



**Class: - II Year**

**Subject: - Personal Selling and Salesmanship**

Unit I	Nature and importance of personal selling, types of selling. Effectiveness of personal selling Vs. Advertising. Economies of advertising Vs. personal selling. Theories of Personal selling.
Unit II	Types of sales persons, Buying motives, types of markets. Selling as a career Advantages and difficulties, Measures of making selling an attractive career.
Unit III	Process of effective selling. Prospecting, pre approach, presentation and Demonstration, handling Objections, closing of sale, post-sale activities. Types of sales calls, Management of call Time
Unit IV	Qualities of successfully sales person with particular reference to consumer services. Sales operation reports and documents, sales manual order book, cash memo, tour diary and periodical reports, problems in selling operations.
Unit V	Distribution network, Traditional network and modern network, e-business and e-commerce, other problems in selling and relationship marketing, After Sales service, Marketing correspondence.



UNIT-I  
Personal Selling

Introduction Personal Selling

Michael Bon once said, "If you sincerely believe that "the customer is king," the second most important person in this kingdom must be the one who has a direct interaction on a daily basis with the king." Selling is a universal human occupation. Almost everyone lives by selling something. Personal selling is an extremely effective but expensive form of promotion. Because it involves people and professional relationships, management of personal selling is a challenge. In the promotion mix of an organization, personal selling often becomes the dominant note.

**The Promotion Function**

Sales are the life blood of a business. The ultimate object of all production is sale; and without sales, no business would survive. An important element of the marketing mix of a business firm is promotion. The function of promotion is concerned with the establishment of contact and communication with the object of creating 'customers'.

In a broad way 'promotion' has two forms:

**(a) Personal Selling:** It is a personal communication, through the exercise of salesmanship, with the prospective customers.

**(b) Mass Selling:** It is advertising involving the use of media of mass communication to approach a large number of prospects.

**Meaning and Definition of Personal Selling**

Personal selling refers to the use of speech and personal conviction to bring about some action on the part of another. Salesperson is a man who actually performs the personal selling.

Personal selling is a means of implementing marketing programmes. It is concerned with 'persuasive communication'. A salesperson in personal selling tries to persuade the prospect so that he can take a decision to buy product. It is a major factor in creating sales volume. It is a direct presentation of a product to a prospective customer by a salesman. It takes place face to face or over the telephone. It may be directed to a middleman or a final consumer.

A few definitions are quoted below:

According to William Stanton and Walker, "Personal selling is the personal communication of information to persuade somebody to buy something."

In the words of Dalrymple and Decarlo, "Personal selling is direct communications between paid representatives and prospects that lead to purchase orders, customer satisfaction, and account development."

In the words of Philip Kotler, "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."

In the words of Robinson and Stidsen, "Personal selling may be defined as interpersonal face-to-face interaction for the purpose of creating, exploiting or maintaining a mutually beneficial exchange relationship with others."

According to Mahoney and Slone, "Personal selling is the personal Communication between a salesperson and a potential customer or group of customers."

In the words of Still, Cundiff and Govoni, "Personal selling is a highly distinctive form of promotion. It is basically two-way communication."

According to Sharelekar, "Personal selling refers to oral presentation in conversation (by a salesperson) with one or more prospective customers for the purpose of making sales."

In the words of Richard Buskirk, "Personal selling consists of contacting prospective buyers of product personally."

The relationships between selling and other elements of the marketing mix are highlighted



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below. Marketing programmes are designed around four elements of the marketing mix: (a) products to be sold, (b) pricing, (c) promotion, (d) distribution channels. The promotion component includes advertising, public relations, personal selling, and sales promotion. It should be noted that advertising and sales promotion are non-personal communications, whereas salespeople (in personal selling) talk directly to customers.

Thus, personal selling involves two-way communication with prospects that allows the sales message to be adapted to the special needs of the customer.

### Characteristics or Nature of Personal Selling

Let's look at some aspects of personal selling to understand its nature:

- 1. Part of Promotional Mix:** Personal selling is a part of promotional mix, or the communication mix, in the company's marketing program. The major elements in the promotional mix are the company's advertising, sales promotion, and personal selling efforts.
- 2. Individual, Personal Communication:** Personal selling is the individual and personal communication of information, in contrast to the mass, impersonal communication of advertising, sales promotion, and other promotional tools.
- 3. Flexible Tool:** Personal selling is more flexible than these other tools. Stanton says, "Salespeople can tailor their presentations to fit the needs and behavior of individual customers. Salespeople can see their customer's reaction to a particular sales approach and make adjustments on the spot."
- 4. Focused on Customers:** Personal selling is usually focused or pinpointed on prospective customers. It considers the needs, desires and buying problems of the customers.
- 5. Alive Interaction:** Philip Kotler writes, "Personal selling involves an alive, immediate, and interactive relationship between two or more persons. Each party observes the other's needs at close hand and makes immediate adjustments."
- 6. Long-run Relationship:** Personal selling permits all kinds of relationship to spring up. It establishes a selling relationship and also a deep personal friendship. It keeps customer's best interests at heart. It maintains long-run relationships.
- 7. Response:** Personal selling is based on buyer's reactions and response. It makes the buyer feel that he is listened to, and his needs are considered.
- 8. Persuasion:** It is concerned with persuasive communication. A salesperson in personal selling tries to persuade the prospect so that he can take a decision to acquire the product which the salesperson is talking about.
- 9. Human Element into Marketing:** It is a major factor in creating sales volume. It brings human element into marketing transactions and increases the customer's confidence in the supplier.
- 10. Broader Concept:** Personal selling is a broader concept than salesmanship. Still and Cundiff state, "Personal selling, along with other marketing elements, is a means for implementing marketing program's. Salesmanship is one aspect of personal selling it is never all of it." Personal selling makes use of salesmanship techniques.
- 11. Creative:** Personal selling is creative by nature. The salespeople try to create needs, make the customers aware of this need and try to persuade them to buy the product. The salesman "does not sell, but he creates in the other man the urge to buy."
- 12. Service Element:** Personal selling is not getting rid of a thing or cheating the customers. It is necessarily an act of assisting the customers to buy wisely. Today, it has become a symbol for honesty and dependability. In fact, it is a service that is serving the customer for the good cause of humanity.



### Importance of Personal Selling to Businessmen

Sales of a firm are increased with the help of Personal Selling. It is significant for businesses in the following manner:

- **Effective Promotional Tool:** It increases the sales of the firm by influencing prospective customers about the product, its quality, features, uses, etc., and thus, acts as an effective promotional tool.
- **Flexible Tool:** Personal selling is more flexible than other promotional tools, like advertising and sales promotion. The message, offer, etc., can be changed in varying purchase situations.
- **Minimises Wastage of Efforts:** As the target audience is pre-decided, personal selling involves minimum wastage, which leads to bringing economy in the efforts of business person.
- **Consumer Attention:** Customer attention can be easily achieved in the case of personal selling as there is direct contact between the salesperson and the customer. This helps sales persons and businessmen to achieve their sales targets.
- **Lasting Relationship:** Long-lasting relationships are maintained with the help of personal selling between the salespersons and customers, and this helps in increasing sales of the product.
- **Personal Rapport:** Personal rapport is developed with the efforts of the salesperson. Salesperson gains the trust and confidence of the customers, which increases the competitive strength of the business.
- **Role in Introduction Stage:** Personal Selling plays a very significant role in the introduction stage of a new product. This is possible because sales persons can influence and inform customers about the merits, features, and uniqueness of the product.
- **Link with Customers:** Salesperson performs three different roles: persuasive role, service role, and informative role, which links business with the customers.



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### Importance of Personal Selling to Customers

Personal Selling plays a very important role in informing and educating the customers. It benefits the customers in the following manner:

- **Helps in Identifying Needs:** Customers are able to identify their needs and wants better with the help of Personal Selling. It also helps them to understand how these needs can be satisfied.
- **Latest Market Information:** Personal Selling helps customers in getting the latest information about a product, its price, uses, etc. It also assists in making purchase decisions.
- **Expert Advice:** Expert advice and guidance are provided by the salesperson to the customers in purchasing various products and services.
- **Induces Customers:** Personal Selling induces customers to purchase new products in order to satisfy their needs and improve their standard of living.

### Importance of Personal Selling to Society

A very productive role is played by Personal Selling in the economic progress of society. The benefits of personal selling to society are:

- **Converts Latest Demand:** Latest demand is converted into effective demand with the help of personal selling. Because of this effective demand, production is raised, which results in more jobs, incomes, and products and services. In this way, personal selling brings economic growth.
- **Employment Opportunities:** It creates employment opportunities for people as it requires a lot of sales persons. A lot of youth get employed because of personal selling.
- **Career Opportunities:** It creates many attractive opportunities for career advancement and job satisfaction. security, respect, and independence are provided to the youth through personal selling.
- **Mobility of Sales People:** It also boosts travel and tourism in the country, as the salesperson is required to move from one place to another.
- **Product Standardisation:** Personal selling brings uniformity in consumption patterns in a diverse society by selling standardised products.

## Types of selling

### 1. Transactional type of selling

Transactional selling is a simple, short-term sales strategy that focuses on making quick sales. In this type of sales model, neither the buyer nor the seller has much interest in developing a long-term relationship.

While transactional selling sometimes gets a bad rap in today's relationship selling era, it's still a relevant approach—when used in the right context. Examples include situations where the buyer wants quick, self-serve options or the organization sells low-cost, generic products and turns a profit by selling large quantities as fast as possible.

Transactional sales are most common in B2C situations—think e-commerce brands or selling movie or concert tickets. However, there are certain scenarios in which it works for B2Bs—think SaaS subscriptions that cater to individuals or small teams.

While the “sales” part of transactional selling is mostly hands-off, customer-centricity is, well, central to success. In this case, sales and marketing teams can work together to create a comprehensive self-serve knowledge base, product demos, articles, guides and other content.

Customer feedback and insights surfaced from sales interactions can be used to address common questions and



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target key challenges. Ultimately, the goal is to give consumers everything they need to make a decision and take action, without hitting any friction points along the way.

## **2. Solution selling**

Solution selling moves away from the transactional approach and instead, focuses on selling outcomes over products and features.

In this sales model, reps lead with a problem and use various tactics to paint a picture of how the buyer's life will be better once they solve that problem.

Over the past few years, many experts have pointed out some of the drawbacks associated with this type of sales strategy—particularly the fact that few reps have the skills and tech stack to present out-of-the box solutions that buyers can't find on their own.

According to a 2019 McKinsey report, the average "B2B solutions provider" doesn't necessarily close more deals than reps who focus on products, services, or features. In fact, researchers found that solution sellers don't fare much better than those that follow a more transactional approach.

To be effective, a solution sales strategy must:

- Focus on building genuine connections with buyers
- Create innovative solutions and unique value propositions
- Paint a clear picture of the total business value of the solution—not just the product, but the service and experience, too
- Align around the solution—not just the sales team, but the entire organization

The McKinsey report notes that cultivating individual skills, giving sellers more time to spend interacting with customers, and quantifying the impact of lifetime value holds the key to successful solutions-based selling.

## **3. Consultative selling type**

On the surface, consultative selling and solution selling appear to be the same strategy.

However, despite some similarities there's an important distinction. Solution selling avoids talking about features and benefits, opting to focus conversations exclusively on presenting a solution to the buyer's problem.

A 2012 Harvard Business Review article explains that solution selling was an effective strategy in the days before customers had the tools and the know-how to solve their own problems. Aka—before Google was a portal to a whole world of high-end B2B content.

Consultative selling takes it a step further and incorporates solution selling into a broader strategy that caters to buyers capable of identifying potential solutions to their problems on their own.

Here, reps apply a consultative approach to the sales process, using a combination of user data, market research, and insights from conversations with the buyer (in this case, the more connected data sources the better).

Sellers then use those insights to craft a narrative that puts the offer in context for the buyer. This approach requires a skilled sales team that understands how to interpret data, ask questions, and unearth important insights during conversations.

Because this type of selling requires a lot of work on the part of the seller, it's best suited for big-ticket deals, long sales cycles, and a high-touch, multi-platform buyer's journey.

## **4. Provocative selling**

In 2009, Geoffrey Moore published a piece in the Harvard Business Review entitled, *"In a Downturn, Provoke Your Customers."*

In it, he explains that provocation is the best way for sellers to get buyers to move past a "buy nothing" mentality by helping customers see competitive challenges in a new light, bringing a sense of urgency to solving specific pains/problems.

Similar to consultative selling, provocation-based sales aims to uncover needs and pain points through market research, data analysis, and buyer interactions. Both types focus on guiding customers to the right solution, however, provocative selling adds a little antagonism into the mix.

Here, reps capture buyers' attention by creating a sense of crisis and drive action by surfacing emerging opportunities and threats on the horizon.

In recent years, we've seen a resurgence in provocation-based selling, with the rise of Challenger Sales. And now,



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amid the COVID-19 pandemic, provocative selling could be an effective way to create urgency in the face of uncertainty.

This can be an effective approach but it can be hard to pull off for a couple of key reasons. For one, it works best with top-performing sales reps with true expertise. Reps must combine their market/industry insights with facts and figures that ground their recommendations into a tangible reality. Second, provocative selling requires some seriously advanced soft skills. Sellers must be able to “read the room,” and have a clear understanding of when provocation will drive action or simply irritate and frustrate the buyer.

**5. Collaborative selling**

Collaborative selling is similar to consultative selling in that the core focus is on developing relationships and understanding buyer needs, challenges, and goals—but this approach takes things to the next level and places the customer at the center of their own narrative.

Here, the buyer plays an active role in the sales process and works collaboratively with sales reps—yes, multiple reps—to identify and implement solutions that help them achieve high-level strategic objectives.

Gartner calls this process “sense-making” in a 2019 report that called attention to the need for sellers to help overwhelmed buyers navigate the buying process by reducing skepticism and helping them build confidence.

According to the report, 89% of buyers say that most of the information they encounter throughout the sales process is generally “high quality.”

Meanwhile, 44% of buyers say that they struggle with the fact that multiple suppliers provide seemingly credible, fact-based information that is often contradictory.

The goal of collaborative selling is setting the stage for lasting relationships that look more like strategic alliances than traditional one-and-done transactions.

To pull this off, all customer-facing teams—sales, marketing, service, and support—must align around the same data, goals, and metrics, working together to continuously create value for the consumer.

**6. Social Selling**

Drastic changes in the buying process (75% of B2B buyers are considerably influenced by social media and 84% of senior executives use it to support purchase decisions) and the “one-sided” nature of the dialogue between the seller and the buyer in the traditional selling process led to the development of new strategies to search and build relationships with customers, in particular, social selling.

**Social selling is an effective practice of using brand channels** on social media to connect with potential customers, develop that connection, and build LONG TERM relationships with potential customers.

For every \$1 invested in SS, you get \$5 ROI!

Social selling is about making your interactions with potential customers meaningful and presenting your brand as a solution to a particular customer problem, building trust and loyalty. **This requires a lot of thoughtful actions:**

- creating relationships, not sales;
- gradually building a foundation for relationships;
- interacting regularly and serving before selling;
- social prospecting by joining and participating in groups and connecting with potential customers;
- contributing to existing conversations about your brand;
- providing value by sharing relevant content and offering feedback.

**The correct social selling strategy will help you to:**

- reach your potential customers directly;
- present your brand as a solution to the buyer’s problem;
- gain trust and loyalty;
- shorten your B2B deal cycles;
- gain new opportunities;
- sell 24/7;
- improve customer retention;
- go big for free (or almost free).



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Consider if this approach is right for you since it:

- takes time;
- requires a lot of practice;
- involves a lot of hard work;
- is risky — you don't have the right to misstep.

### 7. Partnership Selling

**Partnership Selling** is quite a smart approach to selling in today's sales landscape: many companies are entering a highly competitive market, but the traditional sales process with its cold calling and emails is quite long and inefficient, forcing you to slowly move leads down the funnel until they convert into buyers.

Partnership Selling is an approach to sales that involves close collaboration between companies at every stage of the sale, serving customers as a partner, and helping to achieve sales goals faster. This selling type is often used in the SaaS industry when startups feel the need to scale in new geographies and markets.

**There are two main types of partnership selling:**

- Technology/integration partnership that can bring together two partners— the software vendors (for instance, data visualization tool and data warehouse), offering different solutions to the same potential customer at the same time.
- Channel partnerships — for example, a reseller and a supplier build an alliance to sell a solution to a customer. In this case, the sales teams combine the strengths already at the stage of identifying potential customers and work together to close the deals.

**Partnership Selling helps companies to:**

- scale;
- accelerate sales cycle;
- share their customer bases;
- enjoy all perks of partner's exposure;
- get new perspective for business growth;
- gain reliability and trust;
- cut costs;
- increase the number of sales;
- improve customer retention rates;
- join a partner's support network;
- gain a serious competitive advantage;
- build the basis for new effective strategies.

**Also, there are some drawbacks:**

- sharing the profit;
- the emergence of disagreements;
- the need to have specific sales skills to sell the other company's product;
- losing focus (partnering with someone can lead you to side-track on what you need to achieve);
- the consequences can force your company to drop off some leads to close others— so you need to keep your priorities in order.

### 8. High-Pressure Selling

The process of high-pressure selling (**also known as "hard selling"**) involves the use of psychological pressure on the buyer by the seller by appealing to his fear, pride, or greed to quickly close the deal, and forcing him to make poorly informed decisions just to put an end to a stressful situation.

One of the main reasons for practicing this approach is that it simply works. Also, the sellers argue that they have to resort to such methods because most buyers often postpone their purchase decision, even if they are interested in buying a certain product/service. Typically, this method is used by salespeople that have certain goals and get commissions.

**The other reasons for practicing high-pressure selling include:**

- providing incentives for sales reps;
- filling in the company's portfolio;





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- gaining a better inventory control;
- increasing production capacity.

As you can see, some of these reasons are, at the same time, the benefits of such an approach. The other advantages are fast sales, the possibility for the salesperson to gain the experience faster, and the chance to attract unpromising customers.

**However, this approach has some serious drawbacks:**

- it's unethical/provoking and implies forced decision making;
- most buyers don't like being pressured (which is why inexperienced sellers tend to fail when using this method).

**The most popular hard-selling techniques are:**

- endless chatter;
- emotional manipulation;
- reciprocity;
- time-limited offers;
- making outrageous promises.

An alternative to this method is high urgency buying, which favors both customers and salespeople.

## 9. Insight Selling

In recent years, the B2B journey has become much more multifaceted: buying cycles have become more complex, longer, and less predictable, and it has become more difficult for the buyer to understand how to navigate his purchase decisions with AI-powered and digitally transformed companies.

In addition, the traditional sales approach focused on coaching, sales visits, and skill-based training is quite indirect and does not bring quick results for boosting sales productivity. And the main difficulty with boosting sales effectiveness is the lack of management data to support the whole process.

All this was enough for a buyer-centric approach that leverages how people buy today, known as Insight Selling, to appear.

The key of Insight Selling is a **deeper understanding of customers** on the way of establishing absolute trust and mutual understanding. This approach implies collecting key customer insights from sales and analytics software, multiple sales calls and meetings, trends analysis, and market research, and using them to align benefit and value, differentiate the solution, and, as a result, increase sales effectiveness.

Sellers can use either one of two types of insight selling, which often work in parallel:

- Opportunity Insight: salespeople proactively put forward a specific idea to a potential buyer, involve and guide him through the process of realizing that their solution meets his needs;
- Interaction Insight: reps proactively ask questions and encourage prospects to leave their comfort zone. As a result, potential buyers can understand which of their proposed solutions best suits their needs, while the seller is there to guide them through.

**Insight selling offers companies many benefits, such as:**

- finding out almost everything about prospects;
- demonstrating how the solution fulfills customer needs;
- creating a better pitch;
- getting comprehensive data about competition;
- filling the gaps between customer beliefs and the desire to purchase your product/service;
- building the whole sales process around the customer and his decision-making process;
- gaining and strengthening trust;
- tailoring content and conversations to customers' needs to always stay relevant.

**Also, you need to be aware of some drawbacks:**

- the need to keep track of overflowing prospect data before, during, and even after making a sale;
- the need to invest in technology: only a cutting-edge CRM and integrated advanced additional software tools will work as the backbone of insight selling;
- the approach implies actions, that are based on assumptions;
- inability to maintain objectivity to deeply understand the needs.



### Objectives of Personal Selling

According to Still, Cundiff and Govani, the objectives of personal selling are as follows:

1. To do the entire selling job.
2. To "service" existing accounts.
3. To search out and obtain new customers.
4. To secure and maintain customers' cooperation in stocking and promoting the product line.
5. To keep customers informed on changes in the product line and other aspects of marketing strategy.
6. To assist customers in selling the product line.
7. To capture and retain a certain market share.
8. To obtain sales volume in ways that contribute to profitability.
9. To obtain some number of new accounts of given types
10. To keep personal-selling expenses within set limits
11. To secure targeted percentages of certain accounts' business.

### Need and Importance of Personal Selling

The need and importance of personal selling can be explained from the following facts :

1. **Need of Today:** The need of personal selling has increased in present age due to the flood of products in the market and keen competition.
2. **Basis of Economic Fortunes:** William Stanton writes, "If the personal selling effort in an organisation falter, then the economic fortunes of that organisation will likely decline." It largely determines the firm's financial future.
3. **To Carry Promotional Load:** Personal selling is a major ingredient of promotion mix of a company. It has a big role in implementing promotional programme. According to William Stanton, Etzel and Walker, personal selling is likely to carry the bulk of the promotional load when:
  - a) The market is concentrated either geographically, or in a few industries, or a few large customers.
  - b) The product has a high unit value, is quite technical in nature, or requires a demonstration.
  - c) The product must be fitted to an individual customer's need; as in the case of securities or insurance.
  - d) The sale involves a trade-in.
  - e) The product is in the introductory stage of its **life** cycle.
  - f) The organisation does not have enough money for an adequate advertising campaign.
4. **Minimum Wasted Effort:** Personal selling is focused on prospective customers. Thus, it minimizes wasted effort. In contract, much of the cost of advertising is spent on sending messages to people who in no way are real prospects.
5. **Increase in Profitable Sales:** The goal of marketing activities is to increase profitable sales by satisfying the want of consumers over the long run. Personal selling is by far the major promotional method used to realise this goal. The number of people employed in personal selling is a big one than advertising.
6. **Largest Single Operating Expense:** In many companies, personal selling is the largest single operating expense. It often equals 8 to 15 percent of sales, whereas advertising costs average 1 to 3 percent of sales. This shows the importance of personal selling element.
7. **Mirror of the Market:** Personal selling is a mirror of market. It supplies market informations back to the firm. It keeps eye on market nerve, fashion trends and consumer profile. It regularly assesses the competitive forces of the market.
8. **Broader Roles:** Stanton writes, "Salesmen persuade prospective customers, expedite orders, coordinate deliveries, set-up displays, service their accounts, gather market informations, and have



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solve customers' problems." Thus, today's salesman performs a wide variety of sales roles.

9. **Cost-Effective Tool:** Personal selling is the most cost-effective tool at later stages of the buying process. It builds up buyers' preference, conviction, and action. Philip Kotler observes that personal selling is an alive and interactive relationship, it considers the other's needs and it develops all kinds of relationship, even a deep personal friendship. It makes the buyer feel obliged, attended and responded.
10. **Exerting Influence:** According to Robin Peterson, "Salesmen can accomplish difficult things through advertising, sales promotion publicity and public relations. They can tailor their messages to the characteristics and desires of particular prospects; modify ongoing presentations in accordance with the feedback from prospects: they are in a position to ask for an order at a strategic time and if turned down, they can communicate further, in an effort to recoup and obtain an order.
11. **Convincing and Creating Customers:** Salespersons locate and identify the customers who are interested in the company products. They transform prospects into buyers by understanding their needs. Personal selling provides "repeat purchases ' to the company.
12. **Creation of International Markets:** Personal selling has created not only national but international markets. This has been the basis of global trade and culture.

#### Limitations and Demerits of Personal Selling

1. **High Cost:** The cost of developing and operating a sales force is high. More money is spent on personal selling than on any other form of promotion. Kotler writes, "A sales force represents a greater long-term commitment than advertising.
2. **Unable to Attract High Calibre People:** A company often is unable to attract the quality of people needed to do the job. At the retail level, many firms have abandoned their sales forces and shifted to self-service for this very reason.
3. **Difficult to Curtail:** Advertising can be turned on and off, but the size of a sales-force is more difficult to alter.



**Effectiveness of personal selling Vs. Advertising**

Basis of Difference	Advertising	Personal Selling
Personal v/s Impersonal	It is an impersonal form of communication where the seller communicates with customers through various medium such as television, newspapers, etc.	It is a personal form of communication where the seller directly interacts with the potential customers.
Reach	Advertising has a broader reach as the advertisement reaches a large number people simultaneously.	It has a narrower reach as only a few people can be contacted directly.
Flexibility	It is inflexible as advertisements are standardised and cannot be adjusted as per the requirements of different customers.	It is flexible as the seller can adjust the message as per the requirements of different customers.
Target Group	It is more suitable where marketing is to be done to large number of consumers. For example, advertising is suitable if, marketing is to be done for ultimate customers.	It is more suitable when marketing is to be done for a few selected consumers. For example, if marketing is to be done for intermediaries and retailers, personal selling is more useful.
Cost Involved	As advertising reaches the masses simultaneously, the cost per person is low.	Personal selling is relatively costly.
Time Involved	Advertising reaches a large number of people simultaneously. Thus, it can cover the entire market in a short period of time.	As through personal selling only a few people can be contacted, it takes a lot of time and effort to cover the entire market.
Customer Feedback	Through advertising, feedbacks and reactions of the customers cannot be judged.	As the seller directly contacts the customers, he get feedback from the customers and judge their reactions
Medium of Communication	It involves communication through mass media such as television, newspapers, radio, etc.	It personal communication through sales persons.
Objective	The basic objective of advertising is to create interest of the customers towards the product.	The basic objective of personal selling is to create awareness about the product and induce decision making.

**Economies of advertising Vs. personal selling**

When comparing the economies of advertising versus personal selling, we're primarily looking at the costs and benefits associated with each method and how they scale as the business or sales volume increases. The concept of economies involves how efficiently resources (like money, time, and labor) are used to generate sales, and how these efficiencies change with scale.



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Economies of Scale	Advertising benefits greatly from economies of scale. Once an advertisement is created (e.g., a TV commercial, social media campaign, or print ad), the cost of running it to millions of people doesn't increase proportionally. You can reach large audiences with the same ad, and as the reach expands, the cost per impression or exposure decreases.	Personal selling, does not benefit as much from economies of scale. Each new customer or client requires individual attention from a salesperson, which is labor-intensive. As sales volume increases, the cost of personal selling increases linearly, as more salespeople must be hired, trained, and compensated.
Fixed vs. Variable Costs	Once a campaign is created, much of the cost is fixed. For example, producing a video or designing a billboard is a one-time cost. As the number of impressions grows, the variable cost per customer decreases.	The cost of personal selling is largely variable because it increases with each additional customer or sales interaction. Salespeople require ongoing compensation (salary, commission) and resources (training, travel expenses).
Cost per Sale	The cost per sale in advertising tends to be lower for products with mass appeal. Once awareness and demand are generated through a campaign, the sales can multiply without significant additional costs.	The cost per sale is higher for personal selling because it involves labor-intensive processes. It's more cost-effective for high-ticket or complex products where personal interaction is necessary, but for low-cost, high-volume products, personal selling becomes too expensive.
Time Efficiency	Once an advertising campaign is launched, it can operate continuously without much additional effort. It allows companies to generate leads, create brand awareness, and drive sales passively over time.	Requires significant time investment from the salesperson. Each sale often involves meetings, presentations, follow-up communications, and negotiations, making it time-consuming.
Flexibility	Less flexible in the sense that once an ad campaign is launched, it's harder to change quickly. Advertisements are usually created in advance and deployed on a set schedule.	Highly flexible. Salespeople can adapt their pitch on the spot based on customer feedback or market changes. They can tailor their message to meet the specific needs of each customer.
Long-Term vs. Short-Term Impact	Often more effective for long-term brand building. Over time, consistent advertising builds brand awareness, trust, and loyalty in the marketplace.	More focused on short-term sales goals. The primary objective is to close deals during individual interactions, which is critical in industries where immediate sales are needed for revenue.
Market Saturation	Advertising can hit a point of diminishing returns when the market becomes saturated. For example, after a certain point, additional ads may no longer	Similarly, personal selling can also face saturation, especially when the sales team has exhausted a certain market or region. However, salespeople can pivot to new



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significantly increase sales but can still incur costs.	territories or customer segments more easily.

Advertising is highly scalable and benefits from economies of scale. It's cost-effective for reaching large audiences, particularly for simple, low-cost products. As the scale increases, the cost per customer decreases, making it highly efficient in mass markets.

While Personal selling is effective for complex, high-value, or customized products, does not benefit much from economies of scale. It remains labour-intensive and costly as the business scales. It is most economical when the value per sale justifies the investment in personal interaction.

### Theories of Personal selling

There has been a lot of research by behavioural scientists and marketing scholars to examine whether selling is an art or science and various theories have been developed to explain the buyer-seller buying process. The process of influencing others to buy may be viewed from four different angles on the basis of different theories: thus there are four theories of selling viz.

- A. AIDAS theory of personal selling
- B. "Right Set of Circumstances" theory of selling
- C. "Buying Formula" theory of selling
- D. "Behavioral Equation" theory

The first two of the four above-mentioned theories, are seller oriented and the third one is buyer's oriented. The fourth one emphasizes the buyer's decision process but also takes the salesperson's influence process into account.

#### A) AIDAS Theory of Selling:

This theory, popularly known as AIDAS theory (attention, interest, desire, action and satisfaction), is based on experimental knowledge. This theory is very common.

**According to this theory potential buyer's mind passes through the following stages:**

##### 1. Attention Getting:

It is the crucial step in the AIDAS process. The objective is to put the prospect into the right state of mind to continue the sales talk. The salesperson has to convince the prospect for participating in the face-to-face interview. A good beginning of conversation may set the stage for a full sales presentation. The salesperson must apply his social and psychological skills to draw the attention of the prospect to his sales presentation.

##### 2. Interest Creating:

The second step is to intensify the prospect's attention so that it involves into strong interest. To achieve this, the salesperson has to be enthusiastic about the product. Another method is to hand over the product to the prospect and let him handle it. Brochures and other visual aids serve the same purpose. Throughout the interest phase, the hope is to search out the selling appeal that is most likely to be effective.

##### 3. Desire Stimulating:

After the attention getting and creating interest, the prospect must be kindled to develop a strong desire for the product. This is a ready-to-buy point. Objection from the prospect will have to be carefully handled at this stage. Time is saved and the chances of making a sale improved if objections are anticipated and answered before the



prospect raises them.

**4. Action Inducing:**

If the presentation has been perfect, the prospect is ready to act, that is, to buy. Very often there may be some hesitation on the part of the prospect at this stage. The salesperson should very carefully handle this stage and try to close the deal effectively. Once the buyer has asked the seller to pack the product, then it is the responsibility of the seller to reassure the customer that the decision was correct.

**5. Satisfaction:**

The customer should be left with the impression that the salesperson merely helped in deciding. After the sale has been made, the salesperson should ensure that the customer is satisfied with the product. The salesperson should sense the prospect's mind and brief his talks.

**B) "Right set of circumstances" Theory of Selling:**

It is also called the "situation-response" theory. It has its psychological origin in experiments with animals. The major emphasis of the theory is that a particular circumstance prevailing in a given selling situation will cause the prospect to respond in a predictable way. The set of circumstances can be both internal and external to the prospect. This is essentially a seller-oriented theory and it stresses that the salesman must control the situation in such a way as to produce a sale ultimately.

**C) "Buying Formula" Theory of Selling:**

The buyer's needs or problems receive major attention, and the salesperson's role is to help the buyer to find solutions. This theory purports to answer the question: What thinking process goes on in the prospects's mind that causes the decision to buy or not to buy? The name "buying formula" was given to this theory by strong.

**The theory is based on the fact that there is a need or a problem for which a solution must be found which would lead to purchase decision, as shown below:**



**Fig. 21.1**

Whenever an individual feels a need, he is said to be conscious of a deficiency of satisfaction. The solution will always be a product or service or both and they may belong to a producer or seller. The buyer develops interest in buying a solution.

**In purchasing, the "solution" involves two parts:**

1. Product or service or both,
2. The brand name, manufacturer or the salesperson of the particular brand name:



**Fig. 21.2**

The product or service (Brand name) must be considered adequate to satisfy the need and the buyer must experience a pleasant feeling or anticipated satisfaction. This ensure the purchase.

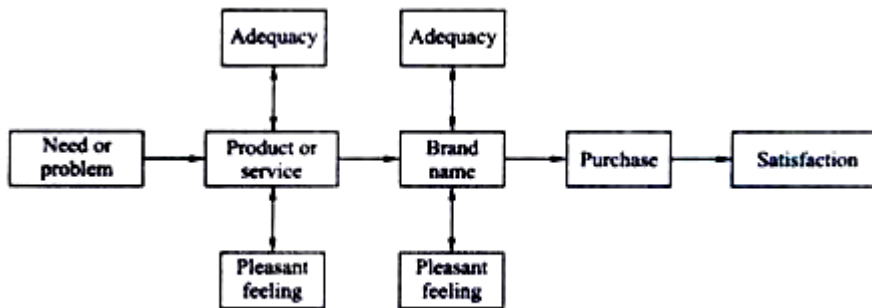


Fig. 21.3

#### D) Behaviour Equation Theory of Selling:

This theory is a sophisticated version of the “right set of circumstances” and this theory was proposed by Howard, using a stimulus response model and using large number of findings from behavioural research. This theory explains buying behaviour in terms of purchasing decision process, viewed as a phase of the learning process, four essential elements of learning processes included in the stimulus response model are drive, cues, response and reinforcement, which are given below, in brief:

1. Drive is a strong internal stimuli that impel buyers’ response. Innate drives stem from psychological needs and learned drives such as striving for status or social approval.
2. Cues are weak stimuli that determine when the buyer will respond. Triggering cues activate the decision process whereas new triggering cues influence the decision process.
3. Response is what the buyer does.
4. A reinforcement is any event that strengthens the buyers’ tendency to make a particular response.

Howard believed that selling effort and buying action variables are multiplicative rather than additive.

**Therefore, Howard incorporated these four elements into a behavioural equation that is:**

$$B = P \times D \times K \times V$$

P = Response or internal response tendency, i.e. the act of purchasing a brand or a particular supplier.

D = Present drive or motivation level

K = “Incentive potential” that is, the value of product or brand or its perceived potential value to the buyer.





V = Intensity of all cues: triggering, product or informational.

### Advantages of Personal Selling

- In the initial stage to get settled in markets, the firm can take full advantages of qualified & professional salespersons.
- Due to goal directed activity, the proportion of wastage of efforts is minimum in personal selling. Thus success rate in personal selling is higher in comparison to advertising.
- Required demonstration is possible in the personal selling product features according to the Requirement of customer can be demonstrated in his presence.
- In personal selling, Selling through effective prospecting prospective customers can be identified which is not possible in advertising.
- Personal selling Possess sound flexibility sales person can immediately redesign his presentations keeping in view the gestures postures and reactions of prospect.
- Objections & queries of prospect can be answered immediately by the salesperson
- Effective presentation & sound personality have tremendous role in getting success in personal selling
- Marketing operations may be made economical by Performance of non selling tasks from the sales person.
- CRM/Customer Relationship marketing is becoming popular day by day sales persons regularly visits the customers & can develop strong personal relations with them.

### Features

1. **Personal form:** here, a face-to-face dialogue takes place. It involves an alive, immediate and interactive relationship. Hence, it is a two way communication process.
2. **Relationship:** Personal selling allows sales people to develop relationships with prospective customers. In fact, nowadays, a new term has been coined: relationship management, the underlying philosophy behind which is that it is six times more expensive to get a new customer than in maintaining the relationship with older customers.

### Merits

1. **Flexibility:** In personal selling, no standardized message is communicated to the customer (as is done in case of advertising). Hence, the salesmen have flexibility in adjusting their presentation, to fit the specific needs of individual customers.
2. **Direct feedback:** Personal selling affords the possibility of direct interaction between the salesperson and the customer. Depending on the enthusiastic, indifferent or hostile attitude of the customer toward the message, the sale message can be altered. On the spot adjustments are possible.
3. **Scope for enduring relationship:** As said earlier, firms are now trying to practise relationship management through personal selling, for ensuring brand loyalty.
4. **Minimum wastage:** In advertising, there are greater changes of wastage as the message is transmitted to all. For example, an advertisement of Monte Carlo sweaters will be seen in all Mumbai, Calcutta and Chennai if there is a telecast, on say, the Star TV channel.



## Unit II

### Who is Salesman?

A Salesman is an essential intermediary between an organisation and its customers or clients, entrusted with the duty of endorsing and distributing the company's goods or services. They are in charge of marketing and selling the business's goods and services. Salesmen serve as the company's representatives by explaining their products' advantages, responding to clients' inquiries, and closing deals. They persuade prospective clients, negotiate with them, and build strong, trust-based relationships. Due to their extensive product knowledge, salesmen can tailor their presentations to each customer's specific requirements. They assist clients with any issues before, during, and after their purchase, going above and beyond simple sales. For the businesses they work for, salesmen's people skills, tenacity, and dedication are essential for increasing revenue and maintaining satisfied consumers.

### Types of Salesman



### Takeaways:

- Salesmen are entrusted with marketing and selling a company's products.
- Their strong communication skills and product knowledge allow them to engage and influence customers.
- Salesmen build long-lasting connections and trust with their clients by being proactive and dependable in resolving problems.
- Their responsibilities go beyond closing deals; they provide pre and post-sale assistance.
- Salesmen have a critical role in increasing income and guaranteeing client satisfaction for the businesses they work for.



## Types of Salesman:

### 1. Creative Salesman

This kind of salesmen approach their work with imagination and creativity. To draw in clients and differentiate themselves from competitors, and create distinctive strategies. To make their sales presentations engaging and memorable, they may use unusual techniques or formats.

#### Features of Creative Salesman

1. **Innovative Thinking:** Creative Salesmen are capable of coming up with ideas that meet each client's specific needs.
2. **Adaptability:** They are adaptable and can modify their sales tactics to fit a range of situations and clientele.
3. **Problem-Solving:** Creative Salesmen often employ non-conventional methods to identify and resolve customer difficulties.
4. **Effective Communication:** They captivate potential customers by explaining difficult ideas in a way that is both understandable and interesting.
5. **Emotional Intelligence:** They build strong relationships by adjusting their approach based on their comprehension of the emotions of their clients.

#### Examples of Creative Salesman

- **Storytelling:** By delivering captivating tales about the product, a creative salesman helps the consumer remember and find it more enticing. **For instance**, they might tell a tale about how a cleaner made a filthy house seem clean, rather than just describing its characteristics.
- **Interactive Showcasing:** To engage customers, a creative salesman involves himself in product demonstrations. To provide customers with a hands-on experience with the goods, a kitchen appliance salesman could invite them to participate in a cooking demonstration.

### 2. Service Salesman

Service Salesmen give priority to selling intangible services over tangible products. They are experts in industries where the main selling point is the provision of a particular service, such as insurance, consulting, and hospitality. These experts distinguish themselves by understanding the particular demands of their clients and tailoring their solutions to suit those needs.

#### Features of Service Salesman

1. **Direct Customer Engagement:** Service Salesmen engage with clients face-to-face, offering individualised care and cultivating connections.
2. **Tailored Solutions:** Service Salesmen provide tailored solutions that address the unique needs and preferences of every client.
3. **Product Expertise:** Service Salesmen have extensive training and knowledge about the goods and services they offer.
4. **Post-transaction Support:** They build client relationships by helping and supporting customers even after a transaction.
5. **Flexible Approach:** Service Salesman can modify their tactics to suit various clients and situations, resulting in extremely customised encounters.



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### Examples of Service Salesman

- **Insurance Agents:** By offering insurance policies, agents assist people and organisations in safeguarding themselves against potential hazards such as health problems, property damage, early death, and legal ramifications.
- **Financial Advisors:** Financial Advisors offer financial products including mutual funds, stocks, and retirement accounts. They counsel clients on financial issues and make investment recommendations.
- **Real Estate Agents:** They guide clients through the purchasing, selling, or renting of real estate while standing up for their interests in negotiations.
- **Software Sales Representatives:** Software Sales Representatives market software products to companies by outlining their features and demonstrating how they can improve productivity or solve certain problems.

### 3. Retailer Salesman

A retail salesman assists clients with purchases, offers product information, addresses questions or concerns, and puts the needs of their clients first.

#### Features of Retailer Salesman

1. **Product Expertise:** Retailer Salesmen need to have extensive product knowledge.
2. **Customer Service:** They deal with clients to help them locate what they need and to respond to questions.
3. **Sales Strategies:** To persuade clients to buy things, they employ persuasive sales strategies.
4. **Inventory Management:** They oversee the inventory, ensuring that goods are suitably stocked and arranged for best display.
5. **Customer Relations:** They cultivate connections with clients to promote repeat business and loyalty.
6. **Visual Display:** To draw clients in, they design eye-catching product displays.

#### Examples of Retailer Salesman

1. **Electronics Store Sales Associate:** These salesmen work in retail stores that specialize in electronics such as TVs, laptops, smartphones, and other gadgets. They assist customers in finding the right products, explaining features and specifications, and closing sales.
2. **Clothing Store Sales Representative:** Salesmen in clothing stores help customers find apparel and accessories that suit their style and preferences. They may provide fashion advice, suggest complementary items, and assist with fitting rooms.
3. **Furniture Store Sales Consultant:** These salesmen assist customers in selecting furniture pieces for their homes or offices. They may offer advice on interior design, recommend suitable furniture arrangements, and provide information on materials and construction.

#### 4. Specialty Salesman

Speciality Salesmen are experts in marketing particular goods or providing services to particular markets or industries. They are experts in their field, which may be industrial machinery, technology, or medical equipment.



### Features of Specialty Salesman

1. **Expertise:** Speciality Salesmen with specialised knowledge have an extensive understanding of particular goods or services within their industry.
2. **Targeted Focus:** They target particular customer groups and specialise in niche markets.
3. **Relationship-Driven:** They can establish strong bonds with clients thanks to their extensive knowledge and attentive service.
4. **Tailored Approach:** They offer solutions that are specifically designed to satisfy every client's individual needs.
5. **Technical Proficiency:** Specialty Salesmen can give thorough explanations and demonstrations because they possess a good understanding of the technical aspects of their products.

### Examples of Specialty Salesman

- **Medical Device Sales Representative:** With a focus on medical devices and equipment, they sell medical supplies to clinics and hospitals.
- **Software Sales Engineer:** They promote sophisticated software to companies, showcasing the product's features with technical know-how.
- **Luxury Real Estate Agent:** With a focus on luxury properties, they assist affluent clients in buying exceptional houses and estates.
- **Pharmaceutical Sales Representatives:** They are responsible for promoting and selling medical items and prescription drugs to healthcare providers, including hospitals and doctors.

### 5. Manufacturer Salesman

This kind of salesman works directly for the business or on their own, representing the manufacturers of the goods they offer. Their job is to market and sell the company's goods to retailers, distributors, and customers directly.

#### Features of Manufacturer Salesman

1. **Direct Representation:** Manufacturer Salesmen are directly hired by the manufacturer, who uses them to promote its goods and services as their only point of contact.
2. **Product Expertise:** Manufacturer Salesmen are well-versed in the characteristics, applications, and specifications of the manufacturer's products.
3. **Specialised Training:** To improve their client interaction, product knowledge, and sales abilities, they go through extensive training from the manufacturer.
4. **Focused Sales:** Manufacturer Salesmen only work on marketing the products of the manufacturer, guaranteeing specialised knowledge and focused sales tactics.
5. **Long-Term Relationships:** Manufacturer Salesmen work to build strong bonds with clients by offering individualised attention and continuous assistance.

#### Examples of Manufacturer Salesman

- **Automobile Sales Representative:** They represent an automaker by selling vehicles to companies or private customers.
- **Pharmaceutical Sales Representative:** They represent a pharmaceutical business and market and sell prescription drugs to medical practitioners.
- **Technology Sales Executive:** They provide businesses and the general public with computers, software, and services from technology corporations.
- **Industrial Equipment Sales Representative:** They provide companies across a range of industries with machinery, supplies, and equipment from their facility.



## 6. Exporter Salesman

Exporter Salesmen concentrate on marketing goods in global marketplaces. They are specialists in the intricacies of exporting, including legalities, shipping, and cultural traits. Exporter Salesmen assist businesses in reaching a worldwide clientele and increasing sales abroad.

### Features of Exporter Salesman

1. **Global Opportunities:** Exporter Salesmen can interact with clients all across the world since they have access to foreign markets.
2. **Product Diversity:** They work with a range of products, meeting the various needs of clients in many areas.
3. **Networking Connections:** An essential part of their job is establishing connections with customers, distributors, and suppliers around the world.
4. **Negotiation Proficiency:** To reach deals with foreign clients, exporter salesmen edge their superior negotiation skills.
5. **Cultural Sensitivity:** Effective communication and cross-border business operations depend on an understanding of and tolerance for cultural variations.
6. **Logistics Management:** Exporter Salesmen organise and carry out the transportation of goods from the point of origin to the point of destination, guaranteeing prompt and effective delivery.
7. **Market Analysis:** Exporter Salesmen collect and examine information about rival tactics and worldwide market trends to spot possible business prospects and hold a competitive edge.

### Examples of Exporter Salesman

1. **Export Account Manager:** They are responsible for managing relationships with clients in foreign markets, negotiating contracts, and ensuring timely delivery of products.
2. **Export Sales Agent:** An export sales agent acts as a middleman between the manufacturer and foreign buyers. They facilitate the sale of products to overseas markets for a commission.
3. **Export Sales Consultant:** These professionals provide expertise and guidance to companies looking to expand into international markets. They may offer advice on market research, distribution channels, and sales strategies.

## 7. Outdoor Salesman

Outdoor Salesmen spend most of their time out of the office. They interact personally with customers, deliver sales materials, and complete transactions. They make contacts, visit various places to meet prospective clients, and demonstrate their superior communication and negotiating abilities.

### Features of Outdoor Salesman

1. **Customer Engagement:** By interacting face-to-face with prospective clients, outdoor salesmen facilitate customised dialogues.
2. **Flexibility:** They autonomously plan their schedules and handle their time.
3. **Product Demonstrations:** They provide clients with a hands-on experience by demonstrating goods or services on location.
4. **Networking:** Having a field job helps them make contacts with individuals within the business and possible clients.
5. **Diverse Work Environment:** Since outdoor salesmen operate in a variety of places, their work is interesting and dynamic.



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### Examples of Outdoor Salesman

- **Event Sales Representative:** At open-air events such as fairs, festivals, trade exhibits, or concerts, they market and sell goods and services.
- **Outdoor Equipment Sales Representative:** They offer outdoor products such as sports equipment, hiking gear, and camping gear.
- **Landscape Sales Consultant:** They conduct on-site meetings with clients to go over landscaping requirements, present estimates, and obtain contracts for landscaping work.

### 8. Details Salesman

Providing prospective clients with comprehensive information about goods or services is the speciality of a details salesman. They typically do this by using thorough presentations or demonstrations to successfully emphasise the features, benefits, and advantages of their offerings. These salesmen want to educate clients and take care of any queries or worries they might have.

#### Features of Details Salesman

1. **Proficiency and Comprehensive Product Knowledge:** Details Salesmen can give consumers comprehensive and useful information because they have undergone substantial training on the goods or services they sell.
2. **Personalised Sales Demonstrations:** Details Salesmen customise their presentations to the specific needs and worries of each client.
3. **Long-Term Connections:** Building long-lasting relationships with clients is a top priority for details salesmen since it can boost repeat business and customer loyalty.
4. **Personal and Engaging Interactions:** Compared to other modes of sales communication, direct, face-to-face talks between detailed salesmen and customers can be more persuasive and have a greater impact.
5. **Feedback Collection:** By asking clients for their opinions, businesses can learn vital information about their goods and services.

#### Examples of Details Salesman

- **Biotechnology Sales Representative:** These salesmen in the biotechnology sector inform researchers and medical experts about cutting-edge biotech products. Laboratory supplies and gene treatments are two such examples.
- **Dental Sales Representative:** These individuals go to dental offices to present new technology, materials, and equipment. To further clarify how these items function, they also provide training sessions.
- **Veterinary Pharmaceutical Sales Representative:** These individuals work in the veterinary industry and are experts in marketing medications designed especially for use in animals. Veterinarians and other professionals involved in animal healthcare receive information from them.

### 9. Wholesaler Salesman

Wholesaler Salesmen work for corporations that distribute goods in bulk to retailers or other businesses rather than directly to consumers. Building rapport with wholesale customers, reaching agreements, and supervising prompt product delivery are their main duties. These salesmen are



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essential to the distribution network since they serve as a go-between for retailers and producers, guaranteeing the smooth flow of goods.

### Features of Wholesaler Salesman

1. **Intermediaries:** To assist in distributing goods, wholesaler salesmen serve as liaisons between retailers and producers.
2. **Product Experts:** As a result of their extensive product expertise, wholesaler salesmen are better equipped to provide retailers with correct information and assistance.
3. **Creating Bonds:** Wholesaler Salesmen cultivate robust relationships with retailers by comprehending their distinct needs and preferences.
4. **Ensuring Delivery:** They ensure order fulfilment promptly, which maintains seamless supply chains.
5. **Market Intelligence:** Wholesaler Salesmen provide manufacturers with useful market data based on their contacts with merchants and their understanding of the local market.

### Examples of Wholesaler Salesman

- **Food and Beverage Wholesaler Sales Representative:** They provide grocery stores, restaurants, and corner markets with vast amounts of goods like grains, drinks, snacks, and other food products.
- **Clothing Wholesaler Sales Representative:** They promote wholesale clothing (such as shirts, pants, dresses, and accessories) to e-commerce sellers, boutiques, and clothing stores.
- **Electronics Wholesaler Sales Representative:** They provide wholesale distribution of electronics (such as laptops, tablets, smartphones, and accessories) to department shops, electronics stores, and online marketplaces.

### Buying motives

#### The six buying motives

It can never be ignored that people buy for their own reasons, not ours.

Their reasons may not necessarily be sensible, intelligent or even rational from our perspective, but they are their reasons.

People have six motives for buying any product or service:

- 1) Desire for financial gain
- 2) Fear of financial loss
- 3) Comfort and convenience
- 4) Security and protection
- 5) Pride of ownership
- 6) Satisfaction of emotion

The six buying motives, do not come in a particular order although most prospects, especially if you are in business-to-business sales, are clearly looking for spending to be an investment in new business and a financial gain. Certainly, in advertising, my field, that is the case at the fundamental level.

#### 1. Desire for gain

Most of our prospects are going to have this as their primary motive whether they measure the financial gain directly or indirectly. If investing in advertising, as noted, then the expectation is to generate more prospects and, ultimately, profitable new customers.

If buying a new truck for a fleet a motive for gain may be the increased fuel efficiency of the truck to a reduce operating costs, lower maintenance cost or greater hauling capacity that allows for greater productivity in use. On a personal level an investment in real estate, mutual funds or





other forms of direct payback for personal gain or business profit can be a dominant reason as a buying motive.

### 2. Fear of loss

While buying insurance is an obvious example of spending to avoid a loss, there are other examples. In business, a prospect who feels they are losing their market share or losing out on new opportunities may be motivated by a fear of loss. This can lead to spending to better compete. For example, a company may open a new distribution center or increase training for customer service or sales staff to defend market share.

### 3. Comfort and convenience

A few examples of personal comfort and convenience in business would be having a comfortable office chair or a reserved parking space by the front door of the office. At an organizational level, the convenience of dealing with your company can be seen as having you being a responsive representative. As the prospect works with your company, though, the view can expand to include dealing with other parts of your company with whom the client interacts: delivery, billing, your assistant or any employee of the company.

### 4. Security and protection

Smoke alarms or a security fence are good examples of purchasing for security.

In business, keep in mind security in choosing the source of a purchase is important. There is, of course, the old famous saying in technology that no purchasing agent ever got fired for choosing to buy from IBM. Because of previous experience, recommendation by others or brand reputation, your product or service needs to, ideally, be established as the superior overall value for purchase.

### 5. Pride of ownership

Why does someone purchase a nicer version of anything?

The pride factor may be overt or subtle. I had a former boss who was compelled to tell everyone about his Mercedes, Corvette and boat. He was a bit extreme but he got personal satisfaction in talking about his possessions. For others pride may be very internal through a sense of accomplishment.

### 6. Satisfaction of emotion

This can be in many ways. Using the example of advertising again, you may not naturally associate advertising with satisfaction of emotion. Still, many businesses see themselves as up-and-comers, market leaders or innovators (ex: Apple). Advertising reinforces their market position to the broader public. Think about the premium paid by a company to be an Olympic sponsor. The total value of association cannot be measured in just dollars and cents.

Advertising is also used to support the morale of staff by validating the quality of their employer. Sponsorship of a Little League team shows a commitment to community by a business.

**Remember, people buy emotionally not logically. In order to sell effectively, you must fix in your mind that everyone buys emotionally then rationalizes the purchase with logical reasons for their action.**



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### **An example of different buying motives**

Suppose you are a contractor talking to a couple considering a kitchen remodel. Let's look at how the different buying motives can influence a purchase.

One motive for the couple may be the value added to the home (desire for gain) or the potential loss of value for keeping an outdated kitchen when it comes time to sell (fear of loss).

A remodel may make the kitchen more functional (comfortable and convenient). Updated wiring reduces fire risk or new plumbing will prevent future leaks (security and protection).

The homeowners can show off the new kitchen to friends at the end of the project (pride of ownership) and the couple can get the personal satisfaction of the beauty and style of the kitchen after the remodel (satisfaction of emotion). Depending on individual preferences, a couple may get more satisfaction from using recycled or renewable materials in the remodel.

Any one or any combination of the Six Buying Motives can come into play in this example.

Ultimately you want to get to emotional motives, a rationalization of the purchase and then the positive emotion of goodwill after the sale to have a satisfied customer and, hopefully, a strong reference for other prospects.

Being more attuned to buyers decisions and motives for buying will lead to greater sales success.

**Apart from these there are also some Personnel motives of Buyers, i.e Respect, Power, Approval & Recognition.**

### **Types of Market**

Before delving too deep into the study of marketing, it is worth pausing to consider the different types of market that exist. Markets can be analyzed via the **product** itself, or **end-consumer**, or both. The most common distinction is between **consumer** and **industrial** markets.

#### **1.Consumer Markets**

Consumer markets are the markets for products and services bought by individuals for their own or family use. Goods bought in consumer markets can be categorised in several ways:

- **Fast-moving consumer goods** ("FMCG's")

These are high volume, low unit value, fast repurchase Examples include: Ready meals; Baked Beans; Newspapers

- **Consumer durables**

These have low volume but high unit value. Consumer durables are often further divided into:

**White goods** (e.g. fridge-freezers; cookers; dishwashers; microwaves)

**Brown goods** (e.g. DVD players; games consoles; personal computers)

- **Soft goods**

Soft goods are similar to consumer durables, except that they wear out more quickly and therefore have a shorter replacement cycle

Examples include clothes, shoes

- **Services** (e.g. hairdressing, dentists, childcare)

#### **2.Industrial Markets**

Industrial markets involve the sale of goods between businesses. These are goods that are not aimed directly at consumers. Industrial markets include

- Selling finished goods

Examples include office furniture, computer systems

- Selling raw materials or components

Examples include steel, coal, gas, timber

- Selling services to businesses



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Examples include waste disposal, security, accounting & legal services

Industrial markets often require a slightly different marketing strategy and mix. In particular, a business may have to focus on a relatively small number of potential buyers (e.g. the IT Director responsible for ordering computer equipment in a multinational group). Whereas consumer marketing tends to be aimed at the mass market (in some cases, many millions of potential customers), industrial marketing tends to be focused.

**Characteristics of Market:-**

An industry or market can be analyzed for its attractiveness to a particular company or organization on a number of different characteristics. The list below presents some of the more significant market characteristics that should be considered.

- Current market size
- Projected market growth rate
- Number of competitors, level of fragmentation
- Intensity of competition
- Technological skills required
- Production/operations skills required
- Capital requirements
- Other barriers to entry
- Seasonal and cyclical factors
- Industry profitability and returns
- Social, political, regulatory and environmental factors
- Strategic fits with other businesses already owned

**Market characteristics** includes many different aspects that might need to be mentioned. In order to include the ones applicable to the product being analyzed, please use the following check list.

**Consumer segments**

- Households x industrial users (identify sub-sectors)
- Age groups (babies, infants, teenagers, adults, retired persons)
- Sex
- Ethnic groups
- Religious groups
- Activity groups (military, doctors, engineers, students, etc)
- Event groups (bridal market, birth market, etc)

**Consumer tastes**

- Sizes
- Physical properties (liquid, cream, etc.)
- Materials
- Varieties
- Styles
- Quality range
- Technical aspects



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**Consumer attitudes**

- Perceptions on the product (ex: Many consumers in developed markets will not purchase rotten fruit as they think the fruit is rotten even if it does not affect the product taste or quality)
- Lifestyles
- Hobbies
- Risk aversion
- Cultural factors (religion, social attitudes, special celebrations, political issues)
- Evaluation
- Buying decision process (normal purchase, impulse purchase, etc.)
- Expenditures

**Market segment**

- Price / Quality relationships

**Market competition**

- Local suppliers
- Foreign suppliers
- Substitute products

**What is a Sales Career?**

A sales career is one of the most popular and lucrative career paths for anyone who is willing to invest time and effort in this endeavour. It involves selling products or services, usually by a company, to customers to make a profit. Sales professionals primary role is to build relationships with customers and guide them to buy a product or service that meets their needs. They are also responsible for identifying prospects, negotiating deals and ultimately closing win-win deals and servicing the clients.

Therefore, to be successful, they must stay current with the industry trends and advancements, as well as research competitors' offerings. Salespeople are frequently required to travel extensively, especially when meeting with potential clients or attending conferences and events for promotion and to service their clients.

Often, sales professionals must work with other departments such as marketing, customer service, and the finance team etc. to ensure that the client's needs are met throughout the client fulfilment process. As a result, sales representatives act as a vital bridge between internal and external customers. This, in turn, provides important information to the organisation to know what and how to add value to the current product mix and offerings.

***The Benefits of a Sales Career***

A sales career provides a number of advantages that can make it an attractive choice for someone looking to build their career. Read on to learn more about the potential benefits of a sales job!

**1. Good salary and bonus potential**





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One of the most attractive aspects of a sales career for many people is the potential to earn a good salary and substantial bonuses. Sales jobs generally offer base salaries far higher than others requiring similar education levels, such as customer service or administrative roles.

Furthermore, most sales positions also come with commission opportunities allowing you to drastically increase your take-home pay depending on your performance. Additionally, it is common for companies to reward successful salespeople with bonuses throughout the year. Sales can be a great option for those looking to make an above-average salary without needing an advanced degree or years of experience!

## **2. Indoor work environment -the inside salesperson**

Many sales roles are office-based and provide the comfort of an indoor setting, such as those found in call centres or in the corporate environments. These types of sales setting are called the inside sales.

One advantage of being an inside salesperson is that you have easy access to tools that could speed up and improve deal closing, like data systems and internet connections. For inside sales, you are put in a setting that provides a sense of stability because you will be frequently in close proximity with others and are often asked to collaborate with other team members in the sales process. As a result, such an environment promotes a feeling of community within the organisation.

Inside sales careers also provide excellent opportunities for people who do not want to work in labour-intensive or commuting-intensive industries such as construction, retail, or business-to-business service. As a result, this position provides an exciting, challenging and yet stable working environment.

With the latest trend of consumers buying through both physical and online channels, we predict that the inside sales role will experience a rebirth and upskilled, with the salesperson given more authority and serving higher end customers. Those who stick with it in this environment will be able to carve out a niche for themselves and join the organization's elite sellers.

## **3. Development of people skills and confidence**



A career in sales offers the opportunity to develop people skills such as communication, negotiation and persuasion. Working with customers daily provides an invaluable chance to perfect your interpersonal skills. A successful salesperson must be able to build relationships quickly and identify customer needs efficiently. If you enjoy interacting with people, this is a great way to grow and enhance your confidence through talking to customers.

Effective communication isn't just about speaking clearly but also listening attentively too. Conversations will involve understanding customers' questions, concerns or objections, so it's essential that you feel confident enough to take control of the conversation, provide answers where appropriate and direct them to the best solution for their problem.



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Other beneficial skills that may offer you an advantage over others when vying for positions or promotions include learning how to maintain a good attitude in the face of difficult circumstances and handling any concerns voiced by potential customers. As a result, developing these abilities opens up a wide range of prospects within the sales sector or other career paths you may desire to pursue in the future.

#### **4. Flexibility in time**

One of the most significant advantages of a career in sales is flexibility. Many jobs in sales allow you to work remotely or set your own working schedule, allowing you to balance work and life responsibilities as best fits the lifestyle you want. This makes it an ideal career choice for those with family or personal commitments that require them to be flexible with their time.

With this comes a level of autonomy that allows for individual growth and development and increases job satisfaction. In sales, when you become a mature salesperson, you will be in control of your time and direction in selling and that is very satisfying.

#### **5. Variety of roles**

Sales roles are incredibly diverse and varied, offering those pursuing a career in sales the opportunity to explore several different paths. For instance, a face-to-face sales role may be perfect for you if you enjoy working with people and have exceptional customer service skills. Perhaps you prefer more technical pursuits; if so, there are opportunities to pursue careers in research-based or specialised roles involving complex products and services. It's also worth noting that the medical industry is one of the most lucrative sectors for sales professionals; this field requires an extensive understanding of medical terminology but offers high rewards for successful salespeople.

Additionally, telemarketing provides great flexibility as they often involve working from home or travelling around selling products on behalf of companies.

Whatever type of job interests when pursuing their career in sales, it is likely there will be something suited perfectly to you!

#### **6. Help others drives job satisfaction**



For many, a career in sales can bring about high levels of job satisfaction. Those who have chosen to pursue a career in sales will often be able to play an integral role in helping clients solve problems and ultimately satisfy their needs. This can offer people the chance to take pride in contributing to making someone else's life better and achieving challenging goals. Moreover, those working within an organisation may be offered more autonomous roles, such as team leader positions, as they prove themselves worthy of taking on extra responsibility.



So, within the sales pathway, you can make a difference in the lives of others in a variety of ways! And this is one of the main reasons why some people stay in the business of selling for decades.

### **7. A formal educational as entry level requirements only**

Most companies only require a formal education or a basic degree to get started, meaning it is relatively easy to enter this field with these qualifications. However, some advanced education can be beneficial for certain roles to demonstrate the knowledge and skills required for the job. For example, if you specialise in B2B technology sales or medical device sales, having a relevant degree on your resume can make all the difference between obtaining an interview and being overlooked by recruiters.

### **The Challenges of a Sales Career**

Unfortunately, being in sales is not all rosy. From stressful target to long working hours, sales careers do present considerable challenges – here are 4 drawbacks.

#### **1. Long working hours**

For those considering a career in sales, it's important to remember that these roles often involve long working hours. Depending on the company, this could mean short-term and long-term commitments of two or three extra daily hours. If you are based at an office, you may be expected to stay back until later in the evening to meet targets and ensure your team is doing well. However, for those who take jobs outside of an office, this could mean travelling further distances from week to week as part of their sales visits.

This can be especially problematic for those who enjoy having weekends off. Example, if your clients does not observe traditional business hours, so it might even mean being available on Saturdays for meetings or last-minute presentations. Therefore, anyone looking into a career in sales must consider how much time they are willing to put into the job, and decide whether or not such a role suits them. Hence it is beneficial to thoroughly research any companies you are interested in and check what kind of working hours they offer before committing yourself fully.

#### **2. Unpredictable income**

One of the challenges to be aware of when pursuing a sales career is that income can be unpredictable. Although there may be good salary and bonus potential, these are usually only achieved through consistently reaching and surpassing quotas. This means that your income can vary monthly depending on how successful you are in hitting your quotas. For some, this uncertainty is stressful and causes financial instability, so it's important to consider whether you're comfortable with this risk before entering the field.

It is important to research the company before you start working for them. This way, you will know what their expectations are and what benefits they offer, such as health insurance or a retirement plan. This will help you if you have a lower-than-expected income. It also helps to understand what kind of industry cycle you could enter since this will affect fluctuations in demand for products or services sold by any particular company throughout its lifespan. This way, you'll know ahead of what kind of job security you should expect from different buying seasons or phases too.



### **3. Stressful work environment**



A sales career can be a gratifying job with excellent income potential, but it also comes with its own set of stresses. The nature of selling often requires employees to push themselves to meet deadlines and goals to get the desired results. Stress levels can increase when sales targets or goals have yet to be achieved. Additionally, dealing with customer expectations and rejections can be difficult and is part of the job. It's essential for those considering a sales career to understand the stress and manage it proactively.

Therefore, in order to be successful in selling, it requires self-motivation. Which is why individuals in this field must develop effective stress-management strategies while maintaining high performance standards despite setbacks.

The 3 keys to overcome stress is firstly, find your own ways to achieve physical balance, such as taking short work breaks throughout the day or taking up hobbies like yoga or meditation. Secondly know how to maximise productivity such as using mobile calendaring to set appointments and using online meetings to reduce travel, among other things. Learn to be productive and not waste time.

Finally, be open to new ideas as opportunity often disguise itself as adversity; you will be surprised to the amount of transformation a new idea could do to you in you sales career and in life.

### **4. The job security dilemma**

Sales jobs differ from organisation to organisation as well as how the industry develops through its own cycle of expansion, contraction, and rebirth. For instance, the loss of the entire fleet of telemarketers in charge of sales and customer service because they are being replaced by chatbots. So there is no telling if a sales job will exist within the industry 5 years from now.

Even if you have developed a solid reputation as a great salesperson, you risk losing your job abruptly and without warning if the market changes or if businesses decide to restructure. This brings some uncertainty into the lives of those in sales careers.

However, demonstrating your ability to progress and grow with regular clients helps to keep your job, but only partially guarantees future prospects. This is because sometimes, a change in investor strategy means that all sales staff must be let go due to budget constraints.

Although job security may appear to be an insurmountable challenge, there are solutions, such as building networks and contacts throughout your career journey who can advise you on new opportunities when needed. Additionally, try to be in a sales role that requires a complex solutioning where the order fulfilment could not be done routinely, that way you are more assured that your skillset will be future proofed.

Nevertheless, it is wise to remember the only constant in life is change and therefore the key to your longevity in any career is to keep on improving in your skillset and mindset, develop resilience and stay flexible. The new world belongs to those who can adjust, accommodate and grow with change.





### **How to Decide if a Sales Career is Right for You**

So, now that you know the pros and cons of working in sales, are you still interested in pursuing this career path? If you are still uncertain, it is okay. Here are 3 things you can do today to help you decide.

#### **1. Evaluate your skills and personality**

If you're considering a career in sales, it's essential to evaluate your skills and personality before diving in. Sales is an incredibly competitive industry. This means that it is essential to determine if sales is the right fit for you. If it is not, you are more likely to fail. For example, having natural charisma and being comfortable with people are two essential traits that make up a successful salesperson. If you find yourself easily connecting with new people or engaging in conversations, then working as a salesperson could be very rewarding for you. However, simply having a pleasant personality isn't enough; numerous business-related skills are also necessary to excel in this field. It would be best if you considered your abilities to understand customer needs and effectively present products or services. Additionally, since customers may be demanding at times, being able to handle objections is another skill worth having when pursuing a job in sales.

Also consider the time and effort required to learn, make mistakes, and learn again. These are highly sought-after qualities that employers look for when hiring someone in this field. Finally, you must be able to work long hours and make pitches over the phone or in person. This can be taxing on some, so make sure that whatever path you choose interests you—after all, doing something you enjoy increases your chances of success!

#### **2. Research the different types of sales roles**

Those considering a sales career should make sure to research the various types of roles available within this field. There are many sales positions, ranging from more technical and analytical positions, such as inside sales or account management, to outside sales, which involve face-to-face customer interactions. Depending on your skill set and interests, you may decide that one type of role is better suited.

When researching different positions within the field of sales, it's essential to pay attention to the job requirements and duties associated with each specific role. For instance, an inside sales representative would typically have more computer experience than other kinds of representatives since they need to be familiar with enterprise software systems used in businesses. On the other hand, an outside salesperson will likely need more interpersonal skill development to interact effectively with potential customers.

#### **3. Speak to people in the sales field**

Talking to people with experience in the field can provide invaluable insight for anyone considering a sales career. Learning from those who have walked this path before is a great way to determine if a sales career is right for you. Consider reaching out to friends, family members and even acquaintances who currently work in sales or previously held such roles. Ask them about their experience that can illuminate what it's like to pursue this occupation.

Questions could include: What are some of the most rewarding aspects of working in sales? What do they wish they had known beforehand? How did they achieve success? Has technology been disruptive or beneficial in their role as a salesperson? Do they have advice for someone interested in entering the profession? Gathering this information allows you to explore different sides of being involved with the industry and make an informed decision about whether you want to pursue it.



In addition, attending seminars and conventions hosted by companies specialising in different areas of sales can also paint an accurate picture of what it would be like to become a professional salesman or woman. Here, you will find experienced speakers discussing topics related directly to becoming successful and how best to handle challenges that may arise while on the job. With all this data compiled, you will position yourself more clearly when determining if pursuing a career in sales is right for you!

### Conclusion

If you have the right skill set, personality, and outlook, a sales career can be a rewarding one. You will need to carefully assess your qualities, speak with industry professionals, and conduct extensive research on various roles to ensure it is the best fit for you. A sales career offers many exciting opportunities, such as high salaries, flexible working hours, and job satisfaction, but it also has some challenges that should not be overlooked.

### Measures of making selling an attractive career

Every sales person has a different approach when making a sales call. Individual approaches are important; they're what help you relate to a customer on a human level. However, studies show there are certain selling skills that are common among all sales reps, otherwise known as the seven essential selling skills every sales person should know.

#### 1. Communication Skills

If you're a sales person, this skill might seem self-evident, but too many sales reps don't take the time to develop their communication skills, choosing instead to rely on a script to get them through conversation. While a script

can be a useful part of the sales call, the ability to veer off script and communicate with the customer effectively is imperative. Every customer is different; the same script won't work on everyone and there are times when you may need to bring out your communication skills to close a deal.

#### 2. Active Listening Skills

An important part of effective communication is **active listening**. That means allowing the customer to express their needs and concerns and then taking steps to address those concerns in your own response. When you employ active listening, you're much better equipped to tailor your pitch in a way that will appeal to the customer. Listening is also a great way to build trust, and trust is essential for closing deals.

#### 3. Persuasive Skills

In order to truly excel in this industry, you need to have great **persuasive selling skills**. Customers are bombarded with advertisements and pitches on a regular basis; you need to know how to convince them that your product or service is worthy of investment. Being good at persuasion can mean a variety of things, including being able to turn negatives into positives and being sincere about what you're selling.

#### 4. Collaboration Skills

We have a tendency to think of a sales person as a lone wolf—someone who works independently to close deals. However, being able to collaborate with others and learn from your fellow sales reps can be an invaluable asset as you develop your career.

There are a variety of ways in which collaboration can aid your growth; another sales person might have dealt with a situation you've yet to encounter, or they may be able to share alternative strategies with you that can improve your game. Learning to collaborate with your coworkers can help everyone.



### 5. Self-Motivating Skills

This last strategy involves more than just the sales team—it also involves management. All too frequently, there can be a disconnect between upper management and sales reps, with management not fully appreciating the struggles that sales reps are encountering on a day-to-day basis. If you seriously want to challenge your sales team, you may need to solicit feedback on what they believe is preventing them from doing their best work. Their answers may surprise you, while also giving you a real opportunity to make innovating and advantageous changes.

### 6. Problem Solving Skills

A sales person will encounter hundreds, if not thousands, of **objections** during the course of their career. There will be the routine objections that you become used to, alongside more unique reasons why customers are not willing to invest.

While you'll never be able to completely eliminate objection, there are ways to minimize the amount of rejection you face throughout the day. Problem solving skills are selling skills when it comes to learning to meet apprehension head on and find creative solutions.

### 7. Negotiation Skills

With an increasing amount of competitors vying for customer attention, **negotiation** has become an expected part of sales. Customers anticipate that they will be able to negotiate with their sales person, which means that sales reps need to come to the negotiation table ready to negotiate.

Great negotiation skills don't entail conceding unnecessarily; the skilled negotiator knows how to find solutions that work for both parties, resulting in a win-win scenario that keeps everyone satisfied.



Unit 3

**Process of effective selling**

Selling refers to the act of persuading or convincing someone to buy or acquire a product, service, or idea in exchange for money or other forms of consideration. It involves a process of communication between a seller and a buyer, where the seller presents the features, benefits, and value proposition of the product or service to the buyer, and the buyer evaluates the offer and makes a decision whether to purchase or not. Selling can take many forms, such as face-to-face interactions, online transactions, telemarketing, direct mail, and advertising. Successful selling requires effective communication skills, product knowledge, and the ability to understand and meet the needs of the customer.

Personal selling is a direct face-to-face interaction between a salesperson and a potential customer to make a sale. Unlike other forms of sales communication, personal selling allows for immediate feedback, addressing customer concerns in real-time. This personal approach is a powerful tool, especially for complex or high-value products and services.



**Personal Selling Process**

The personal selling process refers to the series of steps involved in persuading a prospective buyer to purchase a product or service. The process typically involves several stages, each of which is designed to move the buyer closer to making a purchase.



### 1. Prospecting

Prospecting is the initial stage in the selling process where the salesperson identifies and gathers information about potential customers or leads who may be interested in the product or service being offered. Prospecting is crucial to the success of a sales team as it helps to create a pipeline of potential buyers for the business. There are various methods of prospecting, including:

- **Referrals:** Asking current customers, colleagues, friends, and family members to refer potential customers to the business.
- **Networking:** Attending events, seminars, and conferences where potential customers may be present and engaging with them to create a relationship.
- **Cold calling:** Reaching out to potential customers through phone calls or emails.
- **Social media:** Using social media platforms like LinkedIn, Facebook, Twitter, and Instagram to find and engage with potential customers.
- **Direct mail:** Sending marketing materials such as brochures, flyers, and product samples to potential customers.
- Prospecting involves identifying potential customers, collecting information about their needs and preferences, and determining whether they are a good fit for the product or service being offered. The goal of prospecting is to create a list of qualified leads that the sales team can then work on converting into paying customers.

### 2. Pre-approach

The pre-approach and approach are two key stages in the selling process that involve establishing a relationship with the potential customer and presenting the product or service being offered. The pre-approach stage comes after prospecting and involves preparing for the approach stage. In this stage, the salesperson researches and gathers information about the potential customer and their needs, interests, and preferences. The salesperson may also prepare a sales presentation or script to use during the approach stage. The goal of the pre-approach stage is to prepare the salesperson to make a positive and effective first impression during the approach stage.

### 3. Approach

The approach stage is where the salesperson makes contact with the potential customer and begins to establish a relationship. This stage is critical as it sets the tone for the rest of the selling process. The approach can take many forms, including face-to-face meetings, phone calls, or emails. The salesperson's goal during the approach stage is to engage the potential customer, build rapport, and create interest in the product or service being offered.

There are various techniques that a salesperson can use during the approach stage, including:

1. Greeting the potential customer warmly and introducing oneself.
2. Asking open-ended questions to learn more about the potential customer and their needs.
3. Making a statement or offer that captures the potential customer's attention.
4. Providing a compelling reason why the potential customer should consider the product or service being offered.
5. Using humor, storytelling, or other techniques to build rapport and establish a connection with the potential customer.



#### **4. Sales Presentation and Demonstration**

A sales presentation and demonstration are important parts of the selling process where a salesperson showcases the features, benefits, and value of a product or service to a potential customer.

A sales presentation is a structured approach to showcasing a product or service that is designed to persuade the potential customer to buy. A sales presentation typically involves a series of slides or visual aids that highlight the key features and benefits of the product or service, as well as any pricing information, testimonials, or other relevant information that may help to convince the potential customer to make a purchase. The sales presentation may be delivered in person, over the phone, or through a virtual meeting or webinar.

A sales demonstration is a hands-on approach to showcasing the product or service that is designed to give the potential customer a more interactive and immersive experience. A sales demonstration may involve the salesperson showing how the product or service works, providing a sample or a trial version of the product or service, or allowing the potential customer to test the product or service in some way. A sales demonstration is typically more effective than a sales presentation as it allows the potential customer to experience the product or service firsthand and see how it can meet their needs.

To deliver an effective sales presentation and demonstration, a salesperson should:

- Know the product or service inside and out, including its features, benefits, and value proposition.
- Understand the potential customer's needs, preferences, and pain points, and tailor the presentation and demonstration to address them.
- Be enthusiastic and passionate about the product or service and convey that enthusiasm to the potential customer.
- Use visual aids and other tools to make the presentation and demonstration engaging and memorable.
- Follow up with the potential customer after the presentation and demonstration to answer any questions and address any concerns they may have.

#### **5. Handling Objections**

Handling objections is an important part of selling, as objections can often be the difference between making a sale or losing a customer. Here are some general tips to handle objections in selling:

- **Listen actively:** The first step in handling objections is to listen carefully to the customer's objection. Ask open-ended questions to understand the root cause of the objection.
- **Acknowledge the objection:** Show empathy and understanding towards the customer's objection. Repeat the objection back to the customer to confirm that you understand it correctly.
- **Clarify any misunderstandings:** If the objection is based on a misunderstanding, clarify the facts and provide additional information that may help clear up any confusion.
- **Provide options:** Provide the customer with options or alternatives that address their concerns. This can help them feel heard and valued as a customer.
- **Handle objections proactively:** Anticipate common objections before they arise and address them in advance. This can help to build trust and confidence with the customer.
- **Show the value:** Show the customer the value of your product or service and how it can solve their problem or address their needs.
- **Stay positive:** Stay positive and avoid becoming defensive or argumentative. Remember, the customer's objection is not a personal attack on you.



### **6. Closing the Sale**

Closing the sale is the ultimate goal of any sales interaction. Here are some tips to help you close the sale effectively:

1. **Build rapport:** Building a strong relationship with the customer can help you understand their needs and preferences, and make them more likely to buy from you.
2. **Create urgency:** Urgency can help to motivate the customer to make a purchase. Highlighting the benefits of buying now, such as limited-time offers, can create a sense of urgency.
3. **Address objections:** Any objections that the customer may have should be addressed before closing the sale. By doing so, you can overcome any barriers to closing the sale.
4. **Offer incentives:** Offering incentives such as discounts, free trials, or bundled packages can help to persuade the customer to buy.
5. **Ask for the sale:** It may sound simple, but asking for the sale is often overlooked. Clearly and confidently ask the customer if they are ready to make a purchase.
6. **Provide payment options:** Make the payment process as easy as possible for the customer by providing various payment options, such as credit cards, PayPal, or financing options.
7. **Follow up:** After the sale is closed, follow up with the customer to ensure their satisfaction, address any concerns, and build a long-term relationship.

### **7. After sale service/Follow-up**

After-sale service refers to the assistance and support provided by a seller to a buyer after a product or service has been sold. It typically includes services such as installation, maintenance, repair, and technical support. The main goal of after-sale service is to ensure customer satisfaction and build long-term relationships with customers. By providing high-quality after-sale service, sellers can improve their reputation, increase customer loyalty, and generate repeat business.

The after-sale service process typically involves the following steps:

- **Acknowledge the customer's request:** When a customer contacts the seller with a request for after-sale service, it's important to acknowledge their request promptly and let them know that their request has been received.
- **Gather information:** The seller should gather all relevant information about the product or service in question, as well as the customer's contact information and any details about the issue they are experiencing.
- **Evaluate the request:** Once the seller has all the necessary information, they should evaluate the request and determine the appropriate course of action. This may involve troubleshooting the issue, scheduling a repair or maintenance appointment, or providing the customer with instructions on how to resolve the issue themselves.
- **Provide a solution:** After evaluating the request, the seller should provide the customer with a solution that addresses their concerns and resolves the issue as quickly and efficiently as possible.
- **Follow up:** After the issue has been resolved, the seller should follow up with the customer to ensure that they are satisfied with the service they received and that the issue has been fully resolved.
- **Maintain contact:** It's important for sellers to maintain regular contact with their customers even after the initial after-sale service has been provided. This can help to build customer loyalty and increase the likelihood of repeat business in the future.



### **What is a sales call?**

A sales call is a conversation between a sales rep and a prospect, aiming to build a connection, share information about their offerings, and guide the prospect through the sales pipeline.

The ultimate objective of any sales call is to convert the prospect into a paying customer or at least move them further across the sales pipeline.

Additionally, effective sales calls enable you to upsell or cross-sell your existing customers.

Various types of calls in sales are made during the entire sales cycle to accomplish different objectives.

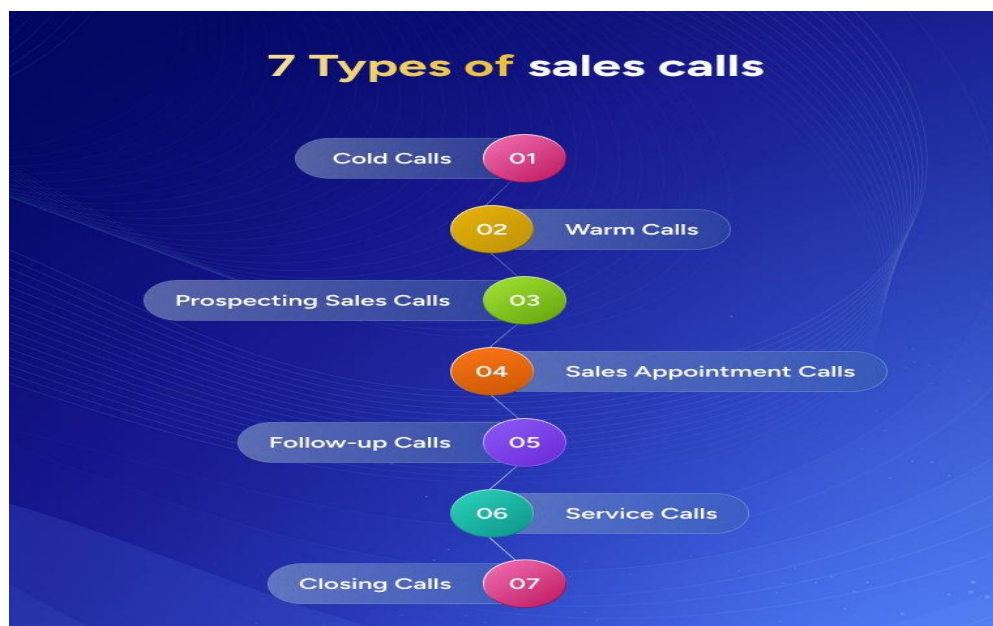
So, let's review the 7 types of sales calls reps conduct during a sales process.

### **7 Types of sales calls**

During the sales process, there are various occasions where conducting a sales call might come in handy, such as during prospecting, discovery, objection handling, and more.

Each type of sales call has a different purpose.

Let's look at different types of sales calls:



#### **1. Cold calls**

Cold calling means contacting potential customers without any prior contact or relationship. It's usually done to transform the prospect into a potential lead for the business.

For instance, credit card companies commonly use cold calls in sales to sell cards to random people.

So, there is always the possibility that the person being contacted may or may not be a potential customer for the business.

#### **Purpose of cold calls**

Cold calling usually aims to identify a prospect's interests and whether they align with your brand's offerings. Based on this, you can attract and engage with them. So, qualifying the prospect becomes much easier.

#### **Tips to make successful sales calls**

Cold calling is dead! That's what is usually said. But that could be more untrue in the B2B industry because nearly 57% or more C-level leaders prefer to get a call from a sales rep.

So, here are some result-driven tips for conducting effective cold calls:





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- **Conduct detailed pre-call research**

Before making a cold call, do comprehensive pre-call research to know your ideal prospect profile and buyer persona.

If you know your customer persona, it will help you grab their attention and engage them. It also allows you to pitch customized offers, making them feel important during the cold call.

- **Prepare and practice your cold-calling script**

A cold calling script is the best support, as it includes key points that a rep must discuss in a structured way when conducting a cold call.

The sales call script is more of a helpful checklist. It contains descriptive answers to all the FAQs and insights on how to face sales objections. You must learn to cope with rejection and objections during a cold call.

- **Watch out for the right time for a cold call**

If you've made some calls and got a poor response or no response, then the timing could be the issue.

To overcome this, analyze your call recordings and discover the hours in a day when your potential prospects picked up and engaged more with you. Accordingly, schedule the calls for such specified times to enhance sales opportunities.

Support of a sales CRM might help boost your sales productivity with features like call recording & forwarding, automatic voicemail drops, call tracking, etc.

## **2. Warm calls**

When a sales professional connects with a prospect who has already shown some interest in the brand's products or services via multiple mediums, such as the website, cold calling, or other channels, it can be identified as a warm call.

Here, the prospects have an existing relationship with the business. For instance, it could be a follow-up to a cold call, a past buyer or opportunity, someone in your network, etc.

For example, if a person signed up for the contact us web form on your landing page, you will make a warm sales call to inquire more about evaluating selling opportunities.

Another example is if a person met you at a seminar, showed interest in your brand, and asked you to give a call in the upcoming weekend. Now, you would make a warm call to confirm their interest in your brand.

### **Purpose of warm calls**

The purpose of warm calls is to entice prospective customers with your products/services and influence them to make a purchase. If not converting them, convincing them to do a demo or in-person sales meeting can be one of the agendas for warm calls.

### **Tips to make the best warm calls**

To help you win, here are the most effective tips when conducting warm calls.

- **Prepare a checklist with key topics to discuss**

As warm calls are made to people who might have interacted with your business before, be prepared for success. If you have any information about your prospect's recent activity, leverage it to make the conversation personalized and relevant.

Talk about valuable topics relevant to your potential prospects, highlighting their benefits.

- **Make an impact with your opening lines**

Grab your prospects' attention in a warm call with a catchy and meaningful opening line.

A personalized opening line with an informative context about how you can help them overcome their roadblocks can work for you.

To help with that, check out: How to start a sales conversation that captures the interest.



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- **Try to discover problems with open-ended sales questions**

Warm calls are opportunities to identify your prospect's intent regarding buying your products/services. To win, ask open questions. For example, how can I make this call worthwhile for you?

Open-ended sales questions will help you engage with them better and more chances to discover their stress points and requirements.

### **3. Prospecting sales calls**

These are the initial sales calls to find possibilities to pitch in your product or service.

There is a thin line that differentiates cold and prospecting calls, which you can understand better with a quote by Michael Phelan.

"Prospecting means seeking out the right prospect to pitch to; it requires research and intelligence. Cold calls are a blunt sales tactic to call potential buyers randomly, hoping that many of them might be in a buy mode."

However, cold calls and prospecting aim to discover the prospects intent toward buying.

#### **Purpose of prospecting calls**

To build interest among the listening prospect about your product/services, convince them you can solve their problems.

#### **Tips to make the best out of prospecting calls**

While conducting prospecting sales calls, try to focus on understanding the prospects' needs and pain points to connect with them more personally. Here are a few detailed tips to make the best out of prospecting calls:

- **Connect to prospects on LinkedIn**

With over 810 million LinkedIn users, your B2B prospects will definitely be present there.

You'll be able to find and connect with the decision-makers before your prospecting call on LinkedIn.

Here is the smart way to find your prospect's profile on LinkedIn: Find information like:

- Based on location
- Based on previous education/college name
- Based on the companies they served
- Based on their skill endorsement
- Look at your competitor's network

- **Ask targeted questions and listen to the response**

Don't just assume; discover the prospect's needs and stress points. The best way to engage during a sales call is to ask targeted questions.

Here are a few targeted questions you should find answers to understand prospect's intent better:

- What are their top priorities at the moment?
- What are the challenges they are facing currently?
- What is the biggest roadblock in their growth?
- What solutions are they now relying on to overcome the roadblocks?
- Are they satisfied with those solutions?
- What would make them consider switching providers?
- What features are they expecting in the new solutions?
- What results would they wish to see if they start using product X in the coming quarter?

### **4. Sales appointment calls**

A sales appointment call is made to finally discuss the prospect's stress points and how the brand can help solve them.

Poorly organized meetings have an adverse impact on customer relationships. So, remember this the next time you schedule a meeting and utilize efficient software to help you plan and manage those leads.



Before implementing appointment setting for sales calls, efforts were mainly on scheduling follow-ups and missing opportunities to discuss the product's features and benefits.

During sales appointment calls, the decision-maker and sales rep agree to have a purposeful discussion.

For example, a prospect is looking for a CRM for their financial advisor business. He was in conversation with a software company for a month. He then took a 15-day free trial of CRM software. After the free trial, the prospect received a sales appointment call for further discussions regarding the purchase or addressing any queries.

### **Purpose of sales appointment calls**

A sales appointment call is made once your reps have established a relationship with their prospects. The purpose is to indicate the features and benefits of your products/services to them. This way, you will move one step ahead in closing the deal.

### **Tips to make the best out of sales appointment calls**

Understand your prospect's needs and mold the conversation during sales appointment calls. Check out these quick tips.

- **Watch out for your tone and context**

Although the prospects are interested and open to a sales appointment call, you cannot pressure them.

Always be courteous, and it is better to ask, "Is it the right time to talk?" even if it is for a scheduled call.

Be consultative during this call instead of being pitchy for sales. To convince them, include elements such as client stories, facts, and more. This way, you can get a chance to convince them to purchase from you.

- **Use social proof**

About 88% of buyers trust online reviews equally to personal recommendations. So, it is best to leverage all the social proofs you have to build trust and persuade your prospects to buy.

Share case studies revealing the challenges faced by your customers and how you helped to overcome them. This is a great way to take your prospects into confidence. Plus, convince them that your offer is the right fit for them.

You can talk about your happy customers during the call and send them the link via text or email after the meeting.

- **Use technology for a faster process**

For setting up many sales appointment calls each day, the sales automation CRM is the right tool to go with.

You can set up an automatic pre-recorded voicemail drop if the prospect doesn't respond. Plus, you can set reminders to schedule sales appointments. Saving you from losing opportunities.

Use a meeting scheduler to book a new sales appointment or to reschedule if the prospect missed the scheduled one.

Technology like a sales automation CRM helps you to conduct error-free tasks and supports you in meeting your sales quotas.

## **5. Follow-up calls**

Follow-up calls are made to potential prospects to learn about their decision regarding the purchase. In addition, these are calls made to know if the prospect with whom you are engaged in a conversation has any purchasing plans soon.

### **Purpose of follow-up calls**

Follow-up calls aim to identify the lead's position in the sales process. Remember, a follow-up call is meant to go beyond the decision stage. Sometimes, follow-up calls are required in the consideration stage, too.

### **Tips to make the best out of follow-up calls**

Quick and on-point follow-up calls to prospects help to close more deals. Here are some tips to win doing follow-up calls.



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- **Plan your follow-up calls**

Conducting follow-up calls anonymously or randomly would harm your brand value and could irritate your prospect. So, create a reason to follow up during your sales phone calls.

For example, after giving a demo, you might indicate that we would love to take your valuable feedback to improve.

- **Avoid these follow-up opening blunders**

Follow-ups need a good start; otherwise, all your efforts so far will be in vain. Most sales reps stumble and begin their follow-up calls like:

- i. "I was calling to follow up on our proposal."
- ii. "I just wanted to ensure that you've received the email."

Never do this! These are poor opening statements. Instead, speak something that holds your prospects to listen.

- **Conduct follow-up calls on time**

Conduct your follow-up on time; don't be a minute late.

Because your competitors are also after your prospect, ensure you don't give them a chance to win. An on-time follow-up call can bring the deal to your company.

And we know that following up with leads is a tiring process. So, why not use a CRM that can ease your communication process?

## **6. Service calls**

A service call is conducted after the deal is closed. You can call it a follow-up call after purchase.

### **Purpose of service calls**

It is made to ask whether they face any issues or how they feel about the product/service.

### **Tips to make the best out of service calls**

Service calls play an important role as it helps to establish an image of a dedicated brand. Here are some tips for conducting service calls.

- **Conduct service calls on time**

Take the service call. Your clients always want to feel valuable and important; a service call is a way to do so. Plus, it helps you to build a brand rapport.

- **Ask for referrals**

Getting referrals is always good news for sales reps. It is more like a bonus to one single effort. If you serve the best to one customer, they might recommend you to their near and dear ones.

## **7. Closing calls**

A closing call is the final interaction where the sales rep secures a commitment from the prospect to proceed with the purchase decision.

This traditional sales call is essential for successfully concluding the sales process and converting the prospect into a paying customer.

### **Purpose of closing calls**

The primary purpose of a closing call is to address any final objections and confirm that the prospect is ready to move forward with the purchase. It's the crucial step that turns a potential lead into a customer.

### **Tips to make the best out of closing calls**

Closing calls are vital for building confidence in the prospect and securing a win for the sales team. Here are some tips to ensure a successful closing call:



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- **Handle objections carefully**

Be prepared to answer any last-minute concerns. Listen to the prospect's needs and address any doubts they might have with reassurance, emphasizing how your product or service will solve their pain points.

- **Emphasize benefits and reinforce the value**

Remind the prospect why they considered your product or service in the first place. Reinforce the value proposition and how your offering aligns with their goals.

- **Set clear next steps**

End the call with a clear roadmap. Outline what the prospect can expect after purchasing, such as onboarding, training, or follow-up support, ensuring a smooth transition from prospect to customer.

By making the closing call effective and reassuring, you help solidify trust and build a win-win situation that benefits both the sales rep and the new customer.

### **Management of call Time**

Effective call time management is crucial for sales professionals to maximize productivity and ensure quality engagement with each prospect. Here are some strategies to manage call time efficiently:

1. **Plan and Prioritize:** Begin with a clear plan for each call session. Prioritize high-potential leads, and set specific goals for each call, whether it's setting up an appointment, handling an objection, or closing a sale.
2. **Prepare Before the Call:** Before dialing, research each prospect's background, pain points, and recent interactions with your company. This reduces time spent gathering information during the call and allows you to dive directly into addressing their needs.
3. **Use a Structured Script:** A well-organized script keeps the conversation on track, helps you cover essential points, and reduces time spent on small talk or redundant details. Customize it slightly for each prospect to ensure it feels genuine.
4. **Set a Call Duration:** Determine an approximate length for each call type. For instance, cold calls may be shorter than follow-up or demonstration calls. Setting an internal time limit helps you stay focused and prevents prolonged calls.
5. **Ask Open-Ended Questions:** Start the call with a few open-ended questions to quickly identify the prospect's needs. This allows you to focus on relevant information, avoiding unnecessary or repetitive explanations.
6. **Handle Objections Efficiently:** Familiarize yourself with common objections and have prepared responses. This allows you to address concerns quickly without lengthy discussions and move closer to the sale.
7. **Schedule Follow-Up Calls When Needed:** If the conversation goes off track or requires further discussion, schedule a follow-up rather than allowing a single call to extend beyond its planned duration.
8. **Use Call Management Software:** CRM tools and call management software can help track call time, set reminders for follow-ups, and provide insights into time spent on each call, helping you refine your approach.
9. **Keep Notes Brief and Relevant:** Take quick notes during or immediately after each call, focusing on the key points discussed. This reduces time spent documenting each call and provides helpful context for follow-ups.
10. **Reflect and Adjust:** Periodically review the time spent on each call type and adjust your approach if needed. Regular reflection helps you identify areas for improvement and streamline future calls.

By staying organized, prepared, and focused, sales professionals can maximize call efficiency, make the most of each interaction, and ultimately improve conversion rates and productivity.



**Unit 4**

**Qualities of successfully sales person with particular reference to consumer services**

A successful salesperson in consumer services requires a distinct set of qualities to build relationships, understand customer needs, and close deals effectively. Here are key qualities:

- 1. Excellent Communication Skills:** A good salesperson communicates clearly, listens actively, and conveys complex information in a way that's easy to understand. In consumer services, where trust is critical, effective communication helps in explaining service benefits and handling concerns.
- 2. Empathy and Customer-Centric Approach:** Understanding and empathizing with customers' needs is essential. Successful salespeople put themselves in the customer's shoes, offering solutions that genuinely address the customer's needs and priorities.
- 3. Product Knowledge and Expertise:** Mastery over the service details is vital. In consumer services, being knowledgeable allows the salesperson to answer questions confidently, demonstrate the value of the service, and build trust.
- 4. Adaptability and Flexibility:** Every customer is different, so being adaptable to various personalities and situations is crucial. A flexible approach allows the salesperson to modify their pitch based on each customer's unique concerns.
- 5. Problem-Solving Skills:** Customers often present unique challenges or specific needs. A successful salesperson can think on their feet, offering creative solutions that enhance the customer's experience and meet their requirements.
- 6. Persistence and Resilience:** Sales in consumer services can involve frequent rejection. The ability to stay motivated and positive in the face of setbacks helps successful salespeople keep pushing forward, learning from each interaction.
- 7. Relationship-Building Skills:** In consumer services, customer loyalty is essential. Building and nurturing long-term relationships can lead to repeat business and referrals, so trustworthiness, sincerity, and reliability are crucial traits.
- 8. Goal-Oriented and Self-Motivated:** Successful salespeople are driven by personal and professional goals. They manage their time well, set clear objectives, and track their progress, aiming for continuous improvement.
- 9. Attention to Detail:** Consumer service sales often involve details about service options, costs, and conditions. Attention to detail ensures that the salesperson provides accurate information and doesn't overlook important aspects that could impact customer satisfaction.
- 10. Follow-Up and Post-Sale Support:** A great salesperson understands the importance of post-sale care. Following up to check on satisfaction or offer additional help demonstrates commitment, often leading to higher customer loyalty and positive reviews.

These qualities allow a salesperson in consumer services to connect authentically with customers, provide high-value solutions, and build a strong reputation in a competitive market.



### **What is Sales Operations?**

**Sales operations** is the team that handles the non-selling processes and tasks inherent in the sales process. This includes setting up lead generation, outlining sales territories, building incentive programs, analyzing sales data, and setting up automation for repetitive tasks.

Sales operation reports and documents are essential for tracking performance, forecasting, and making data-driven decisions in sales. Here are some common types:

- 1. Sales Activity Report:** This report captures daily, weekly, or monthly sales activities, such as the number of calls made, emails sent, meetings scheduled, and demos conducted. It helps monitor productivity and identify areas for improvement.
- 2. Sales Pipeline Report:** This document tracks the progression of prospects through the sales pipeline, showing the stages each prospect is in, potential deal values, and estimated closing dates. It's crucial for forecasting future revenue and understanding where deals may be stalled.
- 3. Sales Forecast Report:** Using historical data, current pipeline status, and market trends, this report projects expected revenue over a specific period. It's vital for resource allocation, budgeting, and setting realistic sales goals.
- 4. Lead Conversion Report:** This report analyzes the conversion rate of leads at different stages of the sales process. It provides insights into which stages need improvement and which lead sources are most effective.
- 5. Win/Loss Analysis Report:** A detailed breakdown of closed deals (both won and lost), explaining factors behind each outcome. This report helps understand customer preferences, competitive advantages, and areas where the sales approach can be refined.
- 6. Quota Attainment Report:** This tracks how well sales representatives or teams meet their individual and collective quotas. It highlights top performers and can inform decisions about training, incentives, or territory adjustments.
- 7. Sales Call/Meeting Notes:** Notes from individual sales calls or meetings provide a record of client interactions, concerns raised, and follow-up actions needed. These documents ensure continuity in customer service and can be valuable references for future interactions.
- 8. Customer Feedback Report:** Compiled from surveys, post-sale interactions, or direct feedback, this report summarizes customer satisfaction levels, common issues, and suggestions. It's useful for refining sales approaches and improving service quality.
- 9. Competitor Analysis Report:** This report assesses competitors' strengths, weaknesses, pricing, and strategies. By understanding competitors' positioning, sales teams can adjust their approach to highlight unique advantages.
- 10. Sales Expense Report:** A record of all expenses incurred during the sales process (e.g., travel, entertainment, client gifts). It helps keep the sales budget in check and ensures adherence to expense policies.
- 11. Territory Management Report:** This document divides sales territories by region, industry, or account size and tracks performance metrics within each. It helps optimize territory assignments and identify opportunities or gaps.
- 12. Post-Sale Follow-Up Report:** This tracks post-sale activities, such as client onboarding, satisfaction check-ins, or upsell/cross-sell attempts. It ensures customer needs are met after the initial sale and fosters long-term relationships.



**13. Monthly/Quarterly Sales Performance Report:** A high-level overview of sales performance over a given period, showing revenue, top accounts, high-performing products, and areas needing attention. It provides a snapshot for management to make strategic decisions.

**14. Daily Sales Log:** This document records day-to-day transactions, noting customer information, purchase details, and order statuses. It helps track ongoing activities and maintain up-to-date records.

Each report or document contributes to a better understanding of sales operations, helping managers and sales reps make informed decisions, improve processes, and achieve greater efficiency.

### **Sales manual order book**

The sales manual is part policy, part procedures, part best practices, part how-to guide. It explains protocols and processes. It provides standards of performance. It keeps sales team members on the same page, and enables them to hold each other accountable (to the established standards, etc.). It can provide the foundation for measuring performance.

A **Sales Manual Order Book** is a physical or digital document used by sales teams to manually record customer orders, especially when an automated system isn't available or practical. This book is often used in field sales, small businesses, or situations where real-time digital access may be limited.

This is a living document that has to work. It's a high-value tool that has to be:

- Accurate and up to date.
- Relevant.
- Easily accessed.
- Readily available.
- Secure.
- Readily understood.
- Easy to read and well organized.
- Actively used.

A good sales manual informs your sales team on their relevance to the organization, gives them confidence, and binds them to the ways of your organization. It shows them how they fit in, and their pivotal role—both as individuals and team members. It should give them a real understanding of the sales function and its influence on organizational success.

It should also give them all the information, resources, technical specs, product and market information, strategies, standards, practices, rules, protocols and forms they need to do their job properly and effectively.

Finally, if you want your sales manual to be highly used and solidly understood you'll need to make it easy to access, and easy to absorb. Printing the manual is just one way of putting it in front of the team (while this is the traditional way, it has limitations). It's also convenient to securely post the document on your company's web platform. This is especially useful when content is updated regularly. Posting it online also makes it easy to access anytime, anywhere, by any authorized user. Some companies even create audio files in MP3 format for their road warriors.





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Outline of what a Sales Manual Order Book typically includes:

**Key Components**

**1. Customer Information:**

- Customer name
- Address and contact details (phone, email)
- Customer ID (if applicable)
- Date and time of the order

**2. Order Details:**

- Order number or reference code for easy tracking
- Product or service name
- Product codes or SKU numbers (if applicable)
- Quantity ordered
- Price per unit and total amount
- Discounts, offers, or promotions applied

**3. Payment Information:**

- Payment method (cash, card, credit terms, etc.)
- Payment status (paid, pending, partial payment)
- Deposit amount (if required) and balance due
- Due date for balance payment (if applicable)

**4. Delivery Details:**

- Delivery date and time
- Delivery address (if different from the customer's address)
- Shipping method and charges (if any)
- Notes on special delivery instructions

**5. Terms and Conditions:**

- Terms of sale (return policy, warranty, etc.)
- Any specific notes or agreements related to the order

**6. Signatures:**

- Sales representative's signature for accountability
- Customer's signature to confirm order accuracy and acceptance

**7. Additional Notes:**

- Any specific instructions, customer preferences, or extra details relevant to the order.



Specimen of Sales order book

123456

CUSTOMER'S ORDER NO.		DEPARTMENT		DATE	
NAME					
ADDRESS					
CITY, STATE, ZIP					
SOLD BY		CASH	C.O.D.	CHARGE	ON. ACCT.
		MDSE. RETD.	PAID OUT		
QUANTITY	DESCRIPTION			PRICE	AMOUNT
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
RECEIVED BY					

KEEP THIS SLIP FOR REFERENCE

**Usage Tips**

- **Number Each Order:** Use a sequential numbering system for orders. This aids in tracking and helps avoid duplicate entries.
- **Keep Copies:** Ideally, the order book should produce multiple copies, with one given to the customer, one kept by the sales team, and one sent to the office for processing.
- **Regularly Update Digital Records:** When possible, transfer details from the manual order book into a digital CRM or order management system to maintain accuracy and support data analytics.

**Benefits of a Manual Order Book**

- **Portable and Accessible:** Sales reps can record orders immediately in locations where digital access is limited.
- **Increases Accountability:** The order book creates a paper trail that can be referenced if there are discrepancies.
- **Immediate Record of Orders:** Orders can be documented and verified on the spot, helping to avoid errors.

Although manual order books are helpful in some situations, integrating them with a digital system for overall efficiency and data management is usually recommended.



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**What is Cash Memo?**

During a cash sale, the seller creates a cash memo and hands it over to the buyer. It is an official record of any cash sale.

The seller prepares a cash memo along with a duplicate copy so that they can retain the duplicate while the original is for the customer. It is a negotiable trading tool that works as proof for a seller that goods have been sold and money has been received from a buyer.

**What are the Uses of Cash Memo?**

A cash memo is an accounting document that aids in keeping track of accounting transactions done using cash or any other payment format and in managing an accounting process. This helps in knowing cash sales of a business, analysis and reconciliation, paying taxes, cash flow position, inventory planning, etc. Using a cash memo, you will have no chance of losing any vital transaction information in the process. Transaction details stored in these cash memos are then recorded in the book of accounts.

**What are the Types of Cash Memos?**

Here are some of the primary types of cash memos that small businesses can utilise to maintain their accounts:

**1. Standard Cash Memo**

A typical cash memo used for cash transactions by any business in any industry. This serves as proof of the involvement of both parties in a transaction. It includes necessary information such as items, rates, taxes, due amount, etc.

**2. Partial Cash Memo**

Seller makes a partial cash memo when a buyer makes a partial payment via cash and the rest via bank account for any transaction. In such a situation, tracing cash memos to invoices takes place so as to look at all transaction payment details.

**3. Advanced or Specialised Cash Memo**

It is a more thorough or specialised variant of a basic cash memo. This type of cash memo includes detailed product information and parties involved in the division of taxes into applicable forms of [GST](#).

**Given below is a sample of the cash memo format:**

<b>COMPANY NAME</b> <small>Address: House No # --, Road No # --, City Corporation name, Country Name +91 22 222 2222, +91 99 999 9999 / www.yourwebsite.com</small>				
S.I. NO: _____				DATE: _____
Name: _____				
Address: _____				Cell: _____
S.I. No	Description of goods	Qty	Rate	Take
				Total
				Advance
				Due
Taka (in words): _____				
Customer Signature _____			Authorized Signature _____	



**What are the Contents of a Cash Memo?**

A standard cash memo format contains the following information:

**1. Date of cash memo**

This helps in tracking transactions daily

**2. Name and address of the buyer**

It works as proof that purchaser has validated the transaction

**3. Supplier's name and address**

It is proof that supplier has made the sales

**4. Serial number of cash memo**

This helps track the sales of a business and keep a record of all the transactions without missing out on any

**5. Quantity of goods**

To keep track of what is being sold and what is in the stock

**6. Description of goods**

To identify nature of the goods sold

**7. Rate of goods**

This helps in calculating sales value

**8. Amount**

To know the sales done by the business

**9. Tax registration number**

For the purpose of tax payment

**10. Signature of the duly authorised person**

This should be the person who receives cash for accounting purposes, making a transaction more valid

**11. Discounts**

It helps in tracking any discount given

**12. Taxes**

This helps to understand the taxes that are charged for the purchase of the goods

**13. Total amount**

This is the amount the buyer pays after the imposition of tax. It is to be written in figures as well as words

**14. Terms and Conditions (if any)**

These consist of the rules and regulations regarding purchase

This is an example of a cash memo template. Here the name of the shop is written on top, below which the address is written. The serial number comes in the next line. Next, the transaction date is mentioned in the right-hand corner of the same line. The next line is for the name of the buyer with an address.

After that, the quantity of each product purchased, product description, rate of one unit and amount for each product are mentioned beside them. The discount percentage is also mentioned below. Finally, the amount payable is provided.



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**Tour diary**

Tour diary is a document containing information about a salesman visit to various places for selling purpose. Every salesman has to give detailed account of his visits. The tour diary must include information about name of visited place, purpose of the visit, name of the person contacted with, date and time, mode of convenience etc. A tour diary helps a company informed about movement of salesperson, there regularity and it also shows their dedication towards work. A salesman consistently visiting various places for qualifying and identifying prospects, gathering information about prospects, giving presentations to the prospects is considered a valuable asset for the company. Tour diary is also helpful in measuring efforts and performances of a salesman.

Proforma of a tour diary

**TOUR DIARY IN RESPECT OF MR. HAPPU SINGH**

Designation SALESPERSON

Office Address \_\_\_\_\_

Residential Address \_\_\_\_\_

**DETAILS OF TOURS**

S.No.	Date	From	To	Time of Travel	Mode of Convenience	purpose of visit
1.	11 <sup>th</sup> March 2019	Sagar	Devri	8 AM to 9 AM (1 Hour)	Bus	For giving presentation to Vibhuti Narayan Mishra (Nalle Sahab)
2.						
3.						
4.						

**What Is a Periodic Report?**

A periodic report, sometimes called a recurring report, is essentially a thorough formal check-in. Your periodic report serves as a comprehensive summary of everything your company has accomplished or is working towards since the previous periodic report.

The term “periodic report” is used because there is no firmly established timeline for when such a report should be created. You can create a periodic report as often as every week or as infrequently as bi-annually. An annual report is something completely different. Periodic reports are intended to fill all the gaps between annual reports.

Periodic reports give business owners an efficient way to keep everyone on the same page. Your periodic report can contain all of the important information that key players would like to know.

Their periodic cadence allows you to provide status updates that are easily digestible due to their reduced length, and their frequency allows time for report recipients to offer insight, suggestions, or opinions throughout the year.



## Benefits of Creating a Periodic Report

### 1. Highlight Results

Providing the latest information on the performance of a project, company, or department, be it **success rates** or a **general update** on finances, informs everyone about the current status. It helps stakeholders to assess what is working, and what areas need improvement, and then map out future endeavours. This is a crucial point in periodic report writing as it is the essence of the report.

### 2. Provides Analysis

A periodic report equips whoever is reviewing the report with an **analysis of the current trends** within a project, enterprise, or entity.



This is immensely helpful because it relieves them of having to perform the added task of analyzing the overall performance.

### 3. Aids in Comparison

Comparison is necessary whether you like it or not and you cannot attempt to compare unless you know the level and state you are in. Periodic reports aid a whole lot as they provide updated information that reveals the current status of a company, entity, or enterprise. It's important to include **comparisons of improvements made, past performance, speed of a project**, etc.

## Key Components of a Periodic Report?

A periodic report can be completed at any length and released at any frequency. The only technical requirement of a periodic report is that it contains information pertaining to several key topics. You have the freedom to be as thorough or concise as you'd like when disclosing information in your periodic report.

- **Executive Summary**

The executive summary of your periodic report should be like the introduction to a novel. You're going to cover a lot of ground, and you want readers to know right from the beginning what they can expect to find within your report.

The executive summary portion of your report doesn't have to be long. An introduction paragraph and a concluding paragraph with the most important takeaways featured as bullet points in between are often sufficient, especially if you only have a limited amount of information to report.

If your periodic report is going to be substantially long, you may want to consider using your executive summary as a table of contents to help readers find key points of information as quickly as possible. They may need to return to these points if they wish to discuss them with you, and making the information easy to find can streamline the conversation.



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- **Financial Data**

The financial data in your periodic report doesn't need to resemble a profit and loss statement. Most people reading your report will expect to see an overview of your budget and a breakdown of how your budget has been utilized. You can utilize things like graphs or pie charts to provide a visual representation of your budget breakdown, which will make it easier to understand at a glance.

- **Progress Updates**

Your periodic reports are intended to mention what your business is working towards and why you're working towards that goal. Each periodic report can offer a progress update on where you are in relation to your goals. It helps to be thorough in the progress update section of your periodic report. If you're facing obstacles or challenges, it's important to identify them in this section. You can also celebrate your successes if you've recently achieved a goal or made significant progress.

The progress update section can be detailed with timetables, tentative or strict, that will provide insight into where you are on your timeline. These timelines will show readers what they can expect by the time they receive their next periodic report.

- **Future Projections**

The future projections section of your periodic report tells readers where you're trying to go and, more realistically, the trajectory of your plans, which shows where you'll likely end up. You can use future projections to assess your predictions of your goals and dial in your accuracy.

### **Problems in selling operations**

Selling operations can face a variety of challenges that impact sales performance, efficiency, and customer satisfaction. Here are some common problems encountered in selling operations:

#### **1. Poor Lead Quality**

- Problem: Sales teams may receive leads that are not well-qualified, leading to wasted time and resources.
- Impact: Low conversion rates, demotivation among sales reps, and inefficiencies in the sales pipeline.

#### **2. Ineffective Sales Forecasting**

- Problem: Inaccurate sales forecasts due to poor data or unrealistic expectations.
- Impact: Over- or under-allocation of resources, missed revenue targets, and poor financial planning.

#### **3. Insufficient Product Knowledge**

- Problem: Sales reps may lack thorough knowledge of the products or services they are selling.
- Impact: Inability to answer customer questions, reduced credibility, and missed opportunities to highlight key benefits.

#### **4. Lack of a Structured Sales Process**

- Problem: An unstructured sales process makes it difficult to track progress, standardize approaches, and improve techniques.
- Impact: Inconsistent sales practices, poor customer experience, and inefficiency in closing deals.

#### **5. Difficulty in Handling Objections**

- Problem: Sales reps may struggle to effectively address customer objections or concerns.
- Impact: Lost sales opportunities, decreased customer confidence, and a higher rate of rejected offers.

#### **6. High Customer Acquisition Costs**

- Problem: High expenses associated with attracting new customers, such as advertising, marketing, and sales effort.
- Impact: Reduced profitability and increased pressure to maximize customer lifetime value.



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**7. Long Sales Cycles**

- Problem: Extended periods between initial contact and closing the sale, often due to complex products, indecisive customers, or process inefficiencies.
- Impact: Reduced cash flow, delayed revenue, and increased risk of losing deals.

**8. Inadequate CRM Utilization**

- Problem: Poor use or lack of customer relationship management (CRM) systems.
- Impact: Difficulty in tracking customer interactions, missed follow-up opportunities, and inefficient customer management.

**9. Lack of Alignment Between Sales and Marketing**

- Problem: Misalignment between sales and marketing teams leads to inconsistent messaging and poor lead quality.
- Impact: Lower lead conversion rates, wasted marketing efforts, and tension between teams.

**10. Overemphasis on Short-Term Goals**

- Problem: A strong focus on hitting short-term sales targets can lead to aggressive selling tactics and disregard for customer satisfaction.
- Impact: Customer churn, reputational damage, and loss of long-term business relationships.

**11. Inadequate Training and Development**

- Problem: Sales reps may not receive sufficient training in product knowledge, sales techniques, or customer relationship management.
- Impact: Underperformance, lower confidence among sales reps, and missed sales opportunities.

**12. Poor Time Management**

- Problem: Sales reps may struggle with prioritizing leads or managing their schedules effectively.
- Impact: Low productivity, neglected high-value leads, and reduced sales efficiency.

**13. Inventory or Supply Chain Issues**

- Problem: Stockouts, supply delays, or incorrect inventory forecasts can disrupt sales operations.
- Impact: Lost sales, dissatisfied customers, and potential damage to the brand's reputation.

**14. Excessive Administrative Work**

- Problem: Sales reps spend too much time on non-selling activities like data entry, reporting, and follow-up paperwork.
- Impact: Reduced time for actual selling, lower sales performance, and job dissatisfaction.

**15. High Sales Rep Turnover**

- Problem: High turnover among sales reps disrupts continuity and can create gaps in customer relationships.
- Impact: Increased training costs, lost customer relationships, and reduced team morale.

**16. Inadequate Incentives and Motivation**

- Problem: Lack of appropriate incentives or a motivating work environment.
- Impact: Reduced productivity, lower engagement, and underperformance in meeting targets.

**17. Difficulty in Building Long-Term Relationships**

- Problem: Sales reps may focus heavily on closing deals without nurturing long-term customer relationships.
- Impact: Lower customer retention, fewer referrals, and lost upselling or cross-selling opportunities.

Addressing these challenges often requires a comprehensive strategy, including better training, improved alignment between teams, investment in technology, and fostering a supportive sales culture. By tackling these issues, companies can build a more resilient, efficient, and customer-focused sales operation.





## **Unit 5**

### **Distribution network**

A distribution network that is very efficient and powerful acts as an important asset for any manufacturer of every business organization or company. In this section, we shall be discussing what exactly is a distribution network, and the various advantages of the distribution network.

A logistics network and a shipping network are the terms used to describe a distribution management network. A distribution network is the set of delivery, transportation, terminal, and warehousing services that will be established to serve the requirements and needs of our customers and prospects in the best way.

To keep it simple, the system that you use to get your brands and products from a particular company or business organization.

Distribution networks will be able to come in different shapes and arrangements, from tiny and simple networks to huge and very complicated networks of logistics operations, used by any large business organization or company.

Factors that are involved in defining the shape and arrangement of the distribution network are end customer or prospect product demands, product variety, product availability, response time, and customer or prospect experience.

In traditional times, a warehouse used to be simply considered a container, nothing more and nothing less. In the current days, it is an integrated or combined approach to the logistics supply chain, warehouses are considered fundamental hubs in the logistics network, with various important functions being defined by their specific location within the particular network.

Usually, warehouses have four main operating functions as follows: Storage, Handling, Stock monitoring, and Sorting of inbound or outbound goods by origin or destination. In terms of specific important functions, there are three varied types of warehouses as follows: Plant warehouses, Central warehouses, and Outlying warehouses.

Deploying and using the best business distribution management system software successfully in your business will be very beneficial in various ways.

The distribution management software will guide and support your business to run very well and it will add varied benefits to your business and help you gain added success and improve the revenue of your business organization too.

The distributor and management system with the dealer distributor management system and sales distribution management system will serve your business organization or company to achieve more success and will make sure your sales will increase along with the efficient and effective working of the distributor channel management system.

### **Key Components of a Distribution Network**

#### **1. Manufacturing or Production Facility**

- Where goods are produced or assembled.
- The starting point of the distribution process.

#### **2. Warehouses and Distribution Centers**

- Storage locations for inventory before products are sent to the next stage in the network.
- Can be strategically located near demand centers to reduce shipping times and costs.



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**3. Regional or Local Warehouses**

- Smaller storage hubs closer to target markets to improve last-mile delivery.
- These warehouses help shorten delivery time and ensure products are available in local markets.

**4. Transportation and Logistics Providers**

- Companies that handle the physical movement of goods, including trucking, shipping, air freight, and rail transport.
- Includes carriers, freight forwarders, and third-party logistics (3PL) providers.

**5. Retailers**

- Intermediaries, such as wholesalers and retailers, who receive products from warehouses or distribution centers.
- Retailers can be physical stores, online marketplaces, or distribution partners who sell directly to customers.

**6. E-commerce Fulfillment Centers**

- Facilities specifically designed to handle online orders.
- Typically involve automated systems for order picking, packing, and shipping to handle high order volumes and expedite delivery.

**7. Last-Mile Delivery Providers**

- The final step in the distribution process, where goods are delivered directly to the end customer.
- Includes delivery partners, postal services, and specialized last-mile companies for same-day or next-day deliveries.

**Types of Distribution Networks**

**1. Direct Distribution Network**

- Manufacturer sells directly to the end customer without intermediaries.
- Common in industries where customer relationships are crucial, such as custom manufacturing or premium products.

**2. Indirect Distribution Network**

- Uses intermediaries such as wholesalers, distributors, or retailers to reach the end customer.
- Suitable for products that need broader market reach or are frequently purchased, such as consumer goods.

**3. Hybrid Distribution Network**

- Combines direct and indirect channels, allowing a manufacturer to sell both directly to customers and through intermediaries.
- Gives flexibility to reach different customer segments or geographic markets.

**4. Omnichannel Distribution Network**

- Integrates various sales and distribution channels, including retail stores, online marketplaces, and mobile platforms.
- Ensures a seamless customer experience across all channels, allowing customers to order from one channel and pick up from another.



### Benefits of an Efficient Distribution Network

- **Reduced Delivery Times:** Strategic location of warehouses and use of efficient logistics providers speed up delivery.
- **Cost Efficiency:** Optimizing inventory levels, transportation routes, and warehousing reduces logistics and operational costs.
- **Improved Customer Satisfaction:** Fast, reliable delivery and product availability enhance customer experience and loyalty.
- **Scalability:** A well-designed network allows businesses to scale up and enter new markets without significant restructuring.
- **Greater Market Reach:** With the right mix of channels, businesses can expand their geographic footprint and target new customer segments.

### Challenges in Managing a Distribution Network

- **Inventory Management:** Balancing inventory levels to meet demand while minimizing holding costs can be challenging.
- **Cost Control:** Logistics, warehousing, and transportation costs can fluctuate, impacting overall profitability.
- **Demand Variability:** Changes in customer demand can disrupt distribution, requiring flexible inventory and transportation plans.
- **Last-Mile Logistics:** The final leg of delivery, especially in dense urban areas or remote regions, can be costly and complex.
- **Technology Integration:** Effective distribution requires sophisticated software for managing inventory, tracking shipments, and handling data across the supply chain.

### Key Strategies for Optimizing a Distribution Network

1. **Leverage Technology:** Use tools like Warehouse Management Systems (WMS), Transportation Management Systems (TMS), and real-time tracking to improve accuracy and visibility.
2. **Outsource Logistics:** Partner with 3PLs or 4PLs for cost-effective logistics solutions, allowing companies to focus on core business activities.
3. **Optimize Inventory Placement:** Place inventory close to high-demand areas to minimize shipping costs and times.
4. **Focus on Last-Mile Optimization:** Implement strategies like centralized pickup points or delivery lockers to reduce costs and improve delivery efficiency.
5. **Adopt Data-Driven Planning:** Use analytics to forecast demand, optimize routes, and identify bottlenecks in the distribution process.

A well-optimized distribution network not only reduces costs and speeds up delivery but also enables a business to adapt quickly to changing market conditions and customer expectations.



## Traditional network and modern network

**Traditional Network** and **Modern Network** refer to the evolution of distribution networks and communication infrastructure. While the traditional network is rooted in older, less flexible systems, the modern network leverages advanced technology and offers more efficiency, scalability, and customization.

### **Traditional Network**

#### **Characteristics:**

- **Structure:** Rigid and linear, with fixed points of contact and distribution. Goods or information typically move from the manufacturer through wholesalers and retailers to the end customer in a sequential manner.
- **Intermediaries:** Heavy reliance on intermediaries like wholesalers, agents, and physical retail outlets to reach customers.
- **Technology:** Minimal to no integration of advanced technologies. Typically, it lacks automation, relies on manual processes, and uses basic record-keeping and inventory management systems.
- **Communication:** Limited communication between different components in the supply chain, often using outdated methods such as phone calls, paperwork, and physical documentation.
- **Data & Analytics:** Limited or no use of data analytics; demand forecasting and inventory control rely on experience and manual calculations.
- **Customer Interaction:** Indirect interaction with customers. There is limited feedback from end customers to producers, and customer preferences may not reach the manufacturer directly.

### **Modern Network**

#### **Characteristics:**

- **Structure:** Dynamic and flexible, capable of supporting multiple channels and adapting to customer demands. Goods or services can move through various channels, including direct-to-consumer, e-commerce, and traditional retail.
- **Intermediaries:** More streamlined with fewer intermediaries, as direct-to-consumer and e-commerce channels have become prevalent. When intermediaries are used, they are often integrated seamlessly.
- **Technology:** Uses advanced technologies like cloud computing, AI, the Internet of Things (IoT), and blockchain. Includes tools like CRM, ERP, and WMS for real-time management and analysis.
- **Communication:** Real-time communication and information flow across the network, using digital platforms for coordination among suppliers, warehouses, logistics providers, and retailers.
- **Data & Analytics:** Heavy reliance on data analytics, machine learning, and predictive algorithms for demand forecasting, inventory optimization, and customer behavior analysis.
- **Customer Interaction:** Direct communication with customers is common through digital platforms, allowing for real-time feedback, personalized marketing, and improved customer service.

#### *Example:*

What if I ask you when you go to your nearby Kirana shop to buy your favourite toothpaste, soap or any **FMCG** (Fast-moving Consumer goods) product but you can't find any. Of course, you will be baffled but many customers are in reality are facing such crunches.

You might be wondering this might be all due to a supply chain crisis in many goods like coal or semiconductor chips but wait this is not the case for FMCG products crisis customers are facing it is due to a cold war between traditional distributors v/s manufacturers. Yes, that is from where the problem is originating.



But before jumping to the hot crisp story of "A brothers (Distributors & manufacturers) who became enemy" we have to discuss the contrast between Traditional Distribution Channel v/s Modern Organized Distribution Channel. In simple terms, there is technically no difference in exchange of hands but it is all the play of Bulk buying and Margin

### **Traditional Distribution Channel**

*Company > Traditional Distributors (Limited Buying + High Margin) > Kirana store > Customer*

### **Modern Organized Distribution (MOD) Channel**

*Company > Modern Distributors (Bulk Buying + Low Margin) > Kirana store > Customer*

Examples for Modern Organized Distribution Channel are *JioMart, Udaan, and Jumbotail*

### **Starting of Problem**

Now coming back to the story of how this parallel channel of Modern Organized Distribution Channel came into existence is all due to Covid Lockdowns. As lockdowns were imposed countrywide, many distributors faced problems in procuring the items due to labour shortage which made FMCG manufacturers look for alternate options of taking their products to market and lastly to customers.

Modern Organized Distribution (MOD) channel certainly similar to **mobile applications mod** created a hack for manufacturers to apply an alternate and efficient route for making their product to flow in a seamless manner.

Reasons

1. Most Modern Organized Distribution channels were backed by Venture capitalist (VC) so had cash to burn from their pockets
2. Organized channels were more streamlined to make products flow easily with tracking technologies
3. Bulk buying helped them get more discounts

All due to this manufacturers started preferring MOD channels by providing them high discounts with less margin also the Kirana stores also started getting a high margin due to share cut thus they also started ordering from Jiomart and Udaan apps rather than traditional distributors. This was the hammer to a hot rod that enraged traditional distributors to take a stand or lose the market share.

### **Strategy to regain power**

What can be the best strategy traditional distributors union i.e. All India Consumer Products Distributors Federation (AICPDF) could have gone with as some of them were

1. Doing Nothing: Wait and Lose the market share
2. Diplomacy: Involve government but there was no illegality
3. Invasion: Direct actions against FMCG manufacturers via Road of court
4. Blockade: Block the items so as to get attention



Aspect	Traditional Network	Modern Network
Structure	Linear, rigid	Flexible, dynamic
Intermediaries	Relies on multiple intermediaries	Streamlined, fewer intermediaries
Technology	Minimal, manual processes	Advanced technology like AI, IoT, cloud
Communication	Limited, slower, manual	Real-time, digital
Data & Analytics	Limited use of data	Heavy reliance on data and analytics
Customer Interaction	Indirect, limited	Direct, real-time feedback
Efficiency	Lower, prone to delays	High, optimized through automation
Flexibility	Low, difficult to adapt	High, can easily adapt to market changes
Scalability	Limited	Easily scalable
Cost	Lower initial cost	Higher initial investment

### **e-business and e-commerce**

E-business and e-commerce can be used interchangeably. However, e-commerce refers to conducting online transactions, while e-business encompasses all the business services and activities operated utilising the web.

### **Meaning of E-Commerce**

E-commerce refers to performing online commercial transactions and activities over the internet. It includes activities like making monetary transactions, selling and buying products, etc., over the internet. Applications (Apps) and websites are required for e-commerce. Some of the e-commerce activities include the following:

- Paying different taxes
- Ticketing over the internet
- Products sold or purchased online
- Online payments
- Online customer support
- Online accounting software

*Examples of e-commerce are online retailers like Flipkart, Amazon, Paytm mall, and Myntra, sellers of digital goods like online services, ebooks, etc.*

### **Meaning of E-Business**

E-business refers to performing all types of business activities through the internet. It includes activities like customer education, procurement of goods/raw materials, supply activities, selling and buying products, making monetary transactions, etc., over the internet. Websites, Apps, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), etc., are required for e-business. The e-business activities include the following:



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- Supply chain management
- Setting up online stores
- Customer education
- Email marketing
- Monetary business transactions
- Online commercial transactions (selling and buying products)

*Examples of e-business are e-commerce companies and their different internal business activities, classified site, auction site, software and hardware developer site, etc.*

The differences between e-commerce and e-business are as follows:

<b>Particulars</b>	<b>E-commerce</b>	<b>E-business</b>
Meaning	It refers to performing online commercial transactions and activities over the internet.	It refers to performing every type of business activity through the internet.
Scope	It is a narrow concept and is a subset of e-business.	It is a broad concept and is a superset of e-commerce.
Transactions	Commercial transactions are carried out in e-commerce.	Business transactions are carried out in e-business.
Limitation	E-commerce transactions are limited.	E-business transactions are not limited.
Activities	It includes selling and buying products, making monetary transactions, etc., over the internet.	It includes customer education, procurement of raw materials, supply activities, making monetary transactions, etc., over the internet.
Operation	It mainly requires the use of only a website.	It requires using multiple websites, ERPs and CRMs, that connect different business processes.
Resources	It involves mandatory use of the internet.	It consists of the use of the internet, extranet or intranet.
Business models	E-commerce is appropriate in a Business to Customer (B2C) context.	E-business is appropriate in a Business to Business (B2B) context.
Coverage	E-commerce covers external/outward business processes.	E-business covers internal and external business processes/activities.



### Other Problems in Selling and Relationship Marketing

#### **Role of Relationship Marketing in Personal Selling.**

Relationship marketing is an approach to marketing that emphasizes building and maintaining long-term relationships with customers. It is based on the idea that repeat customers are more valuable than one-time customers, and that building a loyal customer base can lead to increased sales and profitability over time.

Personal selling is a marketing technique in which a salesperson engages with a potential customer in a face-to-face interaction to promote a product or service. The purpose of personal selling is to build relationships with customers, understand their needs and preferences, and ultimately persuade them to make a purchase. Personal selling can take place in a variety of settings, including in-person meetings, trade shows, and over the phone or video conferencing. In contrast to other marketing techniques, such as advertising or direct mail, personal selling is highly personalized and allows the salesperson to tailor their message and approach to the individual customer. Personal selling is often used in industries where products or services are complex or require a significant investment, as it allows the salesperson to provide detailed information and address customer concerns in real-time.

In personal selling, relationship marketing can play a crucial role in helping salespeople build and maintain strong relationships with their customers. By taking a customer-centric approach and focusing on the needs and preferences of each individual customer, salespeople can create a sense of trust and loyalty that can lead to repeat business and referrals.

#### **Some specific ways that Relationship Marketing can impact personal selling include:**

- **Building trust:** Relationship marketing is focused on building trust with customers, which can be particularly important in personal selling where the salesperson is often the face of the company. By being honest, transparent, and reliable, salespeople can create a sense of trust that can make customers more likely to do business with them.
- **Creating a positive customer experience:** Relationship marketing emphasizes creating a positive experience for customers, which can help to build long-term relationships. Salespeople can do this by providing personalized service, addressing customer concerns, and going above and beyond to meet customer needs.
- **Encouraging repeat business:** Relationship marketing is all about building long-term relationships with customers, which can lead to repeat business over time. By staying in touch with customers, following up after the sale, and providing ongoing support and service, salespeople can encourage customers to come back again and again.

Selling and relationship marketing come with their own unique challenges, particularly as businesses focus on building long-term customer relationships rather than simply closing one-time sales. Here are additional problems that often arise in these areas:





### 1. Customer Trust and Loyalty

- **Problem:** Building and maintaining trust with customers is challenging, especially if there is a history of unmet expectations or if competitors offer seemingly better options.
- **Impact:** Low customer retention, difficulty in establishing brand loyalty, and vulnerability to competitors who can more easily attract these customers.

### 2. Balancing Relationship Building with Sales Goals

- **Problem:** Sales teams are often under pressure to meet short-term targets, which can conflict with the longer timelines needed for building genuine relationships.
- **Impact:** Aggressive sales tactics that may harm relationships, diminished customer satisfaction, and reduced lifetime value of customers.

### 3. Personalization and Customer Expectations

- **Problem:** Customers expect personalized experiences, but delivering tailored services at scale can be complex and costly.
- **Impact:** Missed opportunities for upselling or cross-selling, reduced customer satisfaction, and a perception of being "just another customer."

### 4. Data Management and Integration

- **Problem:** Collecting, managing, and integrating customer data from multiple channels (online, in-store, social media) can be difficult, especially for businesses without advanced CRM systems.
- **Impact:** Incomplete customer profiles, inaccurate insights, inability to offer personalized interactions, and inconsistent customer experiences.

### 5. Handling Negative Customer Feedback

- **Problem:** Negative feedback, especially on public platforms, can damage a company's reputation if not handled effectively.
- **Impact:** Potential customers may be deterred, existing relationships may suffer, and brand image can be negatively impacted.

### 6. Customer Churn

- **Problem:** Keeping customers engaged and loyal in a highly competitive market is challenging, especially if they are enticed by competitors with better offers or services.
- **Impact:** Increased cost of acquiring new customers to replace lost ones, reduced revenue, and diminished long-term growth prospects.

### 7. Resistance to Upselling and Cross-Selling

- **Problem:** Customers may view upselling or cross-selling efforts as pushy or inauthentic, especially if they feel their relationship is being exploited.
- **Impact:** Damaged trust, reduced likelihood of future purchases, and negative perception of the brand.

### 8. Lack of Consistency Across Touchpoints

- **Problem:** Ensuring a seamless and consistent customer experience across various channels (phone, email, social media, in-store) can be difficult.
- **Impact:** Confusion and frustration among customers, reduced loyalty, and damaged brand reputation.

### 9. Managing Customer Expectations

- **Problem:** Customers may have unrealistic expectations regarding products, services, or response times, especially with the increased prevalence of instant digital interactions.
- **Impact:** Disappointment and frustration, higher return rates, and increased burden on customer service teams.



#### 10. Cultural and Demographic Differences

- **Problem:** Developing strategies that resonate with diverse customer groups requires an understanding of different cultural values and preferences.
- **Impact:** Lack of engagement or brand relevance, miscommunication, and lost opportunities for market expansion.

#### 11. Measuring Relationship Marketing ROI

- **Problem:** Quantifying the return on investment (ROI) of relationship marketing efforts is challenging, as results are often long-term and not easily measurable in immediate sales.
- **Impact:** Difficulty in justifying marketing expenses, lack of clear insights into effectiveness, and reduced investment in relationship-building initiatives.

#### 12. Technology Dependence and Over-Automation

- **Problem:** Heavy reliance on automation and AI-driven interactions can make customer relationships feel impersonal.
- **Impact:** Loss of human touch, potential alienation of customers, and reduced effectiveness of relationship marketing in industries where personal connection is valued.

#### 13. Customer Data Privacy and Security

- **Problem:** Collecting and storing personal data for personalized marketing brings risks related to privacy and data breaches.
- **Impact:** Loss of customer trust, potential legal and financial repercussions, and reduced willingness of customers to share information.

#### 14. Aligning Sales and Marketing Teams

- **Problem:** Misalignment between sales and marketing departments can lead to inconsistent messaging and objectives.
- **Impact:** Lower lead conversion rates, fragmented customer experiences, and inefficiencies in both selling and relationship-building efforts.

#### 15. Cost of High-Quality Relationship Marketing

- **Problem:** Relationship marketing, especially at a high-quality level, requires significant investment in customer research, personalization, and customer service.
- **Impact:** High costs may limit investment in other areas, and ROI may be hard to achieve in the short term, making this approach potentially unsustainable.

#### What is after sales service?

After-sales service refers to the ongoing support and assistance that a business provides to customers after they have purchased a product or service. It includes resolving customer complaints, offering technical support, providing maintenance services, and addressing product issues or defects.

When your customer service and customer-facing departments like marketing and sales work in sync, delivering the best after-sales service becomes easier. From chatting with a salesperson to finally converting and seeking support from an agent, customers expect seamless, delightful conversations.

After all, delight is the fourth stage of a marketing funnel after conversion. Pleasing your customers with the best after-sales service is critical for maintaining strong customer relationships, fostering brand loyalty, and retaining more customers — all of which results in positive word-of-mouth.



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By providing exceptional after-sales service, businesses can create a competitive advantage and stand out in the marketplace. It shows customers that the business cares about their satisfaction beyond the initial purchase and is committed to delivering ongoing value.

### **Why is after sales service important?**

Your present customers carry great potential to be your biggest advocates and drivers of revenue.

The only way to make that happen is to ensure their perception about your brand stays high, long after they've bought from you. Your customer response times must stay low and every resultant interaction valuable. Nearly 90% of customers contemplate ditching a business that delivers unhappy customer service — so sidelining the importance of after-sales service isn't an option.

Visualize a leaky bucket. Because it's compromised, you can put all the water in the world and it will keep oozing from the holes. After-sales support is like fixing that leaky bucket so your customers never even think of abandoning your brand.

Best after-sales service increases the probability of customers buying from you again, thus becoming repeat customers in the long term. Like how marketing can be credited with bringing in new customers, quality after-sales support ensures higher lifetime value (LTV) of your customers.

Businesses need after-sales service to reap these four benefits:

#### **1. Word-of-mouth referrals**

Happy customers are valuable assets because they almost always refer your brand to family and friends. Positive word-of-mouth from satisfied customers can drive up to 50% of a business' total sales. Not just that, satisfied customers have a 16% higher lifetime value.

Since a majority of new business comes from referrals, delivering superior after-sales service significantly increases the number of customers willing to provide referrals.

#### **2. Positive brand image**

Almost nine out of 10 customers read reviews before making a purchase and negative customer reviews hurt even the most well-known brands.

Recent studies have shown that excellent post-purchase experiences attract positive reviews, slowly enhancing the overall brand image. Being seen as a trustworthy and helpful brand is essential to improve customer stickiness.

#### **3. Customer loyalty**

A great product with poor customer support is a tragedy. However, when backed by excellent customer service, pre-and post-sale, an average product does exceedingly well. The purpose of after-sales service is to increase loyalty among customers and make them your brand advocates.

Engage your customers regularly, equip them with helpful resources, and ensure your offering makes their life easier. It will enhance customer satisfaction and retention.

#### **4. Increase in revenue**

Humans are creatures of habit. Existing customers spend more than new customers. If you treat your customers well and become a part of their life, they will keep returning to your brand. In addition, most happy customers become brand loyalists who also bring in new customers — driving sales and revenue.



### **5 types of after-sales service**

Here are a few after-sales service types that can help your brand retain more loyal customers.

**1. Usage-related assistance:** Provide customers guidance on using the product or service to get the most bang for their buck. Maybe your product is not turnkey or it needs reinstallation, initial usage-related assistance is crucial. From remote product configuration to troubleshooting tips, valuable assistance enables customers to use your offering more effectively.

**2. Assurance:** Let the customer know that if the purchased product is defective or isn't working properly, it can be returned or exchanged. Warranty, guarantee, upgrades, returns, and replacement policies are examples of assurance that can instill a sense of trust and confidence in users.

**3. Support:** Be available to address customer queries or complaints on online and offline channels. Despite your efforts to demystify usage-related issues, your customers will still need access to prompt, on-demand customer support. Study your users' post-sale behavior and design self-service solutions to empower them to find answers to common issues. Deploy 24x7 omnichannel customer service to enable your customers to contact you whenever, they want to, wherever they want to.

**4. Rewards:** Delight customers with loyalty rewards, special offers, and the latest updates regularly. Customers who engage with your business consistently need applause. Reward them with exclusive perks, free giveaways, or first access to new offerings. For tech products, your customers may also appreciate a free upgrade or no-cost repairs.

**5. Education:** Educate customers via live demo sessions or pre-recorded explainer videos. Maybe your product uses nuanced technology or has under-utilized features that your users need to pick up pace with. Take stock of the most common hindrances they face while leveraging your offering. This could help you more consciously design learning guides for them — whether they are tutorial videos, apps, or presentations.

### **Marketing correspondence**

Any communication in the form of the letter is correspondence. Any person related to a business expresses oneself through business correspondence. One can also ask any doubt or uncertainty through business correspondence.

A businessman writes and receives letters in his day to day life. A correspondence between two organizations or within an organization comes under this category. A letter to a supplier, complaint letters, letter of inquiry, job application letters are some of its examples.

### **Importance of Business Correspondence**

A business correspondence has numbers of importance. Its most important feature is the ease of reaching and communicating with different parties. It is not always possible to meet persons face to face.

A business correspondence helps to meet some organizational goals. One can achieve the objectives through it. Let us study some of them in details.

#### **1. Maintaining a Proper Relationship**

It is not always possible for any business or organization to reach to any person in particular. This will cost any business. Here, the business correspondence will be a rescue for any business.

It helps in maintaining the proper relationships between the parties. Business correspondence strengthens the business. It also helps in the internal communication. It makes communication within the organization more clear and precise.



## **2. Serves as Evidence**

Any written form of communication serves as evidence. A business correspondence helps the person in a business to keep a record of all the facts. These written records will serve as evidence.

## **3. Create and Maintain Goodwill**

It helps in creating and maintaining goodwill between a business and a customer. Any letter to enquire, complaint, suggestion or feedbacks helps a company to grow and maintain goodwill.

## **4. Inexpensive and Convenient**

It is a cheap and convenient form of business communication.

## **5. Formal Communication**

A business communication serves as a formal communication between two persons. It may be a seller and a buyer. It can be between an employee and the employer. The language used is formal and logical.

It helps in removing the ambiguity and the doubts of the person involved in the business. The formal communication in business is followed and acceptable.

## **6. Helps in the Expansion of Business**

A business correspondence helps a business to achieve the set goal. It also ensures the expansion of a business. With no waste of time and proper utilization of manpower and resources, a business can expand.

Any information regarding some resources or any product or market can be easily done. Even the news of the expansion of business can be spread by it.

## **Types of Business Correspondence**

A correspondence is of many types. Let us get ourselves familiar with some of them.

### **1. Internal Correspondence**

It refers to the correspondence between the individuals, departments, or branches of the same organization.

### **2. External Correspondence**

It refers to the correspondence between two individuals. These are not of the same organization. Any correspondence outside the organization is external correspondence. Customer and suppliers, banks, educational institutions, government departments come under this category.

### **3. Routine Correspondence**

It refers to the correspondence on routine manners. A correspondence made for inquiries, orders, replies, acknowledgments, invitation, and appointment letters are routine correspondence.

### **4. Sales Correspondence**

It refers to the correspondence related to the sale. Sales letters, sales reports, invoice, and confirmation of orders are sale correspondence. Delivery letters, statement of accounts etc. are also some of its examples.

### **5. Personalized Correspondence**

It refers to the correspondence based on emotional factors. Letters of the request, recommendation, and congratulations are personalized correspondence. Letter of introduction, granting and the refusal of terms are some of its examples.

### **6. Circulars**

It refers to the communication of common matter to a large number of persons or firms. Circulars, notices of tenders, change of address, an opening of the new branch come under this category. An introduction of new products is also its example.

