can be asked, “Which model washing machine you would prefer?”.

This close avoids giving the option of ‘No’ to the prospect.

Minor Points Close: Using this approach, the salesperson take confirmation from the prospect on minor points and gradually winning him over and leading towards final sale. He may help the prospect in narrowing down his choice by asking questions like, “Which colour would you prefer?”

“You want a deluxe model car or premium model car”, “How would you like to make payment cash, debit card, credit card?”, “Will it be down payment or instalment”, “How soon you want it to be delivered to you”.

Assumptive Close: In this case the prospect assumes that the prospect will make purchase and he communicates this thought to the prospect through his actions, comments etc. “How will you like to make payment- cash or card” “Will you eat it here in the restaurant or take away”. He may start wrapping the product, start preparing the bill or take out his card payment machine. Handling the prospect, a pen to write or handing over the keys to him is an example that the sale is about to close.

Stimulus-Response Close: The salesperson ask such questions that the prospect is stimulated to provide favourable response. “You would prefer a base cream that would compliments your fair complexion, Isn’t”. “You would like to wear such a dress for your wedding that you stand out, something that nobody has worn before, right”. Such a strategy is used more by inexperienced salespersons. However, the salespersons should be

careful in implementing this strategy ascertain prospects may find such compliments irritating.

Summary Close: After the presentation is over the prospect may sum up the advantages and disadvantages of the product to the prospect. So once everything is in front of the prospect in black and white it is easy for him to take decision. He can weigh the advantages and disadvantages and take his decision accordingly. Such a strategy works very well with rational prospects.

Standing Room Only Close: The salesperson wants the prospect to take his decision immediately after the presentation because he knows no matter how much the prospect is impressed with the product, brand and the salesperson once he leaves without deciding he may not be able to come back because of personal, environmental and situational factors. So, they put psychological pressure on the prospect by saying that the only few pieces of the product are left so if they postpone their purchase, they may lose the product as the product is selling like hot cakes.

Special Deal Close: Sometimes it happens that the prospect is almost ready to purchase the product but needs some extra push to take favourable decision. Offering their best deal is one way of luring the prospect to take purchase decision. The salesperson might say, “I can offer microwave idli-maker along with the microwave if you purchase today” or, “Since this is the last piece of electric tandoor left, I can offer 15% discount instead of 10%”. He may also say, “I am giving you discount from my commission because with this piece I will reach my target”.

Success Story Close: The salesperson can cite examples from past customers with similar problems. He may say that the product solved their problems so it will be of great help to them as well. “My sister also purchased this electric scooter and she found it to be very economic with almost zero maintenance” or, “My brother also completed his MBA from this business school, and he is very well placed in Dubai and my cousin from same business school qualified for IAS”.

Closing on Resistance: Sometimes the prospect may still have doubts even when the sale is about to close. Under such situation sales person should be patient and very quietly turn the resistance into the reason for purchasing the product. “Don’t worry about the weight of the pots with fresh plants, I will get them home delivered and not only that my man will plant the saplings also in the pot of your choice”.

Turnover Close: Such closing technique is very common in case of technical products. Today rather than one individual salesperson handling the entire sales, sales team are involved in the procedure. If the salesperson feels that prospect's objections are very technical or in some cases prospect is looking for greater discount, he might handover the prospect to his senior stating, "My team leader can answer your specific questions. Let me introduce you to him".

Pretend-to-leave Close: A very common and polished technique used by experienced salesperson who can understand the psychology of the prospects. Once the salesperson has completed the sales presentation the salesperson in a way pretend to leave and start attending other prospects though his focus is very much there. This provides the prospect some time to think and evaluate the advantages and disadvantages of the final deal. Sometime they may also discuss about it finally with their family. Then the prospect may themselves approach the salesperson to close the deal or if this doesn't seem to be happening the salesperson may come back with final benefit or 'extra incentive' which may motivate the prospect to close the sale.

Puppy Dog Close: It is based on the notion that very few can resist a cute puppy and if they take them home they end up keeping them. Similarly, if the salesperson let the prospect take home the product and try it before finally purchasing it, they will find it difficult to part with it. For example, if the prospect is not able to decide between buying which brand, salesperson may ask the prospect to carry home both the products and take his own time to decide. Majority of the time prospect end up keeping both the products. One prospect stated, "My family jeweller told me to take both the diamond ring and the diamond bracelet home because I was not able to decide what to purchase to gift my niece for her wedding. I ended up purchasing both- ring for my niece and bracelet for myself."

No-Risk Close: This technique also works like puppy dog close. In this case there is no risk for the prospect as salesperson is giving money back guarantee in case the prospect does not like the product, he can return the product and get the money back. Most of the time even if the prospect is not fully satisfied with the product, he will not return the product and adjust. The reason being that the moneyback guarantee reduces his post purchase dissonance. He feels that the product is not forced upon him. The prospect may

think, “I am not fully satisfied with the water purifier and informed the salesperson about it. He said that there is no problem I may try the water purifier for few more days and if still I am not satisfied with the product, I may return it but after few days I got used to the faults in the purifier. Moreover, going to the shop again and trying new product again seemed too much because of my busy schedule so I continued with the same water purifier.”

Lost Sale Close: This sale technique requires humility on part of salesperson. He finally accepts that he was unable to provide the kind of product the prospect was looking for and so apologizes to the prospect for not able to understand him and fulfil his need. He may honestly ask him what would have taken for the sale to happen. This may surprise the prospect and he may himself help the salesperson to provide what he is looking for and ultimately sales may happen on happy note.

10.6 Closing the sale is not the end

Closing the sale is not the end of salesperson and customer’ interaction. In fact, it is the beginning of development of new relation ship between them which is the foundation of any relationship and is known as relationship marketing. After the purchase it is very natural and very human for customers to suffer post-purchase anxiety about the wisdom of their purchase decision. Follow up calls from salesperson play a very important role in alleviating the anxiety and reassure the customers of their decisions. Alleviating this anxiety is very important otherwise an unsatisfied customers may bad mouth it to other prospects and tarnish company’s image. Research prove that the unsatisfied customer will complaint more about the product to other prospects then a satisfied customers spreading the positive reviews. Moreover, it is easy to sale to a current happy and satisfied customer than looking for a new prospect. So, salespersons should always keep the lines of communication open and if salespersons have any problem even after the purchase, resolve them as soon as possible. Maintaining relationship with prospect even after closing the sale also make it easy for the salespersons to introduce complementary products later. The concept of team selling should continue in the follow up stage as well.

ACTIVITY 3

Give one example each for the following closing techniques used by salesperson from your interaction with them on various occasions:

Turnover Close.....

.....

Minor Point Close.....

.....

Assumptive Close.....

.....

Check Your Progress C

1. State whether the following statements are **True or False**.

- i. It is based on the notion that very few can resist a cute puppy especially if it of white colour and has long hair.
- ii. Putting psychological pressure on the prospect and lying by saying that the only few pieces of the product are left is unethical.
- iii. Offering their best deal is one way of luring the prospect to take purchase decision.
- iv. In case of No-risk close even if the prospect is not fully satisfied with the product, he will not return the product and adjust.
- v. Handling the prospect, a pen to write or handing over the keys to him is an example that the sale is about to close.

2. Fill in the blanks:

- i. Asking final short questions that they finally lead to sales is called.....
- ii. When the salesperson starts wrapping up the sales taking it for granted that sales will _____ happen _____ is called.....
- iii. After the purchase it is very natural and very human for customers to suffer..... about the wisdom of their purchase decision.
- iv. The sales technique in which the salesperson is giving money back guarantee in case the prospect does not like the product, and he can return the product and get the money back work like close.

- v. Closing technique where rather than one individual salesperson handling the entire sales, sales team are involved in the procedure is called.....

10.7 Case Study on Asian Paints

This company was started by Champaklal H. Choksey, Chimanlal Choksi, S.C Dhani and A.Vakilback in 1942 as a partnership firm. In 1945, it was transformed into a private limited company under the name of Asian Oil and Paint Company Private Limited. In 1965, the name was modified to Asian Paints (India) Private Limited (APIL). In 1973, it was changed into public limited company; it set up its first plant in Bhandup in 1957.

APIL stems 92% of its returns from paints. It has focused on decorative paints, and it has a market share of 45% in the domestic paints market. It is the only paint company with a captive pan as a key input. The company is streamlining its operations into three SBU's- industrial, decorative, global. It has set itself a target to be among the top five paint companies by 2005.

Sales Process

Usually, the below mentioned sales process is followed by sales managers in Asian Paints.

Prospecting

The territory of sales manager is pre-determined from an existing database of dealers, non-dealers and sub-dealers. A charting exercise is done two times every year (once before the season and one after the season) by the concerned salesperson to attain data on additions to the existing database/corrections to the database. This provides the sales manager with a database of channel members in the territory, their current and potential sales for the future, their linkages, purchase behavior and financials so that the intermediaries can be discovered.

Qualifying

Based on their potential, viability and their effect on other channel partners, a decision is taken whether to pitch for dealership at these shops.

Need Identification

The shops are either proprietorships or partnerships. Asian Paints, being the market leader with an outstanding brand pull, does not require to make market push to create customer traffic. But the requirement for the customers to directly deal with the company is too strong

because of market dynamics. This happens because of low direct benefits for the shop like higher stocking, high levels of instant investment, zero credits and all credits at the end of the month resulting in higher purchase cost or higher obstruction of funds.

The possible requirements of the resellers can be categorized as per the following: the shopkeeper wants to start the shop's image by becoming an authorized dealer; wants to build trust among customers by becoming an authorized dealer; wants to increase share in the market; wants to expand into paints; wants to participate with other shops having dealerships; requires company assistance to growing business.

Demonstration

The terms and conditions of becoming an Asian Paints dealers are explained. The procedures are simple, not much of certification required. The product portfolio is explained with importance on making the brand move quicker in the channel. The standard pack sizes are clarified, and demonstration kits are used if required during the demonstration.

Handling Objections

The most common objections encountered and the way they are handled are explained below: In response to objections on higher stocking (must order in average quantities and not loose), the prospective dealers are instructed that it is proposed for the advantage of the dealer so that he can entice huge number of customers. In such a case, stocking is essential. The SKUs that are not fast moving can be sold loose also.

In response to objections on high level of instant investment, they are guided that this investing is one time and since Asian paints products enjoy a higher return on investments, the returns on the same investments are higher compared to investments with the competitors. It is always advantageous for the dealer to stop the entire range as in such a case he stands to gain customers who may not come to his shop due to non-stocking of the same.

In response to objection on zero credit, they are instructed that this is a company rule as accompany is dealing with the dealer for the first time and the company is not taking any securities like other companies do (It only takes payments for the goods build). The credit provision may be considered once few transactions are over depending on the value of transactions, examples of other dealers are given in the context.

In response to objections on all credits at the end of the month resulting in higher purchase cost/higher obstruction of funds, they are instructed that there are other assistances that an authorized dealer enjoys against which the blockage is negligible.

In response to the argument that competition is offering better schemes and better credit, they are counselled that it is difficult for the competitors to maintain sales as fast as that of Asian

Paints. So, the higher return on investment that the dealer will get by Asian Paints will compensate for the same.

In response to claims of better servicing by the competitor company, they are counselled that this is by far not true and can be countered by comparing the number of visits the competitors salesperson makes (his frequency of visits are less compared to Asian Paints sales personnel). The responses to dealer are much faster due to the smaller geographical territory assigned to Asian Paints salespeople.

In response to objections on counting complexity (tracking of purchase and settlement of schemes), they are advised that documents of accounts are shown with their responses in the customer service initiative response book for his contentment.

In response to objection against happy selling competition and no needs for Asian Paints dealership campaign run by the competitors, they are counselled that the higher ROI that the Asian Paints dealer enjoys gives him higher returns throughout the year rather than for a specific period.

Closing

Once all the objections are answered successfully, the initial order for first billing is made, this order is made keeping in mind the profile and potential of the shop and no such products are billed that can end up as dead stock. This determination and concern is to bill only those items that will have a fast-moving character in his shop. The sales is closed with a clear signal that the company is acting in the interest of the dealer. Sales activities are also undertaken at the point of the end customers of the product. The end customers include painters, painting contractors, interior designers, architects, committee members (in case of Cooperative societies/Institutions), technical/purchase departments, end customers (husband, wife and even kids), builders, and dealers. The decision makers can be a combination of several or all the above with the varying degrees of influence at different phases of buying paint.

10.8 Let Us Sum Up

This unit summarizes closing the sale stage which is the culmination of selling process. Closing the sales is the logical outcome for every salesperson, the fruit of his labour at the end of long selling process after satisfactorily answering customers objections and removing all obstacles. When sales presentation is thorough and complete there is no difficulty in closing the sales. If the salesperson has been successful in giving impressive presentation, is

successful in creating good impression, followed a positive approach in solving prospects objections and maintained good relationship with the prospect sale is bound to close. But no matter how good a salesperson is, he cannot be 100% sure that even in case of 'low pressure sales' sales are bound to happen and in case of 'high pressure sales' sales will not take place. The salesperson should be alert and use his wisdom to identify an opportunity which could lead him to sales. The salesperson must learn not only 'how' to close but also 'when' to close. He should be very intuitive in identifying the 'closing cues'.

A trial close is often used by a salesperson to check whether the prospect is ready to buy the product. A 'trial close' is a very significant tool at the disposal of salesperson and be used after the sales presentation and demonstration stage and close of the main body of the presentation before moving towards sale or when prospect is ready for sale. The 'trial close' may help a salesperson to determine: Whether the prospect likes your product, whether his objections have been answered satisfactorily, whether some additional questions are not answered or whether the prospect is ready to close the sales. If an "indirect trial close" fails to get a favourable response from the prospects the salesperson may try for 'direct close' as well.

There are several closing techniques that can be used by a salesperson alone or in combination with other techniques as per the situation. For example: choice close, minor point close, assumptive close, stimulus response close, summary close, special deal close, turnover close etc.

Closing the sale is not the end of salesperson and customer' interaction. In fact, it is the beginning of development of new relationship between them which is the foundation of any relationship and is known as relationship marketing. Follow up calls from salesperson play a very important role in alleviating the anxiety and reassuring the customers of their decisions.

10.9 Key Words

Closing the sales: The selling process concludes with closing the sales.

Trial Close: A trial close is used by a salesperson to check whether the prospect is ready to buy the product and thus he may proceed to close the sale.

Closing Cues: It is an opportunity that salesperson should identify which could lead him to close the sales.

Sales Closing Methods: Different techniques that can be used by salesperson to close the sales for example choice close, minor points close, assumptive close, summary close, puppy dog close, turn over close etc.

10.10 Answer to check your progress

- A. 1.** i. False ii. True iii. False iv. True v. True
- 2.i. social approval ii. conviction iii. handling iv. no v. demotivating
- B. 1.** i. True ii. False iii. False iv. False v. False
- 2.i. 'trial close' ii. 'direct close' iii. direct close
- iv. trial close v. trial close
- C.1.** i. False ii. False iii. True iv. True v. True
- 2.i.. minor point close ii. assumptive close iii. post-purchase anxiety
- iv. puppy dog close v. turnover close

10.11 Terminal Questions

1. What is the meaning of concluding the sale? Why it is said that no matter how good the sales presentation was a salesperson cannot be hundred percentage sure of closing the sales.
2. Why is it important for a salesperson to identify the 'closing cues'? What will happen if they do not do so.
3. Explain the significance of 'trial close' in closing the sale with suitable examples.
4. What are the different closing techniques that can be used by a salesperson to close the sales? Explain any two which according to you are most effective in B2B selling.
5. It is often argued that closing does not end with a sale. Explain.

Some Useful Books

Anderson, Rolph E., Joseph F. Hair, Jr. and Alan J. Bush, 1992. Professional Sales Management, McGraw-Hill, Inc.

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BCOS-186

Personal Selling and Salesmanship

BLOCK

4

Sales Report, Ethics and Career Opportunities

UNIT 11

Report and Documents in Sales

UNIT 12

Ethics in Selling

UNIT 13

Skills for Salesperson

UNIT 14

Career Opportunities in Personal Selling

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BLOCK 4 SALES REPORT, ETHICS AND CAREER OPPORTUNITIES

In the previous block, you have learnt about the sales process. In this block, you will learn about the sales reports and documents, ethics in selling, salespersons skills and career opportunities in personal selling. This block consists of four units.

Unit 11 describes about the preparation of sales report, types of sales report and documents, essentials of good sales report and process of writing sales manual.

Unit 12 discusses the ethical aspects in selling, legal issues in selling and compliance techniques to ensure ethical selling.

Unit 13 discusses the various important skills for salesperson: Communication Skills, interpersonal Skills, persuading skills, organizational skills, and customer service Skills.

Unit 14 discusses the career avenues in personal selling, measures for making personal selling an attractive career and self-employment opportunities in personal selling.

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Unit 11: Report and Documents in Sales

Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Objectives of Making Sales Reports and Documents
- 11.3 Importance of Sales Reports
- 11.4 Types of Documents in Sales
 - 11.4.1 Progress or Call Report
 - 11.4.2 Sales Work Plan Report
 - 11.4.3 Expense Report
 - 11.4.4 New Business Report
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 - 11.6.1 Benefits of Sales Manual
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 - 11.6.5 Features of a Good Sales Manual
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- 11.9 Tour Diary
- 11.10 Let Us Sum Up
- 11.11 Key Words
- 11.12 Answers to Check Your Progress
- 11.13 Terminal Questions

11.0 OBJECTIVES

After studying this unit, you should be able to:

- explain the Sales Report and its components ;
- describe the objectives and the importance of the sales report;
- describe the various types of documents in the sales ;
- enumerate salient features of the good sales report ;
- develop Sales Manual ;
- explain the benefits, contents, and essentials of the Sales Manual; and
- discuss the features of a good sales manual .

11.1 INTRODUCTION

Sales report is the document in which sales activities within a specific time frame are recorded. It is also called a sales document. It is a concise document which lists down all the activities performed by different people in the field. The sales report is prepared and sent by sales people to the higher authorities in their department for evaluation and formulation of strategies for the upcoming activities. The managers of higher stature expect their team to make value generating reports that would encapsulate all that is required for data analysis. Data such as competitive course of actions, customer related statistics, reactions based on policies of the company and its products as well as services and so on are presented. The performance of sales force is also listed down in the sales report in a comprehensible manner. The pertinent data such as number of leads generated, number of orders placed, territories covered, number of new prospects etc. are entailed in the sales document. To be aware of the sales statistics, it is important to know what the contributions are in the salesforce and which areas require more attention to reach its full potential. In the process of sales, there are various stages which requires strategic planning with respect to the previous patterns that have been found by analyzing the past records. Therefore, sales reports make the job easier for the business leaders to come up with solutions as to how the sales statistics could be made better in the days to come. A sales analysis report typically contains all the data pertaining to the sales funnel and indicates the performance of the sales representatives as well. Growth initiatives or measures for sales and its approach could be simplified using the help of real time sales reports. There are different kinds of sales reports which are based on several KPIs (Key Performance Indicators) and frequencies. The sales documents contain explanations to the sales figures and their possible impact on future operations in the sales department. Sales documentation gives an insight into the future course of action and find the scope to enter new markets for increasing the sales. The reports vary depending on the time frame and the

number of leads generated. The documents can be made on a daily, weekly, or monthly basis. These reports would describe the trends over a certain period. Analyzing the data would help the sales representatives to enhance the performance of the entire team and produce better overall sales results. In this unit, you will learn about the objective of formulating the data in a sales report format and its importance in the process of improving the business motives of different organizations.

11.2 OBJECTIVES OF MAKING SALES RELATED REPORTS AND DOCUMENTS

A business leader needs a reliable and real time information system to create a functional sales process and channelize it in the desired manner. The sales representatives are in constant contact with the customers and are aware of the competition they are facing in the market. Therefore, they are the ones who have access to the first-hand data available. The sales reps can formulate the information through sales reports and documents. These reports and documents could be mundane if not put in a structured format. The best way to describe a sales report is to make it comprehensible so that it can communicate the analysis to the audience in a right manner. Every single aspect of sales data cannot be illustrated in a sales report. Thus, the most important thing to consider is that it must be portrayed in a way that it helps to attain the goals of an organization and fulfil its objectives.

The sales documents provide a detailed information on performance of sales reports. Some other purposes of sales related documents are providing enough material to assess the details of prospects contacted and the follow ups made. Apart from this, number of orders taken, miles covered in the assigned territory, number of days worked, costs incurred and so on are also entailed in the report. The suggestions and grievances of the customers do have a specific space in the sales report. This helps the business leaders to change the policies and programs in accordance with the suggestions given by customers. Based on previous sales documents, a salesperson would be able to channelize the new ideas into new innovative ways for capturing a greater number of territories with the help of advertisements, promotions, campaigns and so on. The objective of formulating a sales document is to give a detailed information for monitoring the performance. It helps to establish the possible ways of determining business opportunities. Some other objectives are mentioned as follows:

- a) To monitor and analyze the performance of sales representatives
- b) To analyze the customer satisfaction based on the data collected on the responses and reactions of customers.

- c) To understand the competition in the market and be aware of the activities of the competing firms.
- d) To mitigate the problems encountered by the sales representatives.
- e) To predetermine the changes occurring in the market conditions.
- f) Sales policies are made based on the data collected.
- g) To improvise the techniques of fulfilling the sales quota and achieve a greater number of sales territories.
- h) To reduce the costs incurred in performing sales and control extra expenses.

11.3 IMPORTANCE OF SALES REPORTS

Sales reporting and documentation might seem to be a daunting task. However, it is quite insightful for any company and is pertinent enough for its success. The performance of individuals can be portrayed via the articulated reports. It would help to find the best performing sales person. The documents will give proper information on where the best leads would be found and how well qualified those leads are. The use of big data would help in segregating large volumes of data pertaining to sales and simultaneously create well-structured reports. The challenges encountered with the sales pipeline can be very well identified using the reports. Sales reports give the utmost important set of data about the representatives or sales executives of the department. It provides valuable inputs on market trends and competitive analysis with respect to other companies. Important questions are addressed in the sales documents such as who the customers are, regions from where the leads are generated, the reason for delayed responses or any other loophole, performance figures related to the campaigns, and the closing rate. Sales report not just addresses questions like this but is also important in certain ways. The major importance of sales reports are as follows:

- 1. Evaluating the revenue generating products offered by the company:** The sales related documents make it easy to comprehend which is the best product or service that is generating huge amount of revenue and has the potential to gain a greater number of customers. The reason why it becomes easy to evaluate is the structured way of articulating the expenses, analyzing the sales, assigning value to the products, and keeping the track of money incurred by the process of selling the products or services offered by the company. It facilitates the sales funnel by identifying the profits incurred by each product. The reporting process enables a sales representative to fine-tune the efforts spent on marketing and selling the products. The data can be

used to promote and advertise the goods which are generating opportunities in terms of wealth and customer loyalty for future growth of the company.

- 2. Monitor the slow-paced products:** The sales reports not only provide information on the most prominent products offering huge benefits but also find a way for determining which product is generating the least number of profits. It helps to locate the products which are moving in slow pace in the product line and offering the least benefit to the company. The data constituted in the sales document will be able to tell us how to optimize the existing resources. It shall help the executives to support the managers in designing strategies beneficial to the organization. The risks of over stocking can be reduced by the help of available data. The cost of reducing is too high, holding inventory can overshoot the expenses and incur losses in the process. Using the data available in the sales report one can manage price changes and use the technique of introducing discounts on products which are incurring losses.
- 3. Determining most profitable consumers:** The same way by which the sales report was helping the managers to find the products incurring profits, it shall also help them identify the profitable and potential customers. This seems to be a data holding a lot of value as it becomes a decisive factor where a company should invest more in order to gain new customers and retain the existing ones. It serves the purpose of brand loyalty. Customers are an asset to the company and the entire success rate of the company depends on how many new customers a brand is able to attract. This pertinent piece of information from the sales data will allow the companies to improve their customer retention policies and build on the strategies enabling customer loyalty. This can be done through various processes such as discounting on specific products, bonuses for the loyal customers and VIP services to the existing customers, so that they are satisfied and share their experiences with the use of word of mouth.
- 4. Finding more suitable prospects and different consequences:** The data in a sales document presents various trends and patterns and by visualizing such patterns it becomes much easier to detect the potential challenges and opportunities pertaining to the territories covered. If the sales data of a particular product indicates a growth in its sales volume, the inventory must be stocked in correct amount so that the supply meets the demands. The distribution channels must have the products in store so that there is no compromise in meeting the demands of the customers. Well, on the other hand if a product experiences slowdown in the sales figures, the managers can

simultaneously lower the prices or give additional discounts to attract customers. More investment on such products could be done, if the report of sales indicates otherwise, this will help in popularizing the products and increase its sales.

Check your Progress A

1. Which of the following statements are True and or False:
 - i. Sales report is the document in which activities of all the departments in a business are recorded.
 - ii. The managers of higher stature expect their team to make value generating reports that would encapsulate all that is required for data analysis.
 - iii. KPIs stands for Key Performance Institutions
 - iv. Sales reports helps in monitoring and analyzing the performance of sales representatives
2. **Fill in the Blanks**
 - i. Sales report gives the utmost important _____ about the representatives or sales executives of the department.
 - ii. Sales report facilitates the _____ by identifying the profits incurred by each product.
 - iii. Monitor the slow-paced _____ is possible through the sales report.
 - iv. The purpose of determining most profitable consumers is the look for the customers who have high _____.
 - v. A business leader needs a _____ and _____ information system

11.4 TYPES OF DOCUMENTS IN SALES

11.4.1 Progress or Call Report

A sales executive must make calls for generating leads each day, week, or month. The representative makes a note of each, and every person contacted on the company's behalf and makes an entry in the sales document. This is a first-hand entry in the report and is valuable to the organization. The data consists of all the accounts pertaining to different territory. The information listed in the document is necessary as it contains order details, competing brands, suitable slots provided to touch base with customers, and the negotiations done with the

[illegible]

It is the kind of report where basic planning and outlining of future programs are done. A report related to the sales work to be done in the near future is formulated and kept ready for the next course of action in the sales work. The important information such as accounts to be called, territories to be covered, travel plans for sales purpose, hotels to be checked in, any new contacts to be made, routes to be travelled for various purposes are articulated in advance by the salesperson, so that the sales program is done in a smooth and efficient manner. This report helps in scheduling and planning the entire journey of a sales representative. An example of a document which contains such information to be stored as sales work plan report is given in figure 11.1

Hindustan Unilever Limited (HUL), Mumbai			
Name of Salesperson- Date-Week			
Day	Name of Prospect	Place	Object of visit

Figure 11.1 Sales Report

This is also known as reimbursement report, where a sales executive records all the information related to the expenses incurred by him/her during a sales work. During their jobs, they have to travel various places and deal with different clients and customers. Hence, each month they need to record all their travel and related expenses in expense report so that they get an easy reimbursement for their duties. This kind of a report is also helpful in finding

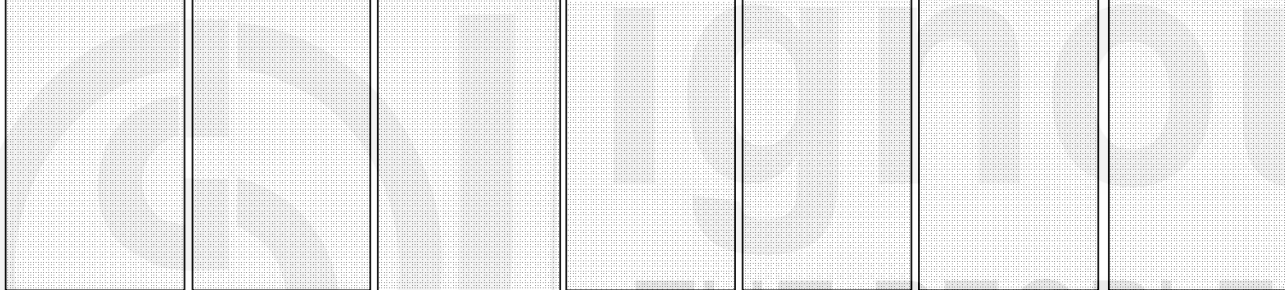


Figure 11.2 Expense Report

11.4.4 New Business Report

The new prospects identified are listed in such a report. The new business report consists of all the new businesses initiated during a certain time period. The performance of sales

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information on preventing future losses by improving the sales techniques such as customer service improvement, salesperson training, improvement of products and so on.

11.4.6 Complaints and Adjustments Report

It records all the important complaints and the modifications done in the policies related to products and services of the organization. The report generated by a salesman is evaluated and analysed by the higher authorities with respect to the complaints registered. The amount spent for complaint adjustment and all the complaints associated to a sales representative's work is analysed by the existing information in the report. The reasons in the form of specific clauses are mentioned in this document. The steps of resolving the problem, redressal of the grievances and complaints are recorded along with the complaints in the document. The adjustment report contains information about the response given with respect to the grievance mentioned in the report. The letter of complaint entails details about the request of the customers for compensation or refund of the damaged or defective products, bad services, or delay in delivering any service to the customers. The complaints which are made in person are recorded in complaints and adjustment reports. The reason behind this is effective and formal handling of the complaints such that these are not repeated in future. The diplomacy and dignity are maintained if the grievances are kept formal and recorded with respective dates and instances.

There are quite a few important points to keep in mind while documenting a complaint report.

The process to write a complaint or adjustment report is as follows:

- The reason for document the grievances or complaints is the priority and should be mentioned in the beginning. The details of the situation must be mentioned at a later stage.
- A description of the problem should be mentioned next along with the evidence.
- The compensation or any kind of solution which is demanded must be stated at this stage.
- The reason for accepting or granting the request could also be mentioned to make the report more detailed and structured.
- Suggestions or feedback related to the service has to be mentioned at the final step to make the organization aware of the consequences such as losing customer or reputation in the industry.

Adjustment reports are basically the solutions implied or the responses given with respect to the complaints registered. These must be handled carefully and effectively if in case the refund cannot be generated for a specific product or service. The letters for adjustment must be written in such a manner that it does not hurt the sentiments or trust of other people. The reference must be given according to the date at which the complaint was registered. In the adjustment document, concern must be expressed with respect to a specific grievance along with the solution given for dealing with the case.

11.5 SALIENT FEATURES OF A GOOD SALES REPORT

An ideal sales report follows the 4 C's - "Clear, Concise, Complete and Correct". There are several instances where a presentation based on sales reports are shown but they appear too confusing and are complex in nature. This kind of a presentation would lead to wrong interpretations and false expectations. Therefore, it is important to create the reports in a manner they are supposed to be presented, i.e., readable, comprehensible and must be interpreted in a proper way.

For appraising a sales team, a manager would require all the details pertaining to the sales made, prospects gained, revenue generated and so on. The sales department of any company is the most vital part of it. Since, the sales team is doing the groundwork of attracting customers and retaining them. They are the first point of contact with the customers. The details pertaining to the sales report shall give a path to understand which products have to be discontinued in future, how many employees to hire in the sales team, what number of bonuses to be paid and so on and so forth. This information entailed in a sales report are critical to the success of an organization. It is important that sales executives must create properly structured, clear, and comprehensible reports and documents of sales work so that they are able to show the pertinent information in order to save the company from losses and create a smooth path for continuous success and growth in the future.

The information stored in various places grows bigger and bigger in size and managers find it very difficult to sort it and analyse which information is useful and which is not. The managers must guide their representatives about the sales documents and the process of creating it so that they are aware about the nuances of it and are able to portray the information in such a manner that it becomes useful for the entire team and the enterprise at large. The audience must be known to the managers as well as the salespeople and the

requirement of specific information should also be determined beforehand. This would help in creation of a concise and clear sales report.

The data should be aligned with the vision of the audience and decision making must be based on the report to make sure that the enterprise is on the correct track. It is important to find the appropriate time to focus on, i.e., weekly, monthly, or yearly. The focus of the sales document will be identified by the time of the report. Annual reports give a comprehensive information about the trends of products and services of a company. Important information such as buying behaviour of customers, new initiatives of marketing, new product development, the fluctuations in the trend at various occasions are included in the report. The data allows a user to compare the results of sales and make improvements for the same.

The sales report should be easily perceivable, and it should have the ability to convey the interpretation just the way it should be. The data must be readable, comprehensive, and understandable at the same time. Through the help of graphs and pie charts, the data in simple tables can look much cleaner and the trend can be seen in a proper way. Only a reliable set of data in a sales report can be used to make it solid evidence for decision making. The size of an enterprise may differ but there is a need to install a reliable and robust software to track and analyse the sales data before crafting a report. Customer Relationship Management (CRM) helps a company to design the most important data sets inclusive of all the major aspects in a sales report. A well-adapted CRM gives an unparalleled set of information which is useful for many purposes.

The sales representatives might find it interesting to capture all sorts of data in a sales report. However, data such as number of calls made could be of less important to the higher management as compared to number of orders taken. Therefore, the main objective of a sales executive would be to show only that information which seems useful for taking action. The list would comprise of daily call report, productivity report, the sales pipeline, the forecast or prediction of sales and finally the sales forecast for the upcoming terms. The data can be forged, or the numbers can be twisted. These numbers would never tell a perfect story of the sales work done. Therefore, the sales representatives are expected to show the data in a way that it can be visualized by the management in an appropriate manner. The sales document must be made interesting with the use of graphs, pie charts, histograms and so on. The numbers must be aligned to the context. For instance, the sales of previous month went down tremendously, the management would look for a possible reason. The sales report must be

able to indicate that the sales went down because of tropical storm or any other reason and the impact was huge. It was the reason behind a smaller number of sales made in the territory which attracted a huge customer base. It should be shown that the predicted sales data shows a rise in the coming months. This kind of a story or a context should be attributed along with the predicted sales data. This will help the team to determine the actual trend followed.

Check Your Progress B

1. Which of the following statements are True or False:
 - i. A General Manager must make sales calls for generating leads each day, week, or month.
 - ii. A report related to the sales work to be done in the near future is formulated and kept ready for the next course of action in the sales work.
 - iii. Expense Report is also known as reimbursement report.
 - iv. The new business report consists of all the new businesses initiated during a certain time period.
 - v. Loss Sales Report contains all the required details bad debts.

2. Fill in the Blanks

- i. _____ records all the important complaints and the modifications done in the policies related to products and services of the organization.
- ii. Adjustment reports are basically the _____ implied or the responses given with respect to the complaints registered.
- iii. An ideal sales report follows the 4 C's - "Clear, _____, Complete and Correct".
- iv. The data should be aligned with the _____ of the audience to make sure that the enterprise is on the correct track.
- v. The _____ helps a company to design the most important data sets inclusive of all the major aspects in a sales report.

11.6 SALES MANUAL

The sales manual is guide stating the best policy, practices, procedures, and protocols that guide the salespersons throughout their sales efforts. Such manuals also set the standards for their performance. The sales representatives who generate revenue tremendously by showing their efforts are crucial for the company. Companies have seen success because of certain reasons. The sales team of a flourishing company has access to all the information required to bring about positive changes in an organization. They are updated with all the scenarios

which makes them more effective and smarter. The companies provide adequate and real time data to the sales personnel to support them with all the means for generating larger revenues by contacting a greater number of prospects. The trainings provided to sales team are indispensable for the growth of the company. The sales manual created by personnel of an enterprise is shared among all others and the sales team is most benefitted by such handbooks.

It is a key resource for the sales team as it is an essential part of the training provided to the personnel. All such information which is required by the team is present in the manual and it assures a trustworthy performance of the sales associates. The selling process of a company is taught through the use of sales manual. The sales personnel are educated through the handbook about the major benefits, advantages pertaining to the process and the way things are done in the organization. The associates can also be made aware of the competitive markets through the sales manual. It will serve as a guide that shall teach the associates about closing prospects.

The manual must be a living document and it should be updated in a timely manner. The manual has to entail all the ongoing sales processes along with the policies and practices of the company. However, the sales manual would not suffice, so the sales associate has to go through a rigorous on-the-job training to get a practical view of the things. The sales manual acts as a complement to the training via mentors and is an additional help given to the sales team.

11.6.1 Benefits of Sales Manual

The ever-increasing success rate of some companies is only because of a robust sales team which is well equipped with the resources, properly trained and knows how to deal with customers. The advantages of the products and services offered by a particular company should be known accurately to the sales teams. The key skills of negotiation, fluent communication skills and a positive outlook helps the sales team to connect with the consumers. However, this must be complemented with an adequate training which makes them aware of the functionalities of the department, the uniqueness of the products and the competitive advantage they have over others. The sales personnel of competitive firms are educated about the policies, programs, benefits of the products offered, and many other things which are imperative to the whole system. That is the sole reason why competitive

enterprises keeps the sales team updated. This is done by the sales manual as it provides the key metrics and standards of the performance expected. The sales document essentially provides a huge number of benefits. Some of which are listed as follows-

- a) **The perspective of the employees is common.** It is beneficial in keeping the personnel on the same page. When the goals and objectives are common, it is advantageous for any firm as there would be a smaller number of conflicts and the work would follow a smooth path. This paves the way for efficient and trustworthy communication across all the functional teams. The sales manual eradicates any miscommunication and eliminates any kind of confusion among the teams while they are contacting the prospects.
- b) **The priorities of the company are set straight, and the sales team is tactfully aligned with the objectives of the company.** The manual is also a one stop solution for the sales department to understand how is their performance benefiting the whole organization. The process of sales is repetitive and is recorded in the sales document to be followed by the team to enhance the system of on boarding and making the organizational culture effective.
- c) **Improving the arrangement of sales and marketing process.** The sales manual builds the developmental goals and helps to achieve the same. The sales and marketing process are aligned together and promoted for capturing the market and increasing the customer base.
- d) **It equips the sales team with the tools and techniques they need.** An appropriate sales manual gives the sales personnel the instruments they need to close, any additional arrangements they need for transforming the possible prospects into purchasers. The sales personnel will see how to conquer dismissals or rejections and address the organization's incentive. As time passes, this shall also assist the managers with expanding their deals and reach the main goal.

There are key resources required for performing better in any department. On this note, sales representatives also look for useful information which shall help them to take their performance to next level. The managers pass on important documents, handbooks, and manuals for their benefit. There is a huge competition in the market and companies are striving hard to give their best efforts in whichever ways possible. The sales representatives of several firms are trying to gain a competitive edge over others. Having said this, it is important to look out what would make the sales department of a particular company effective and what are the ways by which they can give the best results. The sales manuals

are such tools which gives an edge over others because lots of things depend on these manuals. The training of the sales personnel is somewhat dependent on these manuals. The manuals provide a concise and clear content to the personnel for understanding the plans better.

It is believed that the quickest way of expanding the business or growing sale of items is to teach the sales force the vital elements and advantages of the offerings, novel benefits of the item, how to sell the item, and the opposition or rivals in the market. The performance of the organization relies upon its sales group's performance and ability to make a mark on the consumers. That is the reason shrewd organizations keep sales teams exceptionally educated pretty much everything about the fundamentals, which is absolutely important for being savvy and compelling. They supply resources to the sales personnel so that their needs are met, and they are able to do the work outstandingly well and keep them all around prepared. The business manual teaches strategy, techniques, best practices and how-to direct the team and in which direction. It clarifies all the conventions and cycle of doing the job in a perfect manner.

It gives guidelines of performing sales. In all such cases, brevity and a good enterprise consists of a well-crafted sales manual. Such manual which is significant on the grounds that sales representatives do not have enough of time to read the information, and they need fast access to the data. It is important that the business manual is succinct and provides quality data.

11.6.2 Contents of Sales Manual

Contact information-The information pertaining to contacts of several people associated to different domains are articulated in the sales document. It incorporates telephone numbers and email address where salesman can get extra data about the product or service.

Selling strategies-“The outline target market, market size, sales cycle, ideal client profile, rundown of current clients, references, press notices and examples of overcoming adversity are included. In case this is a one-page sales guide, the data should be kept to one passage listed in bullet points.

These techniques incorporate objective market, market size, sales cycle, ideal client profile, rundown of current clients or consumers and references.

Products and demonstration of products-Positioning of the item, how does it squeeze into the general product offering, a listing of key elements and advantages, demonstration

features, highlights are most normal customer questions, and statements related to product updates. For a one-page sales guide utilize just the main three vital components and advantages. The positioning of products in the product line offering, key provisions and advantages, features, highlights, exhibits, most normal customer facing questions are the important aspects which needs to be looked closely. Hence, these are stated explicitly.

Competition-A list of key competitors with a component framework is the most ideal way of showing this important data. It is pertinent to remember to incorporate pricing of the products and services offered. Short reviews on key contenders including qualities, loopholes, and an outline of their system can be valuable only if there are a couple of competitors. Since numerous competitors fall into comparable classes one might need to picture a wider technique for going up against these key competitors in those classifications. One might likewise need to incorporate reviews of what the will competitor say to the existing customers.

The manual states the products, valuation, qualities, shortcomings, and techniques or strategies of main competitors. The manual includes:

- Pricing or valuation: Includes estimating, requesting and so on.
- Guarantee: Data sheets, leaflets, pamphlet, and white papers.
- Presentation of sales: Video or presentations which are made online is consistently helpful.
- Glossary: Terms and abbreviations related with the product or service.
- Record or index: If the business manual is extended, indexing is pertinent.
- Reference material: List of reference for more item information, similar to an organization site.

11.6.3 Essentials of an Effective Sales Manual

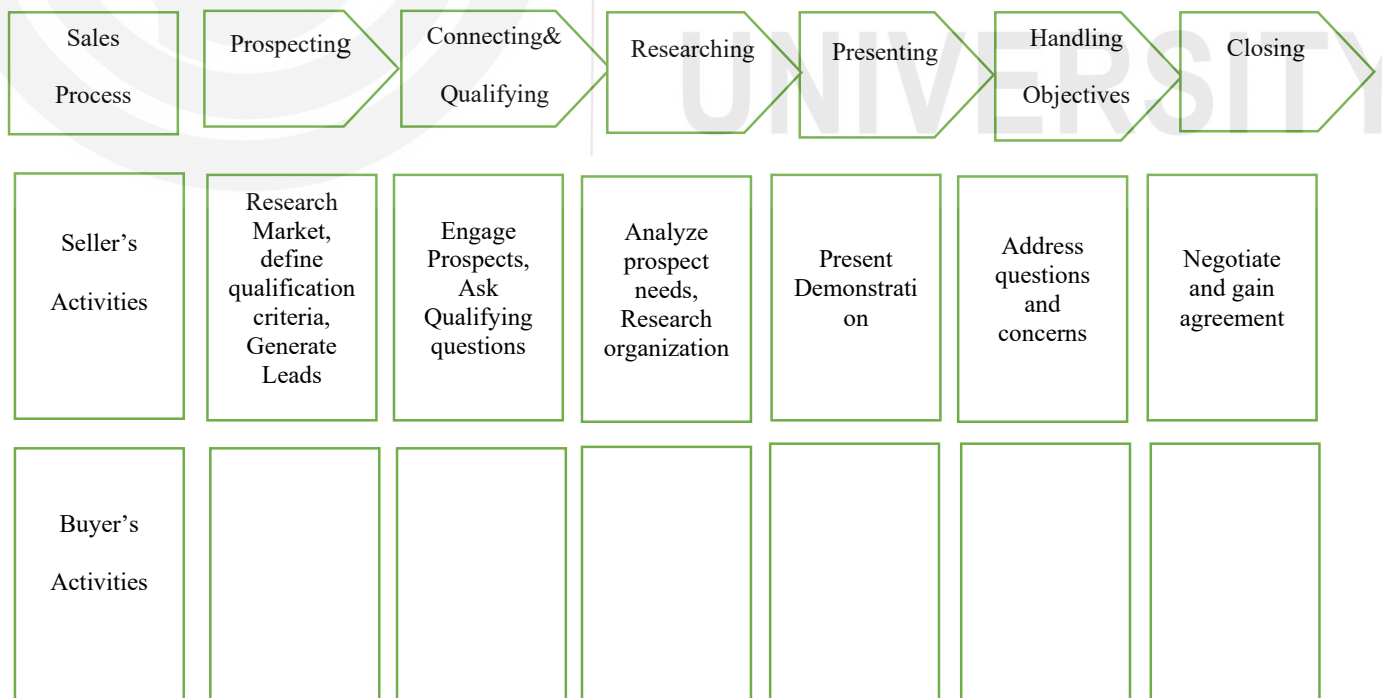
An intensive and very well-planned sales manual is a significant asset for the sales group's growth and success. It is through the sales manual that business partners get a major piece of their preparation and solid information structure. The manual should be reliable and important to guarantee trustworthy and efficient performance.

Few important aspects to keep in mind while creating a sales manual are mentioned below-

- a) **A spectacular format-** Nobody will peruse the whole manual. It is significant that the necessary data is introduced and presented to the audience in an attractive and attention

catching manner. There should be legitimate chapter by chapter list, clear headings for each area and subsections, index file and glossary terms. Utilization of charts, tables and representations be made to sum up the complex data.

We covered the sales cycle ventures above, and presently it is an ideal opportunity to walk through each progression in accordance with the business, products, and sales group. Analysing the customer interaction history is quite important. What steps were compelling, and where did the sales did not hit the targets, all these things considered, the number of orders taken, and revenue generated out of those. With the other sales representatives in the sales team, it can be planned simultaneously as to what actions can be taken and what are the things that have to be prevented during interaction with the customers. All these key aspects of Dos and Don'ts are mentioned in the sales report. For instance, Fred's sales group maps the six sales measure steps and formulates the moves they make inside each stage. Similarly, they survey the most recent a year of sales movement with respect to each territory they cover to get where they can further develop their new sales cycle to meet their new objective. The figure given below is an example of a process chart in a sales report, wherein the sellers and buyers actions can be noted down in a structured format.



- b) ***Concise and crisp:*** The length of the sales manual will fluctuate based on the main interest group and the nature and number of product choices available.
- c) ***Keeping in mind the buzz words:*** Any sales representative may be new to the trendy expressions of the business. Articulation should be made in such a way that it is basic, simple, and easy to understand. The fundamentals and glossary terms must be made clear if they are used in the sales manual.
- d) ***Properly defined consumer sections:*** Sales personnel will frequently duplicate pieces of the business manual and handover it to the consumers. Areas of the manual should be appropriately distinguished.
- e) ***Updating the manual consistently:*** A business sales guide, which is obsolete, is futile. A newly updated sales document keeps the sales representative educated with regards to the advancements inside the organization and new competitive declarations.

11.6.4 Process of Writing a Sales Manual

A sales manual is a document helping sales associates in the department for transforming probable prospects into closed ones. Sales manuals must be working drafts and renewed consistently to show case the current approaches and practices. It is imperative for the sales associates to remember organizing and keeping in mind the length while making the sales manual. The personnel should track down all crucial information quickly and also in an effective manner.

The organization's sales manual is the department's methods for making the progress in the sales work. It tells the representatives about the products a company is selling, yet in addition "where, why, how and to whom". So, in the event that a manager does not have one, it is an ideal opportunity to think of one. The business is run by the sales force who is making a direct contact. A sales manual in any business will put new and prepared sales staff in total agreement. It shall help the sales team to adjust itself appropriately with the rest of the organization, the managers must instruct their salesmen on the advertising objectives and drives and furthermore motivate and empower them with the apparatuses they need to make it happen.

To get everything rolling, the sales managers should decide how do they intend to convey the sales manual to the sales team. It is pertinent to firstly, get coordinated prior to settling on

which parts to remember for the manual. Numerous managers believe that a format or an outline is a decent way of finding all the essential data in one place. Without getting sorted out and making a layout, they would probably overstuff the manual with unessential data. Therefore, it is necessary to carve a niche for filling in the valuable data as required.

In the draft for the sales manual, one must utilize the principal subjects one needs to cover as section headings, then, at that point, the significant focuses or steps as subheads must be listed down. For instance, “keeping consistent sales records, importance of record-keeping, tools for issuing, accurate sales receipts, follow-up using sales records”.

The manual must be filled with all the assembled and related material including duplicate of products offered, datasheet, presentation, market prerequisite, records, several other things. It is of importance to figure out which showcasing data needs refreshing or another one must be made. Investing energy with product managers who have done the sales calls and knows the product extremely well and getting pertinent data from them is a major step to make the sales manual. Role plays can be done if possible, spending time with experienced salesmen to know where they have been effective, spending time with new sales delegates and ask how they feel, writing a first draft of all material, logically evaluating segments as they are finished with the proper product supervisor, having a couple of sales representatives, survey the report for culmination, reviewing the draft with product manager and other fitting individuals, and finally writing the last draft and distributing the sales document. These would sum up the entire process of drafting an effective sales manual.

11.6.5 Features of a Good Sales Manual

Present day businesses must attempt to foster their products and services as a critical component of their development and achievement. Similarly, it is also significant that the sales staff is the vehicle that moves products and services under the control of the customers. It is proven that a sales manual improves the sales associates' ability to perform. Therefore, a well-formulated sales manual is a key to organization's success. It is imperative to compose a sales instructional booklet that will give salesmen the information, aptitude, and devices important to takeover the market.

An exhaustive and all-around planned sales document is a significant asset for sales associates' success. It is through sales manual that the sales personnel get a major piece of their preparation or training, solid data structure and reliable inputs in the manual are

absolutely necessary to guarantee an effective performance. An attractive format, proper concise length, effective pronunciation, and properly demarcated sections and regular updates in the manual are essentials of an effective sales manual.

11.7 ORDER BOOK

An order book is an electronic register of purchase and sell orders for all the product levels. It is updated regularly and is considered to be a significant record containing all the details of products offered by the company in the market. The request book assists sellers with checking the condition of the products at any particular instance. Order books have significantly worked on the steps at which orders are taken and in the process of being a value for commercial purposes. The purchase and sell orders recorded in an order book are guided along with the cost. The book additionally shows the number of offers and offers are at each product level. It can recognize any changes in orders on either during purchase or selling, giving obvious directions with regards to the changes in selling pattern of a product. The structure of an order book can fluctuate between the recorded guidelines. It typically comprises of a few important aspects as mentioned below:

Features of an Order Book

Customers and sales personnel's view of an order book: An order book is a market price register. It incorporates a buyer's view as well as the representative's view. They are the two most significant parties in a market.

Offer and inquire: Rather than understanding any party's view, some order books utilize the expressions "bid" and "ask." Buyers are the ones who "bid" for a specific number of offers at a predefined cost, and vendors "inquire" at a particular cost for their portions. As a guideline, the purchaser's side (bid) is on the left, and the vender's side (ask) is on the right, shaded green and red, individually.

Costs: An order book records the value of interest of the two sides. The number in the purchaser's or alternately the salesperson's segments address the sum they are offering or requesting and at what cost.

All out: The absolute sections are the total measures of the particular security sold from various costs.

Visual exhibition: Primarily, an order book comprises of a table of numbers comprising of costs and aggregate totals from different sides. To more likely address the connection among

purchasers and sellers, most of the request books accompany a visual presentation too. It tends to be a kind of detailed structure comprising of all the detailed information about the orders at all stages.

An order book is an organization's list containing different aspects such as orders from customers which are open, unshipped, client orders, ordinarily time-staged and esteemed at real individual request costs. This is additionally alluded to as sales request book. This book contains the subtleties of "sales request, the salesperson, and merchants name, sales request number, number of the voucher, type of the voucher, request reference number, request sum and so on".

11.8 CASH MEMO

In case the products are sold in real cash, the seller prepares a money reminder. In case there is an occurrence of credit sales, a receipt is already prepared. In any case, the meaning for both remains same. A cash memo typically contains the following:

- 1) Name and address of purchaser
- 2) Name and address of buyer
- 3) Serial number and date
- 4) Customer/buyer request number
- 5) Description of products
- 6) Rates and aggregate sum
- 7) Discount
- 8) Tax subtleties
- 9) Total sum in words and figures.

It is not quite the same as money receipt as the latter is an affirmation of the cash received.

Cash Memo is a business document given by the seller to the buyer when cash is accepted as a payment. At the point when a merchant sells any product for cash, he gives a cash memo and when he buys products for cash, he gets a money update. Insights about the things, amount, rate, and the cost are referenced in the cash memo. It functions as a proof of cash

instalment made. In straightforward words, we can say that a Cash memo is a record expressing cash received for products sold. It is paid as a token of bill for cash sales.

The contents of Cash Memo

The contents of the cash memo are as follow:

1. Date
2. Serial Number
3. Name and address of provider
4. Name and address of purchaser
5. Unit cost of merchandise
6. Amount serial number, date of travel, method of accommodation, motivation behind visit.
7. Discount (assuming any, both for exchange and money rebate)
8. Assessment (GST or other all things considered)
9. Aggregate amount received
10. Signature of the cashier.

11.9 TOUR DIARY

A tour diary is a little book kept up with by sales representative containing the subtleties of deals visits made by him or her during a given period. It helps the sales associate to report about the endeavors made by him or her. It might contain the following data:

- a) Names of spots visited (cities/states/country)
- b) Dates on which visit is made
- c) Mode of transport utilized
- d) Expenses caused on movement
- e) Names and details of imminent customers
- f) Result of visits as far as request, any kind of feedback and so on

Check Your Progress C

- 1. Which of the Following Statements are True or False.**

- i. The sales report is guide stating the best policy, practices, procedures, and protocols that guide the salespersons throughout their sales efforts.
- ii. The trainings provided to sales team are indispensable for the growth of the company.
- iii. The manual must be a living document and it should be updated in a timely manner.
- iv. The priorities of the company are set straight, and the sales team is tactfully aligned with the objectives of its competitors.

2. Fill in the Blanks

- i. The companies should provide adequate and _____ to the sales personnel to support them.
 - i. The key skills of negotiation, fluent communication skills and a _____ helps the sales team to connect with the consumers.
 - ii. Products and demonstration of products is one of the important contents of _____.
 - iii. An intensive and very well-planned sales manual is a significant asset for the sales group's _____ and _____.
 - iv. Sales manuals must be _____ and renewed consistently to showcase the current approaches and practices.
 - v. An _____ is an electronic register of purchase and sell orders for all the product levels.

11.10 LET US SUM UP

Planning a sales cycle shall help a sales group to close more prospects and convert a greater number of leads. This will surely guarantee that the sales team furnishes each prospect with a reliable service that is illustrative of the brand image of the company. It helps to conclude that the sales representatives must follow these means to make and guide a business interaction customized to the business, sales group, and clients to support changes and develop enduring connections in the present scenario. Whenever it is planned that a sales associate has to interact with customers, he or she has to make all supporting report formats, one must incorporate them into a full SOP manual. The next step would be to arrange the manual dependent on offices. For instance, they may have "sales," "activities" and "distribution" areas in the SOP manual. Each segment would then be separated further into the center cycles of that office, by and large in the request each center interaction happens in the

general conveyance of products. In the "Distribution" segment, one could have a few center cycles that incorporate "acquiring the order," "preparing for delivery," "transportation" and "following up with the customers or clients." It is imperative to arrange the SOP manual with a chapter-by-chapter list, and unmistakably list down every methodology in an intense title header. One might even incorporate tabs for colleagues to effectively flip through the manual, to assist them with finding appropriate SOPs in their areas of expertise. For any cycle, it is simpler for sales associates to follow a structure or agenda. Fostering a far-reaching format dependent on the planned interaction. On the off chance, a sales associate needs to gather explicit data at the customer interaction step, ensuring the layout has all necessary data spread out compactly. It is pertinent to accept the steps taken during the sales process and take actions according to all that is listed in the SOP, particularly when they are confronting a customer. Incorporating the plans and structures as an addendum to the sales manual, the process would be smooth and generate huge amount of revenue for the company.

11.11 KEY WORDS

Sales Report: Sales report is the document in which sales activities within a specific time frame are recorded. It is also called a sales document.

Most Profitable Consumers: These are the customers from whom the business gets maximum revenue. They are the loyal customers of a business.

Progress or Call Report: This report is the record of calls made by a sales executive for generating leads each day, week, or month.

The representative makes a note of each, and every person contacted on the company's behalf and makes an entry in the sales document.

Sales Work Plan Report: It is the kind of report where basic planning and outlining of future programme are done.

Expense Report: This report contains all the information related to the expenses incurred by him/her during a sales work.

New Business Report: The new prospects identified are listed in such a report. The new business report consists of all the new businesses initiated during a certain time period.

Loss Sales Report: There is a possibility of losing sales during a sales process. This document would contain all the required details of all such orders and customers lost during a given period.

Complaints and Adjustments Report: It records all the important complaints and the modifications done in the policies related to products and services of the organization.

Order Book: An order book is an electronic register of purchase and sell orders for all the product levels.

11.12 ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. False ii. True iii. False iv. True

2. i. Set of Data ii. Sales Funnel iii. Products iv. Brand Loyalty v. Reliable and Real Time

B.1.i. False ii. True iii. True iv. True v. False

2. i. Complaints and Adjustments Report ii. Solutions iii. Concise iv. Vision v. CRM (Customer Relationship Management)

C.1. i. False ii. True iii. True iv. False

2. i. real time data ii. positive outlook iii. Sales Manual iv. growth and success v. working drafts vi. order book

11.13 TERMINAL QUESTIONS

1. Define Sales Report. Discuss the various objective of making sales related reports and documents.
2. Briefly explain about the various types of documents in the sales
3. Write notes on the following
 - a. Progress or Call Report
 - b. New Business Report
 - c. Loss Sales Report
4. Draw the format of Sales Work Plan Report Expense Report and explain the meaning along with the examples.
5. Explain the salient features of a good sales report using suitable examples.
6. Define Sales Manual. What are the benefits of Sales Manual?

7. Describe the Contents of Sales Manual.
8. Explain the Essentials of an effective Sales Manual.
9. Explain in detail the process of writing a sales manual.
10. What are the features of a good sales manual? Explain.
11. What do you mean by an Order Book? Discuss the various features of an order book.
12. Write notes on the following:
 - a. Cash Memo
 - b. Tour Diary

SOME USEFUL BOOKS

Gupta S. L., 2008, Sales and Distribution Management, Text and Cases, An Indian Perspective, Excel Books, New Delhi. (Chapter 8, Chapter 12)

Still, R. R., Cundiff, E. W., Govoni, N. A. P., 2009, Sales Management, Decision, Strategies and Cases, Pearson Prentice Hall, New Delhi (Chapter 19)

Sahu, P. K., 2008, Salesmanship and Sales Management, Vikas Publishing House Private Limited, New Delhi. (Chapter 21)

Tyagi C. L., Kumar A., 2004, Sales Management, Atlantic Publishers and Distributors, New Delhi (Chapter 19)

UNIT 12 ETHICS IN SELLING

Structure

- 12.0 Objectives
- 12.1 Introduction
 - 12.1.1 What is meant by Ethics?
 - 12.1.2 What is Ethical Selling
- 12.2 Nature and Characteristics of Ethical Selling
- 12.3 Importance of Ethics in Selling
- 12.4 Types of Ethical Behaviour in Sales
- 12.5 Ethical Aspects and Legal Issues in Selling
- 12.6 Compliance Techniques to Ensure Ethical Selling
- 12.7 Developing an Ethical Sales Code of Conduct
- 12.8 Let Us Sum Up
- 12.9 Answers to Check Your Progress
- 12.10 Terminal Questions

12.0 OBJECTIVES

After studying this unit, you should be able to:

- explain the meaning of ethics and ethical selling;
- describe the nature and characteristics of ethical selling;
- discuss the significance of ethics in sales;
- enumerate different types of ethical behavior;
- develop an insight into various ethical and legal aspects in selling;
- appreciate the different ways and techniques to ensure selling ; and
- suggest how to develop a code of conduct for ethical selling.

12.1 INTRODUCTION

Ethics has gained a lot of importance in the world of business today. Ethics plays an important role in running a business and all its affairs in a manner that all the stakeholders are assured of transparency, adequacy and morality in the conduct of a business. Ethics is an omnipresent and inevitable part of every functional area of business including financial reporting, information sharing, tax payment, customer dealing and selling activities. It is not only implemented for the sake of others but also is beneficial for the business and the companies following it. In this unit, we will discuss the meaning of ethics and ethical selling, its nature and importance. Further, we will understand the different types of ethical behaviour and various ethical aspects of selling. We will also discuss the legal issues involved in selling alongwith different techniques of compliance that can help in ensuring ethical selling. Towards the end, we will highlight the ways to develop a code of ethical selling. The learners will be able to get an in depth understanding of the benefits that can help a business sustain itself in the long run by implementing ethical ways of business and selling in the market.

12.1.1 WHAT IS MEANT BY ETHICS?

Ethics refers to the field of study that guides an individual in deciding what is good or bad, right or wrong, fair or unfair. It is believed to be a set of principles based on morality about human conduct or behaviour across different situations. The term ethics has been derived from the Greek word ‘ethos’ which means character, ideals or standards. Ethics not only applies to personal lives but also are applicable to every domain of professional and organizational lives too.

In words of Dale S. Beach, “Ethics refers to a set of moral Principles which should play a very significant role in guiding the conduct of managers and employees in the operation of any enterprise.” Ethics, therefore, addresses the issue of what ought to be at the group or societal level as well as at the personal front of an individual.

12.1.2 WHAT IS ETHICAL SELLING?

Ethics in selling or ethical selling deals with all the moral issues related to a company’s efforts or activities that are made in the direction of persuading or convincing customers to buy the product of the company. It refers to a set of behavioural standards that ensure that every lead, prospect and customer is given a treatment of respect, fairness, honesty and integrity.

Sales Ethics ensures use of trustworthy sales practices, honest selling techniques, sharing accurate and relevant information with customers and showing honest concern for their needs when selling the products. In other words, ethics in selling represents a philosophy of a company to follow value-oriented, clean and transparent selling practices when dealing with the customers. It also directly or indirectly persuades the salespeople to maintain their professional integrity in every interaction with customers or the prospects.

Clarity in defining and communicating a proper code of sales ethics will help a business meet its ethical obligations. Implementing ethical sales practices is considered to be good business which helps it in earning customer faith, trust and loyalty and strengthens its goodwill. Ethical selling is a sort of promise to the customer that he will neither be overcharged nor will he be exploited by the seller or any of his representatives in any way.

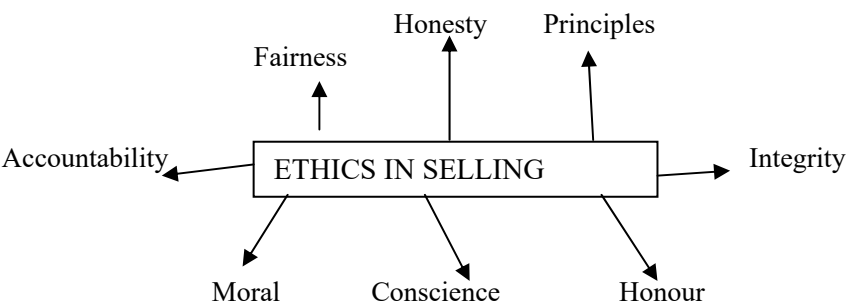


Figure1. Elements of Ethics in selling

In short, in case of ethical selling, the salesperson must try selling what customers want instead of selling by any means necessary to just sell. For example, in a selling situation, a salesperson can be ethical by being truthful about the features, usage and technical aspects of a product or service. This will not only be good for him in the present situation but also will be fetching him good results in future too. Being ethical reflects the personal and professional values of the salesperson in any selling situation.

12.2 NATURE AND CHARACTERISTICS OF ETHICAL SELLING

The characteristics of Ethical Selling in a business enterprise may be outlined as follows:

- 1 It is a **wide** term that encompasses all the activities related to sale of products.
- 2 . Ethics in selling imposes a degree of **self-imposed discipline** on the part of salesmen or sales representatives.
3. Ethical selling is a mark of **good corporate citizenship**.
4. It keeps **customers at the core** and respects them through **value-oriented** selling and business practices.
5. It is closely **related to Business Ethics** and Values.
- 6 The purpose of ethical selling is to be **honest and transparent** in dealing with customers at all the stages of an exchange transaction.
- 7 Ethics in selling may be implemented in different ways which **vary** from business to business.
- 8 Ethics reflects the **core philosophy, vision and attitude** of the organization.

12.3 IMPORTANCE OF ETHICS IN SELLING

Ethics holds great deal of importance in business. Business and its existence are dependent upon the support of customers and the society at large. Ethical selling makes sure that the business adopts right selling practices and gains customer support in the long run. There are several benefits that a business can enjoy by being ethical towards its customers and other stakeholders. Also not only the business but salespeople and even customers enjoy benefits if there is a system of ethics prevailing within the selling environment. The points to justify the importance of ethical selling include:

A) Benefits to the Company or manufacturer

1. Ethical dealings in selling **build a goodwill** that may be helping the

business in the long run. The business can enjoy good public image if it adopts ethical selling ways and techniques and thereby keep the customers assured of right business. It is in the interest of business itself to follow ethics in its practices.

2. It helps a business earn **public/societal support**. By being ethical and following right selling practices, a business earns public faith and support. The societal members are assured of justified conduct on part of the company through ethical selling.
3. Ethical conduct is helpful in enjoying a **competitive edge** over other rivals in the market. An ethical business enjoys public support and goodwill which, in turn, helps it gain an edge over its competitors and pulls more customers towards it.
4. Ethical selling is a way to enjoy **long term business revenue and profits**. With the help of support from customers and enjoying a strategic advantage in the market, the business may have a stronger and loyal customer base sustained in the long run. This may become the reason for a business' long term survival in the industry as it fosters repeat business.
5. Selling techniques that involve ethical conduct on part of salesmen is a reflection of **value oriented business philosophy** and is a mark of **good corporate citizenship**. This further helps the business **gain society's acceptance** and Government's support too.

B) Benefits to the Salespersons or salesmen

1. Ethical dealings help the salespeople **build a rapport** with the customers which in turn helps them in closing the deals easily.
2. Salespersons adopting ethical sales techniques can win **customers' faith** and therefore, they can take advantage of this situation in having a strong and loyal customer base under them.
3. Ethics in selling may help the sales representatives in **successful relationships** with customers that may last till long.
4. It ensures **repeat business** from the customers and this therefore, can benefit the salespersons to enjoy **greater commission on higher sales** levels achieved.
5. Ethical conduct shown during the selling process **spreads a positive word of mouth** and the salesman has a chance of having new clients added in his kitty.

C) Benefits to the Customers

1. Ethics is a cherished set of values which make the customers' work of **future purchases easier** and more convenient.
2. It **instills confidence** among the customers as they know about the ethical conduct of business and therefore, they are assured of right purchase decisions.
3. Customers' **interests are protected** and they enjoy **pleasant experience** while making purchases from an ethical seller following ethical selling practices.
4. It creates a **win-win situation** for both the seller and buyer and both enjoy

cordial long-term ethical relationship with each other.

The **Journal of Business Ethics** stated that “an ethical brand acts with responsibility, honesty, respect and accountability.” In their research, they found five major benefits for brands that engage in ethical behaviour:

- Commitment toward the brand: Customers are more emotionally attached and committed to brands they see as ethical, as well as less sensitive to price differences compared to competitors.
- Customer-perceived quality: Customers perceive the brand’s service excellence as superior compared to its competitors when they see the company as ethical.
- Empathy and satisfaction: Empathic employees are better at understanding customer needs, which also elicits greater positive emotions from customers and higher customer satisfaction.
- Customer loyalty: Ethical brands benefit from higher customer loyalty, repeat purchases and higher customer retention.
- Positive word-of-mouth: Ethical companies boost positive conversations about the brand.

Check your progress A

1. Which of the following statements are **True** and which are **False**?

- i. Ethics is only applicable at societal level.
- ii. Ethical conduct of a business is a reflection of good corporate citizenship.
- iii. There is no relation between Ethics and Business vision.
- iv. Ethical selling is beneficial for business, salespeople and customers too.
- v. Business can easily survive in the long run even if it is unethical.

2. Fill in the blanks:

- i. Ethics in selling may win customer _____ and _____.
- ii. Ethics may _____ from business to business.
- iii. Selling done through ethical ways may help the salesmen build a good _____ initial _____ with the customers.
- iv. Ethical selling creates a _____ situation for sellers and buyers.

12.4 TYPES OF ETHICAL BEHAVIOURS IN SELLING

In selling, ethical behaviour is something that may vary from person to person and situation to situation. There is no universal and exhaustive list of ethical behaviour. However, some selected behaviour as recommended by experts are discussed below:

1. Build trust and reliability with customers: Under the purview of ethical selling, every salesman must try through his actions and words to create an atmosphere of trust, faith and credibility in the selling transaction. This creates a pleasant experience for both the customers and the seller. To build trust, sales professionals must share accurate data and information with the customers, mention about truthful testimonials from other satisfied customers, take genuine interest in the concerns of the customers and show comfortable non verbal signs while being in the selling situation.

2. Be Accountable: A good sales professional is the one who shows that he is and will be responsible to solve the doubts and queries of the customers not only during but also after the sales has been made. Moreover, he must accept his mistakes due to which the customers faced problems.

3. Give Clear and true information: It may be easy for any salesperson to exaggerate information and facts about products or services to close the deal conveniently. But, this may jeopardize future sales and may break the trust of customers. Clarity of information and facts related to the product not only makes the understanding better but also helps the customers take right purchase decisions.

4. Be honest in giving competitors' information: In a selling environment what one's competitor is doing must be known and monitored carefully. While talking good things about the his products, the sales professional must try to highlight what sets his products apart from others in the market and in doing so, he must be honest in speaking about his competitors and their products. Special care must be taken to avoid criticizing or bad-mouthing competitors. Such behaviour can be perceived as unethical to customers. In other words belittling the competitors would not make the company look better in the prospect's eyes. Instead, they will see you as dishonest and unethical.

5. Have a solution-oriented attitude: To keep the customers satisfied and happy in future too, the sales professional must always try to show a problem solving attitude or a solution-oriented disposition while dealing with customers who have problems. This attitude will put the customers at ease and will assure them that their problems will be taken care of.

6. Fulfill the promises made to the customers: Ethical selling behaviour must be based on trust and faith. The trust is always sustained when the promises made are fulfilled and the results are delivered. Sales professionals must try to follow till the end to make sure that the commitments they made to the prospects or customers are met. Whether the commitment is about the promise of more information about a product, a follow-up call, or honoring a time that has been set for a meeting, keeping your word with the customers is a demonstrated ethical behaviour and should be a top priority.

7. Dealing with customer objections patiently: Ethics not only relate to being right and justified always. It also lays emphasis on being good and courteous to the customer or the prospect. Objections on part of prospects while discussing about the product, is an inevitable part of the selling process. However, the real art lies in how the objections are handled without disturbing the mood and without getting impatient with the prospect or customer in a selling situation.

There may be several other ways to depict ethical behaviour in a selling situation. In all such situations, ethics lays down the foundation for cordial long term relationship between both the customers and the sales representatives.

Caselet 1: Being Ethical always pays!

Raj has always been a good salesperson at Star enterprises dealing in selling of electronics which are not of any popular brands. The products are manufactured at the local factory and the customers are the ones who are fine with buying electronics of local make. Sonali who just shifted to the city where Star enterprises operate and Raj holds a sales territory, met him and enquired about

the prices and quality of electronics sold by the firm. Raj clearly mentioned that the products are not from any known brands and are locally manufactured. He did not hesitate in telling the fact that the products are mediocre in performance during his first meeting only and did not have the fear that his clear truth telling may spoil the first impression for the products of his company. However, later Sonali placed the order of all the electronics for her house with Raj . Not only this, she recommended Raj's name to many of her friends who later shifted to the same city.

Ques1: What do you think has made Raj as a salesperson so dependable for Sonali?

Ques2: What values are reflected in this case on part of Raj as a salesprofessional?

12.5 ETHICAL AND LEGAL ASPECTS/ISSUES IN SELLING

Selling is a profession that may create circumstances where, under pressure the sales professionals may be forced to adopt unfair means, follow shortcuts to meet targets and may compromise on values. Some unethical issues may be illegal too and fall under the category of ethico-legal aspects of selling. However, there is some difference between the both. While ethical issues are based on human values and principles that define right and wrong, legal issues are the ones which are based on legal standards set by the Government. For the convenience of understanding, we shall be taking ethical and legal aspects related to selling together.

Some of the most commonly seen and experienced ethical and legal issues in selling are explained as follows:

1. **Misrepresentation or hiding facts:** This occurs when the sales professional intentionally hides some important information or facts from the customer in order to close the deal quickly. Misrepresentation of facts can lead to wrong decision making on part of customers who may later on repent and regret after making a purchase decision on the basis of partially correct information or incomplete information as given by the salesman.
2. **Price Discrimination:** Under this, a salesperson may charge different prices from customers for the same product. It is an issue in which seller convinces the customer to agree upon a price which may be different for some other customer. The final price fixed depends upon the bargaining capabilities of buyers and sellers. In such situations where the prices are not common and same for all, there is a lot of probability for the salesperson to overcharge some customers.
3. **Bribes:** A salesperson may offer undue favours in form of bribes or gifts to customers at the expense of company to close a big deal to his advantage. Bribes fall under Contract Act, 1872 and Sale of Goods Act, 1930 as a legal issue related to sales of goods. Bribes are easy but unfair ways of getting the things done in one's favour. In selling situations, bribes may be small or substantial, but in both the cases, it is illegal and unethical

as well.

4. Tie-in sales: In this situation, a customer is indirectly forced to or required to purchase another product the same seller in relation to the first product he is purchasing from him. In other words, the seller requires that the buyer purchases both the tying product and the tied product from him only.
5. False promising or over promising/Exaggeration: In several selling situations, sales professionals and companies make use of exaggerated claims and undue promises initially to close the deals and to make selling convenient for themselves. However, the truth is something different and the actual product is not of the same quality or characteristics as promised earlier leading to an unethical situation.

Use of sales puffery, hyperboles or boastful statements is an easy way to exaggerate when promoting a product or service. Claims that vaguely frame products or services as being the 'best' or 'perfect' can create a false impression in the mind of customers or prospects. For example, advertisements saying that their products are the best in the country, or their products make a smarter you, etc. are unethical, though they cannot be objectively declared as wrong.

6. Selling hazardous and spurious products: Sale of low quality, duplicate, copied, fake or pirated products is both illegal and unethical in selling. Such products may be dangerous to use and may affect the health and well-being of the users. Imitations may also violate copyright act and are used by the sales professionals to earn greater revenues by selling low quality and cheap substitutes. This is one way of befooling the customers and is unethical in conduct.

7. Delayed deliveries: Delaying deliveries of consignments not only is wrong but also leads to bad impression of the brand or company among customers. Delayed deliveries may spoil the total goodwill and also may annoy the customers. Sometimes, the customer may need a product on a specific date. If the product does not reach them by that day, the purpose of buying the product will be lost.

8. Creating artificial scarcity of commodities: In many cases, the seller or sales professional may present a wrong picture about the availability of the product to make it falsely 'rare' or scarce in the market. This in other words may be understood as hoarding and is an illegal business practice.

9. Online selling frauds: In recent scenario, online selling transactions have become very popular and given a new picture to the whole business world. With a lot of ease of transacting from home or office, online purchases have made our lives very easy. However, this comes with an inevitable set of risks and problems including frauds of money, fake promises, misrepresentation of products and other ways of cyber law violation.

10. Compromised Quality or Quantity: One other ethical issue experienced by

many customers is receiving wrong quality or quantity of ordered product as against the promised one. The problem gets worse when the items received come with a 'not returnable' clause and thus, the customer gets trapped in the situation.

11. Invasion of privacy: In the recent past, the issue of privacy invasion has gained a lot of attention in the world of selling and marketing. Sending unwanted and huge number of mails, messages, or calls to customers as a way of aggressive selling and marketing is something disturbing and has now become ethical and legal issue too. In this context, the concept of permission marketing is becoming very significant nowadays.

12.6 COMPLIANCE TECHNIQUES TO ENSURE ETHICAL SELLING

In this unit, so far, we have discussed a lot of ethical issues and problems faced by customers in today's times. There needs to be a check on the business practices specially selling and marketing ones that have a direct impact on customers and prospects. Abiding by certain ethical principles, may help in the long run and may pull customers with high degree of loyalty. Before we discuss compliance techniques, we must understand what ethical compliance is. Compliance refers to conformity or adherence to laws and regulations. It is a means by which companies seek to ensure that it does not adopt any shady practices which may tarnish its long term reputation.

Now we shall study the ways and techniques that can be adopted by sellers and their representatives to ensure ethical ways of selling. To ensure that the system of sale and purchase remains ethical and justified, both the customers and sellers need to be value-oriented and careful while undertaking any such transaction.

Some ways or means to ensure that selling environment remains ethical are discussed below:

1. Hire Right Salespeople: At the very first stage only it is recommended that the company hires the right kind of salespeople whose values are in tune with the values of the company. This can be judged during interaction with the candidates who have applied for salesperson's job in the company.
2. Establish a code of conduct for ethical selling: There must be a proper code of conduct established to guide and regulate the conduct and behaviour of sales people. With an already established code of conduct, the employees will have a defined course of action which they will follow to depict values in selling situations.
3. Encourage open communication to facilitate understanding of goals and expectations: An effective leader is the one who communicates the expectations from the subordinates with clarity so that everyone knows what is to be done and what policy guidelines need to be followed.
4. Prepare cold calling scripts and email templates to be sent to the prospects: This may ensure that the values are properly implemented. This may also ensure that the sales people treat employees with ethics. It is recommended

to create calling scripts and mail content in synchronization with the values and ethics of the company that it seeks to get implemented.

- 5. Train people in the direction of Ethical selling: One very important way to mould and change salespeople’s behaviour in the direction of organizational ethics is to train them in the right way through right kinds of training programs. The learning gained through such programs will be helpful for the salespeople to understand the set of ethics that the company wants them to follow with the customers.
- 6. Avoid exaggerations and unverified claims: To make sure that customers do not feel cheated after they make transactions with the company, it is important that at the beginning of the transaction only, the salesperson does not make any false claims or does not establish any wrong picture of the company’s products. Unverified claims may put the sales professional and the company in a big problem later.
- 7. Create an overall culture of ethics in the organization: There is a need to develop policies based on the company’s mission and values that describe what is acceptable and what is not. Good ethical policies not only list or describe appropriate and inappropriate behaviors; they also describe the underlying principles. With such a culture of ethics prevailing through policies, a sense of discipline shall follow in a strong way.

The summary table:

DOs and DON'Ts of Ethical Selling

The Dos	The DON'Ts
Be transparent	Don't give false promises to customers
Respect customer privacy	Don't hide facts
Solve consumer problems quickly	Don't exaggerate
Be Truthful	Don't give wrong comparisons
Respect your target customers	Don't criticize competitors bluntly

In the field of selling, understanding consumer psychology holds a great deal of importance. A sales professional therefore, needs to possess the skills of persuading and the art of convincing prospects to believe in what they are saying and selling. This is also necessary as the job of any salesperson depends completely on prospects’ faith and positive attitude showing that they are convinced to purchase a particular product or service.

Some of the most commonly used **compliance strategies or techniques** are discussed below:

- 1. **Foot-in-the-Door Technique:** This technique was first understood by Jonathan Freedman and Scott Fraser in 1966. The idea behind the strategy was to convince the targeted person to say a ‘yes’ to a small request initially before getting him to say ‘yes’ to a bigger request later. The foot-in-the-door (FITD) technique is a compliance strategy that entails persuading someone to agree to a major request by first persuading them to agree to a small or moderate request. Making a minor request that is likely to be accepted before making your larger request is known as the foot-in-the-door strategy. The theory behind this method is that if you get a 'foot in the door' by saying yes to the first request, the person will be more likely to

agree to the second. The Foot in the Door technique is a persuasion tactic used frequently in marketing and sales. It works on the compliance and consistency principle, which states that if someone agrees to a little request at first, they are more likely to agree to a larger one later. For example, a door to door salesperson may request a house hold lady to try out a sample of a product initially and then can convince her for a longer conversation with him to show the whole range of products he is carrying.

2. Door-in-the-Face Technique: Another consecutive request method is the door-in-the-face strategy, which works in a reverse manner. It entails making an irrational request that the respondent is almost certain to reject outright in the beginning. Following that, the intended request is made with a better deal or offer.

This persuasion technique is occasionally employed in sales discussions. A car dealer, for example, may offer to acquire an automobile as a 'trade-in' for a new car at a fraction of its genuine value. The consumer will decline the offer, as anticipated by the salesman, and will later return with an offer that he considers reasonable. Even though the second offer is less than ideal, the customer accepts it since it appears to be acceptable in comparison to the paltry sum provided in the first offer. One of the explanations supporting the concept of the door-in-the-face technique is the way in which it plays on our sense of guilt. When we decline a person's initial request, we are left with a sense of guilt for not accepting a person or denying his request. When a second, more reasonable request is made, it is sufficiently reasonable for us to fulfill, and we view it as an opportunity to reduce the guilt that we experienced earlier. (O'Keefe and Figgé, 1999)

3. Low-Balling Technique: The low-ball technique involves making an invitation and gaining agreement from an individual, then changing the terms of the deal at the eleventh hour. In other words, it is a kind of unethical tactic through which a salesperson initially tries to win the customer's willingness to purchase the product. However, later changes the trade terms or the offer price by using excuses or some other vague reasons. This unethical method of gaining agreement from a person is usually found in sales negotiation scenarios. For example, A car salesman may tell a prospective customer that the worth of a specific car is \$10,000. The customer agrees to shop for the car, thinking that they need received an honest deal. However, just before they sign the papers to finish the acquisition, the salesperson tells them that the worth was incorrect, and he can only sell the car at \$12,000. The customer has spent an extended time within the office and does not want to start out their car search again. Therefore, they agree to buy the car at the higher price.

4. Norm of Reciprocity: Reciprocity can be understood as a socially accepted etiquette of respecting others to get respect from them. It is a kind of implied understanding to be adhered to. The norm of reciprocity works on the belief that an action done in favour of someone shall be reciprocated with a gesture of gratitude or thanks or in any way of appreciation in return. There is a sense of giving back or repaying when we receive any favour or gift from someone.

Marketers can use this strategy by giving small favours, gifts free trials and other benefits to customers before asking them to pay for the product. In reciprocation, the customer may feel obliged to make the payment immediately or may be somehow forced to purchase the product after the gift or free trial he has received from the seller. For example, some bed mattress companies offer free home trials of their products before the customer is asked to pay anything. By the top of the free trial, an individual may feel that they need personally gained from the free trial and will repay the generosity of the corporate by purchasing the mattress.

5. **Ingratiation:** Ingratiation is a compliance strategy that involves presenting yourself in a positive way to people you wish to persuade. First identified by social psychologist Edward E. Jones in his 1964 work, *Ingratiation: A social psychological analysis*; ingratiation covers variety of approaches to realize the favor of another party, many of which we use without even realising (Jones, 1964).

It is often seen that others tend to like us, if we are fond of them or like them or compliment them for their positive characteristics. When we overlook someone's weaknesses and highlight their positive aspects, they feel good and more confident. Another form of ingratiation requires demonstrating that you yourself are likable. Prosocial behavior, exhibited through confident body language, such as making eye contact whilst holding a conversation, smiling and remaining positive, can help to show that you are someone people can warm to. This technique can be used by sales professional when he is meeting a stylish or a high profile client and is trying to convince him about a product or a service. By being warm and presentable to others, the chances of acceptance get increased.

6. **That's Not All:** Using the 'That's Not All' persuasion technique, the sales professional can sometimes win the difficult customers who are undecided about making a purchase decision. In this technique, initially the sales person makes a small request and then reinforces the same by offering additional benefits so that the total offer seems to be very attractive.

For example, a sales representative may start a conversation by talking about the benefits of a product followed by an act of offering additional benefit such as special discount or some freebies with the purchase of that product. In this case, even though the added benefit is not one that the person would pay for separately, when it is added to the original offer, it makes for a more persuasive argument.

Check your progress B

1. Which of the following statements are **True** and which are **False**?
 - i. Puffery in sales is a kind of over promise made by salesperson
 - ii. Online transactions are free from frauds
 - iii. Changing the offer price is called Ingratiation
 - iv. Compliance techniques involve different approaches of persuasion

2. Fill in the blanks:

- i. _____ is a social norm used as a persuasion technique.

- ii. _____ is the other name for creating artificial scarcity of goods in ~~the market.~~
- iii. Sense of guilt plays an important role in the _____ technique of compliance in selling.
- iv. _____ is a way of Marketing used to reduce the intensity of invasion of privacy.

12.7 DEVELOPING ETHICAL CODE OF ETHICS FOR SELLING

The world of sales and Marketing is prone to unethical ways and practices. Amidst tough competition and frequently changing customer tastes, it is difficult to have a stable revenue inflow and profits. And therefore, to make their work easier, the sales professionals tend to follow short cuts and adopt unethical selling approaches many-a-times. However, as already discussed, compromising on ethics may tarnish the goodwill of the company and may lead to damaging consequences for the business in the long run. Hence, it becomes imperative for business to establish a strong and robust code of ethics which can be enforced to guide the actions of the sales professionals and can channelize their efforts in an ethical direction. Developing a code of ethics for business helps build a culture of ethical selling.

The code of ethics may simply be a cluster of statements reflecting the way the business functions, the way it takes decisions and treats customers, suppliers and industry peers. For example, your code of ethics might include statements such as:

- The business recognises that what it does is more important than what it says.
- It gives the customers and suppliers honest, accurate information.
- It makes sure that the customers' purchasing decisions are based on their preference, not pressure.
- The business is always ready to help customers even after sale of goods.
- The business competes in the market by building its own reputation, not by damaging the reputation of their competitors.

Developing a code of conduct for selling

Usually code of ethics is developed to monitor the working of salespeople.

Codes of conduct are designed to:

- describe desirable and undesirable selling behaviours.
- promote high standards of practice.
- reduce the risk of fair trading breaches and
- help staff make ethical decisions.

Writing a code of conduct

The business must write its code of conduct with its staff and customers in mind, clearly setting out the purpose and structure of the document. The code of conduct can be discussed before being getting finally drafted. It is important to involve the employees while laying down the code statements so that the people follow it religiously and also show accountable behaviour towards it.

Template for a sales code of conduct document

A reasonably good code of conduct can include the following information:

- overview – outlining why has such a document been created and what it will

do.

- statement of business values – including the code of ethics.
- ethical conduct sections.
- soliciting customers – identifying appropriate steps for finding and approaching customers.
- communicating with customers – stating communication principles that will guide the business's range of interactions with customers and industry.
- pricing – identifying ethical approaches to product pricing.
- handling complaints and conflicts – listing the principles that support the complaints handling policy and principles for resolving conflicts.
- lay-by agreements – stating terms for lay-by agreements with customers.
- selling methods – setting out appropriate selling steps and methods.
- bills and accounts – stating business' commitment to providing proof of transactions.
- warranties, refunds and repairs – identifying product or service guarantees the business makes to its customers.
 - procedures for identifying and responding to code of conduct breaches.
 - additional information – listing contacts and sources for more information.

The code of ethics and its contents may vary from business to business and industry to industry. However, the core aim of every code of ethics in selling will be to make the dealings transparent with full integrity and honesty.

Also, the code of ethics must not be drafted to include the provisions to penalize people. It should be done in a positive way to create a sense of order and discipline amongst the sales professionals who are in direct touch with the customers and therefore are true representatives of the brand or the business.

12.8 LET US SUM UP

- Ethical Selling or ethics in selling is the application of moral values, principles and guidelines that make selling efforts transparent, full of integrity and honesty. The main aim of ethical selling is to make the selling situations truthful and fair so that the customers remain loyal to the business and make repeat purchases from it.
- Integrity, Values, Character, trust, honesty, accountability, honour, fairness, etc. are major virtues defining ethics in selling and business as well. The field of sales ethics is a wide one and encompasses several dimensions at one go. It imposes self-discipline, is a reflection of good corporate citizenship, emphasizes honesty, fairness and is a manifestation of the organizational culture and vision.
- Ethical selling benefits not only the customers but also the company and sales professionals in different ways. There are many elements of ethical behaviour in selling as expected and ideal ones. Also there are many ethico-legal issues and aspects like sales puffery, false claims, exaggerations, bribes, tie-in sales, sale of hazardous goods, etc. that need to be taken care of by the business for a sustained survival in the market.
- In selling situations, it is imperative to have a system of monitoring through which ethical selling can be implemented to make the system fair and justified. The art of persuasion also requires effective compliance for which there are different types of compliance

techniques including Low Balling, Foot-in-the-door, Door-in-the-face, reciprocity, ingratiation and that's not all techniques.

- To ensure a good system of selling which makes sure that ethics is being followed properly, an ethical code of selling is highly recommended. It not only helps in making the selling practices ethical, but also helps in avoiding malpractices that may spoil the relationship of business with its customers.

12.9 Answers check your progress

A. 1 i. False ii. True iii. False iv. True v. False

2. i. loyalty and trust ii. vary iii. rapport iv. Win – win

B. 1 i. true ii. false iii. false iv. true

2. i. reciprocity ii. hoarding iii. door in the face iv. permission marketing

12.10 TERMINAL QUESTIONS

Q1. Explain with examples the application of Ethics in selling.

Q2. What is the meaning of ethical selling? Explain its features.

Q3. Discuss the importance of Ethics in selling for different parties.

Q4. Explain various ethical and legal issues involved in selling. Give suitable examples to substantiate your answer.

Q5. Discuss different types of ethical behaviours.

Q6. What is the purpose of compliance in selling? Explain different compliance techniques with suitable examples.

Q7. What steps can be taken to ensure ethics in selling?

Q8. Why and how would you draft a code of ethics in selling?

Q9. What are Dos and Don'ts of ethical selling?

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UNIT 13 SKILLS FOR SALESPERSON

Structure

13.0 Objectives

13.1 Introduction

13.2 Listening Skills

13.3 Communication Skills

13.4 Problem Solving Skills

13.5 Persuading Skills

13.6 Inter – personal Skills

13.7 Organization Skills

13.8 Customer Service Skills

13.9 Let us Sum Up

13.10 Key words

13.11 Answers to Check Your Progress

13.12 Terminal Questions

13.0 OBJECTIVES

After studying this unit, you will be able to:

- explain various skills required to be a successful salesperson;
- analyse the importance of each skill;
- explain the parameters for effective communication skill;
- describe problem solving skill;
- comprehend inter-personal skill;
- describe the importance of inter personal skills and ways to improve it;
- learn organizational skills; and
- explain customer service skills and its importance.

13.1 INTRODUCTION

Sales is one of the toughest jobs in all industries. This is because a salesperson has to face rejection over and over again and yet complete the targets they are given. To do this, the sales person needs to know everything about the products they are selling and the company they belong to. They need to understand their buyers and then find a middle way to make the sale. Thus, effective selling requires knowledge, sales strategy and sales skill. These are the components of a sales equation. If any of the component is missing, a part of sales advantage is lost. In this unit, you will learn

Knowledge: A salesperson is required to have thorough knowledge about his own offerings, his competitors, their offerings, market, trends and also about his prospects. Without complete knowledge about these aspects, he would not be able to present his offering and clarify the doubts of the customer, thus, he will lose his credibility in front of the customers, let alone closing the deal and further building long term relationship.

Sales Strategy: This refers to the strategy needed by the salesperson to position himself for the sale. It includes customer profiling, account strategy, identifying and persuading key influencers, relationship building strategy, negotiation strategy, prospecting and territory management. Successful salespeople plan for the conclusion of effective sales and analyze how they have progressed after each sales call.

Personal Selling Skills : These are the foundational tools that any sales person needs as core competencies including listening skills, behavioural styles, communication and influencing styles, rapport building and relationship building skills, the ability to read buying moods and much more.

There are some sales people who achieve targets much more easily than others. Just classifying them as Extroverts is not enough. These sales people use a combination of personal selling skills which help them over a period of time to become very good salespeople. They are able to connect to their clients, convince them and convert them.

In the present chapter, we will discuss the various personal skills that are important to become a successful sales person. The good thing about these skills is that they can be learnt. The salesperson must strive to inculcate these skills in himself/herself if he/she is not born with these qualities.

Essential Skills of a Salesperson	Listening Skills
	Communication Skills
	Problem Solving Skills
	Persuading Skills
	Inter- personal Skills
	Customer Service Skills
	Organization Skills

Figure 1: Essential Skills of a Salesperson

13. 2 LISTENING SKILL

A

Most people think 'selling' is the same as 'talking'. But the most effective salespeople know that listening is the most important part of their job.

-Roy Bartell

successful relationship between a buyer and a seller develops when the seller is able to solve the problem that a buyer is facing. However, a seller can solve buyer's problem only after he listens carefully and understand the problem. Experienced salespersons understand the value of careful listening of their customers. Salespeople who do not listen miss out the chance to identify customers' problems and needs. Let them know and feel that they understand their issues and build a stronger relationship with them.

Nowadays, with a quick search on internet, the customers can gain as much details about the products as the salespeople have. Thus, there is a little room for salespeople to show their expertise. And if they fail on

their part to show expertise, they might lose on their credibility and interest of the customers. In this scenario, investing time in listening to the customers can be of great help to the salespeople. However, it is hard to find patient listeners these days. Many times salespeople find it very difficult to listen patiently to their customers.

To adopt active listening, the salespeople should focus on the following key aspects:

1 Pay undivided attention: Successful salespeople always try to ensure that they give an undivided attention to the prospect. This can make a huge difference by encouraging prospects to open up more, and fostering trust and commitment. The prospects need an assurance that the salesperson is truly listening to them. By observing auditory, visual, and physical clues as well as the prospect's words, a salesperson can truly begin to understand the plight of their prospect and put themselves in the buyer's shoes. He may use the following techniques to learn how to pay close attention to the prospect:

- a) The salesperson should try looking straight in the eyes of the speaker.
- b) He must concentrate and try to understand fully what the speaker is saying.
- c) He must listen patiently and wait to frame the response until the speaker finishes talking. For a while, he should forget about his own script, pay attention and not worry about what he is going to say next.
- d) He should make sure that the environment does not distract him and avoid any side conversations in case he is in a group.
- e) A good listener knows that listening is done not only by ears but by eyes also. Listening helps only to get half of the message. An active listener should notice the body language, facial expressions, tone of voice and various other gestures that the prospect is making, to understand carefully the feelings of the prospect conveyed in these non-verbal messages.

2 Give acknowledgements: In case of face to face conversations with the prospects, the salesperson has the opportunity to give various verbal and non-verbal acknowledgements to give proof that he is actively listening to them. For acknowledging the customers, the sales persons should be very alert and perform following behavioural gestures:

- a) nod from time to time, when appropriate, make eye contact.
- b) use appropriate facial expressions.
- c) monitor own body language to match speaker's state of mind and underlying meaning. Try to remain open and relaxed instead of closed and tensed.
- d) use small comments like 'hmm', 'huhh', 'yes', 'right'.

3 Give feedback : After the prospect finishes speaking about their problems and needs, it is beneficial for the salesperson to give verbal response to acknowledge that they are listening, understanding, and engaged in what the prospect has to say. This gives assurance to the prospects that the salesperson is listening actively to them and thus helps in building empathy and trust. Verbal response is all the way more important in case of non-visual communication such as on a phone call, where non-verbal tools are very hard to use.

Following approaches may be used to give verbal response:

- a) **Repeating verbatim:** This approach involves repeating exactly what the prospect said. Thus, the prospect can confirm their meaning or clarify their statement. However, this approach can not be overused as it can cause doubts on the understanding of the salesperson. (Parrots don't actually understand.)
- b) **Paraphrasing :** This approach is better than simply repeating verbatim as it involves condensing the whole speech of prospect into something more concise. This assures the speaker that the listener listened carefully. However, oversimplification should be avoided as it may lead to leaving out details and the prospect might have doubts regarding salesperson's attention.
- c) **Putting into own words :** This is better than the previous two approaches. It involves putting the speech of the prospect in own words tactfully. This act leaves immediate impression on the

prospect and they will appreciate salesperson's ability to listen effectively and summarize. The salesperson can start like- "If I am not mistaken, you are saying that...."

- d) **Asking questions to clarify:** the salesperson can also try asking questions so as to clarify the statements of the prospect. Questions can be framed like- "Can I ask you why....?" or "If I understand you correctly, you have a problem with....?". Follow – up questions can also be asked. Open ended questions which make the prospects share their goals and plans are favourable. "When reps take the role of a curious student rather than an informed expert, buyers are much more inclined to engage" – Jeff Hoffman

The whole idea behind giving feedback is to convince the customers that they have been heard and understood which help in building empathy and trust.

4 Do not interrupt: In most of the cases, interrupting the customer while he is speaking is considered rude. Moreover, details and interesting cues can also be missed out on interruption. Prospects generally have many things to share about their problems, goals, challenges and plans. If given chance to speak and an assurance of being heard, they might share intricate details. These details can be missed out if they are interrupted.

The other time it is okay to interrupt if you did not hear something or want to clarify. But even then, you may want to make a note to clarify later once the person completes speaking to avoid impeding the flow.

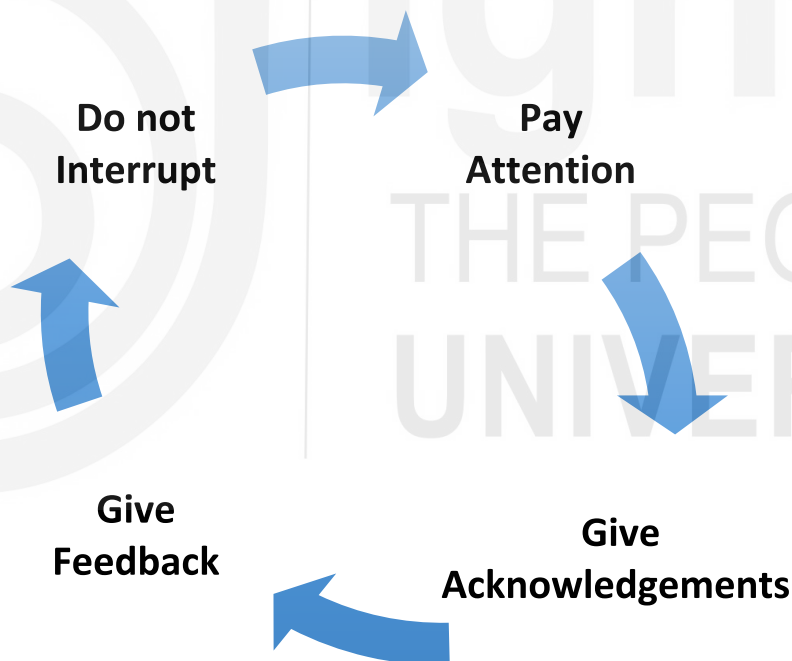


Figure 1: How to Improve Listening Skill

13.3 COMMUNICATION SKILLS

Effective communication is crucial to success of sales. While the knowledge about the market and the best selling techniques is the theoretical part of being a salesperson, the practical part is effectively communicating this knowledge. The effective communication may help in successful completion of sales. Knowledge and communication are only complimentary to each other. Therefore, having knowledge about client, market, trends, etc. is insufficient without effective communication skills.

A conversation consists of moments where you talk and where you listen, but most people might forget about the latter. Listening is part of communicating. In fact, active listening precedes speaking for any communication to be effective.

Apart from active listening the following aspects should be considered for effective communication:

1 Make sure to speak the same “language”: It is not sufficient to speak the same literal language as that of the customer. The choice of words, kinds of phrases and idioms used in the speech, humour, empathy, etc. all determine the communication style of the salesperson. For example, many people find it difficult to understand sarcasm and feel offended by it while others find it a trait of intelligence.

The salesperson should try to be just the right amount of technical, formal, informal, etc. He should avoid being too confusing, and that both of them are on the same level of closeness. He can follow their lead a bit by seeing how they approach you, and how open they might seem to analyse how formal he must be.

2 Watch your body language: Imagine two salespersons giving the same sales speech. However, one smiles, looks straight in the eyes of the listener, sits straight or stands with an open stance, use nice hand gestures. The other salesperson keeps looking away from the listener, remains frowned with furrowed eyebrows and uses monotonous voice tone. It is not hard to understand which salesperson will make higher sales.

It is not just the words and the verbal language which is important but also the body language. No doubt, it has been termed as a ‘language’. The non - verbal aspects of the communication are equally important as the verbal aspects. In fact, if the words in the speech do not match the body language like facial expressions, eyes and hand gestures, in most of these cases body language remains more influential for interpretation by the listener. Thus, the salesperson should always watch his own body language as well as that of his prospect as he might be telling them something which he does not realize and they might be showing something without them knowing it, too.

3 Master the nuances of voice tone: Voice tone consists of the pitch, speed and volume of the voice of the speaker. Like the body language, the voice tone of the speaker also affects the interpretation of his choice of words. For example, the speed with which the salesperson speaks affects his understanding. If he is a fast speaker and the listener prefers a slower tempo, he might be termed as hurried and dismissive.

One of the ways in which a salesperson can make impression on the customers using his voice tone is first to observe carefully how the customers speak and then emulate their speaking patterns be it the speed or the pitch. The level of formality should also be matched to make the customers comfortable.

4 Be empathetic: For a salesperson, empathy means showing the customers that he cares for their need and problem. He understands the challenges their customers face at their work and home on day basis and that he intends to help them resolve it. Being empathetic to the customers is not only appreciable, it also raises the chances of closing the deal. The salesperson must always try to see things from their view point. However, amateur salespeople sometimes try to agree on every opinion of the customers. Empathising does not mean to agree with each and everything the prospects say. Experienced salespeople listen and respond something like, *“I understand what you mean....”* and then they offer the product or service which is the best solution to their problem.

5 Be as clear as possible: Miscommunication happens when things are not as clear as you think they are, leaving room for confusion or misinterpretation. This is closely related to the first tip about speaking the same language. Salesperson should try to be straightforward and informative, not flowery or prosaic. They should ask simple questions and provide unambiguous answers at all times. He may also keep a checklist or script handy for

everything he needs to address as he proceeds to cover the necessary details with each communication.

6 Research constantly: Research on a client, on the market, on trends, and even on communication skills is one of the best ways to be prepared every step of the way. The salesperson should not hesitate in admitting he does not know something. It is best not to say that too often since customer might think about the salesperson as unprepared and therefore, unreliable. Being up to date on every trend, technique, and everything else related to sales should be one of the main goals of the salesperson, as it can be quite a differential from the competition.

7 Do not lie: One of the key factors behind successful long term relationship between the seller and the buyer lies in being honest with the customer. It is great to have professional expertise and knowledge about the market, trends and prospects but it is impossible to being able to clear each and every doubt of the customer. The salesperson can occasionally tell the customers they do not have information on a particular issue rather than pretending to be expert all the time. The customers sense it when the salesperson is telling the truth and when he is lying. Thus, the salesperson must try to be open and make honesty an integral part of his selling approach which ultimately leads to successful relationships.

8 Know how to greet and how to say goodbye: As the saying goes, “you do not get a second chance to make the first impression”. How the customer is greeted by the salesperson, along with succeeding interactions, make lasting impressions. It is a low-cost investment to improve the customer experience and yield serious results. The way a salesperson starts an interaction can make or break a deal; the way he ends it can either burn a bridge or bring him more opportunities in the future.



Figure 2:Communication Skills

Check Your Progress A

1. What are the communication skills needed by a Salesperson?
2. What are the essential skills of a salesperson. Name them.
3. Write True or False:
 - i. In case of face to face conversations, the salesperson should not nod from time to time. (True/False)
 - ii. Paraphrasing is not better than simply verbatim. (True/False)
 - iii. Empathy means showing the customers that he cares for their need and problem. (True/False)
 - iv. Sales person should try to be straight forward and informative. (True/False)

13.4 PROBLEM SOLVING SKILLS

The

Selling is really about having conversations with people and helping improve their company or their life. If you look at it like that, selling is very admirable thing to do.

Lori Richardson

most effective problem solvers are the salespeople. One of the key conditions to achieve success in the profession of selling is to become a problem solver before becoming a seller. Effective salespeople possess an attitude to meet challenges with strength, understand the problems and find solutions. Following points summarize why is selling more of problem solving:

1 Products are invented to solve problems: Think of innovations like ready to eat food, baby sitting services, Ola cabs. The first two came into the market due to the changing demographics of consumers like increasing proportion of working women. The working women are increasingly facing the problem of making food every day and taking care of babies. Ola cabs services were started keeping in view the problem of daily commuters like heavy expenses of car owners and inconvenience of commuters by bus, train or metro. The point is that, every product/ service invented was designed to solve some kind of problem. Think of any product or service – wheel, light bulb, engine, television, microwave, vacuum cleaner, etc., it is very obvious they were created to find solutions to problems, even if it is for a few people or even if it is for a psychological satisfaction.

Before these products were met with heavy competition on the market, they were easy to sell based on the obvious problems they solved. In today's market, heavily saturated with competition in every industry, salespeople have to be more creative than ever to demonstrate that their brand solves the problem more efficiently than the others. For this reason, successful salespeople are not only able to solve people's problems, but they are critical thinkers as well.

Salespeople should know each and every detail of their product. Also, they must have deep understanding of their prospects as well. They become successful by looking for unique ways their product can solve the specific problems their prospect is facing.

2 People do not buy products, they buy solutions and convenience: How do you sell ice to Eskimos, which is abundant free of cost in their native places? A seller knows the answer. He can get the ice broken and carved into ice blocks and make an offer like:

“Save your hands from the harsh cold temperatures and build your dream home faster with these ready - made, long- lasting ice blocks designed for the modern Inuit family home”

Thus, Eskimos are able to save their time and get convenience. The same approach goes with any other product or service. Successful salespeople can always find ways to solve problems people did not even know they had by asking the right questions, connecting with their prospect, and finding ways their product creates more convenience. Think of food delivery start ups like Zomato in the same way!

3 Every problem is an opportunity for a solution:

Whether you think you can or think you can't, you are right.

Henry Ford

Having a problem is not a failure. It is an opportunity. It needs to be used to solve problems in the most creative ways. They see every problem as a challenge and an opportunity. They are the one who make it to the top while everyone else is still trying to find the stairs.

The salespeople must focus on the following points to be effective at problem solving:

1 Find out the problems of the customers and how to solve them

Before proceeding to detailing about the products/ services, the salesperson should first probe with open ended questions into the challenges and problems of the customers and what is important to them. This will help the salesperson in building up the background to introduce his product/ service. However, he should be careful not to throw up hundreds of questions which might seem like an interrogation turning off the interest of the customer. Questions should be weaved into a natural conversation.

2 Put yourself in their shoes: To understand the problem and issues of another person, we need to step out of our shoes and get into their shoes. We need to understand their point of view. This means that the salesperson should see his customer as a real person not as someone to sell a product or service. He must thrive to relate to the issues of customer to be able to find how may his offering add value to them.

3 Focus on benefits rather than features: People do not buy features, they are interested in what benefits are they going to get from their purchase, how it will solve their problems and what emotions will it make them feel. Marketing research says that in most of the cases, buying decisions are made first on the basis of emotional reactions and then the rational left brain uses the supporting features to back the decisions already made emotionally.

Thus, the salesperson should try to think of the benefits as what kind of emotional connection people can make with the product. The “So what.....This means that” technique may prove helpful to the salesperson to translate the features into benefits. Before detailing about any feature of his product, he must imagine the customer asking him “So what?” and then he must be able to answer “This means that....”. For Example, salesperson sells insurance and tells the customer that his policy has a feature of ‘flexible maturity date’, the customer might ask “So what?”. The customer must be able to explain that this means that the customer can choose an insurance maturity date that meets his needs.

4 Stop selling: This is not much difficult to understand that when the salesperson is selling more rather than focussing on the problem of the customers, they can sense it, and they come to the conclusion that he simply wants to sell them something regardless of whether they need it or not. The salesperson should consider himself to be a problem solver rather than a seller. Nobody wants to be sold, they want solutions to their problems. Everybody has a different reason for a purchase decision, yet the common thing is that everybody wants that after the purchase, the problem must be solved. Thus, while engaging with customers, the salesperson must focus on solving their problem and stop selling to them.

13.5 PERSUASION SKILLS

In problem solving skills, we talked about why a salesman should be more of a problem solver than a seller. Nobody wants to be sold to. Everybody wants a solution to the problem. However, in today’s competitive market places, various sellers can solve the problems faced by the customers. Customers have a vast choice among which seller may prefer. However, a good salesman should have persuasion skills to encourage customers to prefer his products or services over the competitors’.

The salesperson must learn the persuading skills. He must understand the point of view of the customers and then provide information on the benefits of his offering. Focussing on benefits rather than features is important in persuading customers.

The salespeople must focus on following aspects to strengthen their persuading skills:

1 Demonstrate Your Understanding : Putting oneself in the customer’s shoes lets the salesperson look at the scenarios they are facing and helps them to concentrate on finding the best solution. The salesperson may ask questions that demonstrate that he is well-informed about their business, their needs, and how can his organization help them to be more successful in their own business.

2 Generate a Friendly, Responsive Environment

Do not underestimate the impact of being friendly and responsive. Your attitude in working with the customer, meeting their needs, and handling their requests says a great deal about you and your organization to the customer. Plus, your responsiveness – how quickly you respond and how well you meet their expectations – will be an important decision point for any customer. One good rule of thumb is to under-promise and over-deliver for your customers. You will be demonstrating an exceptional level of customer service that they will want to experience again in the future.

3 Provide Evidence: You need to be able to demonstrate to your customer that you, your organization, and your product or services are the best choice for the customer. You should be able to explain precisely how will your offering benefit the customer better than the competitors. Give the customer testimonials from other customers and show them before and after scenarios that prove how has your product or service made a difference for other customers and how can it do the same for them. No matter what you do, be sure that anything you share is fully verifiable.

4 Demonstrate Your Expertise: Who would be more apt to buy from – someone who knows the basics about your industry or someone whom you consider as an expert in your field? As you work with the customer, demonstrate that you understand what you are presenting to them. Share information that shows you understand their field, the upcoming trends, and the challenges people in that industry are facing. You will instil confidence in the customer to choose your product or service over the next provider.

13.6 INTERPERSONAL SKILLS

Interpersonal skills are more than just communication skills. These are the ‘people skills’ that seem to come to some so naturally, while others may struggle to acquire them. Interpersonal skills in the salespersons help them to work with their customers and build rapport with them. Interpersonal skills also help to build the type of long-term relationships that are important in maintaining customers over time.

Some interpersonal skills include:

1 Courtesy: It has been said that good manners cost nothing, and that is the truth. There is no reason to be anything but courteous when dealing with customers and colleagues. It fosters relationships and shows that you care about making the other person comfortable.

2 Respect for others: The ‘golden rule’ of maintaining relationships is to treat others the way that you would like to be treated. The true expression of respect is something called the ‘platinum rule’ – treating others the way that they would like for you to treat them.

3 Ability to see things from others’ perspectives: Customers who are upset with some issue might over react with the sales person. In this situation, the salesperson needs to be able to understand what has happened and what is affecting his customer. For example, for some customers arrival of order one day late is perhaps not a big issue, but for others it might lead to lost sales and embarrassment in dealing with his own customers, or any other problem. In such situations, the salesperson must understand and express this understanding so that the customer feels that the salesperson is at least acknowledging his mistake and assuring him of non - repetition of such mistakes.

4 Ability to understand various communication styles: Everybody has a way of communicating with the world. A customer’s way of communication may be different from that of the salesperson. For example, a person who may be perceived as being rude or cold may simply be reserved or shy. A person perceived as intrusive or forward may simply be interested in people in general and does not mean any disrespect. This is just one form of keeping an open mind when working with others. This is a huge factor in interpersonal skills. It is very obvious that a customer will never try to adjust his communication style according to that of the salesperson. Thus, it is only the salesperson who needs to adjust himself and if he does not, it may create barriers in the communication process as well as relationship building.

13.7 ORGANISATIONAL SKILLS

Salespeople have to keep a track of a lot of things. To start with, they need to track information on their own products and services, information on customers and their businesses, information on prospects that

might become customers, and any other information that their organization might provide. In addition to this, they need to track of any sales they make if they are paid by commission or quota, information on internal promotions and procedures, as well as information on how to use any data, tools, or software to be used in selling. They also need to have a calendar to keep track of involving any meetings with clients or internal support people.

Many salespeople spend more of their time on administrative tasks than they spend on actual selling. Sales time management teaches the salespeople, the tasks they should be doing and also the tasks they should not be doing. The salespeople need to focus as much on eliminating the tasks they should not do as on the ones they should do. Time management in decreasing sale and to how to prioritize and maximize the sales time each day. Instead of working more hours, a few easy-to-use organizational habits can help improve efficiency. The salesperson should develop following organizational skills:

1 Reduce Administrative Tasks: Administrative tasks are the number one thing preventing salespersons from spending more time in the field, where they should be. Salespeople should look for the administrative work that can be automated through one tool or another. This, apart from just saving time, will make them feel less frustrated by the number of things weighing on them on a daily basis. This will allow sales people to divert more of their energy and attention away from mundane tasks, and focus on things like running demonstrations or answering questions that show buying potential. A salesperson may use the following to save on administrative tasks:

2 To-do List: The habit of making a to – do list is very helpful to develop organisational skill in any person, whichever profession he is in. Creating a ‘to-do’ list at the end of the workday, of things that need to be done the next day, labelling them in order of priority, moving the leftover tasks to the next day’s to-do list helps in effectively completing the tasks with in the dedicated timeline. Any person can use a to- do list app which uses AI to learn users’ personal productivity habits and schedule their overdue tasks accordingly. In other words, the app will figure out the optimal time to get everything done.

3 Use a contact management system software: A contact management software system can be used to keep track of time of speaking to customers or sending mails to them as well as when they need to be contacted again. Microsoft Access or Excel may be used to create one’s own content management system. Sorting can be done by different values that are important in determining how and when you contact each customer (size of organization, type of industry, current products the customer has, date(s) you promised to follow-up with customers, etc.).

4 Stop Procrastinating: Procrastination is extremely detrimental to field sales people. It is most often associated with the tasks salespeople despise, like updating their CRM and other administrative work. Utilizing time blocks is a great way to eliminate procrastinating. Breaking the whole work down into smaller steps is also an effective sales organization tip. Being detailed in daily tasks is another technique that has proven effective. Focus can be maintained by knowing exactly what needs to be done throughout the day.

Ways to Stop Procrastination

1. Break Your Work into Little Steps
2. Change Your Environment
3. Create a Detailed Timeline with Specific Deadlines
4. Eliminate Your Procrastination Pit-Stops
5. Hang out with People Who Inspire You to Take Action
6. Tell Others About Your Goals
7. Seek out Someone Who Has Already Achieved the Outcome
8. Re-Clarify Your Goals
9. Stop Over-Complicating Things

5 Create a sales pyramid: The salesperson may create a sales pyramid to track which stage of a sale his customers are. An example of a sales pyramid is shown in Figure 1 below. The numbers in parentheses represent the number of customers in each stage of the pyramid. For each of the customers at each stage, a spreadsheet or a file should be made, in order to track while moving them from stage to stage through the funnel.

The pyramid should represent a specific period of time such as a month or quarter, at the end of which should be evaluated how well is the salesperson doing at moving customers towards a sale.

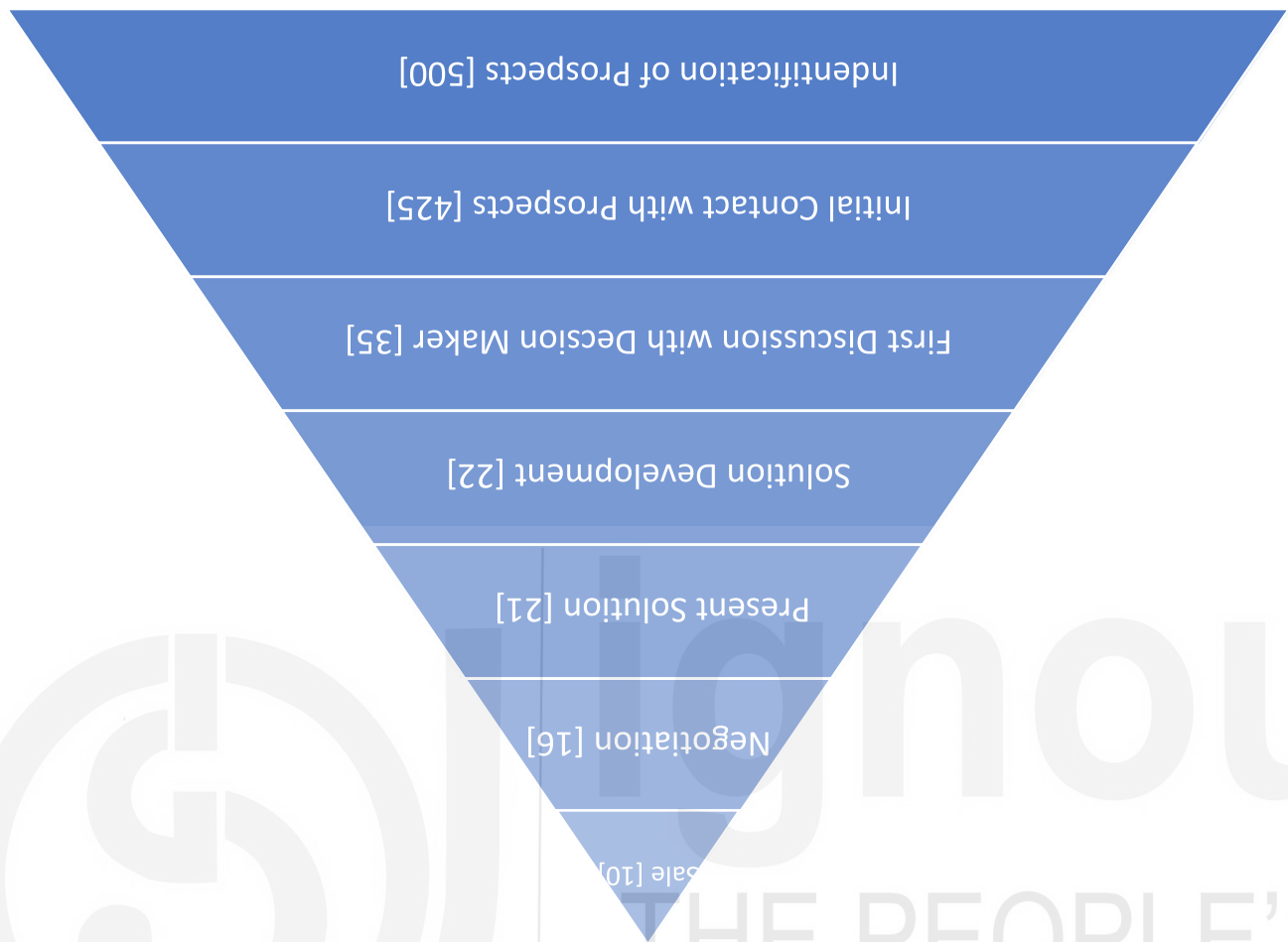


Figure 3: Sales Pyramid

6 Avoid The Urge to Multitask: The perception that those who are blessed with the ability to multitask are more productive workers could not be farther from the truth. Multitasking is a productivity facade. Just checking off more boxes of the to-do list may lead to not being able to putting forth your best work. It will increase the quantity of work but decrease the quality. Studies show that we make more mistakes while multi-tasking than we make while doing one task.

The reason is that our mind operates far better when it can focus on one thing at a time. Each type of task requires us to think in a unique way. Switching from one to-do to another leads to confusing the brain. So, instead of switching from one task to another, we should get comfortable with one task and settle one thing at a time.

13.8 Customer Service Skills

Customer service is not just a series of steps to be completed. It is an attitude and a way of looking at customers that enables the salespeople to provide the best level of service that they and their organization are capable of providing. The power of customer service cannot be underestimated when it comes to making sales and keeping customers. Many customers are willing to pay a higher price or go without certain features if they know that they have access to excellent customer service people who will be responsive and effective whenever they are needed.

So what does it take to provide excellent customer service skills? The answer to that question could fill books of its own, but here are a few tips on some main points:

1 Recognize the power of word of mouth: Take responsibility for the customer's experience – from first contact and beyond the sale. Customers might only make one purchase from you – or they might make repeat purchases over time. Even if they do not ever buy from you, they can carry an impression of your customer service with them and tell others about you – the good and the bad.

2 Put yourself in their shoes : The salesperson might have dealt with an issue a hundred times with hundred different customers, however, the customer with whom he is dealing is facing it the first time. Thus, the salesperson needs to put himself in their shoes and try to understand how their problem is affecting them and their business.

3 Communicate: The salesperson needs to be in touch with his customers to let them know any news, be it good, bad or anything interesting. Many times a customer will be understanding about a situation as long as you keep them informed about what is going on.

4 Honour your word: When you make a promise, be sure that you can deliver on it – and hopefully, exceed what you have promised. Your word is very fragile with customer. It takes only one time of failing to deliver on your word for you to destroy the reputation that you have built with the customer.

Check your progress B

1. What are the customer service skills that a salesperson need to develop? Name them.
2. How does a Salesperson builds a sales pyramid?
3. Fill in the blanks:
 - i. When you make a, be sure that you will deliver it.
 - ii. or Excel may be used to create one's own content management system.
 - iii. The habit of making a is very helpful to develop organisational skills.
 - iv. One good rule of thumb is to under-promise and for your customers.

13. 9 LET US SUM UP

A seller can solve buyer's problem only after he listens carefully and understand the problem. Experienced salespersons understands the value of careful listening to their customers. Salespeople who don't listen miss out the chance to identify customers' problems and needs, let them know and feel that they understand their issues and build a stronger relationship with them. To become an active listener, the salesperson should pay undivided attention, give acknowledgements from time to time, give feedback and should not interrupt.

Effective communication is crucial to sales success. While the knowledge about the market and the best selling techniques is the theoretical part of being a salesperson, the practical part is effectively communicating this knowledge, ultimately to close the deal. Knowledge and

communication are only complimentary to each other. Therefore, having knowledge about client, market, trends, etc. is insufficient without effective communication skills.

One of the key conditions to achieve success in the profession of selling is to become a problem solver before becoming a seller. Effective salespeople possess an attitude to meet challenges with strength, understand the problems and find solutions. The salesperson should try to find out the problems of the customers and how to solve them, put themselves in their shoes, focus on benefits rather than features and stop selling and begin problem solving to become an effective salesperson.

In today's competitive marketplaces, various sellers can solve the problems faced by the customers. Customers have a vast choice in which seller to prefer. However, a good salesman should have persuasion skills to encourage customers to prefer his products or services over the competitors'. He should demonstrate his understanding, generate a friendly environment, provide evidence and demonstrate his expertise to the customer. The salesperson must learn the persuading skills if he does not possess. He must understand the point of view of the customers and then provide information on the benefits of his offering. Focussing on benefits rather than features is important in persuading customers.

Interpersonal skills are more than just communication skills. They are the 'people skills' that seem to come to some so naturally, while others may struggle to acquire them. Interpersonal skills in the salespersons help them to work with their customers and build rapport with them. Interpersonal skills also help to build the type of long-term relationships that are important in maintaining customers over time. Some interpersonal skills include courtesy, respect for others, ability to see things from others' perspectives and ability to understand various communication styles

Salespeople have to keep a track of a lot of things. Many salespeople spend more of their time on administrative tasks than they spend on actual selling. Sales time management teaches the salespeople, the tasks they should be doing and also the tasks they shouldn't be doing. The salespeople need to focus as much on eliminating the tasks they shouldn't do as on the ones they should do. It is advisable to reduce administrative tasks, use a contact management system software system, stop procrastinating, create a sales pyramid, etc.

Customer service skill is an attitude and a way of looking at customers that enables the salespeople to provide the best level of service that they and their organization are capable of providing. The power of customer service cannot be underestimated when it comes to making sales and keeping customers. Any customers are willing to pay a higher price or go without certain features if they know that they have access to excellent customer service people who will be responsive and effective whenever they are needed.

13.10 KEYWORDS

Listening Skills: Ability of the salespeople to careful listening to their customers.

Communication Skills: Ability if the salespeople to effectively share the knowledge about products, service, market, trends, etc. tot the customers.

Problem Solving Skills: this is the ability to find out the problems of the customers and to solve them.

Persuading Skills: the salespeople must be able to convince the customers that his offering can solve their problems better than competitors’.

Inter – personal Skills: this is a social skill that helps a salesperson in facilitating interaction and communication with the customers and building long – term relationships with them.

Organization Skills: salespeople should learn sales time management by focussing the tasks they should be doing and also the tasks they shouldn’t be doing.

Customer Service Skills: Customer service skill is an attitude and a way of looking at customers that enables the salespeople to provide the best level of service that they and their organization are capable of providing.

13.11 Answers to Check Your Progress

A. 3.i. false ii. False iii. True iv. True

B. 3.i. promise ii. Microsoft iii. To-do-list iv. Over-deliver

13.12 Terminal Questions

- a) Explain how problem solving skill and persuading skill to inter – related.
- b) What are organization skills? Why they are important for a salesperson? Suggest some ways to enhance the organization skill of a salesperson.
- c) “Listening skill is the most important skill required to become a successful salesperson”. Explain why.
- d) Is inter – personal skill same as communication skills? How are they different from each other?
- e) “Customer service skill can help building enduring relationships with customers”. How?
- f) Suggest the ways to enhance communication skill.
- g) Why a salesperson needs to be more of a problem solver than a seller?
- h) What is the importance of integrity in the profession of sales?
- i) Discuss the importance of body language in communicating with the clients.

UNIT 14 CAREER OPPORTUNITIES IN PERSONAL SELLING

Structure

14.0 Objectives

14.1 Introduction

14.2 Why Do You Choose a Sales Career?

14.3 What Does a Professional Salesperson Do?

14.4 Types Of Sales Jobs Based On Industries

14.5 Changing Role of a Salesperson

14.6 Criteria for Success in a Sales Career

14.7 Measures for Making Personal Selling an Attractive Career

14.8 Let Us Sum Up

14.9 Key Words

14.10 Answers to Check Your Progress

14.11 Terminal Questions

14.0 OBJECTIVES

After studying this unit, you will be able to understand:

- analyse how a sales career can benefit you;
- discuss what does a salesperson do;
- explore what are the major industries offering a lucrative sales job;
- describe the changing role of a sales professionals;
- discuss the criteria for success in a sales career; and
- explain the measures for making personal selling an attractive career.

14.1 INTRODUCTION

David Mackenzie Ogilvy, the father of advertising, once said “We sell or else”. What he meant was that the ultimate purpose of business is to sell something to someone and establish exchange transaction. Without selling the whole purpose of establishing the business remains incomplete. Selling is so prominent for business that in spite of growing digital marketing and e-commerce, it is the effort of sales force of the business that has an impact on virtually every other area of business. Despite new technologies, tools, and business models, the skills and competencies of sales people will always be crucial for building relationships, closing deals, and finding new opportunities. Selling is an honourable, challenging, and rewarding career.

Selling is not just for sales professionals; it is a skill everyone of us needs to learn. Even if we never actually hold a sales job, we do need to sell during a range of activities like selling an old car or selling yourself in a job interview. The competitive world today demands good interpersonal skills and, the lack of selling capability can put anyone at a disadvantage. The skills and knowledge gained from a selling course can be used by a student who plans to go into virtually any field, such as law, medicine, journalism, or the military, or by those who start their own business.

In this unit, you will learn the reasons why do people choose selling profession as a career, the types of sales jobs, the responsibilities of a salesperson, the criteria for success in sales, whether a person is suited for sales career or not and measures for making personal selling an attractive career.

14.2 WHY DO YOU CHOOSE A SALES CAREER?

A career in sales is worth exploring for individuals who look for a flexible, competitive and challenging work environment, high earning potential, and an opportunity to continuously develop and adapt oneself in skills according to the changing environment and grow their professional capabilities. The major reasons for choosing a sales career are:

- 1 Earning Potential of a Sales Career:** Sales is a performance-based career. The more you sell, the more incentive you receive. The sales career is best for those who like competition and who like to work hard to stay ahead of others. The reward for the hard work generally comes in the form of monetary measure like periodical bonuses, prizes, trips, commissions, and various other incentives. There are very few other fields which provide earning potential which most of the sales careers do. The employers hire the sales professionals to earn revenue and they know very well that sales is the ultimate purpose of their business, without it business might soon be shut. Thus, the employers are willing to provide higher incentives to these sales professionals to keep them motivated towards their organisation.
- 2 The Flexibility of a Career in Sales:** Sales field is one of those fewest fields which provide highest level of flexibility in work schedule. While the degree of flexibility depends upon the particular type of sales job and the company, most of the sales professionals have the freedom to manage their daily schedule as long as they meet their targets. This helps the sales people to maintain their work – life balance.

This flexibility provides individual an opportunity to manage between household tasks and professional assignment. He can quickly run an errand like meeting a doctor and simultaneously fix an appointment with a client. He might also want to avoid morning – evening peak rush hours commute to office while preferring to pick and drop kids to school. This flexible arrangement permits him to follow a comfortable pace at work and choose a work environment that optimizes his productivity.

When a person feels a greater sense of control and ownership over his life and work, he will have better relationships with his boss and co - workers as well as feel more motivated and less stressed out.

- 3 Job Security:** It is a fact that the employees who are more valuable for the employer are less likely to be terminated, laid off or replaced. However, in time of an economic downturn, if the industry is hit hard, every employee loses value. However, the situation with sales professionals is a little bit different in the sense that in struggling times, sales people are the last ones to be laid off as they carry out the task of bringing in revenue with profits for the business which is the ultimate goal of business. Effective salespeople with an ability of bringing in business and building relationships have huge market value. So, any employer would hesitate to lay off successful salespeople till the moment it becomes extremely difficult to run the business. There is no other department or business function that has a greater impact on the development of the all-important cash flow than the sales department.
- 4 Psychological Satisfaction:** Most of the people like to win and to feel as if their work makes a difference. For a salesperson, closing a deal is a moment of delight if it brings substantial incentives. It can be more rewarding if the deal helped the client solve a business or a personal issue or if it beats out the competition and helps secure his job. The psychological rewards may range drastically from one sales job to another. The excitement of victories and the fact that you are creating and securing employment for others, makes the sales career a very attractive option.
- 5 Career Stepping Stone:** Sales is a challenging and dynamic field to work in. It requires the sales professionals to constantly learn new skills and brush up the old ones. There are ample opportunities in a sales career to learn, grow and develop new skills. Modern techniques, methods and technology turn up dynamically which need to be learnt and practiced to be able to have an edge. Thus, it shows that a sales job provides a stepping stone for many other careers. Researchers say that a lot of business managers, marketing and technical professionals, trainers and college professors come from a prior field of sales and acknowledge the skills they acquire in their sales job. Thus, graduates, young professionals, or career switchers having a dream job in mind but lacking skills like communication and interpersonal skills, presentation and persuading skills and who could not find an entry point in their career may try to first get into a sales job and then switch to desired field.
- 6 Mastering In-Demand Skills:** There is a great importance of soft skills in a sales job. Soft skills are a “combination of people skills, social skills, communication skills, character or personality traits, attitudes, career attributes, social intelligence and emotional intelligence quotients, among others, that enable people to navigate their environment, work well with others, perform well, and achieve their goals.” In today’s competitive world, these skills need to be learnt and practiced more than the hard skills. Building up these skills may be the best investment one can make in his personality and thus, his career.

Creativity, persuasion, collaboration, adaptability, time management, conflict management, stress management, customer service, emotional intelligence and storytelling are some of the most important soft skills that a person in sales career can acquire very well. A sales job helps building up and mastering skills that are applicable to many roles which may be taken up by the individual in his career ladder.

- 7 Challenging Job:** In a sales job, a person can test his mettle every day. They need to prove themselves every day and in front of every customer. Each customer is an opportunity to prove oneself. The rewards associated with each target keep the job more challenging. The person learns to face challenges in everyday life. Selling provides immediate feedback on salesperson's efforts. The reactions from buyers leave no doubt of salesperson's performance. He can use that feedback to improve constantly. Every time he presents himself and his offering, he has a chance to sharpen his skills.

14.3 WHAT DOES A PROFESSIONAL SALESPERSON DO?

The salesperson's tasks and assignments can vary from job to job and organisation to organisation, depending upon various factors like the nature of product and service that he is selling. For instance, the tasks of a salesperson selling Amway products through multi – level marketing are similar but somewhat different from the tasks of a salesperson selling automobiles for Maruti Suzuki.

People believe that the job of a salesperson varies from presenting and demonstrating to closing the deal and follow up. However, in today's marketplace, there is much more to his credit. As manager of a territory, the salesperson has the responsibility to:

- 1. 1 Create new customers:** The first and foremost task of a salesperson is to keep increasing the sales or replacing the customers that will be lost over time. This requires continuous prospecting which means identifying the potential customers. Thus, in a way, it may be said that prospecting is the most important part of sales. The salespersons require the ability to apply their judgment, for identifying the people or organizations that have the potential to buy their products.
- 2. 2 Sell more to present customers:** For increasing the market share, the company not only needs to create more customers but also to sell more occasionally and in more quantity to existing customers. Research says that creating new customer is far costlier than satisfying existing customer. Thus, building up loyalty of customers towards own products/ services becomes very important for the salesperson.
- 3. 3 Build long-term relationships with customers:** Research says that selling to a new customer is much costlier than selling to an existing one. Thus, satisfying the existing customers become all the more essential. After sales service and regular communications with them is necessary to build long term relations with the customers in order to sell them again and again.
- 4. 4 Provide solutions to customers' problems:** Latent or apparent, people have needs which can be met. They have problems or issues which can be solved by purchasing goods or service. This is where salespeople's another role comes in. They look for existing or latent needs or problems of their customers and show how the use of their products or services can satisfy needs or solve problems.

5. **Provide service to customers:** After selling, the salespeople provide a lot of other services to their customers like grievance redressal, returning damaged products, giving free samples to be distributed to customers, suggesting new business opportunities, and suggesting promotional programs to help the customer to promote the firm's products.
6. **Helps customers resell products to their customers:** Many times sales person's job is to guide and help the customers to resell the products and services to their customers. They provide assistance to their wholesale customers to sell products to retail customers and helps retail customers sell products to consumers. Consider a salesperson selling spices to grocery wholesalers. For selling his product to wholesalers, he must also need to contact the grocery retailers, take up their orders and send the orders to the wholesalers. If required, the salesperson might also assist the customer by working at his place. A salesperson selling a vacuum cleaner may make an arrangement for its demonstration at his customer's (wholesaler or retailer) workplace.
7. Thus, with the help of this salesperson, the wholesalers sell and deliver the product to the retailers. The salesperson also develops promotional programs to help the retailer sell the firm's products. These programs involve supplying advertising materials, conducting store demonstrations, and setting up product displays.
8. **Help customers use products after purchase:** This is especially in case of sales of technical products. Many times, the customers need to be demonstrated how to obtain full benefit from the product. For example, on the sale of a new software to an organisation, the technical specialists need to provide lectures/ classes to the employees of that organisation to show them how to run and use the software effectively.
9. **Build goodwill with customers :** The salesperson needs to build professional yet friendly and personal relationships with his customers and even their influencers. A salesperson's job also include a continuous manifestation of integrity, trustworthiness, high ethical standards, and a sincere interest in solving problems to each of his customers.
10. **Provide company with market information:** Another important task of a salesperson is to collect market information and pass it on to the organisation. He may collect information about latest trends and preferences of customers, their reaction, complaints, grievances and suggestions on new launches, number of competitors in the market and their activities and new marketing techniques and methods prevailing. This information can be collected from wholesalers, retailers or the customers themselves. Thus, salespeople are a prominent part of information system for any organisation.

14. 4 TYPES OF SALES JOBS BASED ON INDUSTRIES

Sales is inherent in any kind of industry or business organisation. No industry or organisation can exist without the sales job. For nearly every industry that exists, there is a corresponding sales career, each having its pros and cons. One may consider various factors like personal liking, education and experience requirements, pay scale, perquisites, working conditions, working hours and many more to choose a particular industry for sales career. For those interested in either starting a sales career or changing from

one sales industry to another, there are many choices. Following are some of the industries in which sales takes a major role so that sales career may be lucrative, although the list is not exhaustive and definitive:

1 IT Industry Sales Careers

The salespeople in the IT industry enjoy two major benefits - a high income potential and job security. However, a constant threat of ever changing technology also looms over them. If the salespeople in this industry do not adapt themselves to the dynamic technological environment, these benefits may vanish quickly. Thus, they need to commit themselves forever to learn new techniques, skills and methods.

An IT sales professional has the following major tasks to perform:

- speak to customers, either face to face or over the phone.
- gain an understanding of customers' diverse and specific business needs and apply product knowledge to meet them.
- ensure quality of service by developing a thorough and detailed knowledge of technical specifications and other features of employers' systems and processes, and then documenting them.
- carry out cold-calling in order to create interest in products and services, generate new business leads and arrange meetings.
- identify and develop new business through networking and follow-up courtesy calls.
- prepare and deliver presentations and demonstrations of software to customers.
- market and promote a portfolio of products by writing and designing sales literature and attending industry events.
- maintain awareness and keep abreast of constantly changing software and hardware systems and peripherals (e.g. keyboard and mouse).
- provide technical advice to customers on all aspects of the installation and use of computer systems and networks, both before and after the sale.
- advise on software features and how can they be applied to assist in a variety of contexts such as accounting, manufacturing or other specialist areas.
- handle hardware or software problems and faults, referring on to specialist technical colleagues where appropriate.

2 Real Estate Agent

Real estate sales agents, also sometimes called as property dealers or agents, help their customers in buying, selling, and renting a house, shop, land or other properties. While agents do much more than just sell homes and other properties for and to people, essentially their job is to close deals. The rewards for successful agents can be unlimited, however, like any other sales profession, there is no success without hard work. A very critical combination of right personality, marketing skills, time management, knowing how to figure out clients' needs and wants, negotiating, etc. is required to become successful in this field.

Some countries like USA require the aspirants to clear state and national level exams to get the license. However, in India, there is no such requirement of education or clearing of exams. Sales agents may work as an employee in a company or as an independent contractor.

Real Estate Agent's Responsibilities:

- Appraise property values by comparing a property with similar properties that have been recently sold to determine its competitive market price.
- Advise clients on market conditions, prices, mortgages, legal requirements, and related matters.
- Promote sales of properties through advertisements, open houses, and participation in multiple listing services.
- Accompany buyers during visits to and inspections of property, and advise them on the suitability and value of the property they are visiting.
- Prepare documents such as representation contracts, purchase agreements, closing statements, deeds, and leases, coordinate property closings, overseeing the signing of documents and disbursement of funds.
- Confer with escrow companies, lenders, home inspectors, and pest control operators to ensure that terms and conditions of the purchase agreement are met before closing dates.
- Contact property owners and advertise services to solicit property sales listings.
- Arrange for title searches to determine whether clients have clear property titles.
- Attend conventions, seminars, and staff and association meetings to remain knowledgeable about real estate markets.
- Advise sellers on how to make homes more appealing to potential buyers.
- Investigate clients' financial and credit status to determine eligibility for financing.
- Develop a network of attorneys, mortgage lenders, and contractors to whom clients may be referred.
- Inspect condition of premises and arrange for necessary maintenance or notify owners of maintenance needs.
- Evaluate mortgage options to help clients obtain financing at the best prevailing rates and terms.
- Rent or lease properties on behalf of clients.

3 Health Care Industry Sales Careers

Health care industry provides much security as it is one of the growing industries of all. It is such a diverse industry, that the options for growth can be tremendous. With medical technology booming, there are so many different niches in this industry: surgical equipment, nanotechnology and durable medical equipment to name a few. The pharmaceutical industry is another branch in this industry. An aspirant needs great customer service skills, knowledge of industry and patient protocols, time management, and patience. These salespeople have the major task of making cold calls to their potential clients including public and private hospitals, doctors' offices and medical centres.

Primary responsibilities or skills of health care industry are:

- Communication skills are quite important while dealing with patients, their family and colleagues.
- A healthcare worker should be very flexible for working hours.
- The ability to co-operate with others is an advantage in health care industry
- Strong work ethics, dealing with pressure, time management, team player are some skills which a health care provider must possess.
- Making cold calls to their potential clients

4 Food Service Sales

The sales people in food industry are responsible for selling food and food-related items to establishments that help people meet their need of eating food.

Food service sales person may work as a restaurant supply distributor or exclusively for food distributors. No matter who a foodservice sales person works for, they should expect stiff competition, a lot of networking and a job that extends beyond the normal working hours.

Primary responsibilities of a foodservice sales person are:

- Sell food, food ingredients, and food services to businesses and individuals.
- Sell food for the purpose of re-distribution and to get the food into the market.
- Sell food to restaurants, caterers, event planners, etc.
- Manage and develop new customers, while maintaining existing sales within assigned customers and a given sales territory.
- Develop a daily/weekly call list and maintain information accuracy monthly and review daily sales reports.
- Review monthly the best monitoring sales report with management to determine if goals and objectives are being met.
- Coordinate sales with food service producer to ensure demand is met.
- Communicate trends/pricing issues and other unique issues as it relates to sales.
- Participate in marketing events such as seminars, trade shows, and telemarketing events.
- Coordinate shipping schedules and delivery of merchandise and services.

5 Pharmaceutical Sales

The pharmaceutical industry is poised for rapid growth, with an aging population in need of medication and healthcare, as well as a rise in the number of drugs receiving government approval.

Successful sales representatives in the pharmaceutical industry will need great customer service skills along with product knowledge. They will also need some basic medical knowledge, patient protocols, and best practices, as well as knowledge of trends in the industry.

Major tasks for pharmaceutical sales persons are:

- Finding new customers by cold calling or walking into hospitals, medical centres, doctors' offices, and HMOs.
- Meeting frequently with healthcare professionals to describe the drug's chemistry, uses, side effects, and potential interactions.
- Following leads and target potential new customers within an assigned geographic region.
- Presenting at industry conferences, establishing networking events, and conducting workshops to cultivate potential sales.
- Most pharmaceutical sales representatives specialize in promoting certain drug classes, such as analgesics, antibiotics, antidepressants, or beta blockers.
- Undertaking administrative tasks like taking purchase orders, establishing new accounts, reviewing product literature, and resolving consumer complaints.

6 Insurances Sales Agents

The sales people in insurance companies help their employers enlarge their customer base by searching for potential customers and selling them one or more types of insurance and related services. Insurance sales agents explain various insurance policies and help their clients choose plans that suit them. They generally sell one or more types of insurance, such as life insurance, medical insurance, automobile insurance, stock and property insurance, etc.

Insurance sales agents typically have the following tasks to perform:

- Making cold calls to prospective customers to solicit new business.
- Interviewing potential clients to get their relevant financial information and existing coverage.
- Introducing the prospective clients the various policies available with him.
- Analysing the clients' existing policies and suggest additions or changes.
- Customizing the policies to suit individual needs.
- Handling policy renewals.
- Maintaining clients' records in soft and hard form.
- Helping the clients settle their claims.

7 Loan Officer

Although it may not be a traditional sales job, loan officers are generally in the business of selling loan products services to the clients. They are typically employed by banks, non banking financial institutions and mortgage companies to evaluate, authorize and recommend loan applications for various kinds of customers – businesses or individuals. Loan officers may have various kinds of specialization. They may be commercial loan officers (who specialize in making loans available to businesses), consumer loan officers (specializing in making loans available to individuals) or mortgage loan officers (who specialize in loans used to buy real estate, property and buildings). Within these three fields, the loan officers may specialize as Mortgage loan officers or Loan underwriters.

Generally Loan officers have the following tasks to perform:

- Making calls to prospective clients to generate new business.
- Arranging meetings with the applicants to gather and verify their personal information and financial information such as credit score and income level.
- Introducing various types of loans available, according to the needs of the clients and handling their queries.
- Guiding the customer through the application process .
- Analyse the loan applications according to the terms and conditions of the employer and government norms.
- Approve loan applications or refer them to management for a decision.

8 Sales Engineers

Sales engineers are those sales persons who sell complex scientific and technological products or services to businesses. These salespersons must have in depth knowledge and experience of how to handle the complex products. They must be aware of all the products' parts and functions and must understand the scientific processes that make these products work. They often work under stressful conditions because their income and job security depend on successfully completing sales. Some may work long and irregular hours to meet sales goals and client needs. Still, this can be a rewarding career for those who want to work in a fast-growing field.

Sales engineers typically do the following:

- Prepare and deliver technical presentations that explain products or services to customers and prospective customers.
- Arrange delivery engineers to assess equipment needs and system requirements.
- Collaborate with sales teams to understand customer requirements and provide sales support.
- Secure and renew the orders of the customers.
- Help clients solve problems with installed equipment and ask for technical requirements for modifications.
- Help the marketing team in market research.
- Plan and give suggestions to production team to modify products to meet customer needs.
- Recommend improved materials or machinery to customers, showing how changes will lower costs or increase production.

9 Securities, Commodities, and Financial Services Sales Agent

These salespeople are responsible for selling a variety of financial services, like advising on or selling mutual funds, various types of insurances, retirement plans, investments or tax saving. Working in the fast-paced industry of the financial markets can be attractive to those who thrive in high-pressure situations and want to work in a competitive field. These sales agents are responsible for selling securities and other financial products to customers, providing financial and purchasing recommendations, and conducting trading activities.

They contact potential clients to explain their services, which may include: foreign trade job, retailing job, textile, fashion, industry, the handling of checking accounts, loans, certificates of deposit, individual retirement accounts, credit cards, and estate and retirement planning.

Financial services sales agent have the following primary responsibilities:

- Sell financial services to businesses and individuals.
- Recommend certain services such as life insurance, retirement income, investments, and long-term care insurance.
- Build relationships with clients and communities.
- Provide solutions for short and long-term financial goals.
- Help clients achieve financial security.
- Determine clients' financial needs and areas of improvement.
- Determine security risks and advise customers regarding expected fluctuations.

- Develop prospects from current commercial customers, referral leads, and sales and trade meetings.
- Prepare forms or agreements.
- Sell trusts, investments, and check processing services.
- Make presentations on financial services to groups in order to attract new clients.
- Use financial, tax, economics and accounting skills to review a client's personal data and recommend investment strategies that are appropriate to the client's goals.
- Advise a client on whether to buy certain types of stocks, bonds and mutual funds.
- Evaluate financial reporting systems, accounting and collection procedures, and investment activities, and make recommendations for changes to procedures, operating systems, budgets, and other financial control functions.
- Determine whether loans must be obtained to meet cash requirements or whether surplus cash can be invested.
- Solicit business, authorize loans, and direct the investment of funds, always adhering to Federal and State laws and regulations.

14.5 CHANGING ROLE OF SALES PEOPLE

Earlier, the major task of sales people was to communicate all the detail of their products/ services and their comparison with the substitutes to make the prospects understand how their product may benefit the customers and solve their problems. Those were the times, salespeople used to persuade people into buying their offerings and many times into wrong purchases just to hit their targets.

However, in the recent years, technological innovations have changed the marketplace. Now the product information is available on internet in abundance. In fact, some website have the sole purpose of providing information and making comparisons easy. Does this mean that the sales jobs are redundant and the salespeople will be out of the ark? And, now should the companies not hold their salespeople accountable for the revenue quota?

More experts believe that selling is so prominent for business that in spite of growing digital marketing and e – commerce, it is the effort of sales force of the business that has an impact on virtually every other area of business. Despite new technologies, tools, and business models, the skills and competencies of sales people will always be crucial for building relationships, closing deals, and finding new opportunities.

However, the role of a salesperson has been changing ever since the inception of digital marketing and e – commerce. The information technology has not only brought threats but also opportunities for the salespeople. The world of selling now requires a completely different mentality and skill set. It is no longer about persuading people into buying something they do not need, do not want, or can not afford. It is about being there as a trusted advisor to help guide them through the buying process. The salesperson's role is evolving to be that of a consultant. The role of the business-to-business salesperson is changing from “product information provider” to “business success coach”, from “always be closing” approach to an “always be helping” approach, from a “traveling figure” to a real “relationship manager”. It is about being there as a trusted advisor to help guide them through the buying process.

Armed with wireless technology, sales people can provide prospects and customers with increased service, in less time, from anywhere around the globe. Sales people will travel less and use online audio and video conferencing more. Thus, the technological advances which enabled the buyers to research suppliers and find products, also helped to make the sales force more productive.

For example, prospective customers may have instant access via the Internet to information about a company's products and those of its competitors. They will still however, need a salesperson's personal contact and expertise to help them diagnose their specific needs and decide on the best solution to satisfy them. Therefore the role of sales person has been changing. The domain of sales activities has been expanding. The sales persons must be equipped with the required skills to manage there changing scenario of sales job.

14.6 CRITERIA FOR SUCCESS IN PERSONAL SELLING

To become successful in a sales career, like any other career, there are some basic demands which need to be fulfilled. These are:

- 1 **Love of selling:** One of the most important conditions to become a successful salesperson is the love of selling. If the salesperson loves his job, finds it challenging and motivating, and if he believes that the product or service that he is selling will solve the customers' problems and will provide them great value, he is surely in the right field of career. The love of their work keeps the people devoting more and more to their job and it is one of the characteristics of successful people.
- 2 **Willingness to work hard, work smart, then work some more:** A pre- requisite to enter a sales career is the willingness to work hard and smart. A positive attitude towards work is really needed. A career in personal selling commonly requires 10 – 12 hours work days including many Saturdays and Sundays. It is their love of work and their need for success that motivate the top sellers to bear with hectic schedules. This also requires persistence which comes the ability to go beyond normal limits.
- 3 **Have an optimistic outlook:** A positive outlook towards work, organisation, customers and in general, towards life, provide the strength to survive and excel in tough times. A sales job provides a number of such benefits which other jobs may provide. However, they too face many challenges and threats like hectic schedule and dynamic environment. Yet, their optimistic attitude helps them face periodic problems. They persistently find ways to improve their performance even in tough times. In no other field is the necessity of having a positive attitude more prominent than in sales. Successful salespeople are enthusiastic, confident, and constantly think of themselves as successful.
- 4 **Be knowledgeable:** For a salesperson knowledge means information about the customers, their demography, tastes and lifestyle, their existing and latent needs, the various substitutes available in the market, the competitors- their characteristics and market share, latest marketing techniques being used in the market, etc. Knowledge also includes awareness about the latest techniques, skills and ideas used by other salespeople while dealing with customers. To become successful, salespeople need to focus on having thorough knowledge in all aspects of their business. This boosts their confidence and helps in building a professional image as well as trust with customers.

As goods and services become more complex, companies place greater emphasis on training their salespeople and on salespeople training themselves. It is no wonder that corporate recruiters seek above-average individuals to fill their entry-level sales positions.

- 5 Be ruthless about time:** One of the greatest mantra to become successful in career and life is to kill procrastination. Any kind of talent in a person is wasted if he/ she is not able to utilise it because of procrastination.

Successful sales people do not use the word *someday*. They realize that what you do today determines your tomorrows. Thus, *tomorrow* is today! They always think of today as a new opportunity in their lives. They are do-it-now people. They pick up the phone, mail a letter, or make a sales call today to be successful tomorrow.

- 6 ask questions and then listen to uncover customer needs:** People nowadays do not like the kind of salespeople who speak a lot and do not let them speak about their problems. One of the most important skills that salespeople need to learn is to listen carefully to what his customer is telling him. They need to ask questions then pay attention as the prospects answers the questions to uncover their needs.

- 7 Serve your customer:** Customers never like to be sold. They need the customers to solve their problems. They like to believe that the salesperson care for them and will always give them the best advice about the products and services which can solve their problem. Customer service is not just a series of steps to be completed. It is an attitude and a way of looking at customers that enables the salespeople to provide the best level of service that they and their organization are capable of providing. The power of customer service cannot be underestimated when it comes to making sales and keeping customers. Many customers are willing to pay a higher price or go without certain features if they know that they have access to excellent customer service people who will be responsive and effective whenever they are needed. Providing service to customers also help the salespeople to gain respect from their customers.

- 8 Be physically and mentally prepared:** Even in the times of e – commerce and internet marketing, still many of the sales job are of primarily of travelling in nature. Salespeople need to meet their clients on a regular basis in order to give presentation and fix their problems. Regular travelling and hectic schedule demands the salesperson to keep himself physically prepared. With physical preparedness comes mental strength. Exercise elevates the mood by increasing energy and simultaneously secreting adrenaline-like substances in the body that act as stimulants and antidepressants, according to the medical community. This increased feeling of well-being transmits itself to the body and mind. Knowing that you are in shape to deal with today and tomorrow is an important component of being successful.

14.7 MEASURES FOR MAKING PERSONAL SELLING AN ATTRACTIVE CAREER

Despite providing some exceptional benefits, the sales profession has not gained much importance amongst job seekers. Thus, there is a need to make this profession attractive and measures need to be taken by the academicians as well as the employers who need people for their sales department.

Suggestive Measures to be taken by Academicians:

Classroom/training exercises: Academicians need to be aware that the perception about the career in marketing in general and sales in particular starts building up during their graduation and post graduation when they make a choice among various fields of subjects. Marketing professors and trainers need to

incorporate classroom/training exercises, role plays, and other experiential methods to eliminate the negative perceptions wherever possible and reinforced the positive perceptions. Students from different backgrounds are likely to be different and the classroom instruction or the training program needs to be adjusted to the characteristics of each group of students.

enlightening the students about sales career: the students may be assigned the task of interviewing a sales person. Those who have family members in sales, they can present their experience/feelings about the profession to the class. Inviting sales persons or managers as guest speakers in the class will also help students develop correct perception of the profession.

Developing the skill set: Among the skills set for sales people, sales presentation skill is very important. Apart from oral communication, the students must be provided the opportunity to develop listening, persuasion and negotiating skills. Development of these skills should be woven into the fabric of business curriculum since these skills are useful to all managers not just the sales professionals. Educators and trainers have to stress repeatedly the positive aspects of presentation and communication skills. Sales careers are primarily communication careers with business skills becoming the substance used in the transactions. Educators should create measurable standards to assess students' progress.

Suggestive Measures to be Taken by Employers

Training: Companies need to provide adequate training to the new comers about their organisation, their products and services, as well as competitors. They also need to provide refresher training to existing sales force for making them acquainted with the new techniques and methods of selling arising in the dynamic market.

Adequate perquisites: Sales people are the representatives of the organisation to the world. They carry the flag of the brand in front of the customers. The level of their motivation will reflect in their relationship with the customers. Companies need to continuously provide adequate perks to their sales team to attract and retain talent. They need to make the job of sales motivating for the sales force.

Guidance to Universities: Human resource and sales management need to focus upon the skills needed in the sales profession. They need to pass it on to universities, colleges and training institutes so that, with this information, they can adjust their curricula to ensure that students and sales trainees get the proper training that their profession requires.

Check your progress

1. What are the responsibilities of a professional sales person?
2. Who are sales engineer?
3. What are the measures to make personal selling an attractive career?
4. What are the major reasons for choosing a Sales Career?
5. True or False
 - i. Employees who are more valuable for the employer are likely to be terminated or replaced. (True/False)
 - ii. There is a great importance of soft skills in a sales job. (True/False)
 - iii. The role of a salesperson has been changing ever since the inceptions of digital marketing and e-commerce. (True/False)
 - iv. Among the skills set for sales people, sales presentation skill is not very important. (True/False)

14.8 LET US SUM UP

Selling is not just for sales professionals; it is a skill every one of us needs to learn. Even if we never actually hold a sales job, we do need to sell during a range of activities in professional as well as personal lives.

A career in sales is worth exploring because of the benefits like earning potential of a sales career, the flexibility of a career in sales, job security, psychological satisfaction, career stepping stone, and mastering in-demand skills.

The salesperson's tasks and assignments can vary from job to job and organisation to organisation, depending upon various factors like the nature of product and service that he is selling. As manager of a territory, the salesperson has the responsibility to create new customers, sell more to present customers, build long-term relationships with customers, provide solutions to customers' problems, provide service to customers, helps customers resell products to their customers, help customers use products after purchase, build goodwill with customers, and provide company with market information

Sales is inherent in any kind of industry or business organisation. No industry or organisation can exist without the sales job. Some of the industries in which sales takes a major role so that sales career is lucrative are Information Technology, real estate, pharmaceutical, health care, food, and financial services.

The role of a salesperson has been changing ever since the inception of digital marketing and e – commerce. The information technology has not only brought threats but also opportunities for the salespeople. It is no longer about persuading people into buying something they do not need, do not want, or can not afford. It's about being there as a trusted advisor to help guide them through the buying process. The salesperson's role is evolving to be that of a consultant. Armed with wireless technology, salespeople can provide prospects and customers with increased service, in less time, from anywhere around the globe. Salespeople will travel less and use online audio and video conferencing more.

14.9 KEYWORDS

Digital marketing – It is a type of marketing in which the marketers use internet to promote their products and services on mobiles, computers, laptops and other digital media and platforms.

E – commerce - E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These transactions are business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business.

14.10 Answers to check your progress

5.i. False ii. True iii. True iv. False

14.11 Terminal Questions

1. Discuss why a college graduate should choose Sales as a starting point of his/ her professional career.
2. What are the primary and secondary responsibilities of a Sales professional?
3. Discuss the changing role of a sales professional in light of increasing digital marketing.
4. Which industries offer lucrative sales career? What are the responsibilities of a sales person in these industries?
5. Suggest the measures that may be adopted by education providers as well as employers to make a sales career attractive for job seekers?