

**Scope**

Personal selling and Sales promotion are the live advertising of a product or service face-to-face between a person and a prospective user of a product or service. The spectrum of promotions may vary in Promotion programs such as sampling, couponing, sales inducing etc. carried out through various location.

**Objectives**

The purpose of this course is to familiarize the students with the fundamentals of personal selling and the selling process and they will be able to understand selling as a career and what it takes to be a successful salesman.

**Unit I**

**Introduction to Personal Selling:** Nature and Importance of Personal Selling, Myths of Selling, Difference Between Personal Selling, Salesmanship and Sales Management - Characteristics of a Good Salesman - Types of Selling Situations - Types of Salespersons - Career Opportunities in Selling - Measures for Making Selling an Attractive Career.

**Unit- II**

**Personal Selling- Preparation and Process:** Introduction - Buying Decision Process - Buying Situations - Effective Communication Sales Knowledge and Sales Related Marketing Policies - The Sales Process - Transactional and Relationship Selling.

**Unit- III**

**Buying Motives:** Concept of motivation - Maslow's Theory of Need Hierarchy; Dynamic Nature of Motivation -Buying Motives and their uses in Personal Selling

**Unit- IV**

**Selling Process:** Prospecting and Qualifying; Pre-Approach – Approach - Presentation and Demonstration- Handling of Objections - Closing the Sale - Post Sales Activities.

**Unit- V**

**Sales Reports:** Reports and Documents - Sales Manual - Order Book - Cash Memo - Tour Diary - Daily and Periodical Reports - Ethical aspects of Selling

**Suggested Readings****Text Books**

1. Kapoor Neeru, (2012) *Advertising and personal Selling*, [2<sup>nd</sup> edition] Pinnacle, New Delhi.

### Reference Books

1. Spiro, Stanton, and Rich, (2007) *Management of the Sales force*, [12<sup>th</sup> edition] McGraw Hill.
2. Rusell, F. A. Beach and Richard H. Buskirk, (2013) *Selling: Principles and Practices*, McGraw Hill
3. Futrell, Charles, *Sales Management: Behaviour, Practices and Cases*, The Dryden Press.
4. Still, Richard R., Edward W. Cundiff & Norman A. P. Govoni, (2001) *Sales Management: Decision Strategies and Cases*, [5<sup>th</sup> edition] New Delhi, Prentice Hall of India Ltd.
5. Pedesson, Charles A. Wright, Milburn d. And Weitz, Barton A., *Selling: Principles and Methods*, Richard, Irvin

**KARPAGAM ACADEMY OF HIGHER EDUCATION**  
(Deemed to be University Established Under Section 3 of UGC Act 1956)  
Coimbatore – 641 021.

**LECTURE PLAN**  
**DEPARTMENT OF COMMERCE**

**STAFF NAME** : Dr.S.VENKATACHALAM  
**SUBJECT NAME** : PERSONAL SELLING AND SALESMENSHIP  
**SUB.CODE** : 16CMU603A  
**SEMESTER** : VI  
**CLASS** : III B.COM  
**Batch** : 2016-2019

S. No.	Lecture Duration Period	Topics to be Covered	Support Material/Page Nos.
<b>UNIT-I</b>			
1	1	Introduction to Personal Selling – Objectives	T56
2	1	Nature and importance of personal selling	W1
3	1	Limitation or myths of selling	R1: 5
4	1	Difference between Personal Selling with Salesmanship	W2
5	1	Difference between Personal Selling with Sales Management	W3
6	1	Characteristics of a good salesman, types of selling situations	T176
7	2	types of salespersons	R1: 53
8	2	Career opportunities in selling	R1: 52
9	1	Measures for making selling an attractive career	W4
10	1	Recapitulation and discussion of important questions	
<b>Total No of Hours Planned For Unit 1=12</b>			
<b>Unit – II</b>			
1	2	Introduction – Buying Decision Process	T 59
2	1	Buying Situations	T 60
3	1	Effective Communications	T 64
4	2	Sales Knowledge	T 68

5	1	Sales Related Marketing Policies	T 72
6	1	The Sales Process	T 75
7	1	The Sales Process	T 77
8	1	Transactional Selling	T 78
9	1	Relationship Selling	T 82
10	1	Recapitulation and discussion of important questions	
	<b>Total No of Hours Planned For Unit II=12</b>		
		<b>Unit – III</b>	
1	1	Buying Motives – Introduction	R1: 90
2	1	Concept of motivation	T366
3	1	Types of Motivational Factors	R1: 256
4	2	Maslow's theory of need hierarchy	T370
5	1	Dynamic nature of motivation	T367
6	2	Buying motives and their uses in personal selling	R1: 90
7	1	Classification of buying motive	R1: 91
8	1	Product motive	R1: 92
9	1	Patronage motive	R1: 99
10	1	Recapitulation and discussion of important questions	
	<b>Total No of Hours Planned For Unit III =12</b>		
		<b>Unit - IV</b>	
1	2	Selling Process - Introduction	R1: 131
2	1	Prospecting and qualifying	R1: 131
3	1	Pre-approach	R1: 139
4	1	Presentation	R1: 157
5	1	Demonstration	R1: 160
6	2	Handling of objections	R1: 164
7	1	Closing the sale	R1: 177
8	1	Post sales activities	R1: 186
9	1	Post sales activities	R1: 186
10	1	Recapitulation and discussion of important questions	
	<b>Total No of Hours Planned For Unit IV=12</b>		

		<b>Unit – V</b>	
1	2	Sales Reports - Introduction	T437
2	1	reports and documents	T438
3	1	sales manual, Order Book	W5
4	1	Cash Memo	W6
5	2	Tour Diary, Daily and Periodical Reports;	W7
6	1	Ethical aspects of Selling	W8
7	1	Recapitulation and discussion of important Questions	
8	1	<b>Revision:</b> Discussion of Previous ESE Question papers	
9	1	Discussion of Previous ESE Question papers	
10	1	Discussion of Previous ESE Question papers	
		<b>Total No of Hours Planned For Unit V=12</b>	

### **TEXT BOOK**

1. Richard R. Still, Edward W. Cundiff & Norman A.P. Govoni (2001), Sales Management, New Delhi, Prentice Hall of India.

### **REFERENCES**

1. C. N. Sontakki, Salesmanship, Kalayani Publication, Ludhiana.

### **WEBSITES**

W1: <http://www.artofmarketing.org>

W2: <https://www.slideshare.net/gururajgp/sales-management-by-gururaj>

W3: <https://www.slideshare.net/GurjitSingh2/sales-management-46562434>

W4: <https://blog.hubspot.com/sales/types-of-sales-jobs>

W5: <https://www.probizwriters.com/PBW-blog/index.php/what-is-a-sales-manual-how-to-write-sales-manual/>

W6: <http://www.letslearnaccounting.com/cash-memo>

W7: <http://www.imimarcareu/docs/>

W8: <https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/>

**CLASS: III B.COM**

**COURSE CODE: 16CMU 603A**

**COURSE NAME: PERSONAL SELLING AND SALESMANSHIP**

**UNIT: II**

**BATCH-2016-2019**

### **Preparation and Process**

#### **1. Problem Recognition**

Put simply, before a purchase can ever take place, the customer must have a reason to believe that what they want, where they want to be or how they perceive themselves or a situation is different from where they actually are. The desire is different from the reality – this presents a problem for the customer.

However, for the marketer, this creates an opportunity. By taking the time to “create a problem” for the customer, whether they recognize that it exists already or not, you’re starting the buying process. To do this, start with content marketing. Share facts and testimonials of what your product or service can provide. Ask questions to pull the potential customer into the buying process. Doing this helps a potential customer realize that they have a need that should be solved.

#### **2. Information Search**

Once a problem is recognized, the customer search process begins. They know there is an issue and they’re looking for a solution. If it’s a new makeup foundation, they look for foundation; if it’s a new refrigerator with all the newest technology thrown in, they start looking at refrigerators – it’s fairly straight forward.

As a marketer, the best way to market to this need is to establish your brand or the brand of your clients as an industry leader or expert in a specific field. Methods to consider include becoming a Google Trusted Store or by advertising partnerships and sponsors prominently on all web materials and collaterals.

#### **3. Evaluation of Alternatives**

Just because you stand out among the competition doesn’t mean a customer will absolutely purchase your product or service. In fact, now more than ever, customers want to be sure they’ve done thorough research prior to making a purchase. Because of this, even though they may be sure of what they want, they’ll still want to compare other options to ensure their decision is the right one.

Marketing to this couldn’t be easier. Keep them on your site for the evaluation of alternatives stage. Leading insurance provider Geico allows customers to compare rates with

other insurance providers all under their own website – even if the competition can offer a cheaper price. This not only simplifies the process, it establishes a trusting customer relationship, especially during the evaluation of alternatives stage.

Recommended for You

#### **4. Purchase Decision**

The purchase decision falls near the middle of the six stages of the consumer buying process. At this point, the customer has explored multiple options, they understand pricing and payment options and they are deciding whether to move forward with the purchase or not. That's right, at this point they could still decide to walk away.

This means it's time to step up the game in the marketing process by providing a sense of security while reminding customers of why they wanted to make the purchase in the first time. At this stage, giving as much information relating to the need that was created in step one along with why your brand, is the best provider to fulfill this need is essential.

If a customer walks away from the purchase, this is the time to bring them back. Retargeting or simple email reminders that speak to the need for the product in question can enforce the purchase decision, even if the opportunity seems lost. Step four is by far the most important one in the consumer buying process. This is where profits are either made or lost.

#### **5. Purchase**

A need has been created, research has been completed and the customer has decided to make a purchase. All the stages that lead to a conversion have been finished. However, this doesn't mean it's a sure thing. A consumer could still be lost. Marketing is just as important during this stage as during the previous.

Marketing to this stage is straightforward: keep it simple. Test your brand's purchase process online. Is it complicated? Are there too many steps? Is the load time too slow? Can a purchase be completed just as simply on a mobile device as on a desktop computer? Ask these critical questions and make adjustments. If the purchase process is too difficult, customers, and therefore revenue, can be easily lost.

#### **6. Post-Purchase Evaluation:**

Just because a purchase has been made, the process has not ended. In fact, revenues and customer loyalty can be easily lost. After a purchase is made, it's inevitable that the customer must decide whether they are satisfied with the decision that was made or not. They evaluate.

If a customer feels as though an incorrect decision was made, a return could take place. This can be mitigated by identifying the source of dissonance, and offering an exchange that is simple and straightforward. However, even if the customer is satisfied with his or her decision to make the purchase, whether a future purchase is made from your brand is still in question. Because of this, sending follow-up surveys and emails that thank the customer for making a purchase are critical.

Take the time to understand the six stages of the consumer buying process. Doing this ensures that your marketing strategy addresses each stage and leads to higher conversions and long-term customer loyalty.

### **Buying situations**

The modified rebuy is defined as a business buying situation in which the buyer wants to modify product specifications, prices, terms, or suppliers. Straight rebuy is a buying situation in which the buyer routinely reorders something without any modifications.

Organization buying is the decision-making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers.

### **Straight rebuy**

This situation is similar to repeat buying situations of consumer/household buying; in this buying situation, only purchasing department is involved. They get information from inventory control department or section to reorder the material or item and they seek quotations from vendors in an approved list. In this the buyer keeps on placing the order on routine basis without changing any product specifications

The “in-suppliers” make efforts to maintain product and service quality. The “out-suppliers” have to make efforts to get their name list in the approved vendors’ list and for this purpose they have to offer something new or find out any issues of dissatisfaction with current suppliers and promise to provide better service.

### **Some typical characteristics of the routine buying situations are:**

1. Routine purchasing procedures exist,
2. The buying alternatives are known, but a formal or informal list of ‘approved’ suppliers are available.
3. A supplier, not on list, is not considered.



4. Decision on each separate transaction is made by the purchasing department.
5. Buyers have relevant buying experience and require little new information

**Modified rebuy**

In a modified re-buy situation, a buyer may change the product specifications or may even change to a substitute product for economic and performance considerations. Executives apart from the purchasing department are involved in the buying decisions. The company is looking for additional suppliers or is ready to modify the approved vendors list based on the technical capabilities and delivery capabilities.

In this situation, some familiarity with either product or its performance expectations does exist. Some characteristics of the modified re-buy situations are:

1. A regular requirement for the type of product exists.
2. The buying alternatives are known, but sufficient change has occurred to require some alteration to the normal supply procedure.
3. Change may be stimulated by external events, e.g. inputs from supplying companies.
4. Change may be stimulated by internal events, e.g., new buying influences, value analysis, reorganization.

**New task buy**

In this situation, the buyer is buying the product for the first time. As the cost of the product or consumption value becomes higher, more number of executives are involved in the process. The stages of awareness, interest, evaluation, trial, and adoption will be there for the products of each potential supplier. Only the products which pass all the stages will be on the approved list and price competition will follow subsequently.

Some of the characteristics, for 'new task' situations are:

1. Need for the product has not arisen previously.
2. Little or no past buying experience is available to assist in the purchasing decision.
3. Members of the buying unit require a great deal of information.
4. Alternative ways of meeting the need are likely to be under review.
5. The situation occurs infrequently, but the decisions taken may set a pattern for more routine purchases subsequently.
6. Opportunities exist at an early stage in the decision process for external (marketing) inputs to have an influence on the final decision made.

### **Systems buy**

A system buying is a process in which the organization gives a single order to a single organization for supplying a full system. The buying organization knows that no single party is producing all the units in the system. But it wants the system seller to engineer the system, procure the units from various vendors and assemble, fabricate or construct the system

Basically there are three types of buying situations, according to Robinson, Faris and Wind.

#### ***Straight rebuy situations***

In this routine, orders are placed for office supplies, raw materials, other items of daily use, where the supplier is known and a procedure is already laid down, which is followed in a routine manner.

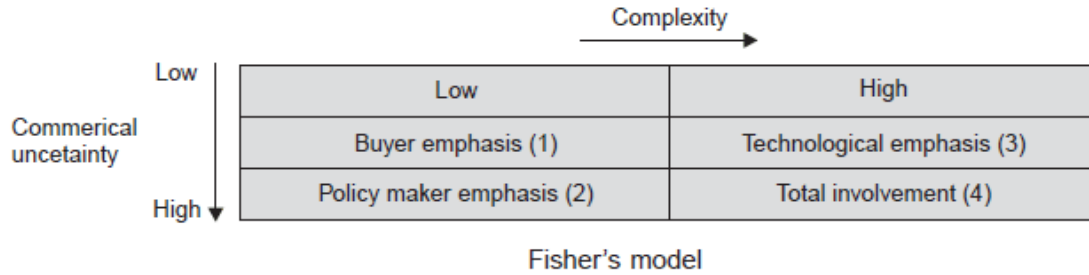
#### ***Modified rebuy situations***

Buyers may change or modify the product according to the situation, *e.g.*, nylon rope for ordinary rope. Plastic washers in place of steel or brass washers, aluminium instead of copper, hydraulic in place of mechanical. This may be done for economic consideration, or for the ease of procurement, or to modify or change the product. The change may also be due to external or internal environmental changes.

#### ***New task***

When a task is performed, items may be bought without previous experience and for the first time. These could be new machines like computer or Fax machines. The need for such a product may not have occurred previously. For a new task, a new set up and new items are necessary, which may not have been purchased before.

Fisher gave a model and identified two factors for buying decisions. These are product complexity and, commercial uncertainty. This gives a combination of four situations as shown: The four quadrants shown above require different emphasis as shown:



Product complexity and commercial uncertainty can further be shown as under:

<i>Product complexity low</i>	<i>High product complexity</i>	<i>Low commercial uncertainty</i>	<i>High commercial uncertainty</i>
Standard product Technically simple Established product  Previously purchased Easy to install No after sales service	Different product Technically complicated New product  Not purchased previously Difficult to install After sales service required frequently	Low investment Small order Short term commitment Small effect on profitability Easy to forecast	High investment Large order Long term commitment Consequential adjustments required Large effect on profitability  Hard to forecast

### **Effective Communication**

**Definition:** An Effective Communication is a communication between two or more persons wherein the intended message is successfully delivered, received and understood.

### **Sales communication Skills**

1. Pay full attention
2. Practice active listening
3. Read body language (and control your own)
4. Master the nuance of voice tones
5. Be empathetic
6. Understand what's not being said
7. Speak in specifics
8. Be a subject matter expert
9. Be genuinely curious
10. Don't act like you know everything
11. Assume good intent

12. Always be honest
13. Don't make assumptions
14. Be persistent, not pestering
15. Be comfortable with silence

**Good communication is crucial to sales success.**

### **Importance of Communication in Sales**

The root of sales success is the ability to gather and provide information in a way that makes your prospect want to do business with you. Your value proposition, your pricing, even your product's features -- none of that matters unless you're able to get your prospects to talk to you and also listen to what you have to say.

That means you have to be incredibly attuned to your buyer and understand what they mean when they tell you -- or don't tell you -- something. It also means that you can't just reel off a list of benefits or reasons to work together. You've got to understand how your prospects learn, what they care about, what communication style they prefer, and adapt your strategy accordingly.

So before you immerse yourself in buyer personas, case studies, and Marketing collateral, work on these skills to ensure that when you're talking to a prospect, you're sending the right message.

### **15 Crucial Communication Skills for Salespeople to Have**

#### **1. Pay full attention**

Selling can be an especially pressure-filled career. So it's understandable that during a client meeting, your mind could wander over to the demo you have to prepare for this afternoon, the prospecting you forgot to do, or the contract you're waiting on to come in.

Just because it's understandable doesn't make it acceptable. Showing up to a call isn't just about physically being on the other end of the line. You have to dedicate 100% of your attention to each call, otherwise you'll miss details and make your prospect repeat things they've already told you. It'll be obvious when you're not paying attention, and that's no way to treat buyers.

## **2. Practice active listening**

Not only do you have to listen, you have to listen actively, otherwise your conversation won't really go anywhere.

"Too often, salespeople are waiting for their turn to talk or thinking about what to say next, instead of truly listening to the prospect,"

1. Truly listen to the prospect.
2. Feed back the content and feeling of the prospect's words.
3. Confirm you heard the prospect correctly.
4. Ask a relevant follow up question to further clarify your understanding of their situation.

## **3. Read body language and control your own**

The same sentence said by someone who's smiling, looking directly into your eyes, and sitting up straight is received very differently when the speaker is looking away and slouching -- even if they meant the same thing both times.

That's because while we can say pretty much anything we want, our body language often reveals our true intentions or meaning. Great communicators know how to read others' body language so they can anticipate the direction a conversation's heading, and also make sure their own body language isn't sending out signals they don't mean to broadcast.

## **4. Master the nuances of voice tone**

Like body language, voice tone -- your voice pitch, volume, speed, and even your word choice -- affects how the words you're actually saying are interpreted. And if you're in inside sales, the only thing you have to make an impression is your voice.

Listen to how your prospect speaks, then mirror their speaking patterns when it makes sense. While you probably shouldn't imitate every slang word or lingo they use, slow down if they speak slowly -- or speed things up if they talk rapidly. Match your level of formality and familiarity to your prospect as well. The key is to meet buyers on their turf -- and that means speaking in a way they're comfortable with.

## **5. Be empathetic**

You don't necessarily have to agree with everything your prospect is saying, but you should always at least try to see things from their point of view. And that means more than just saying, *"Hmm, I see where you're coming from."*

The best sales reps are able to connect with their prospects because they actually understand the things their buyers do at work every day and the challenges they face. Not only does being empathetic make you more likable, it also increases your chances of closing a deal. When you can draw on your knowledge of your prospects' actual day-to-day, you're better equipped to understand what they care about, which makes it more likely you'll be able to help them.

#### **6. Understand what's not being said**

Prospects sometimes don't tell the whole truth. And that's okay, as long as you know how to spot when it's happening. Is your prospect just evaluating your company because his boss told him to present three options? Is your prospect sold, but her manager, the economic buyer, isn't? These are crucial things to know, and you can't suss them out until you learn to read between the lines.

#### **7. Speak in specifics**

Great communicators aren't persuasive because they speak in dramatic, sweeping rhetoric. They're able to convince people because they can point to specific examples or anecdotes that support the point they're trying to make -- and in the case of salespeople, because they can demonstrate exactly how a product or feature will help their buyer.

Be as specific as you can. And if you can throw in a catchy soundbite or two, by all means do it. Just don't rely on quippy phrases to get a deal to the finish line.

#### **8. Be a subject matter expert**

Of course, you can't be specific if you don't have any idea what you're talking about. If you sell to a specific industry, you should know that industry's concerns, behaviors, and buying patterns down pat. If you sell to multiple industries, know your value prop as it relates to each cold and use customer references as backup.

Prospects will never trust you if it doesn't seem like you really understand your (or their) business, so become an expert in your relevant field.

#### **9. Know what you don't know**

But being an expert doesn't mean you know everything. Unless you've shadowed your buyer, you don't know exactly what they do or every nuance of their business. So don't act like you do. You should know enough to sketch out the outlines of their situation on your own, but you'll always have to rely on your prospects to fill in the little details.

Be aware of the gaps in your knowledge, then ask your prospect to help fill them in. They'll appreciate your honesty about what you don't know, and you'll avoid losing deals because of false assumptions.

#### **10. Be genuinely curious**

The key to sales is asking good questions. And if you're not actually curious about your prospect's situation, it'll be all too easy to slip into your elevator pitch before you've established whether any part of it is relevant to your buyer. Great communicators are naturally curious about their conversational counterparts, and that's especially crucial in sales -- ask questions first, then answer them later.

#### **11. Assume good intent**

Sometimes, prospects leave out important details that can change the trajectory of a deal. Sometimes, they make a commitment before they've gotten approval from the necessary stakeholders. Sometimes, they lie on purpose.

All of the above situations are frustrating -- and some are certainly cause for annoyance. But it's often difficult to distinguish between situations where a buyer misled you on purpose and one where they made a genuine error. Jumping to conclusions about your prospect's intent will color the rest of your interactions in a negative light. Always assume good intent so you're not subconsciously treating your prospects with hostility.

#### **12. Always be honest**

Just because you're assuming good intent doesn't mean your prospect will, so always be upfront about the questions you can answer, the questions you can't, and the questions with answers your prospect might not necessarily like.

Your prospects won't be forthright about their goals and areas for improvement unless they trust you. That means always being upfront when you don't know something so they believe what you're saying when you *do* know the answer.

#### **13. Don't make assumptions**

if you've been in the same sales job for a while, you can easily fall into a routine. But just because the first 100 prospects that fit a certain profile had the same problems and processes doesn't mean the 101st will.

Unless you have independently verified a piece of information or your prospect has said the words to you, never make an assumption about their situation. While it only takes a few

seconds to ask a follow-up question, making a prospect feel ignored and forcing them to interrupt you to correct an assumption is a negative ripple effect that can last forever.

#### **14. Be persistent, not pestering**

There's a fine line between persistence and pestering, and it's crucial for salespeople to understand it. Continuing to call and email your prospect without knowing why they're not responding is counterproductive and can only serve to annoy and alienate them.

If you haven't received a response to a follow-up message, try a different approach. Instead of forwarding the same email to your prospect, start fresh with a new headline and an easier call to action. Once you reengage them, steer the conversation back to business.

#### **15. Be comfortable with silence**

Sales veteran Jeff Hoffman says most salespeople are too uncomfortable with silence. When they ask a question and the prospect gets quiet, most reps immediately try to fill that silence by asking a follow-up question or clarifying their ask.

Sales communication skills are the most important weapon in a salesperson's arsenal. Make sure yours are always kept sharp and ready to use.

#### **What is sales knowledge?**

Product knowledge is an essential sales skill. Understanding the products' features allows presenting their benefits accurately and persuasively. Customers respond to enthusiastic sales staff that is passionate about their products and eager to share the benefits with them.

Product knowledge ensures that sales professionals can communicate effectively and enthusiastically, building trust and confidence in customer relationships. ... Here are some best practices for product knowledge training. Teach sales professionals to understand their customers' needs

Knowing products and services. Product knowledge is an essential sales skill. Understanding your products' features allows you to present their benefits accurately and persuasively. Customers respond to enthusiastic sales staff who are passionate about their products and eager to share the benefits with them.

#### **Here are 5 ways:**

1. **Consistent Training.** To start with, it is preferable that all members of staff within the company or branch take the same training.



2. Allow Hands-On Experience.
3. Put Learning into Practise with Role Play.
4. Provide Incentives and Reward Progress.
5. Take Training Out of the Office.

Values-driven, morally compliant marketing programs are essential for maintaining an ethical company culture. It's not enough for a business to assume that a strong personal moral compass is sufficient to prevent ethical misconduct in marketing. Ethical marketing is a package deal that starts with a strong marketing policy statement. This policy then becomes a framework for creating marketing strategies that align with marketing objectives and maintain the reputation of the business.

### **Marketing Policy**

A marketing policy is similar to a business code of ethics. Although some are more specific than others, each addresses aspects of responsible marketing the business considers most important. For example, the Friendly's Ice Cream marketing policy focuses mainly on nutrition guidelines and guidelines for marketing to children, while Coca-Cola's marketing policy, which also focuses on children, includes guidelines for the different marketing channels it uses as well as for product placement in schools and youth organizations.

### **Positioning**

A marketing strategy is an action plan that serves to accomplish two objectives; the first is to position the business, and the second is to promote its products and services. Positioning refers to how well ingrained the business is in the minds of customers and how quickly customers think of the business when making buying decisions.

### **Marketing Strategy**

Identifying a target market and getting information about the competition is a critical first step in creating an effective marketing strategy. The core components of an overall marketing strategy -- product, place, price and promotion -- form the 4 P's of the marketing mix. Although each component plays a significant role on its own, the strength of the 4 P's lies in how well they address a target market and business competition and how they function as a whole.

### **Significance**

The objective of the 4 P's is to develop a marketing plan that promotes the right product to the right customer at the right price and in the right place using methods that align with

marketing policy objectives. An overall marketing plan can include multiple marketing strategies, each focusing on a different target market and each combining the 4 P's differently. The marketing policy, however, is a constant that guides the planning process and ensures each individual strategy aligns with ethical objectives.

### **Sales Process**

A sales process is a set of repeatable steps of sales team takes to convert prospects into customers. Building a sales process is absolutely necessary to your company's success, and is perhaps the most important thing you can do as a sales manager to impact your team's ability to sell.

#### **A sales process**

A sales process is a set of repeatable steps that a sales person takes to take a prospective buyer from the early stage of awareness to a closed sale. Simply put, it is a potential customer's journey from realizing they have a need for a product to making an actual purchase. And since the sales process is *a journey* for a prospect, it is *a roadmap* for a sales person.

#### **The 7-step sales process**

1. Prospecting
2. Preparation
3. Approach
4. Presentation
5. Handling objections
6. Closing
7. Follow-up

##### **1. Prospecting**

The first of the seven steps in the sales process is prospecting. In this stage, you find potential customers and determine whether they have a need for your product or service—and whether they can afford what you offer. Evaluating whether the customers need your product or service and can afford it is known as qualifying.

##### **2. Preparation**

The second stage has you in preparation for initial contact with a potential customer, researching the market and collecting all relevant information regarding your product or service.

At this point, you develop your sales presentation and tailor it to your potential client's particular needs.

### **3. Approach**

In the approach stage, you make first contact with your client. Sometimes this is a face-to-face meeting, sometimes it's over the phone. There are three common approach methods.

- **Premium approach:** Presenting your potential client with a gift at the beginning of your interaction
- **Question approach:** Asking a question to get the prospect interested
- **Product approach:** Giving the prospect a sample or a free trial to review and evaluate your service

### **4. Presentation**

In the presentation phase, you actively demonstrate how your product or service meets the needs of your potential customer. The word presentation implies using PowerPoint and giving a sales spiel, but it doesn't always have to be that way—you should actively listen to your customer's needs and then act and react accordingly.

### **5. Handling objections**

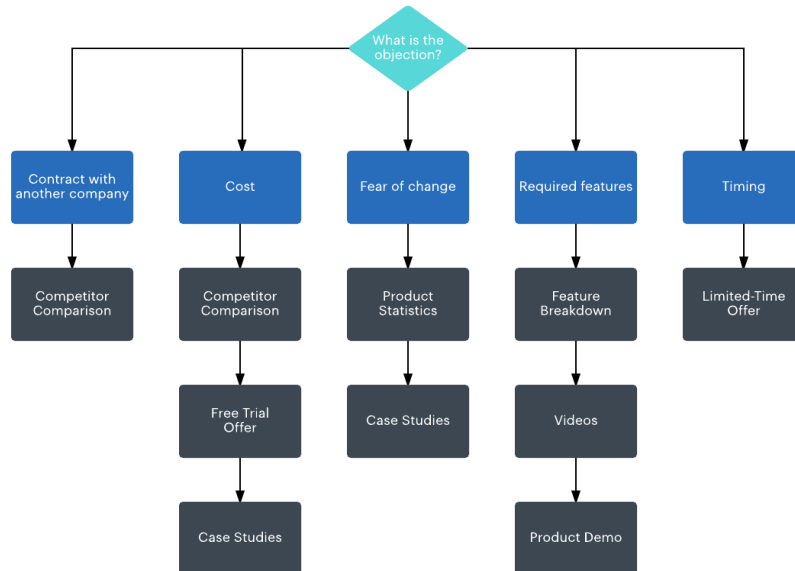
Perhaps the most underrated of the seven steps of a sales process is handling objections. This is where you listen to your prospect's concerns and address them. It's also where many unsuccessful salespeople drop out of the process—44% of salespeople abandoning pursuit after one rejection, 22% after two rejections, 14% after three, and 12% after four, even though 80% of sales require at least five follow-ups to convert. Successfully handling objections and alleviating concerns separates good salespeople from bad and great from good.

### **6. Closing**

In the closing stage, you get the decision from the client to move forward. Depending on your business, you might try one of these three closing strategies.

- **Alternative choice close:** Assuming the sale and offering the prospect a choice, where both options close the sale—for example, “Will you be paying the whole fee up front or in installments?” or “Will that be cash or charge?”
- **Extra inducement close:** Offering something extra to get the prospect to close, such as a free month of service or a discount

- **Standing room only close:** Creating urgency by expressing that time is of the essence—for example, “The price will be going up after this month” or “We only have six spots left”



## 7. Follow-up

Once you have closed the sale, your job is not done. The follow-up stage keeps you in contact with customers you have closed, not only for potential repeat business but for referrals as well. And since retaining current customers is six to seven times less costly than acquiring new ones, maintaining relationships is key.

### Transactional Selling:

This strategy is all about short-term solutions. The sales rep is primarily concerned with the promotion and selling of the product with little or no emphasis on customer needs. This strategy, also known as traditional selling, is all about the single sale.

Transactional selling is a common method of sales in which a sales representative seeks out prospects, develops a relationship and then tries to close a sale. The sales **rep** finds out what the customer needs and then tries to provide it for that specific sale.

## **Advantages of Transactional Selling**

### **Inventory Turnover**

Inventory is costly to hold and manage, and transactional marketing aids the process of getting inventory out the door more quickly. A prominent merchandise display near the front checkout area likely catches the attention of shoppers. Transactional marketing is especially beneficial to clearing out seasonal merchandise or items that don't sell-through in a timely manner. When you sell through discounted items, you clear space for more in-demand items that enable you to potentially generate greater profit.

### **Relatively Low Costs**

Transactional marketing is driven by price incentives rather than brand messages. The promotional costs are much lower than what you pay to develop a long-term branding campaign. You simply communicate the price inducement through external messaging and in-store signage. With brand building, you pay for the design, development and distribution of the message. You also commit to long-term communication with relationship-oriented promotion. Transactional marketing is managed with a one-at-a-time communication strategy.

## **Disadvantages of Transactional Selling**

### **Brand Loyalty**

Transactional marketing does not allow for extended personal contact with customers -- contact that can help build brand loyalty and develop revenue from repeat sales. In some cases, transactional marketing can reduce brand loyalty by assuming that customer buying decisions are made solely on price, availability and marketing appeal. The lack of a personal relationship with customers ignores the powerful emotional element in retail sales that can make a product successful.

### **Product Development**

The use of transactional marketing focuses on products currently on the market, determining the buying habits of consumers and attempting to alter marketing materials to capitalize on changes in retail sales patterns. No consideration is made for advancement in product technology that would help the manufacturer to stay ahead of the competition and become an industry leader.

### **Cross-Selling**

When a company uses transactional marketing, the sales of product accessories and upgrades are monitored and used to help improve the profit margin. Transactional marketing ignores cross-selling, or teaming related products to create a comprehensive solution for the customer. Transactional marketing does not allow for a variety of scenarios that would see products sold together to meet the needs of consumers. By ignoring complementary products, the ability of transactional marketing to generate revenue is limited.

### **Reactive**

A disadvantage of transactional marketing is its tendency to be reactive rather than proactive. With no input from consumer interaction, the company is unaware of product trends or changes in consumer preferences that are trending. Rather than driving innovation and developing a reputation for being an industry leader, which can be used as powerful marketing tools, transactional marketing analyzes data and does not react until the results have been processed.

### **Relationship Selling**

This strategy is all about building long-term relationships. The sales rep gets to know his/her customer, their needs and their wants. Then and only then does the salesperson even think about trying to make a sale.

Relationship selling refers to the sales technique that focuses on the interaction between the buyer and the salesperson rather than the price or details of the product.

### **The Importance of Relationship Selling**

As the world of sales continues to change and evolve, so has the number of sales tactics and various technologies to help teams close new customers and retain current ones. Many of the old school sales tactics don't always necessarily work and having too many new ones in place can also cause challenges.

It's a tough world for salespeople, especially in B2B. But there is also a wealth of knowledge and techniques out there that will help sales teams achieve success and reach their goals.

While it is easy to be inundated with information thanks to the internet and the thousands of sales gurus saying different things, there is still one sales tactic that every salesperson should still master: relationship selling.

Any in sales might be familiar with the term and may even be perceived as an “old school” tactic, but it is still one that is incredibly important today.

As the name generally implies, relationship selling is all about the connection and relationship a salesperson builds with their customers and potential buyers. A human interaction, where the salesperson generally cares about connecting with their customer or buyer.

Instead of salespeople solely focusing on the pricing of a product or services (or even all the details about said product or service), the priority is on the interactions and trust built between sales and the customer/buyer. Of course, product details and pricing are important topics to discuss, but without building a rapport with a buyer, you can miss out on long-term revenue and much more.

Additionally, relationship selling is generally used for companies who have longer sales cycles, expensive products or software, or things that require more commitment when it comes to purchasing. Many times a software solution may take weeks or months for a decision made based on the buyer researching, comparing to competitors, working to get budget, etc.

By caring about building relationships with potential customers and taking an interest in their world, it can significantly improve the odds of securing a sale and retaining that customer for the long-term.

### **Current customers or clients**

One of the main reasons relationship selling exists is to boost salespeople’s personal connection to their customers and clients. Without building a relationship or hearing a lack of enthusiasm, customers may feel like they are just a number.

Worse, they may not view you as a trustworthy person, especially if you aren’t delivering on things you previously discussed.

Now when it comes to resigning a contract or continuing a working relationship, because they feel less important have a much greater chance of churn and moving on to a competitor. Costing you a long-term sale.

But it can also affect the chances of up-selling them and hurt your word-of-mouth marketing to their colleagues, who may have also bought your product or services too. For B2B, word-of-mouth praise and recommendations can really elevate sales and deals.

### ***Potential buyers***

While relationship selling techniques are important for customers and clients, it also can affect potential buyers who are talking with you and closing in on a purchasing decision. It's true that it is generally easier to keep a current customer than trying to securing a brand new one. But it's why relationship selling is even more important for new potential buyers.

Without trying to build a connection, the buyer may feel like they are only a bunch of dollar signs to you. While you may get some sales that way, there's not much trust or confidence built that way. People coming to you who are brand new don't know you well and will generally start formulating an opinion of you right away.

Even if you have the best product or pricing, you can still cause a sale to not close because of your own selfish interests or lack of interest in their challenges.

### **Relationship Selling Techniques**

Because the tactic of relationship selling has been around for quite awhile, there are plenty of techniques out there. However, with the shift of technology, platforms, and industries, some of those techniques may not necessarily be useful.

Yet, there are many that still matter and new relationship selling techniques have also developed in the last few years. Let's explore some of the ones all salespeople should be practicing for success.

#### **Become an active listener**

It's easy for sales to ramble on because of excitement about the product and are focused on closing the deal. But in order to find success and connect with a customer or buyer, you need to speak less and actually engage more in listening.

Prospects and customers will like you more, but it will help you understand what their needs are and their challenges, which can help tailor pitch and solutions to them effectively.

#### **Practice social selling to add value**

B2B sales cycles can be long; some can easily take a few months or even close to a year. During this time, a great aspect to building a relationship is connecting with the person on social media accounts.

Social selling itself is a whole separate tactic but is the perfect technique to add to your relationship selling practices.



Interact with their social content, leave comments, and share company and third-party content on your socials. This way you are keeping your name in front of them online during the sale cycle and providing value too. Same applies to current customers, keep nurturing them through genuine social interest.

### ***Relate on a personal level***

For relationship selling to work, you need to connect with prospects and clients on a personal level, essentially building a friendship. This doesn't mean small talk, because that is all-too-common and doesn't add value to the conversation.

Instead, learn about their outside interests, see what they are posting about on social media as talking points, follow their company news, etc. Start finding unique ways to spark a conversation where you both have common interests or can relate in some way. This helps build your profile as not just another salesperson, but an actual human being who has something interesting to say.

### **Keep your word and be honest to build trust**

The second you break a promise, do not deliver something you said you would, or follow-up as promised, you are damaging your trust and reputation. Of course, things come up and life happens, but stick to any commitments or dates as best you can.

Building a positive working relationship with someone takes trust and you being reliable. If you are missing deadlines and not delivering what was promised, you can easily lose a sale or find your working relationship going nowhere.

Same goes with honesty. Salespeople sometimes unfairly are portrayed in a negative light, so some prospects will already tread lightly. However, if you can be honest from the start about everything from pricing, solution fit, no hidden contract surprises, etc. your relationship will be off to a better start. Even if your product or services is not a good fit, say that and refer your competitors.

### **Don't fake it until you make it – be real**

I'm sure you've heard the saying before, "Fake it 'till you make it," but with sales, this is not the approach you want to take. Your prospects and customers can tell when you're faking it for the sake of a sale, which is never good for a working relationship.

Being genuine is key technique and being a real person will go a long way in your relationship selling and connect with your prospects and customers.

Plus, if you love the product or services and company you work for, being genuine should come naturally without a need to “pretend.” Of course, as a salesperson, you won’t have all the answers and may make mistakes, but if you are being yourself and act like a normal human being you’ll be treated with more respect.

### **Final Thoughts**

The concept of relationship selling has been around for a long time, but even in the digital age with advancement in sales tools, this is still an important tactic to master.

But it makes sense, building positive working relationships will be key to closing a new deal, retaining current customers for the long-haul, and developing a trust that can lead to new referrals.

While the relationship selling process seems pretty simple, many sales teams forget the basics and the importance of caring more about the individual than just the sale. Whether you are new to the concept or just need a reminder, this post should be helpful.

### **Advantages and Disadvantages of Relationship Selling**

#### **Advantages of Relationship Selling**

“Relationships are the keys that unlock the potential of your brand and business.”

#### **1. Returning customers often purchase more than first-time customers.**

Because you are able to retain customers, you’re able to create an atmosphere where a greater per-purchase average can occur. This will help a brand and business create more revenues out of their current customer base.

According to reporting by CMS Wire of data collected by SumAll, 25-40% of the total revenues of stable businesses comes from returning customers. Businesses at the 40% revenue level in returning customers were able to generate 47% more in revenues than businesses that only have 1 in 10 repetitive customers purchasing products or services.

#### **2. Sales are able to multiply with a minimal investment.**

Many customers who have a relationship with a brand will purchase upcoming products because of the past values experienced in previous purchases. This means the only marketing effort required is to make the current customer base become aware of a new product or service that is being offered.

**3. Positive experiences help to create viral positive one-on-one marketing.**

People leave reviews for brands and businesses when an experience goes beyond their expectations. This is why there are so many negative reviews: a customer expects to receive a positive experience.

When your marketing is focused on the value propositions you can provide, then it becomes possible to exceed expectations in a positive way to generate a positive review, word-of-mouth marketing, and social network sharing.

**4. It creates personal connections.**

Although the marketing efforts may connect a customer with a brand, the end result is that customers make personal connections with employees as well. For local brick and mortar businesses, the managers or owners become a representation of that brand in the community as well. If a customer interacts with that person, they are also interacting with that brand, which increases the chances of a future purchase.

**5. Brands and businesses receive honest insights from invested people.**

It's often a series of small concerns which ends up taking down a brand and business instead of one large issue. The proverbial "straw that broke the camel's back" can be found and removed thanks to relationship marketing. This is because customers become personally invested with the business. They want to see it succeed because that becomes a personal success for them.

**6. It creates opportunities to solve problems immediately.**

There isn't a brand and business on our planet that is 100% perfect. Products sometimes fail. Services don't always get provided as intended. When relationship marketing efforts are in place, it gives an organization an out to be able to keep that customer. This is because customer contacts are at the forefront of this marketing effort.

From customer service lines to Twitter accounts to in-person visits, the ability to effectively handle a problem and then resolve it in a positive way contributes to the marketing efforts.

**7. There are multiple avenues of relationship building available today.**

Brands and businesses today have advantages that have never before been seen in our world. With social media, a brand can make an immediate 1-on-1 impact on customers. They can use their social media accounts and pages to keep reinforcing the value propositions that are

offered. Even a brief email, which takes seconds to write, can have a long-lasting influence on a customer.

### **Disadvantages of Relationship Selling**

#### **1. New customers are treated as a secondary commodity.**

Want to retain best customers, but also sometimes need new customers to meet budget goals. With relationship marketing, the focus of a brand and business is placed first on retaining and supporting the current customer base. This causes new customers to be overlooked and possibly ignored.

#### **2. Negative information can ruin a relationship marketing campaign.**

Because of the amount of sharing that happens today, all it takes is one negative experience that gets shared with others to cause this type of marketing to fail. Many consumers are focused on immediate, short-term values.

#### **3. It takes time for relationship marketing to be effective.**

Many customers feel like a brand and business which wants a relationship with them should be able to make time for them. This means there will be customers that want to receive direct answers from employees or representatives instead of finding the information on their own. Not only does it take time to develop the relationship, but many workers will also be asked to increase their 1-on-1 time commitments to continue the process.

#### **4. Relationships can become too close sometimes.**

Having a strong relationship with a customer is a good thing. Having a relationship that becomes close to intimate, however, can be a bad thing. When managers are paying too much attention to the needs of their customers, then they are not paying enough attention to their direct reports or tasks that need to be completed.

#### **5. Value propositions change over time, so the marketing efforts need to change too.**

Some products always have a certain amount of perceived value. Take coffee, for instance. Millions enjoy a cup or two of coffee in the morning as part of their routine. Now the value ratios have changed. Not only can a consumer get flavored coffee, but it costs them less to do so. Without a change in the marketing approach, the brand selling regular coffee will find themselves lacking customers over time.

**6. It can require a culture change.**

A brand or business cannot implement a relationship marketing strategy without having the culture of the organization supporting it. If a customer comes to the brand, expecting a supportive experience, but receives something else, then the likely outcome is a shift in business to the competition.

The worst negative reviews come when customers vote with their money and your brand and business isn't on the ballot.

**7. Some returning customers may expect a discount.**

There will always be some customers who expect to be treated better by a brand and business because they are returning for another purchase. They want discounts that go beyond the normal sales and offers that might be part of a marketing effort. Without that “extra” benefit, they may say they'll go to the competition – sometimes even under the threat of leaving a negative review.

These are not the customers a relationship marketing effort should target. Brands must recognize the lack of value in such an offer. If an “extra” discount is given, that customer will want even more benefits on their next follow-up visit.

The pros and cons of relationship marketing show that the efforts of a brand and business to connect with existing customers can increase revenues. It may also improve a brand's reputation. A campaign such as this is not without risk, however, so there must also be flexibility built into each marketing effort so that a brand and business can adapt to the changing needs of their core demographics.

**CLASS: III B.COM**

**COURSE CODE: 16CMU 603A**

**COURSE NAME: PERSONAL SELLING AND SALESMANSHIP**

**UNIT: III**

**BATCH-2016-2019**

### **BUYING MOTIVES**

#### **Definition: Buying Motive**

**“A motive is the inner state that energizes, activates or moves...and that directs or channels behaviour toward goods.” – Berelson & Stener**

Buying motive is the motive to persuade the desires of people so that they buy a particular good or service. Buying motive relates to the feelings and emotions of people which generate a desire to purchase. Any person does not buy a product or service just because of excellent salesman pitch but he does also due to the desire generated within him towards the product or service.

#### **Importance of buying motive**

Understanding the buying motive of a customer is essential for a company as it helps the company to target the customer better. Buying motive means that the customer requires a particular product to fulfill a certain need. No matter how good a product is or how good the marketing is, unless the customer has a need it would not matter. This makes buying motive extremely important in business.

Motive and instincts are completely different keywords. Motives are voluntary made such that a particular stimulus will take place where as instincts are involuntary and generally inborn quality of a person. Ex: Thirst is an instinct but aspire to buy a bottle of mineral water to quench thirst is a motive.

#### **Types of Buying motives**

Buying motives can be categorized as follows:

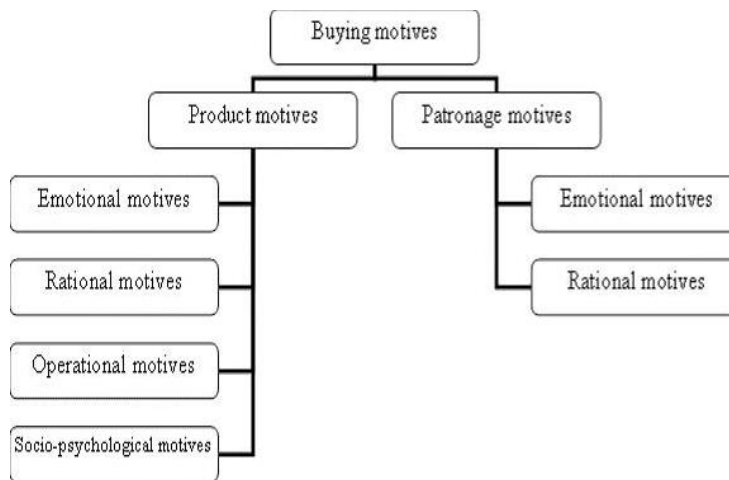
- 1) Product Buying Motives
- 2) Patronage Buying Motives

#### **Product Buying Motives**

Product motives are the impulse, desires and considerations which make people buy a specific product

Product buying motives are the factors or characteristics of a product that persuade a person to purchase only that product instead of other products available in the market. The factors can be physical appearance like design, size, color, price, shape etc. or can be

psychological features like status, desire to reduce danger etc. Product buying motives is divided into two categories: Emotional and Rational.



### **1. Emotional Product Buying Motives (Feelings, Emotions, Impulses)**

The emotional motives urge the buyer to do impulsive purchases without reason or logic.

If a person purchases a product without thinking much rationally (i.e. with less reasoning) then he or she is said to have persuaded by emotional product buying motives. There are around ten kinds of emotional product buying motives: prestige, imitation, affection, comfort, ambition, distinctiveness, pleasure, hunger and thirst, habit.

### **2. Rational Product Buying Motives (Reason, Judgment, Logic)**

They involve in logical analysis and reasoning of the purchase before deciding to buy

If a person purchases a product after thinking rationally (i.e. logically deciding) then he or she is said to have persuaded by rational product buying motives. There are around eight kinds of rational product buying motives: security, economy, low price, suitability, utility, durability, convenience.

### **3. Operational motive:**

Here person buys a product because its a utility for them. E.g. A family buys television because they feel it has utility for them

### **4. Socio-psychological motive:**

Here a person buys a product due to status n the society. Like a person buys a big car to show his status in the society,

**Patronage Buying Motives**

- The impulses and influences which make a buyer to buy from particular shop or brand is patronage motives
- These motives can be rational or emotional

Patronage buying motives are the factors or characteristics that influence a person to purchase a product from particular shop instead of purchasing from other shops selling the same product.

***1. Emotional Patronage Buying Motives***

The buyer may buy from specific shop without any reasons then it emotional motives

If a person purchases a product from a particular shop without thinking much about other shops, then he or she is said to have persuaded by emotional patronage buying motives. There are around six kinds of emotional patronage buying motives: ambience of shop, showcase of products, recommendations by others, prestige, habit, imitation.

***2. Rational Patronage Buying Motives***

The buyer may select the shop because he knows that it offers a wide selection then it is rational motives.

If a person purchases a product from a shop after complete analysis and reasoning then he or she is said to have persuaded by rational patronage buying motives. There are around eight rational patronage buying motives: convenience, low price, credit availability, more services, efficiency of the seller, wide variety, treatment, reputation.

**MOTIVATION**

**Meaning:**

Motivation = “The processes that account for an individual’s intensity, direction, and persistence of effort toward achieving a goal”

- *Intensity* = how hard an employee tries
- *Direction* = should benefit the organization (i.e. quality of effort counts!)
- *Persistence* = how long can an employee maintain his/her effort?

**Motivation: Concept and Significance/Importance of Motivation:**

**Concept of Motivation:**

The term motivation is derived from the word ‘motive’. The word ‘motive’ as a noun means an objective, as a verb this word means moving into action. Therefore, motives are



forces which induce people to act in a way, so as to ensure the fulfillment of a particular human need at a time. Behind every human action there is a motive. Therefore, management must provide motives to people to make them work for the organization.

Motivation may be defined as a planned managerial process, which stimulates people to work to the best of their capabilities, by providing them with motives, which are based on their unfulfilled needs.

**Definition:**

“Motivation means a process of stimulating people to action to accomplish desired goods.”

—William G. Scott

“Motivation is the process of attempting to influence others to do your will through the possibility of gain or reward.” — Flippo

Motivation is, in fact, pressing the right button to get the desired human behaviour. Motivation is no doubt an essential ingredient of any Organisation. It is the psychological technique which really executes the plans and policies through the efforts of others.

***Following are the outstanding Features of the concept of motivation:***

**1. Motivation is a personal and internal feeling:**

Motivation is a psychological phenomenon which generates within an individual.

**2. Motivation is need based:**

If there are no needs of an individual, the process of motivation fails. It is a behavioural concept that directs human behaviour towards certain goals.

**3. Motivation is a continuous process:**

Because human wants are unlimited, therefore motivation is an ongoing process.

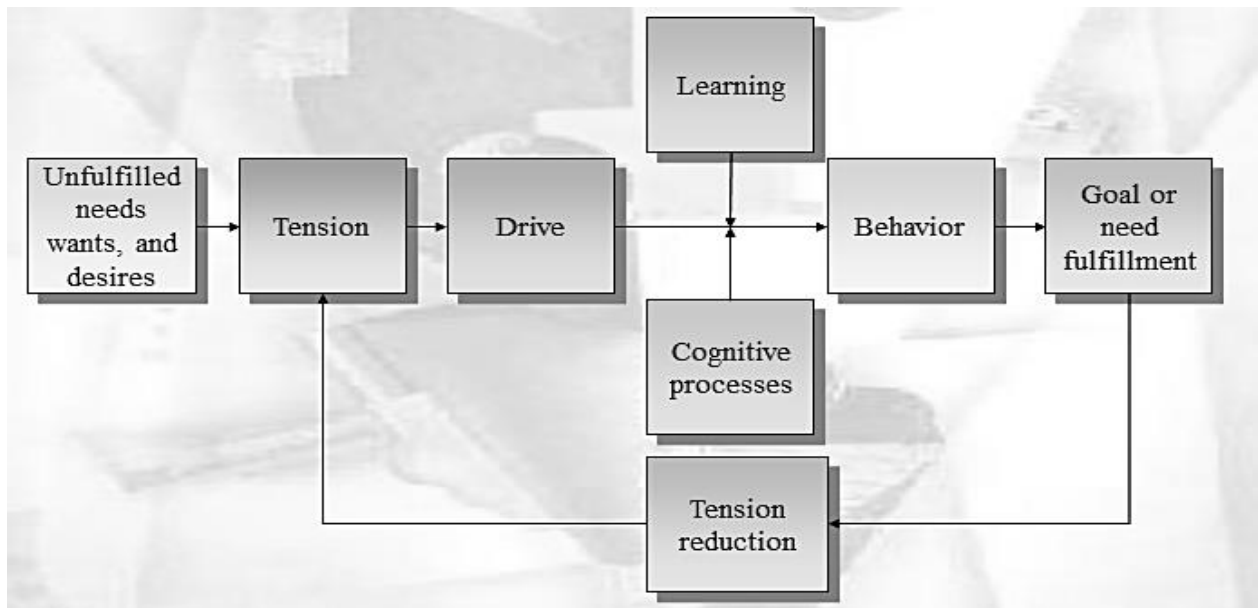
**4. Motivation may be positive or negative:**

A positive motivation promotes incentives to people while a negative motivation threatens the enforcement of disincentives.

**5. Motivation is a planned process:**

People differ in their approach, to respond to the process of motivation; as no two individuals could be motivated in an exactly similar manner. Accordingly, motivation is a psychological concept and a complex process.

The process of motivation is illustrated in the figure given below:



### Types of Needs

- Innate Needs
  - Physiological (or *biogenic*) needs that are considered primary needs or motives
  - Physiological needs for food, water, air, clothing, shelter, and so on. Also known as *biogenic* or primary needs.
- Acquired needs
  - Generally psychological (or *psychogenic*) needs that are considered secondary needs or motives
  - Needs that are learned in response to one's culture or environment (such as the need for esteem, prestige, affection, or power). Also known as *psychogenic* or *secondary needs*.

### Goals

- Generic Goals
  - the general categories of goals that consumers see as a way to fulfill their needs
  - e.g., “I want to buy a vehicle”
- Product-Specific Goals

- the specifically branded products or services that consumers select as their goals
- e.g., “I want to buy a Mercedes”

### **The Selection of Goals**

- The goals selected by an individual depend on their:
  - Personal experiences
  - Physical capacity
  - Prevailing cultural norms and values
  - Goal’s accessibility in the physical and social environment
  - **Substitute Goal**
    - A goal that replaces an individual’s primary goal when the goal cannot be achieved or acquired.

### **Significance/Importance of Motivation:**

Motivation is an integral part of the process of direction.

**While directing his subordinate, a manager must create and sustain in them the desire to work for the specified objectives:**

#### ***1. High Efficiency:***

A good motivational system releases the immense untapped reservoirs of physical and mental capabilities. A number of studies have shown that motivation plays a crucial role in determining the level of performance. “Poorly motivated people can nullify the soundest organisation.” said Allen.

By satisfying human needs motivation helps in increasing productivity. Better utilisation of resources lowers cost of operations. Motivation is always goal directed. Therefore, higher the level of motivation, greater is the degree of goal accomplishment.

#### ***2. Better Image:***

A firm that provides opportunities for financial and personal advancement has a better image in the employment market. People prefer to work for an enterprise because of opportunity for development, and sympathetic outlook. This helps in attracting qualified personnel and simplifies the staffing function.

#### ***3. Facilitates Change:***

Effective motivation helps to overcome resistance to change and negative attitude on the part of employees like restriction of output. Satisfied workers take interest in new

organisational goals and are more receptive to changes that management wants to introduce in order to improve efficiency of operations.

#### **4. Human Relations:**

Effective motivation creates job satisfaction which results in cordial relations between employer and employees. Industrial disputes, labour absenteeism and turnover are reduced with consequent benefits. Motivation helps to solve the central problem of management, i.e., effective use of human resources. Without motivation the workers may not put their best efforts and may seek satisfaction of their needs outside the organization.

The success of any organization depends upon the optimum utilization of resources. The utilization of physical resources depends upon the ability to work and the willingness to work of the employees. In practice, ability is not the problem but necessary will to work is lacking. Motivation is the main tool for building such a will. It is for this reason that Rensis Likert said, “Motivation is the core of management.” It is the key to management in action.

#### **Advantages and Disadvantages of Motivation**

Motivation provides us with energy to pursue outcomes. The energy may come from an inside source or an outside source. These sources can be defined as either extrinsic or intrinsic motivation (Rodgers & Loitz, 2009). Extrinsic motivation “lies outside of the individual and the task being performed”, whereas, intrinsic motivation “lies within the individual and task” (Ormond, 2008). The task is found to be enjoyable and worthwhile alone.



There are several advantages and disadvantages to each type of motivation.

#### **Advantages of Intrinsic Motivation:**

- Long-lasting
- Self-sustaining
- Focuses on the subject rather than the reward or punishment

**Disadvantages of Intrinsic Motivation:**

- Slow to change the behavior
- Requires lengthy preparation and special attention
- A variety of approaches may be needed to motivate students

**Advantages of Extrinsic Motivation:**

- Quickly changes behaviors
- Requires little effort or preparation
- Requires little knowledge of the student

**Disadvantages of Extrinsic Motivation:**

- Provides distraction from learning
- Difficulty in determining appropriate rewards and punishment
- Ineffective after a long period of time
- Once the reward is removed, motivation is lost

**MOTIVATIONAL FACTORS**

There are several factors that motivate a person to work. The motivational factors can be broadly divided into two groups:

**I. MONETARY FACTORS:**

**Salaries or wages:**

Salaries or wages is one of the most important motivational factors. Reasonable salaries must be paid on time. While fixing salaries the organization must consider such as :

- Cost of living
- Company ability to pay
- Capability of company to pay etc,

**Bonus:**

It refers to extra payment to employee over and above salary given as an incentive. The employees must be given adequate rate of bonus.

**Incentives:**

The organization may also provide additional incentives such as medical allowance, educational allowance, hra allowance, etc.

**Special individual incentives:**

The company may provide special individual incentives. Such incentives are to be given to deserving employees for giving valuable suggestions.

## **II. NON MONETARY FACTORS:**

### **™Status or job title:**

By providing a higher status or designations the employee must be motivated. Employees prefer and proud of higher designations.

### **Appreciation and recognition:**

Employees must be appreciated for their services. The praise should not come from immediate superior but also from higher authorities.

### **Delegation of authority:**

Delegation of authority motivates a subordinate to perform the tasks with dedication and commitment. When authority is delegated, the subordinate knows that his superior has placed faith and trust in him.

### **Working conditions:**

Provision for better working conditions such as air-conditioned rooms, proper plant layout, proper sanitation, equipment, machines etc, motivates the employees.

### **Job security:**

Guarantee of job security or lack of fear dismissal, etc can also be a good way to motivate the employees. Employees who are kept temporarily for a long time may be frustrated and may leave the organization.

### **Job enrichment:**

Job enrichment involves more challenging tasks and responsibilities. For instance an executive who is involved in preparing and presenting reports of performance, may also asked to frame plans.

### **Workers participation:**

Inviting the employee to be a member of quality circle, or a committee, or some other form of employee participation can also motivate the workforce.

### **Cordial relations:**

Good and healthy relations must exist throughout the organization. This would definitely motivates the employees.

### **Good superiors:**

Subordinates want their superiors to be intelligent, experienced, matured, and having a good personality. In fact, the superior needs to have superior knowledge and skills than that of his subordinates. The very presence of superiors can motivate the subordinates.

### **Other factors:**

There are several other factors of motivating the employees:

- Providing training to the employees.
- Proper job placements.
- Proper promotions and transfers.
- Proper performance feed back.
- Proper welfare facilities.
- Flexible working hours.

### **MONEY AS A MOTIVATOR?**

It is normally believed that money acts as a motivator. In general the role of money as a motivator depends upon certain factors:

- Money fails to motivate people, when there is no direct relationship between reward and effort.
- Economic conditions of people influence the Importance of money. For poor person, the value of certain amount of money is quite high as compared to rich.
- Money is a significant motivator at lower level of employees level however money may not be a significant factor for senior executives who have already fulfilled their lower level needs. <sup>TM</sup>
- Employees are concerned not only with the amount of money paid to them, but it should be fair and equitable as paid to that of the employees of same level or status. <sup>TM</sup>
- Social attitudes towards money and wealth also decides the motivation to earn more and more.

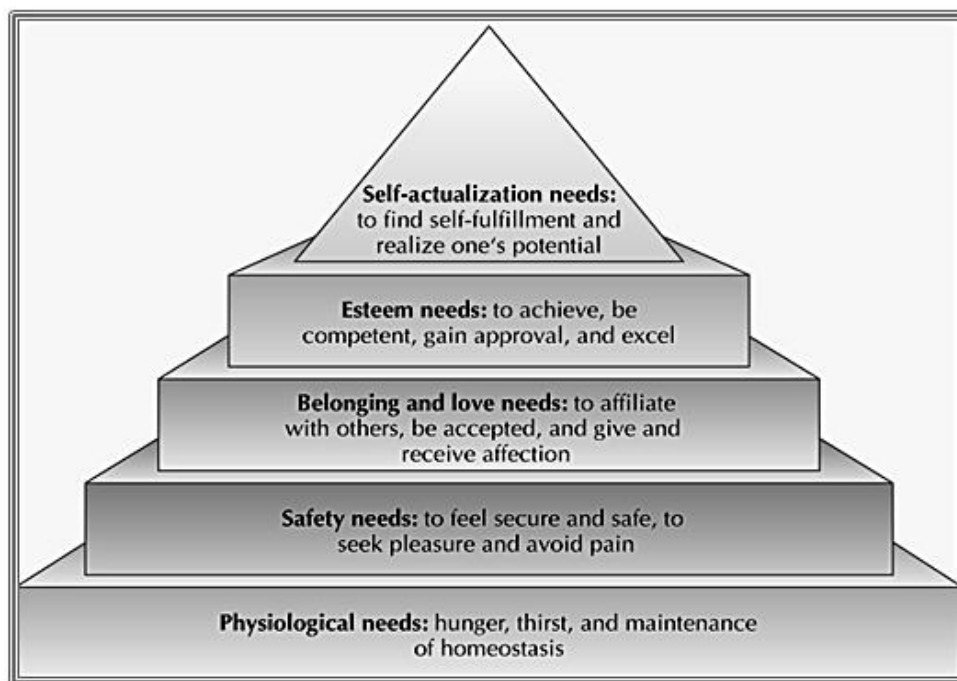
### **THEORIES OF MOTIVATION**

#### **MASLOW'S NEED THEORY**

One of the earliest and best-known content theories is **needs hierarchy theory**. Psychologist Abraham Maslow (1954) focused on motivating forces in individuals and established a "hierarchy of needs." According to Maslow, individuals would move to satisfy their needs in a hierarchical manner. Once a need is satisfied, it no longer has have the ability to motivate. At the bottom of the hierarchy are physiological needs such as food, shelter, and sexual gratification. These were followed by safety needs (protection from environmental dangers), social needs (love and belonging), and esteem (self-respect and the approval of

others). The highest need is the need for self-fulfillment, which involves deriving a sense of value and satisfaction from one's work. While people generally fill these needs in order, Maslow recognized that the hierarchy was flexible within individuals, and that priorities could vary. Maslow did not include money in his schema because of the ambiguity in the meaning of money. For some people, money is a way to achieve the basic requirements of food and shelter. Others view money as a measure to satisfy their need for self-fulfillment.

If motivation is driven by the existence of unsatisfied needs, then it is worthwhile for a manager to understand which needs are the more important for individual employees. In this



regard, Abraham Maslow developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfillment are pursued. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place.

**Physiological Needs:** Physiological needs are those required to sustain life, such as *air, water, nourishment and sleep*. According to Maslow's theory, if such needs are not satisfied then one's motivation will arise from the quest to satisfy them. Higher needs such as social needs and esteem are not felt until one has met the needs basic to one's bodily functioning.

**Safety Needs:** Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by *living in a safe area, medical insurance, job security and financial*



*reserves*. According to Maslow's hierarchy, if a person feels that he or she is in harm's way, higher needs will not receive much attention.

**Social Needs:** Once a person has met the lower level physiological and safety needs, higher level needs become important, the first of which are social needs. Social needs are those related to interaction with other people and may include *need for friends, need for belonging, need to give and receive love*.

**Esteem Needs:** Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are *self-respect, achievement, attention, recognition, reputation*. Maslow later refined his model to include a level between esteem needs and self-actualization: the need for knowledge and aesthetics.

**Self-Actualization:** Self-actualization is the summit of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow. Self-actualized people tend to have needs such as *truth, justice, wisdom, and meaning*. Self-actualized persons have frequent occurrences of peak experiences, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

## **IMPLICATIONS FOR MANAGEMENT**

If Maslow's theory holds, there are some important implications for management. There are opportunities to motivate employees through management style, job design, company events, and compensation packages, some examples of which follow:

**Physiological needs:** Provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.

**Safety Needs:** Provide a safe working environment, retirement benefits, and job security.

**Social Needs:** Create a sense of community via team-based projects and social events.

**Esteem Needs:** Recognize achievements to make employees feel appreciated and valued. Offer job titles that convey the importance of the position.

**Self-Actualization:** Provide employees a challenge and the opportunity to reach their full career potential.

However, not all people are driven by the same needs -at any time different people may be motivated by entirely different factors. It is important to understand the needs being pursued

by each employee. To motivate an employee, the manager must be able to recognize the needs level at which the employee is operating, and use those needs as levers of motivation.

### **LIMITATIONS OF MASLOW'S HIERARCHY**

While Maslow's hierarchy makes sense from an intuitive standpoint, there is little evidence to support its hierarchical aspect. In fact, there is evidence that contradicts the order of needs specified by the model. For example, some cultures appear to place social needs before any others. Maslow's hierarchy also has difficulty explaining cases such as the "starving artist" in which a person neglects lower needs in pursuit of higher ones. Finally, there is little evidence to suggest that people are motivated to satisfy only one need level at a time, except in situations where there is a conflict between needs. Even though Maslow's hierarchy lacks scientific support, it is quite well-known and is the first theory of motivation to which many people they are exposed.

### **THE DYNAMIC NATURE OF MOTIVATION**

- Needs are never fully satisfied
- New needs emerge as old needs are satisfied
- A given need may lead totally different goals
- Consumers are more aware of their goals than their needs
- Consumer values, personality and self-concept influence consumer goals
- Consumers have multiple needs
  - Pre-potent need
- Motives are difficult to infer from behaviour
- Past experiences (success/failure) influence goals
  - Defence Mechanisms
- Motives may conflict with each other
  - Three types of motivational conflict
    - ✓ Approach-approach: when a consumer is drawn towards two positive goals
    - ✓ Approach-avoidance: when the goal object has both positive and negative qualities
      - You are both drawn toward and away from the object
    - ✓ Avoidance-avoidance: when the consequences of buying an object is unpleasant, but the purchase does not lead to any pleasure

- Motives can be aroused in many ways
  - Physiological arousal
    - ✓ Hunger, thirst
  - Emotional arousal
    - ✓ daydreaming
  - Cognitive arousal
    - ✓ Random thoughts
  - Environmental arousal
    - ✓ Cues in the environment (e.g. smell of food)

**BUYING MOTIVES AND THEIR USES IN PERSONAL SELLING:**

- ⊙ A salesperson must know what motivates customers to buy
  - Rational Motives – conscious, logical reason for a purchase
  - Emotional Motives – a feeling experienced by a customer through association with a product

**Techniques to determine Customers buying motives**

- Observing the customer
  - (Reactions, mannerisms, facial expressions)
- Listening to the customer
  - Remove distractions focus and listen and do not interrupt. Pick up clues to needs
- Asking questions
  - Listen to their responses to determine their wants
- Showing interest in the customer

*How to Ask Questions Are these good Questions?*

- *What are you wanting and what price range are you wanting?*
- *I see you are looking at those vacuum cleaners , do you like the look and price of it?*

**PARTICIPANTS IN BUYING MOTIVES**

There are the following different roles that persons can play in a buying decision:

**1. Initiator:**

The initiator is a person who first suggests or thinks of the idea of buying the particular product. For example, publisher of a book initiates the professor to ask the students of his class to purchase the book. Here publisher is the initiator, the first person to initiate the buying process.

**2. Influencer:**

Influencer is a person who explicitly or implicitly has some influence on the final buying decision of others. Students are influenced by the advice of the professor while taking a decision to purchase a book. Here professor is the influencer.

**3. Decider:**

The decider is a person who ultimately determines any part or whole of the buying decision, i.e., whether to buy, what to buy, how to buy, when to buy or where to buy. Children are the deciders for buying the toys, house lady for kitchen provisions, and head of the family for durable or luxury items.

**4. Buyer:**

The buyer is the person who actually purchase. Buyer may be the decider or he may be some other person. Children (deciders) are the deciders for purchasing the toys, but purchases are made by the parents.

**5. User:**

User is the person who actually uses or consumes the services or products.

**Buyer's Motive and Decision Making Process**

The most basic and important requirement for the marketer is to understand how consumers make choices. According to Atzen and Fishbein, "human beings are usually quite rational and make systematic use of information available to them. People consider the implications of their actions before they decide to engage or not to engage in a given behaviour".

Every buying decision involves an element of active reasoning. Broadly, in making a purchase decision the consumer goes through the following stages

- (i) **Need arousal:** The buying process starts with need arousal. A need can be activated through internal or external stimuli. A need can also be aroused by an external stimulus such as sight of a new thing in a shop while purchasing other things.

There is two-fold significance of need arousal stage to a marketing man.

1. First the marketer must identify the drive that might actually or potentially connect to the product class or brand and make the buyer feel that the product can satisfy the drive, he feels, and
2. It also helps recognize that the need levels for the product fluctuate over time and are triggered by different cues. The marketer can arrange cues to conform better to the natural rhythms and timing of need arousal.

- (ii) **Information search:** After need arousal, the consumer tries to solve it and gathers the sources and information about the product. Depending upon the intensity of need, it produces two states of individual. The first state is called heightened attention when the consumer becomes more receptive to the information regarding the item he needs. If a consumer needs to purchase a television, he will pay mere attention to TV ads and the remarks made by friends and associates about TVs.

If need is more intense, the individual enters a state of active information search and he tries to collect more information about the product, its key attributes, qualities of various brands and about the outlets where they are available. There are four consumer information sources.

- (i) Personal sources (family, friends, neighbors etc.)
- (ii) Commercial sources (advertisements, salesmen, dealers).
- (iii) Public sources (mass media, consumer-rating organizations).
- (iv) Experiential sources (handling, examining, using the product).

Identifying the information sources and their respective roles and importance calls for interviewing consumers about the sources of information and can use the findings to plan its advertisements.

- (iii) **Evaluation behavior:** Having collected the information, the consumer clarify and evaluate the alternatives. There is, unfortunately no simple and single evaluation process used by all consumers or even by one consumer in all buying situations. The most current process of evaluation is to judge the product largely on a conscious and rational basis. Various considerations form the part of judgment such as product attributes, importance, weights, brand image, utility function for each attribute, and attitude etc. After evaluation of various alternatives, he takes the decision to buy.

- (iv) **Purchase decision:** Evaluation behavior leads the consumer to form a ranked set of preferences. Normally a consumer buys the article, he or she likes most but there are three more important consideration for taking the buying decision: (a) attitude of other such as of wife, relatives, and friends, (b) anticipated situational factors as expected family income, expected total cost of the product and the expected benefits of the product; (c) unanticipated situational factors as looks or manner of the salesman or the way business is carried on.

The marketer must consider these factors and should try to provoke the feeling of risk in the consumer and attempt to provide information and support that will help him.

- (v) **Post purchase feelings:** After buying and trying the product, the consumer will feel some level of satisfaction or dissatisfaction and level of satisfaction depends very much on the expectation and the product's perceived performance. If the product matches up to his expectations, the consumer is satisfied; if it exceeds, he is highly satisfied; and if it falls short of expectations, he is dissatisfied.

### **HOW TO BUYING MOTIVES HELPS IN SALES PRESENTATIONS**

There are many different reasons behind why a prospect or customer makes a B2B purchasing decision. But all of those reasons typically fall under 4 basic Buying Motive categories.

*Why is it important for your salespeople to understand these categories?*

If your reps can quickly recognize the buying motives of their prospects and customers, they can tailor their sales presentations in a way that will move the buyer into action.

Let's start by going over the 4 basic Buying Motives that stimulate a customer to act:

#### **1. Economic Motive**

This motive is tied to money: making money, saving money, increasing profit, increasing sales, etc. While it's a common influencer in the decision-making process, it's rarely the *only* thing a buyer is motivated by.

#### **2. Reducing Risk Motive**

Many buyers are motivated by risk aversion, or "playing it safe." Customers and prospects often fear change because of the unknown impact it may have. They might feel safer maintaining the status quo, choosing a conservative option, or opting for warranties and guarantees when making their purchasing decision.

#### **3. Time Motive**

This motive can take several forms, but centers on time. Can you deliver your product or service quickly? Will it save the prospect or customer time and hassle.

#### **4. Pride or Prestige Motive**

People want to make purchasing decisions that make them look good. A prospect or customer may be looking to make their mark on a company with an impactful change. They may also just want to receive recognition for a job well done. Either way,

improving/maintaining professional reputation certainly can come into play with a purchasing decision.

### **How Salespeople Can Uncover a Customer's Buying Motives**

To identify a prospect or customer's underlying buying motives, your salespeople must do something they might find challenging: listen.

Not listening to respond, but actively listening to understand.

Have your sales reps use an effective questioning approach (the PROBE step if they're already trained in the IMPACT Selling process) to determine what is motivating a buyer's purchasing decision.

The key to good questioning is using open-ended questions that allow the buyer to say what they want or need in their own words.

Another tip is to use a three-deep questioning approach, which is a technique that's taught in The Brooks Group's training programs. Asking an initial question, and then digging deeper with follow-up questions reveals the underlying buying motives, wants, needs, and challenges of the prospect or customer.

### **Using Buying Motives to Deliver an Impactful Sales Presentation**

There's a huge advantage to spending time upfront to uncover information about a buyer. Knowing what will move a buyer into action allows your salespeople to focus their presentation on the features and benefits that are most relevant to the buyer (and most likely to close the sale.)

Buyers are people. Like the rest of us, they have busy schedules and short attention spans. **They will only pay attention to and remember the points of the presentation that are immediately relevant and important to them.**

Instead of going on and on about all the features and benefits your product or service offers, your salespeople should narrow it down to the 2 or 3 that are most relevant to the buyer—the ones that align with their dominant buying motive.

#### **Let's look at an example:**

Through questioning, your salesperson has learned that their prospect is dissatisfied with the quality they're receiving from their current supplier.

#### **To dive deeper, your sales reps asks:**

"So, you're having quality issues with your current supplier. How does that translate to your business?"

**The prospect responds:**

“It’s delaying our delivery to stores because we need to return the damaged signs to our vendor.”

**Sales reps digs deeper:**

“What impact does that have on your company?”

**The prospect responds:**

“We spend a lot of time and energy negotiating the returns and tracking down deliveries.”

**Sales reps digs deeper:**

“What would it mean to you to have guaranteed quality signage delivered on time?”

**The prospect responds:**

“We really want to partner with a high-quality company that has design capabilities and can deliver on time, every time.”

From this interaction, we can see that **Time** is a key buying motive for this prospect. They’ve also been burned by a supplier in the past, so they’re likely motivated by **Reducing Risk** with a new supplier.

Using this information, the sales rep should choose to highlight the benefits of their product/service that address **Time** and **Reducing Risk**.

**Here’s what the sales rep should focus on:**

- The online scheduling system that gives customers full visibility into a project’s completion status
- The guarantee that ensures the product arrives on time, every time, or else it’s free



**CLASS: III B.COM**

**UNIT: IV**

**COURSE CODE: 16CMU 603A**

**BATCH-2016-2019**

**COURSE NAME: PERSONAL SELLING AND SALESMANSHIP**

### **SELLING PROCESS**

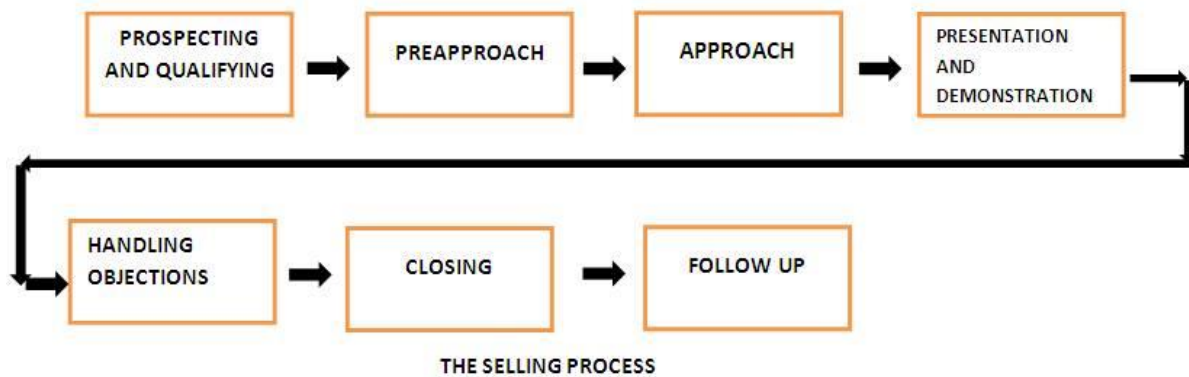
#### **Definition: Selling Process**

The selling process is the series of steps followed by a salesperson while selling a product. Selling Process is a complete cycle which starts from identifying the customers to closing the deal with them. It is more relevant in B2B business sales where the sales cycle is not short and might take a longer duration to close. In B2C the selling process may be transient and shorter.

#### **Selling Process Steps**

The process of selling a product covers various steps like prospecting, pre-approach, approach, presentation, handling objections, closing & follow-up. The 7 steps of selling process are explained below in detail:

- 1. Prospecting:** The first step in selling process in which potential customers are identified by the salesperson is called prospecting.
- 2. Pre-approach:** The stage where the salesperson collects information about the potential customers and understands them before making the sales call is called pre-approach.
- 3. Approach:** Approach is the step where the salesperson actually meets the customer for the first time.
- 4. Presentation:** The step wherein the salesperson talks about how the product will satisfy the customer's needs and add value to his/her life is called presentation.
- 5. Handling Objections:** In this step, the salesperson clarifies all the doubts and questions that the customer has and eliminates all his objections to buying the product.
- 6. Closing:** The step in which the customer is asked to place an order for the product is called closing.
- 7. Follow-Up:** This is the final step in the selling process where the salesperson follows up with the customers to ensure satisfaction and builds the relationship in order to repeat business with them.



The above image is the selling process.

### **Example of Selling Process**

Let us assume a newly open gym in a posh locality to understand the selling process steps. The gym owners will first search for prospects that can afford the gym fees and are in need of accessing a gym with facilities. The pre-approach & approach stages would be when the owners of the gym would market the brand through leaflets, brochures etc. This would entice the people to give a call and arrange for a visit to the gym. Here the gym amenities, facilities, instructors etc would be shown, which would be a part of the presentation and demonstration. The queries regarding fees, trainers, equipments etc would be handling the objections of the prospect. Once a person is satisfied, they would be willing to join the gym by paying the fees & hence that would be closing the deal in the selling process. Follow-up would ensure that the customer keeps on attending the gym in the future as well.

Hence, this concludes the definition of Selling Process along with its overview.

### **Prospecting and Qualifying: The Power to Identify Customers**

#### **Video Ride-Along with Lisa Peskin, Sales Trainer at Business Development University**

"The Power to Get What You Want in Life". She has over twenty years of experience in sales and sales training at companies such as Automatic Data Processing, Inc. (ADP), Commercial Direct, and Interbay Funding. Lisa is now a sales trainer and works with companies to help increase their sales. She understands the importance of always identifying potential new customers. Without new customers, businesses would ultimately die. Great salespeople are

constantly looking for new prospective customers everywhere. By the way, listen closely to Lisa's advice, as the same methods that help generate new customers are the same ones that can help you find your prospective employer.

Ride along with Lisa and hear her tips for identifying new customers.

### **7.1 It's a Process: Seven Steps to Successful Selling**

You may have been surprised if someone told you that movie scripts, regardless of the genre, all follow the same basic formula—the same sequence of events—almost down to the minute: after three minutes, the central question of the movie is introduced; after twenty-seven more minutes, the main character will set off on a new path; fifteen minutes more, and something symbolic will happen; and so on. Viki King, *How to Write a Movie in 21 Days* (New York: Quill Harper Resource, 2001), 34–37. It's hard to believe that *The Fast and the Furious* would follow the same formula as *The Notebook*, but once you know what to look for, you'll see that the structure holds up. Clearly, Hollywood has come to learn that this particular structure is the secret to keeping the audience's attention, earning positive reviews, and selling movies.

In the same way, almost all selling—regardless of the product that's being sold—follows a particular sequence of steps. It's a simple but logical framework that has been the accepted model for almost a hundred years. William C. Moncreif and Greg W. Marshall, "The Evolution of the Seven Steps of Selling," *Industrial Market Management* 34, no. 1 (2005): 13–22. Salespeople have adapted the specifics of the process as culture and technology have changed, but the fact that they've followed the same basic model has for so long testifies to its effectiveness. The selling process is generally divided into seven steps that, once you understand them, will empower you to sell virtually anything you want and satisfy your customers:

1. Prospect and qualify
2. Pre-approach
3. Approach
4. Presentation
5. Overcome objections
6. Close the sale
7. Follow-up

Each step of the seven-step process is covered thoroughly in this and the next six chapters so that you can learn the details of each step and how to apply them in various selling situations.

Seven-Step Selling Process Adapted from Michael R. Solomon, Greg W. Marshall, and Elnora W. Stuart, *Marketing: Real People, Real Choices*, 5th ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 450.



### **When the Seven-Step Selling Process Is Used**

The sales process is adaptive, which means that each situation may be different and salespeople have to adapt and understand what is important to each customer and where each is in the buying process. But in order for a salesperson to use adaptive selling, he or she must thoroughly understand the steps in the selling process and how each works to can use them effectively.

### **The Evolving Role of Technology in the Selling Process**

While the basics of the selling process have remained the same over the years, the methods of communication and the way people interact are quickly evolving with the use of the interactive capabilities on the Internet by customers and salespeople alike. Each step now includes much more collaboration between customers and salespeople (and even between customers) with the use of social networking, consumer reviews, wikis, and other community-based tools. This technology allows salespeople to learn more about their customers at each step, and therefore provide more relevant and powerful solutions to customers at each stage of the buying process.

### **Business-to-Consumer (B2C) Sales**

Let's say you want to buy a gym membership. Maybe you received a promotional offer in the mail, your friends on Facebook have had good things to say about a particular gym, or you picked this club because it's close to home. Whatever the reason, you wander in and ask to speak to the membership director who seems to know a lot about the club and what you might be looking for. After some small talk about the fact that you both live in the same apartment complex, he tells you about the gym's amenities and gives you a tour of the facility. Then, you sit down to discuss pricing options and payment plans. If you have any questions or concerns (i.e., "I noticed there are only three tennis courts.

Is there usually a long wait to use one?" or "Why aren't there any kickboxing classes on your class schedule?"), the membership director will attempt to address those. Maybe he will tell you there is occasionally a wait to use the tennis courts at peak times, but you can reserve a spot up to a week in advance, in which case you can get right in. Or maybe he'll say that while they don't have kickboxing classes, they offer Zumba, which is a fun aerobic alternative.

If you're satisfied with his responses, and the price and product meet your needs, you will probably decide to sign a contract. Once you've signed, someone from the club will probably

follow up with a call in a few weeks to see if you're satisfied with your experience at their gym, or you may get an e-mail from them with a membership satisfaction survey or a text message about an upcoming event.

The example above is an actual selling situation. Although you may not have realized it while you were reading it, the situation follows the seven-step selling process.

Whether you're buying a gym membership or a car, cell phone service or a new computer, the situation may be different, but the steps in the selling process will follow the same pattern.

### **Business-to-Business (B2B) Sales**

The process isn't only limited to business-to-consumer sales; it's also the process that IBM will use to sell servers to a corporation, that Accenture will use to sell consulting services to a technology company, or that the Coffee Brewers Company will use to sell espresso machines to coffee shops. Imagine you run a chic new restaurant. You get a call from a salesperson who compliments you on the roasted chicken she had at your restaurant last weekend. After some conversation, she asks if you're satisfied with your commercial ovens. You have been having some problems with them and have been doing some casual research online. You know that her company is rated as one of the best oven manufacturers, so you tell her: the ovens are over ten years old, they take a long time to heat up, and they sometimes cook things unevenly. "Many older ovens have this problem," she says. "Would you be interested in learning about the state-of-the-art commercial ovens our company sells?"

Since you need a solution for your current ovens, you agree to set up an appointment with the salesperson. When she arrives, you are impressed that she knows so much about your business. She visited your restaurant, reviewed your menu, spoke with some of the wait staff, read reviews on the city magazine Web site, and even had some conversations with some of your patrons on Chef's Blog. She explains that the ovens she sells heat up quickly and use energy more efficiently. She gives you an estimate of your annual savings on energy costs if you switched over to her product line.

You're interested, but you're concerned that the ovens might not cook food evenly. Ovens are a big expense—what happens if you aren't satisfied with the product? The salesperson says you can lease an oven for a trial period at no obligation, and she shows you reviews from other customers on her company's Web site and on some restaurant industry blogs. You feel like this might help you solve your problem, so you agree to lease the machine for four months.

After two months, the salesperson calls to ask if you've been satisfied with the product so far, and she offers you a discount if you sign a contract to purchase two ovens in the next ten days. Since you have been happy with the leased oven and checked out the company's service record online from other current customers, you make the purchase.

As in the gym membership example above, this B2B selling situation follows the seven-step framework. Now, take a minute to review this selling situation in the box below to see exactly how the steps are implemented.

### **The Seven Steps of Selling**

Compare the B2B and B2C examples you just read about. Do you notice a pattern? Although the products and customers were quite different, both salespeople adapted to the situation and the customer's needs, but followed the same seven steps to successfully complete their sales. In fact, you've probably used a version of these seven steps yourself before without even realizing it. Take a look at some real-world selling examples below and how of each of the steps is used.

#### **Step 1: Prospecting and Qualifying**

Before planning a sale, a salesperson conducts research to identify the people or companies that might be interested in her product. In the B2B example, before the salesperson called the company, she had to find the company's information somewhere—probably in a local business directory. This step is called prospecting, and it's the foundational step for the rest of the sales process. A lead is a potential buyer. A prospect is a lead that is qualified or determined to be ready, willing, and able to buy. The prospecting and qualifying step relates to the needs awareness step in the buying process described in Chapter 6 "Why and How People Buy: The Power of Understanding the Customer". In other words, in a perfect world, you are identifying customers who are in the process of or have already identified a need.

Undoubtedly, when the salesperson called the target customer to discuss his ovens (in the example, you were the customer), she asked some questions to qualify him as a prospect, or determine whether he has the desire and ability to buy the product or service. This is the other component to step one. What happens if the customer is not interested in the salesperson's product, or he's interested but his business is struggling financially and doesn't have the resources for a big purchase? Perhaps he is only an employee, not the manager, and he doesn't have the authority to make the purchasing decision. In this case, he is no longer a prospect, and

the salesperson will move on to another lead. Salespeople qualify their prospects so they can focus their sales efforts on the people who are most likely to buy. After all, spending an hour discussing the capabilities of your company's ovens with a lead that is about to go out of business would be a waste of time. It's much more fruitful to invest your time with a qualified prospect, one who has the desire or ability to buy the product or service.

### **Step 2: Pre-approach**

The pre-approach is the "doing your homework" part of the process. A good salesperson researches his prospect, familiarizing himself with the customer's needs and learning all the relevant background info he can about the individual or business.

### **Step 3: Approach**

First impressions (e.g., the first few minutes of a sales call) are crucial to building the client's trust. Michael T. Bosworth, *Solution Selling: Creating Buyers in Difficult Selling Markets* (New York: McGraw-Hill, 1995), 106. If you've ever asked someone on a first date (yes, this is a selling situation), chances are you didn't call the person and start the conversation off with the question, "Hey, do you want to go out on Saturday night?" Such an abrupt method would turn most people away, and you probably would not score the date you were hoping for. Similarly, as a professional salesperson, you would almost never make a pitch right away; instead, you'd work to establish a rapport with the customer first.

This usually involves introductions, making some small talk, asking a few warm-up questions, and generally explaining who you are and whom you represent. Paul Cherry, *Questions That Sell: The Powerful Process of Discovering What Customer Really Wants*.

### **Step 4: Presentation**

There's a good deal of preparation involved before a salesperson ever makes her pitch or presentation, but the presentation is where the research pays off and her idea for the prospect comes alive. By the time she presents her product, she will understand her customer's needs well enough to be sure she's offering a solution the customer could use. If you're a real estate agent selling a house and your customers are an older, retired couple, you won't take them to see a house with many bedrooms, several flights of stairs to climb, and a huge yard to keep up—nor will you show them around a trendy loft in a busy part of town. The presentation should be tailored to the customer, explaining how the product meets that person or company's needs. It



might involve a tour (as in this real estate example), a product demonstration, videos, PowerPoint presentations, or letting the customer actually look at or interact with the product. At this point, the customer is using the information that is being shared as part of his evaluation of possible solutions.

### **Step 5: Handling Objections**

After you've made your sales presentation, it's natural for your customer to have some hesitations or concerns called objections. Good salespeople look at objections as opportunities to further understand and respond to customers' needs.

"I'd like to go" your friend says, "but I've got a big project I need to finish at work, and I was planning to spend some time at the office this weekend."

"That's no problem," you tell him. "I'm free next weekend, too. Why don't we plan to go then, once your project's out of the way?"

### **Step 6: Closing the Sale**

Eventually, if your customer is convinced your product will meet her needs, you close by agreeing on the terms of the sale and finishing up the transaction. Thomas A. Freese, *Secrets of Question Based Selling* (Naperville, IL: Sourcebooks, Inc., 2003), 166. This is the point where the potential gym member signs her membership agreement, the restaurant owner decides to purchase the ovens, or your friend says, "Sure, let's go camping next weekend!" Sometimes a salesperson has to make several trial closes during a sales call, addressing further objections before the customer is ready to buy. Dave Dolak,

"Sales and Personal Selling," It may turn out, even at this stage in the process, that the product doesn't actually meet the customer's needs. The important—and sometimes challenging—part of closing is that the seller has to actually ask if the potential customer is willing to make the purchase.

### **Step 7: Following Up**

OK, so you've completed a landscaping job for your customer or sold him a car or installed the software that meets his needs. While it might seem like you've accomplished your goal, the customer relationship has only begun. The follow-up is an important part of assuring customer satisfaction, retaining customers, and prospecting for new customers. This might mean sending a thank-you note, calling the customer to make sure a product was received in satisfactory condition, or checking in to make sure a service is meeting the customer's

expectations. This is the follow-up e-mail you get from Netflix every time you return a movie by mail. It's Amazon's invitation to "rate your transaction" after you receive your Amazon order. Follow-up also includes logistical details like signing contracts, setting up delivery or installation dates, and drawing up a timeline. From the buyer's perspective, the follow-up is the implementation step in the buying process. Good follow-up helps ensure additional sales, customer referrals, and positive reviews Dave Dolak, "Sales and Personal Selling,".

**CLASS: III B.COM**

**COURSE CODE: 16CMU 603A**

**COURSE NAME: PERSONAL SELLING AND SALESMANSHIP**

**UNIT: V**

**BATCH-2016-2019**

---

### **SALES REPORTS**

**Definition:** The information you have on your customers, including but not limited to their contact information, how often they purchase from you, what they purchase and how they pay their bills.

#### **Sales Report**

**Definition:** Sales Report. Sales report describes the record of all the calls which have been made and products that have been sold during a particular time frame by a salesperson or the management. Sales Force. Sales Promotion

Sales report describes the record of all the calls which have been made and products that have been sold during a particular time frame by a salesperson or the management.

A typical sales report may include data on

1. Sales volume that is observed per item or according to group of items
2. The number of current and new accounts that were contacted and when
3. Any costs that were incurred in promoting and selling the products

A sales analysis report shows what all trends are occurring in a company's sales volume over time i.e. it shows whether the sales are increasing or declining. This report can be analyzed by the sales managers to decide the best course of action like to identify market opportunities and areas where sales volume could possibly be increased. The company's sales can be shown for a quarter or a year. A small-business manager is usually more interested in breaking sales down depending upon the location or product. It contains details like Time period, Sales summary, Sales by Format, Sales by Category, Report Preferences, News & Updates, FAQs, Overview etc.

The purpose of the productivity report is to keep you informed about the level of activity taking place within the sales organization and to make sure that each salesperson is meeting or exceeding the productivity standards you have established.

Sound financial tracking begins with the accurate recording of sales. The Daily Sales Report (DSR) is the core tracking element for controlling cash, measuring cost vs. sales performance, and forecasting future sales.

Importance of Sales Report

### **Lead Attribution**

Marketing reporting needs to encompass more than just which channels produce leads for the sales department. They also need to discover which channels provide the highest quality leads for their sales teams. By sending more qualified leads, marketers will help their partners in the sales department save time, close more sales, and improve relations between the two departments.

In order to truly benefit a company's bottom line, marketers need to determine where the best leads come from and where the quality of leads could use improvement. This means that leads have to be tagged and tracked through the sales funnel, so they can be credited to the right channels. This information can help the marketing department make better use of their budgets and inform future marketing plans.

### **Target the Most Effective Titles**

Who really makes buying decisions about the company's offers? For instance, should a B2B marketing campaign for managed IT services target small business owners, team leaders, or CIOs? Learning more about prospects who have converted can help marketers focus on the best prospects or tune their marketing materials and offers to a different audience.

The only way to understand who is and who isn't buying is to get this information from sales reporting. The sales department can help by providing input into the creation of buyer personas that represent typical customers, which marketing can in turn use for their targeting.

### **Learn Which Products or Services Sell Best**

If marketers have focused upon products or services that seemed ideal but proven to be tough sells, it might be time to boost revenues by concentrating on other offers. Sales reports should tell marketers what's hot and what's not. Salespeople can also help marketers understand common objections and where prospects drop out of the sales funnel.

If the marketing team still believes the offer should sell, it's time to work with sales to figure out how to finetune the marketing message to bring in better prospects. If sales isn't closing offers, this could indicate a problem with the product, the message, or the way it gets delivered.

### **Redefine Marketing Messages**

Do you know which of your email automation workflows convert best? Even if you know, you may want to probe deeper into the efficiency of each step in either generating repeat

business or attracting new customers. Customers in different verticals can vary wildly. It's possible that different classes of customers should have their own workflows.

Customers might be separated by industry, job title, or their place in the sales funnel. For instance, customers who have just asked for a demo may be motivated by different offers than prospects who have just signed up for a white paper.

Sales report analysis should also let marketers know if customers respond better to social posts, phone calls, or voicemail messages. You can tailor your marketing by repeating your successes and refining or dropping those messages that haven't produced good results.

### **Improve Marketing ROI With Better Sales Data**

Marketing and sales should not work as if they are operating on different planets. Sales reporting and marketing reporting are two sides of the same coin. Companies increase revenue when they reduce the gap between a marketing qualified lead and a sales qualified lead. Learn how your company can produce MQLs that your sales teams will love.

### **Qualities and Characteristics of Good Reports**

A lot of reports are written daily. Some of them are intended to document the progress of some activities, feasibility reports, investigation reports, some of the reports are for monitoring purposes, some are evaluation reports but it is clear that all the reports have some objective and purpose behind it. That objective and purpose can only be achieved if a report has the following qualities and characteristics:

1. It should be factual: Every report should be based on facts, verified information and valid proofs.
2. Clear and Easily understandable: Explained below
3. Free from errors and duplication
4. Should facilitate the decision makers in making the right decision:
5. Result focused and result oriented
6. Well organized and structured
7. Ethical reporting style

### **Reader-Friendly**

Readers are various stakeholders who receive reports generated by M&E. If reports are reader-friendly, they are likely to be read, remembered and acted upon. Following decisions need to be made by CSOs to make their reports reader-friendly:

- What do they need to know?
- When do they need to know?
- How do they like to know?

### **Easy, Simple Language**

M&E reports are meant to inform not impress. Using easy, simple language, be it Urdu or English makes the report friendly on reader. To do this, here are some useful tips:

- Write only what is necessary
- Avoid repetition and redundancy
- Give interesting and relevant information
- Avoid preaching or lecturing
- Compose short and correct sentences

### **Purposeful Presentation**

Each report has some objective(s) to meet. The “objective” comes from analyzing the needs of the reader. A CSO is working for a project that has several donors, and is channeled through an agency that needs to be informed about some specific things going on in the field. CSOs reports are the main pathways or channels of information to the people who decide to fund this and other such projects. Similarly, field reports are the main vehicles for the management of the CSOs to make decision regarding the project itself. A good report presents facts and arguments in a manner that supports the purpose of the report.

### **Organized and Well-Structured**

Each CSO comes up with a format of internal reporting to suit its requirements. Reporting to donors is done on their prescribed formats. The M&E system should be able to generate information that can be organized using different formats. In the annex, this manual provides some useful formats that can be customized by a CSO.

### **Result-Focused**

In general, all readers are interested in the RESULTS. Therefore, one over-riding principle that CSOs should aim for in all report writing is to report on the results of their activities. This requires some analysis on their part that goes beyond a mere description of their activities. Result-focused means that description of activities is linked with the project objectives. This aspect must be addressed especially in the project progress reports. According to Phil

Bartle, “A good progress report is not merely a descriptive activity report, but must analyze the results of those reported activities. The analysis should answer the question, "How far have the project objectives been reached?"

### **Timely Prepared and Dispatched**

M&E generate “Information Products”, a customized set of information according to needs to a defined group of users. M&E’s information products are time-bound for both internal and external stakeholders. Reports, in suitable formats, need to be timely produced and made available to the readers. It is useful to develop an Information Product Matrix (IPM) like the one described below:

### **Straightforward**

A good report is straight forward, honest description. It contains no lies, no deception, no fluff. It is neat, readable and to-the-point. It is well spaced, has titles and subtitles and is free of language errors.

### **The key elements of a report**

- tile page
- Table of contents
- Executive summary
- Introduction
- Discussion
- Conclusion
- Recommendations
- References
- Appendices

### **Title page**

### **Table of contents**

This is optional depending on the length of the report—a 2 to 3 page report probably wouldn't have a table of contents but a 10 to 20 page report would.

### **Executive summary**

An executive summary is a brief overview of a report that is designed to give the reader a quick preview of the report's contents. Its purpose is to present the key points of a report in one place. After reading the summary, your audience will understand the main points you are making and your evidence for those points without needing to read your full report. Remember that the purpose of an executive summary is to provide an overview or preview to an audience who may not have time to read the whole report carefully.

- An executive summary explains why you wrote the report, emphasizes your conclusions or recommendations and includes only the essential or most significant information to support those conclusions
- Executive summaries are usually organized according to the sequence of information presented in the full report, so follow the order of your full report as you discuss the reasons for your conclusions
- Executive summaries are usually proportional in length to the larger work they summarize, typically 10 to 15 percent. Most executive summaries are 1 to 2 paragraphs
- Write the executive summary after you have completed the report and have decided on your recommendations. Review your report and identify the key points and use these to organize a draft of your summary
- Make the summary concise, but be sure to show how you arrived at your conclusions
- Don't introduce any new information that is not in your report
- Executive summaries should communicate independently from your report

### **Introduction**

#### **The introduction should:**

- briefly describe the context and background to the research
- describe the change, problem or issue to be reported on
- define the specific objectives and purpose of the report
- indicate the overall answer to the problem explored in the report
- outline the report's scope (the extent of the investigation, also known as its terms of reference or brief)
- preview the report structure
- Comment on the limitations of the report and any assumptions that are made.

### **Discussion**



This is the main body of the report and it has two key purposes:

1. to explain the conclusions
2. to justify the recommendations

**Key points to remember when you are writing the discussion include the following:**

- Present the analysis in a logical and systematic way
- If necessary, divide the material with appropriate headings to improve the readers' understanding
- Back up your claims with evidence—explain your findings
- Link theory to practical issues
- Persuade readers of the validity of your stance

### **Conclusion**

The conclusion should:

- be arranged so that the major conclusions come first
- identify the major issues relating to the case and give your interpretation of them
- relate specifically to the objectives of the report as set out in the introduction
- be a list of numbered points
- follow logically from the facts in the discussion
- be clean-cut and specific
- be brief

### **Recommendations**

Your recommendations point to the future and should be:

- action-oriented
- feasible
- logically related to the discussion and conclusion
- numbered
- arranged in order of importance
- brief

**Sales documents:** Sales documents help salespeople conduct each step in a sale. Panda Doc provides many standard sales document templates that help to streamline the process of creating, sending, and tracking business documents.

**Sales document types in the following sections.**

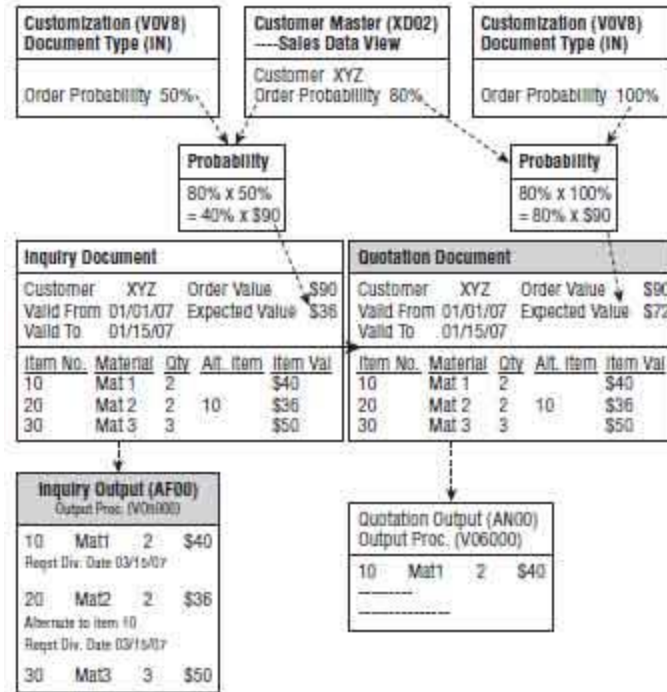
**Inquiries and Quotations**

An inquiry is a request that a buyer places on the seller to get the required information about the seller's products. It is an indication of the buyer's interest toward the seller's products. A customer inquiry may contain questions about the cost of a product, its availability on a particular date, use of a product, and so on.

Standard SAP provides document type IN for inquiries and QT for quotations, with the item categories AFN and AGN controlling the item data for inquiries and quotations, respectively. You can create an inquiry and quotation document for both goods and services. You can also use structured materials, such as bill of materials, in inquiries and quotations. While creating any of the two documents (IN or QT), you can give the choice to your customer by providing one or more alternatives for a particular product.

To maintain an alternative for an item in an inquiry or a quotation document, enter the alternative item just below the main item with the reference number of the main item in the alternate item field on the alternate item line. this, where item 20 is the alternative for item 10.

**Inquiry and quotation process in SAP:** If the customer quotation converts into a confirmed order and the customer has agreed on the alternative item, you can copy the alternative item into the sales order with reference to the quotation. To do so, you have to use the selection list function from the dialog box that appears when you copy a document with reference to another document. You can also maintain a validity period for your inquiry or quotations and thus can monitor the processing time of your inquiry and quotation process in SAP against the benchmarks that exist in your organization. A quotation is copied from an inquiry or can be created stand-alone. Copy controls exist in standard SAP for IN-QT, IN-IN, and QT-OR for allowing the copy between an inquiry to a quotation, from an inquiry to an inquiry, and from a quotation to an order.



## Sales Returns

A sales return or goods return is a process where the buyer sends back the goods to the seller and the seller credits the customer for the value of the goods by creating a returns billing document. The process involves creating a sales return document type followed by a returns delivery and a returns invoice/credit note. You can create returns in SAP with or without reference to a billing document. If you want to create them with a reference to a billing document, make sure that you have copy control set up between the billing and sales documents to allow this copy for your sales document.

In standard SAP, sales document type RE with the default delivery document type LR and a default billing document type RE represents the sales return cycle. The SD document category is H, and the screen sequence group is RE. The document is under the default billing block that ensures the validation of the return document by an authorized person before giving credit to the customer. Since it is an inward movement of goods, the return documents are not relevant for credit checks. The item category REN for returns processing is a standard return item relevant for delivery, billing, and pricing, and it allows schedule lines.

## Debit and Credit Notes

Mistakes do happen in the processing of a sales transaction. This creates a need for an adjustment or correction process. Debit notes and credit notes are these adjustment documents in

SAP. You create a debit note in SAP to debit the customer for any underbilled amount and a credit note to credit the customer for any overbilled amount, without involving any goods movement. Under billing and overbilling are not the only criteria for creating debit and credit notes. There may be various other reasons too. For example, you may have an agreement with your customer to get reimbursed for any expense you incurred on behalf of your customer with relation to the sales transaction, such as freight charges, insurance, and so on. In such cases, a debit note is also used for charging these actual expenses to the customer.

The structure of a debit and credit note document consists of a header and item. Since no delivery is involved, the schedule line category is not required. Because there is no delivery step involved in a debit or credit document and they straightaway hit accounting, organizations generally keep these documents under a default billing block. An authorized person then reviews these documents and releases the billing block. If you are not satisfied with this two-level validation process and need something like a release strategy, you can define one by using status profiles.

### **Invoice Corrections**

Invoice corrections (document type RK) represent the process of adjusting or correcting the customer's invoice. Unlike debit and credit sales documents where you create two separate documents (one for debit and one for credit), the document type RK allows you to create a single correction document for your invoice. The structure of the document consists of a header and item data. The item data always consists of two items. The first item is always a debit item, and the second is the credit item. The net invoice correction amount is a sum total of both the lines leading to an upward or downward revision of the original invoice amount.

A combination of the document category (value K) and the indicator field (value D) categorizes document type RK as an invoice correction document. The reference mandatory field in customizing for document type RK contains value M. This forces the document type to be created only with reference to an invoice document. The document type RK is not relevant for delivery and creates an order-relevant billing, G2. A default billing block exists in customizing for document type RK, which ensures proper validation by an authorized person before the RK document can be billed. The item categories G2N and L2N are available in standard SAP for use with the document type RK. Free-of-Charge Delivery and Subsequent Free-of-Charge.

## **Delivery**

Certain sales scenarios demand free-of-charge delivery of goods, such as samples. In standard SAP, you can send free-of-charge deliveries to your customer using sales document type FD (free-of-charge deliveries) and document type SDF (subsequent free-of-charge deliveries). You use transaction code VA01 for entering these documents into the SAP system.

### **Free-of-Charge Delivery (FD)**

Sales document type FD with default delivery type LF to send samples of your products to your customer. The sales cycle for FD only involves the order and delivery step and is not relevant for billing. In customizing, the document type FD is set up with document category I, which categorizes the sales document type FD as a free-of charge order. For a free-of-charge delivery, the order reason is compulsory and is part of the incompleteness procedure 13 assigned to the document type FD.

The item category is KLN and is set up as a standard item with schedule lines allowed so that you can perform an availability check and maintain schedule lines for free-of-charge deliveries. The item category is not relevant for pricing or credit checks and is also not relevant for billing. Since no billing is involved, the copy control setting exists only for copying a sales document to a delivery (copying FD to LF).

### **Subsequent Free-of-Charge Delivery (SDF)**

SAP provides a free-of-charge delivery sales document (SDF), on the other hand, to handle situations where goods were billed to a customer but found damaged on arrival when received by customer. In some cases, it is not worth having these goods returned, and a subsequent delivery needs to be carried out. For example, as a result of a customer complaint, you now want to send a subsequent delivery to your customer free of charge. An SDF document is always created with reference to the original sales document and, similar to document type FD, involves only the order and delivery step. You don't bill the customer a second time, and therefore the document is not relevant for billing.

From a customization standpoint, sales document type SDF is like a mirror image of document type FD with the major exception that referencing the original sales document is mandatory for an SDF sales order, and it need not access customer– material information records because all the values are supposed to flow from the reference sales order to the SDF document.

The SAP system is capable of keeping track of how many quantities you copied from the reference document into the SDF document for delivering free to the customer. The document type SDF also uses item category KLN and therefore, similar to FD, is relevant for delivery but not for billing and pricing. The copy control setting exists only for copying a sales document to delivery (copying SDF to LF).

### **Cash Sales**

Cash sales is a special order type available in SAP to handle those business scenarios where the customer places the order, pays for the goods, and receives the delivery at the same time. An example of this business process would be an over-the-counter sale.

### **Process**

Create cash sales using transaction code VA01. Once you save the sales document type, SAP automatically creates the delivery. You cannot save an incomplete cash sales document unless you maintain all the required entries. The customer may receive the delivery of the goods at the counter, they may pick up the goods from the warehouse, or you can even deliver the goods at the customer's specified location. The delivery document can be configured to meet all these business needs.

### **Customization Settings in Cash Sales**

In standard SAP, the sales document type CS with the default delivery document type BV and a default billing document type BV represents the cash cycle. You select the option for immediate delivery in the sales document type customization to achieve immediate delivery for document type CS. This triggers the delivery only the first time the document is saved, and therefore any changes in the quantity or any additions of new lines in the cash sales document will not create a subsequent delivery. So that the sales order for cash sales cannot be processed unless complete in all respects, the check box for an incompleteness check is selected in the customization setting when assigning the document header incompleteness procedure to the billing document type.

### **Rush Orders**

A rush order is a special order type provided by SAP to handle situations where you would like to create an immediate delivery from the sales order, for example, in same-day delivery scenarios. The moment an order is saved, a delivery document is created, and the

warehouse can start processing the order. The billing for rush orders is created with reference to the delivery document, and the billing output is also generated from the invoice document.

From a customization standpoint, a rush order is like a mirror image of a standard order (order type OR); the only major exception is that the delivery document for a rush order is created immediately. You create a rush order using transaction code VA01. In standard SAP, the sales document type RO with default delivery document type LF and a default billing document type F2 represents the rush order cycle. You can still use all the item categories that you generally use with a standard order like TAN, TANN, and so on.

### **Consignment Processing**

A consignment is a type of sales process where the goods are not sold to the customer in the first place. You manage the stock levels at a customer-consigned location. The customer consumes the goods on a needed basis from the location, and you bill the customer only for the goods consumed. The goods at the customer's location are your property, and the transfer of ownership happens once they are consumed by and billed to the customer.

### **Consignment Fill-Up**

Consignment fill-up is the process under which you fill up the stock at the customer's location. create a consignment fill-up order using transaction code VA01. In standard SAP, the document type KB with item category KBN is available for consignment fill-up. The item category is relevant for delivery but not relevant for billing. When you do the PGI for a delivery for a consignment fill-up order, the consigned stock is moved from unrestricted stock to a special stock location. The ownership for the stock is still with you, and therefore there is no billing to the customer at this stage of the consignment sales cycle. Since the goods are moved within the plant from the regular storage location to a customer consigned location, there is no material valuation entry posted to accounting either.

### **Consignment Issue**

Consignment issue is the process under which you bill the customer for the consumed stock from the consigned location. You create a consignment issue order using transaction code VA01. In standard SAP, document type KE with item category KEN is available for consignment issue. The item category is relevant for delivery and billing, and the special stock indicator in item category customization is set up to consume from special stock inventory.

The availability check is also performed against the consignment stock. When you do the PGI for a delivery for a consignment issue order, the consigned stock is depleted to the tune of the quantity delivered via the consignment issue order, and an accounting entry for material consumption is passed (cost of goods consumed). A billing document is generated with reference to the delivery document and posts the sales revenue into the accounting books.

### **Consignment Pickup**

Consignment pickup is the process where you pick up the excess, slow-consuming, or unutilized stock from the consigned location and bring it back into your unrestricted inventory. You create a consignment pickup order using transaction code VA01. In standard SAP, document type KA with item category KAN is available for consignment pickup. The item category is relevant for delivery but not for billing. The special stock indicator in item category customization is set up to pick up from special stock inventory.

### **Consignment Returns**

Consignment returns is the process where you take returns for the goods that were originally billed to the customer via document type KE (Consignment Issue). Create a consignment returns order using transaction code VA01. In standard SAP, document type KR with item category KRN is available for consignment pickup.

The item category is relevant for delivery and for billing. The special stock indicator in item category customization is set up as blank because the incoming stock is actually a customer return and not a pickup of your own inventory from a consignment location. When you do the PGR for a delivery for a consignment returns order, an accounting entry for a cost of goods sold (COGS) reversal is passed. A credit note is generated with reference to the delivery document, and it posts the sales returns entry into the accounting books.

### **Third-Party Order Processing**

Third-party order processing is a type of sales process wherein your vendor directly supplies the goods to your customer, and you bill your customer for these goods on receipt of delivery proof from the vendor. The distribution of goods directly by your vendor to your customer provides you with benefits such as no inventory management, warehouse management, or transportation hassle; no storage cost; no special training or staff to handle the vendor's product in your warehouse; and so on. Third-party processing provides your business, to an



extent, with a low-cost approach toward achieving the same objectives as it would achieve by maintaining inventory in your own warehouse and distributing the goods yourself.

### **Process**

As you can the process starts when you create a sales order with a line item relevant for third-party processing (a line item with item category TAS). SAP creates a purchase requisition (P/R) for this line item, which then converts it into a purchase order following the regular procurement process. The purchase order is released and is sent to the vendor, and the vendor supplies the goods to the customer and sends you an invoice for the goods delivered. You post the invoice receipt (I/R) against the purchase order via transaction code MIRO. This I/R then updates the VPRS cost and sales order billing status for the line item (I/R done— billing due), and the billing document is created for the delivered quantities as per the normal billing process.

### **Customization Settings**

To support the third-party processing, standard SAP comes with item category TAS and schedule line category CS. Schedule line category CS contains the defaults for the purchase requisition type, item category, and account assignment and thus is responsible for triggering the P/R for the order line items. Can have one or more line items in the purchase requisition, depending upon how many schedule lines exist in your third-party line item in the sales order. So, a one-line item with two schedule lines means two individual line items in the purchase requisition. Item category TAS comes with billing relevancy F, which means that the billing for the order item will be possible only when the I/R for the purchase order is posted.

The indicator F also controls the billing status for the sales order, because the billing status remains not due for billing until you post the invoice receipt. This way, you bill multiple invoices to the customer based on the I/R quantities. Each I/R updates the invoicing status only for the quantity received by the I/R. If you don't want to wait for the I/R posting for billing your customer, you can set up the billing relevancy for your third-party item category as B (relevant for order-related billing on the basis of the order quantity). In this case, the customer will be billed for the entire order quantity irrespective of the I/R processing.

### **Third-party process flow:**

SAP also checks if there is any Item usage that needs to be considered You can configure SAP to do manual as well as automatic third-party order processing. If you normally fulfill the customer order from your own stocks and require case-to-case procurement only for a particular

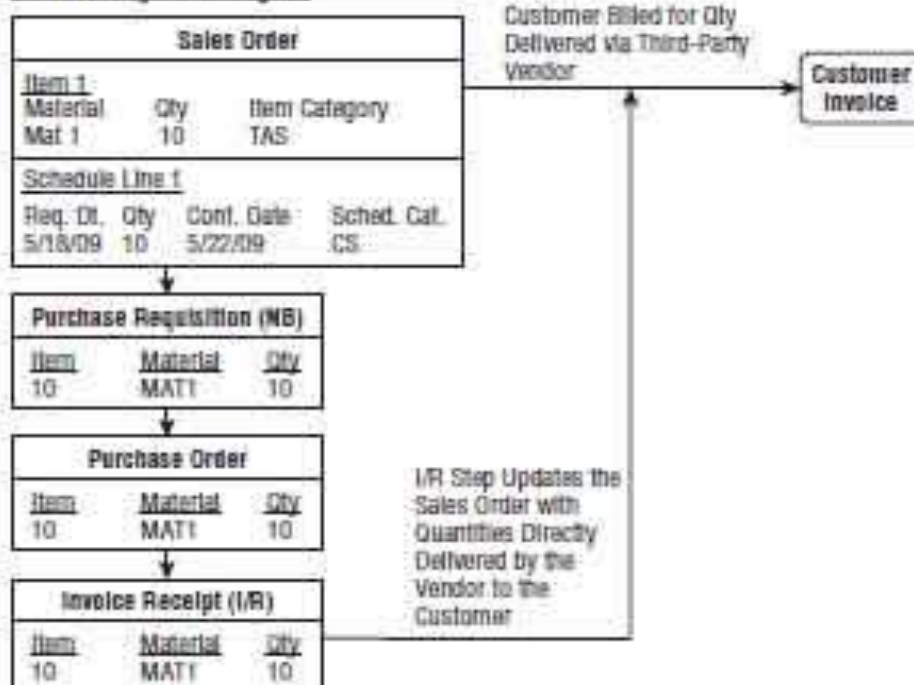
product via third-party processing, you can follow the manual process. In manual processing, you change the item category on the overview screen of the sales order to TAS, which then triggers the purchase requisition process. If you have a particular product that is always procured via a third party, you can set up an automatic process also. In an automatic process, you assign the item category group BANS on the Sales Data2 tab of the material master. In standard SAP, under item category determination rules, BANS is linked to item category TAS, and therefore when you create an order with a material having BANS, SAP automatically determines the item category as TAS.

### Customization Settings

Item Category (TAS)	
Billing Relevancy	F (Order relevant billing doc - Status according to invoice quantity)
Pricing	X (Standard Pricing)
Sched. Line Allowed	X (Yes)
Credit Active	X (Yes)

Schedule Line Category (CS)	
Order Type	NB (Purchase Requisition)
Item Category	5 (Third Party)
Acct. Assg. category	1 (Third Party)

### Third Party Order Cycle



### **Sales Documents Definitions**

**Invoice** – Is used for accounting purposes, basically you are billing someone. Creating an invoice it will NOT pull stock

**Waybill** – Is used for inventory purposes, when you create a waybill it pulls the items out of inventory

**Invoice-Waybill** – Creates the invoice as well as the waybill. This charges the customer and pulls the item out of inventory at the same time

**Cash-Invoice or Receipt** – Transactions done through point of sale are labeled as Cash Invoice in ERPLY

**Prepayment Invoice** – Prepayment Invoice is used in situation where customer will be making more than one payment for the goods.

- (Commonly used for more expensive items)

\* This document does NOT pull items from inventory until Invoice is created- (Explanation attached)

**Export Invoice** – Used when shipping goods out of Country. This invoice is automatically assigned “0” tax overriding what is defined.

**Layaway**– ONLY booking items from stock- convert to INVOICE WAYBILL puts items aside- (please see layaway guide)

**Credit Invoice** – Used for returns to credit back items purchased, you will notice that at POS when doing a return, the return receipt displays both original invoice # and credit invoice #.

**Order** – Works identical to Layaway- However in this case the goods are NOT set aside once confirmed- This doc would be used for items that you do not currently have in stock- therefore you are confirming the customer’s order and after Purchasing the goods from your supplier.

**Sales Manual.** A set of printed materials containing product descriptions and related information for the guidance of sales representatives and their customers.

### **What is a Sales Manual?**

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.

### **Ethical Selling**

Definition: Ethical Selling. Ethical selling and marketing refers to the practice of use of ethics in the sales and marketing activities of a business. It is the application of business ethics to the marketing initiatives of a business. Ethical Standards. Short Selling.

**Ethical sales:** practices. Clearly defining and communicating a code of ethics and code of conduct for selling will help your business meet its ethical selling obligations.

Demonstrating ethical sales practices is good business - it helps earn the trust and loyalty of your customers and strengthens your reputation.

Salespeople are, for the most part, caring, ethical professionals.

They do face unique ethical challenges because of their job, including how to handle unethical requests from customers and making sure that they know and follow all company policies for interacting with customers.

### **Legal and ethical selling**

Businesses that demonstrate legal and ethical conduct build a strong reputation and earn long-term customer loyalty. Legal and ethical conduct also protects your business from legal risks.

The consequences of unfair or illegal trading can ruin a business. The Australian Competitor and Consumer Commission (ACCC) can fine, penalize or even close businesses that breach the fair trading and selling terms set out in the Australian Consumer Law.

Selling ethically allows you to:

- build a reputation for fair and professional conduct
- foster repeat business and higher sales over time
- develop a loyal, lasting customer base
- earn the respect of peers, competitors and customers
- minimize complaints about your business
- remove legal and consumer-rights risks
- Develop peace of mind.

This guide explains some of your business's legal and ethical sales obligations and helps you maximise the benefits of ethical selling practices.

Business ethics is one of the most controversial and complicated subjects of all time. From academics to astute businessmen, many people have studied the relationship between making money and doing the right thing, and yet little agreement has been reached over the matter. One of the questions in this field is how to sell things in an ethical way.

### **Ethical Sales and Marketing**

Ethical sales and marketing, or simply ethical marketing practices, isn't really a marketing strategy. It's more a school of thought that guides marketing efforts. Through sales ethics and ethical marketing, responsibility, fairness, and honesty are promoted. Of course, this is a difficult subject to tackle because it is highly subjective and everyone has slightly different ideas of what constitutes right and wrong. Because of that, ethical marketing isn't so much a rule system as it is a system of guidelines.

### **There Are Eight Principles of Ethical Marketing**

1. The common standard of truth will be observed in all forms of marketing communication.
2. Personal ethics will guide the actions of marketing professionals.
3. Advertising is set apart from entertainment and news and the line is clear.
4. Marketers will be transparent about who is paid to endorse their products.
5. Consumers will be treated fairly, depending on who the consumer is and what the product is.
6. Consumer privacy will be respected and upheld at all times.
7. Marketers will comply with standards and regulations set by professional organizations and the government
8. Ethics should be discussed in all marketing decisions in an open and honest way.

Ethical marketing, for all its positivity, has its own sets of advantages and disadvantages. To make the situation even more complicated, unethical marketing is usually pretty effective. Add to that the fact that unethical behavior is not necessarily illegal behavior and it isn't hard to see why more companies use unethical marketing, rather than the ethical alternative.

Take the case of diet pills, for example many people buy them, even though they are hardly ever effective. Why is this so? Because companies that sell diet pills exaggerate their claims and

manipulate customers into buying them. If such companies advertised their products in an ethical way, they wouldn't last very long. While their business model might make you angry, however, it's not illegal and so they continue to sell.

If you're looking to build a positive brand image and develop good relationships with your customers, such unethical marketing practices can lead to your downfall. Customers do not like brands that manipulate them. In order to develop trust among your customers, therefore, you should consider using ethical marketing. If your product lives up to the claims you make when you advertise it, then it will reflect positively on your whole company. The consumer will feel like you care about the value you provide them.

Of course, we can't say that any company is completely ethical or completely unethical. Ethics is quite often neither black nor white but a sea of varying shades of gray. The boundaries shift and what is ethical today may not be ethical tomorrow. Moreover, many companies that are ethical in one part of their marketing campaign can be unethical in another, or they may be ethical in their advertising but unethical in their production processes, which is another subject altogether.

Again, consider the case of Dove soap. The company ran an ad that featured supposedly real models. The point was to encourage girls to love their bodies just as they were and not feel pressured to live up to a supermodel ideal. The problem is that ads by Dove soap before that ad, as well as ads since that ad, have focused on the same stereotypes of beauty that were being shunned then. This shows just how hard it is to always be ethical. Any company that claims to be ethical in their sales and marketing will have to make it a part of all of their advertising, not just do it once and brand themselves ethical.

### **What Kind of Company Does Ethical Marketing?**

Every type of company can do ethical marketing if it so chooses to. Whether it's a mom and pop store or a huge international company, it is possible to be fair and honest when marketing your products to the consumer. When you do it in a thoughtful way, you can save a lot of money by doing ethical advertising. It can also be quite effective. Moreover, advertising unethically doesn't always mean your advertising costs are going to be cheap, or that you're going to reap huge profits from it.

Some companies have the highest ethical principles and stick to them in everything they do. For such companies, ethical advertising comes rather naturally and is more an extension of

their character than some sticker they slapped on to their brand. They apply ethics in functional areas of business. In fact, such character can be an important selling point for a company when it tries marketing to consumers who care more about the quality and price of the product. Companies that are known for sourcing their raw materials in a sustainable fashion, treating their employees fairly, donating to charitable organizations, and campaigning for the protection of the environment naturally have to be ethical in their marketing to match this.

### **Types of Unethical Advertising**

There are at least seven identifiable types of unethical advertising and, just like the seven deadly sins, they rear their ugly heads everywhere you look:

#### **Surrogate Advertising**

In certain jurisdictions, the law prohibits the open advertising of such things as alcohol or cigarettes. This doesn't stop the companies that produce these products from advertising anyway. They do it by finding roundabout ways to remind customers that these products exist without referring to them directly.

#### **Exaggeration**

Some advertisers will blatantly lie about how popular a product is or its quality. A good example is when telecommunication companies claim that you can get coverage no matter where you are with their service, or when internet service providers claim you will get upload and download speeds that they cannot possibly deliver.

#### **Subjectivity**

This is when an advertiser makes subjective claims about their products, as opposed to objective ones that can be readily tested. For example "the best tasting pizza" isn't something you can readily verify.

#### **Lack of Verification**

This is when an advertisement claims to deliver results without any scientific proof to back up their claims. When a company claims that their product gets rid of all the acne on your face without explaining how that works, they are resorting to unverified claims.

#### **Sexist Stereotypes**

When an advertisement portrays woman as domestic servants or sex objects, then it is promoting negative stereotypes and is encouraging an already deeply sexist culture.

**False Comparisons between Brands:** Whenever a company makes misleading or blatantly false claims about competing brands, they are being unethical.

**Exploitation of Children:** Children watch a lot of marketing ads and mostly aren't able to be objective in their evaluation of it. When a company seeks to exploit the innocence of children to its own profit, it is being unethical.

In order to set yourself apart as a company that practices ethical sales and marketing, you have to make sure every aspect of your company is ethical, from the way you source your materials to the way you treat your workers to the way you advertise. It is possible to be profitable without being unethical. You just have to commit to it.



**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit I**

S.No.	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	The selling concept by which sellers and buyers come in direct contact is	Sales promotion	Personal selling	Public relation	Promotion mix	<b>Personal selling</b>
2	What are the objectives of personal selling?	Distinguish the various phase of selling process.	Close a sale	Know how to deal with buyer	All of these	<b>All of these</b>
3	What are the key concepts of personal selling?	Needs analysis	Demonstration	Sale presentation	All of these	<b>All of these</b>
4	A... strategy involves convincing trade intermediary channels members to push the product to the ultimate consumers.	Push	Pull	Mixed	Price	<b>Push</b>
5	Salespeople who sells their product directly to the customers on telephone is called	Outside sales force	Inside sales force	Telemarketing	Team selling	<b>Telemarketing</b>
6	Designing sales force strategy and structure, recruit and select, training, compensation, supervise and evaluation are the major steps of	Designing sales force	Sales force management	Sales force strategy	Structure of sales force	<b>Sales force management</b>
7	_____ is a specialist form of personal selling.	Point of selling	Face to face selling	Group selling	Both A&B	<b>Both A&amp;B</b>
8	What is the next step after “closing the sale” in personal selling process?	The opening	Need and problem identification	Dealing with objectives	Follow up	<b>Follow up</b>
9	Sale people are same as	Sales consultant	Agents	Marketing representative	All of these	<b>All of these</b>
10	While developing _____ salesperson must know about the characteristics desired of the salespeople by buyers.	Presentation skills	Selling skills	Personal selling skills	Marketing skills	<b>Personal selling skills</b>
11	Asking referrals from the customers, reward proper scouting, identifying good leads from bad ones is _____ step of personal marketing.	Approach	Handling objections	Pre-approach	Prospecting and qualifying	<b>Prospecting and qualifying</b>
12	_____ is the most effective promotional tool in making buyers preferences, convictions and most importantly actions.	Personal selling	Promotion mix	Dealers promotion method	Sales promotion	<b>Personal selling</b>
14	Which among the following are the methods for handling and overcoming objections in personal selling?	Third party compensation	Turn an objective into benefit	Deny objections tactfully	All of these	<b>All of these</b>
15	_____ defined as the estimated volume of sales of the company.	Sales territories	Sales quotas	Sales forecast	Records	<b>Sales territories</b>
16	“ poor motivated people can be defined as willingness to expand energy to achieve.	Allen	L.K.Johnson	Berelson	Still	<b>Allen</b>
17	“ Sales quota is a quantitative goal assignment to a specific marketing unit,such as to a salesmen or territory”by	Cundiff & still	mynard & Davis	Fedrick.R.Russes	Robert.c	<b>Cundiff &amp; still</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit I**

S.No.	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
18	“ Salesmen are often lost because they detour from the highway to an organized selling process” by.....	Edwin Chareles Grief	Dale.S.Beach	L.K.Johnson	Berelson	<b>Edwin Chareles Grief</b>
19	“ selling is informing and persuading a market about a product or services” by	Still	William.J.Stanton	Govoni	Cundiff	<b>William.J.Stanton</b>
20	“A sales is made not in the mind of the salesman not over the counter or desk,but in the mind of the buyer” refered by	Cundiff & still	Mynard & Davis	Fedrick.R.Russes	Robert.c	<b>Fedrick.R.Russes</b>
21	” Sales territory is the basic unit of sales planning and sales control”writes by	Cundiff & still	Mynard & Davis	rick.R.Ru	s Robert.c	<b>Mynard &amp; Davis</b>
22	... refers to identify and developing a list of potential clients	Parospecting	Pre-approach	Approach	Closing sales	<b>Parospecting</b>
23	..... are determined on the basis of sales forecasting,sales potential,estimated of costs and other market studies.	Sales planning	Sales budget	Sales forecasting	Sales quota	<b>Sales quota</b>
24	.....is a temporary price reduction to resellers for purchasing specified quantities of a product.	Trade Shows	POP	Buying Allowance	Samples	<b>Buying Allowance</b>
25	..... perform an informative & educative task that makes extremely important in the functioning of the modern Indian society.	Advertising	Production	Financing	Controlling	<b>Advertising</b>
26	..... the order getter is responsible for what is sometimes called creative selling.	Order Takers	Order Getters	Supprot Personnel	Takers	<b>Order Takers</b>
27	..... is a actual contact the sales professional has with the prospects	Parospecting	Pre-approach	Approach	Closing sales	<b>Approach</b>
28	..... is a geographical area containing a number of present and potential customers.	Sales Planning	Sales Budget	es Forecast	Sales Territory	<b>Sales Territory</b>
29	..... methods is also known as training with in the industry.	On The Job Training	Job rotation	Personal discussion	Correspondence	<b>On The Job Training</b>
30	.....a sales happens ,when product or services are delivered to the customer’s satisfaction	Parospecting	Pre-approach	Approach	Closing sales	<b>Closing sales</b>
31	..... is a psychological concept.	Training	Motivation	Selection	Compensation	<b>Motivation</b>
32	..... is an important tool of marketing Mix	Personal selling	Advertising	es promot	Public relation	<b>Advertising</b>
33	..... is for the purpose eliminating obviously unqualified applicants and saving time of interview and applicants.	Pre-interview	Interview	election te	Medical Test	<b>Pre-interview</b>
34	..... provide recruitment with a device for thew conservation of time and energy.	Job analysis	Job description	job specification	job recruitment	<b>Job analysis</b>
35	..... Means no sales at a price lower than covering total costs	Full cost pricing	Promotional pricing	Contribution pricing	Pricing	<b>Full cost pricing</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit I**

S.No.	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
36	..... Writes “ A Proper selection reduces the turnover of the salesman”	Nystorm	P.batra	liam.J.Sta	Govoni	<b>Nystorm</b>
37	..... Writes “ A sales organization is a power station , renting out energy to the advertising and other selling units”	C,L.Bolling	P.Batra	William.J.Stanton	Govoni	<b>C,L.Bolling</b>
38	..... is a process of searching out suitable salesman.	Recruitment	Selection	Controlling	Planning	<b>Recruitment</b>
39	.....are aids to effective motivation.	Sales compensation plans	Sales quota	Sales budget	Sales Territory	<b>Sales compensation plans</b>
40	.....are price reduction granted for purchase Of larger quantities.	Trade Discounts	Quantity discounts	Quality discounts	Cash discounts	<b>Quantity discounts</b>
41	..... are device for directing and controlling sales operations.	Quotas	Planning	les territor	Total sales	<b>Quotas</b>
42	..... type of training develops the practical knowledge of the trainees on different aspects of sales.	On The Job Training	Job rotation	Personal discussion	Correspondence	<b>Job rotation</b>
43	..... is the estimation of the future sales of an enterprise.	Sales planning	Sales budget	Sales forecasting	Sales quota	<b>Sales forecasting</b>
44	..... plan pays salesmen some fixed or sliding rate related to their sales or profits volume.	traight commissio	Straight salary	commissi on and Straight salary	Not a straight commission	<b>traight commissi</b>
45	..... depends on the important of earn class of buyers and the relative bary arising power of each class of buyer.	Trade Discounts	Quantity discounts	Quality discounts	Cash discounts	<b>Trade Discounts</b>
46	..... method personal contacts are not possible between trainer and trainees.	On The Job Training	Job rotation	Personal discussion	Correspondence	<b>Correspondence</b>
47	.....is a free product given to customers to encourage trials.	Rebate	Coupns	Samples	Premiums	<b>Samples</b>
48	.....is a return part of purchase price of a product.	Rebate	Coupns	Samples	Premiums	<b>Rebate</b>
49	.....is an important tools of promotional	m Personal selling	Advertising	es promot	Public relation	<b>Personal selling</b>
50	.....is an important tools of promotional mix	Personal selling	Advertising	Sales promotion	Public relation	<b>Personal selling</b>
51	.....is an industry wide exhibits at which many sellers display their products.	Trade Shows	POP	Buying Allowance	Samples	<b>Trade Shows</b>
52	.....is imparted to develops the selling skill of the sales persons .	Sales training	Controlling	es develop	None	<b>Sales training</b>
53	.....competition exists when there is a large number of sellers of a generc kind of products.	Monopolistic	b.Oligopolistic	Indirect	Direct	<b>Monopolistic</b>
54	A good sales planning is based on .....	Sales territories	Sales fore cast	Sales forecast	Records	<b>Sales fore cast</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit I**

S.No.	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
55	A... strategy involves convincing trade intermediary channels members to push the product to the ultimate consumers.	Push	Pull	Mixed	Price	<b>Push</b>
56	A..... strategy attempts to get consumers to “pull” the product from the manufacturer through the marketing channels.	Push	Pull	Mixed	Rate	<b>Pull</b>
57	According to “Motivation can be defined as willingness to expand energy to achieve a goal or reward.	Dale.S.Beach	L.K.Johnson	Berelson	Still	<b>Dale.S.Beach</b>
58	Advertising is an important tool of Mix	Promotion Mix	Marketing Mix	roduct Mi	Place Mix	<b>Marketing Mix</b>
59	An ..... hands repeat bsales in ways that maintain positive relationships with customers.	Order Takers	Order Getters	Supprot Personnel	Personnel	<b>Order Getters</b>
60	By Providing higher salary,commission and other monetary incentives,the salesmen are motivated.this is called.....	Financial motivation	Non-financial motivation	Financial and Non financial motivation	Dry motivation	<b>Financial motivation</b>
61	during ..... phase of sales professional try to under stand the prospects current needs, and set call objectives.	Parospecting	Pre-approach	Approach	Closing sales	<b>Pre-approach</b>
62	Good salespersons are problems solvers” by.....	P.Batra	William.J.Stanton	Govoni	Cundiff	<b>P.Batra</b>
63	Personal selling is an important tools of mix	Promotion Mix	Marketing Mix	roduct Mi	Place Mix	<b>Promotion Mix</b>
64	Prospecting means “if you adding new clients ,you start bleeding to death”	David ogily	Robert.c	Beach	Russle	<b>David ogily</b>
65	Reports are the basis on which the of sal	Sales territories	Sales quoats	ales foreca	Record	<b>Record</b>
66	Reports are the basis on which the .....of salesman	Sales territories	Sales quoats	Sales forecast	Record	<b>Record</b>
67	Telling showing and are the three basic methods of group training	Exceution	Termination	Exercise	Conferring	<b>Conferring</b>
68	The control of is known as Sales Control	Sales operation	oduction operati	ace operat	ersonal operati	<b>Sales operation</b>
69	The control of sales operation is known as.....	Sales Planning	Sales Budget	es Forecast	Sales Control	<b>Sales Control</b>
70	The process of looking up and checking “leads” in called.....	Prospecting	Pre-approach	Approch	bjections hanli	<b>Prospecting</b>
71	The sales quota is fixed on the basis of .....	... Sales copy	Sales forecast	vertising c	Advertising message	<b>Sales forecast</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

<b>S.No.</b>	<b>QUESTION</b>	<b>OPTION 1</b>	<b>OPTION 2</b>	<b>OPTION 3</b>	<b>OPTION 4</b>	<b>ANSWER</b>
1	Which of the following is <u>NOT</u> one of the five stages of the buyer decision process?	need recognition	brand identification	information search	purchase decision	<b>brand identification</b>
2	. According to the buyer decision process suggested in the text, the first stage is characterized as being one of:	awareness.	information search.	need recognition.	demand formulation.	<b>need recognition.</b>
3	The buying process can be triggered by a(n) _____ when one of the person's normal needs—hunger, thirst, sex—rises to a level high enough to become a drive.	Awareness	external stimuli	internal stimuli	experiential motivation	<b>internal stimuli</b>
4	The stage in the buyer decision process in which the consumer is aroused to search for more information is called:	information search.	evaluation of alternatives.	search for needs.	perceptual search.	<b>information search.</b>
5	. The consumer can obtain information from any of several sources. If the consumer were to obtain information from handling, examining, or using the product, then the consumer would have obtained the information by using a(n):	personal source.	commercial source.	informative source.	experiential source.	<b>experiential source.</b>
6	How the consumer processes information to arrive at brand choices occurs during which stage of the buyer decision process?	need recognition	information search	evaluation of alternatives	purchase decision	<b>evaluation of alternatives</b>
7	Generally, the consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and the purchase decision. These two factors are best described as being:	the cost and availability of the product.	the attitude of others and the cost of the product.	the availability of the product and unexpected situational factors.	the attitude of others and unexpected situational factors.	<b>the attitude of others and unexpected situational factors.</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

8	With respect to postpurchase behavior, the larger the gap between expectations and performance:	the greater likelihood of re-purchase.	the greater the customer's dissatisfaction.	the less likely the consumer will be influenced by advertising.	the less likely the consumer will need sales confirmation and support	<b>the greater the customer's dissatisfaction.</b>
9	Cognitive dissonance occurs in which stage of the buyer decision process model?	need recognition	information search	evaluation of alternatives	postpurchase conflict	<b>postpurchase conflict</b>
10	. A company must always guard against dissatisfying customers. On average, a satisfied customer tells 3 people about a good purchase experience. A dissatisfied customer, however, on average gripes to _____ people.	7	9	11	30	<b>11</b>
11	. The _____ is the mental process through which an individual passes from first hearing about an innovation to final adoption.	adoption process	consumption process	innovation process	new product development process	<b>adoption process</b>
12	. All of the following are part of the adoption process that consumers may go through when considering an innovation EXCEPT:	awareness.	process.	interest.	trial.	<b>process</b>
13	. With respect to adopter categories, the _____ are guided by respect, are the opinion leaders in their communities, and adopt new ideas early but carefully.	Seekers	innovators	early adopters	early majority	<b>early adopters</b>
14	. With respect to adopter categories, the _____ are skeptical and they adopt an innovation only after a majority of people have tried it.	early adopters	early majority	late majority	laggards	<b>late majority</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

15	. Several characteristics are especially important in influencing an innovation's rate of adoption. _____ is the degree to which the innovation may be tried on a limited basis.	Relative advantage	Synchronization	Compatibility	Divisibility	<b>Divisibility</b>
16	. If a company makes products and services for the purpose of reselling or renting them to others at a profit or for use in the production of other products and services, then the company is selling to the:	business market.	international market.	consumer market.	private sector market.	<b>business market</b>
17	. All of the following are among the primary differences between a business market and a consumer market EXCEPT:	purchase decisions to satisfy needs.	market structure and demand	the nature of the buying unit.	the types of decisions and the decision process involve	<b>purchase decisions to satisfy needs.</b>
18	. The business marketer normally deals with _____ than the consumer marketer does.	far greater but smaller buyers	far greater and larger buyers	far fewer but far larger buyers	far fewer and smaller buyers	<b>far fewer but far larger buyers</b>
19	. When demand comes (as it does in the business market) from the demand for consumer goods, this form of demand is called:	kinked demand	inelastic demand	cyclical demand	derived demand	<b>derived demand</b>
20	. General Motors buys steel because consumers buy cars. If consumer demand for cars drops, so will General Motors' demand for steel. This is an example of the relationships found in:	kinked demand	inelastic demand	cyclical demand	derived demand	<b>derived demand</b>
21	. That business markets have more buyers involved in the purchase decision is evidence of which of the following characteristic differences between business and consumer markets?	market structure and demand	the nature of the buying unit	types of decisions made	type of decision process itself	<b>the nature of the buying unit</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

22	Purchases in the business market often involve large sums of money, complex technical and economic considerations, and interactions among many people at many levels of the buyer's organization. This is evidence of which of the following characteristic differences between business and consumer markets?	market structure and demand	the nature of the buying unit	types of decisions made and the decision process	type of business classification	<b>types of decisions made and the decision process</b>
23	The place in the business buying behavior model where interpersonal and individual influences might interact is called the:	environment.	response.	stimuli.	buying center.	<b>buying center.</b>
24	In a _____, the buyer reorders something without any modifications.	habitual rebuy	straight rebuy	modified rebuy	new task buy	<b>straight rebuy</b>
25	In a _____, the buyer wants to change something about product specifications, prices, terms, or suppliers.	habitual rebuy	straight rebuy	modified rebuy	new task buy	<b>modified rebuy</b>
26	The "in" suppliers are most likely to get new orders from _____.	modified rebuy	new task buying	straight rebuy	indirect rebuy	<b>modified rebuy</b>
27	If a firm were to bid to do a "turnkey" operation where they would choose a building site, design a cement factory to build the plant, hire construction crews, assemble materials and equipment to run the new factory, and turn over the finished factory ready to operate to the owners, the bidding firm would be using which of the following?	core process products selling	design products selling	reciprocal selling	systems selling	<b>systems selling</b>
28	The decision-making unit of a buying organization is called its _____: all the individuals and units that participate in the business decision-making process.	buying center	purchasing	bidding center	demand-supply center buying center	<b>buying center</b>



**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

29	Considering the major influences on business buyer behavior, as shown in a model in the text, under which influence stage would you expect to find the influences of authority, status, empathy, and persuasiveness?	Environmental	organizational	interpersonal	individual	<b>interpersonal</b>
30	The stage of the business buying process where the buyer describes the characteristics and quantity of the needed item is called:	problem recognition.	general need description.	product specification.	proposal solicitation.	<b>general need description</b>
31	If a buying team is asked by the purchasing department to rank the importance of reliability, durability, price, and other attributes of an item, then the team is going through a business buying process stage called:	problem recognition.	general need description.	product specification.	proposal solicitation.	<b>product specification.</b>
32	_____ is the stage of business buying where an organization decides on and specifies the best technical product characteristics for a needed item.	Problem recognition	General need description	Product specification	Proposal solicitation	<b>Product specification</b>
33	_____ is an approach to cost reduction in which components are studied carefully to determine if they can be redesigned, standardized, or made by less costly methods of production.	Cost analysis	Order analysis	Product analysis	Value analysis	<b>Value analysis</b>
34	Reviewing trade directories, doing a computer search, or phoning other companies for recommendations would be methods that an interested buyer might perform in which of the following stages of the business buying process model?	problem recognition	vendor analysis	product specification	supplier search	<b>supplier search</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

35	Factors such as supplier reputation for repair and servicing capabilities are important criteria for evaluation at which stage in the business buying process?	problem recognition	supplier search	supplier selection	order-routine specification	<b>supplier selection</b>
36	Blanket contracts are typically part of which of the following stages in the business buying process?	general need description	product specification	supplier selection	order-routine specification	<b>order-routine specification</b>
37	The stage of the business buying process in which the buyer writes the final order with the chosen supplier(s), listing the technical specifications, quantity needed, expected time of delivery, return policies, and warranties is called:	general need description.	product specification.	supplier selection.	order-routine specification.	<b>order-routine specification.</b>
38	The _____ may lead the buyer to continue, modify, or drop the arrangement that has been entered into by the buyer and seller.	performance review	order-routine specification	supplier selection	general need description	<b>performance review</b>
39	Increasingly, business buyers are purchasing all kinds of products and services electronically, either through electronic data interchange links (EDI) or on the Internet. The descriptive term for such purchases, exchanges, and links is:	e-marketing.	e-commerce	e-procurement	e-transaction.	<b>e-procurement.</b>
40	E-purchasing by businesses has its drawbacks and problems. More than 80 percent of companies say that _____ is the leading barrier to expanding electronic links with customers and partners.	Security	privacy	cost	lack of correct technology	<b>Security</b>
41	. The _____ needs to identify distinct customer groups.	Marketer	requirement	satisfaction	expectation	<b>Marketer</b>
42	The _____ has his needs and wants as well as product preferences	Consumer	Producer	Customer	Buyer	<b>Consumer</b>
43	A person's self-concept is also called the	self-image.	image.	self-picture.	attitude	<b>self-image.</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

44	The transmission of a message from a sender to a receiver via a medium of transmission is known as _____.	feedback	stimulation	communication	transfer	<b>communication</b>
45	Which of the following is an example of a formal communications source?	a parent	a friend	a hospital	a doctor	<b>a hospital</b>
46	Professional tennis players may constitute a(n) _____ group for an amateur tennis player who identifies with certain players by imitating their behavior whenever possible despite the fact that the amateur tennis player does not qualify for membership as a professional tennis player because he has neither the skills nor the opportunity to compete professionally.	Comparative	normative	membership	symbolic	<b>normative</b>
47	The _____ is the dominant institution in providing for the welfare of its members and is the major consuming unit.	friendship group	celebrity group	work group	family	<b>work group</b>
48	A husband and wife and one or more children, together with at least one grandparent living within the household, constitutes a(n) _____.	empty nest	married couple	extended family	single-parent family	<b>extended family</b>
49	Which of the following is NOT part of group influence?	Family.	Social class.	Personality.	All the above	<b>Personality.</b>
50	Needs of customers are triggered by	Internal stimuli	External stimuli	both A and B	none of above	<b>c) both a and b</b>
51	If product performance exceeds customer expectations, customer is	Satisfied	dissatisfied	Delighted	none of above	<b>Delighted</b>
52	Buyer decision process starts with	need recognition	Information Search	Evaluation of alternatives	both b and c	<b>need recognition</b>
53	If customer's expectations and products performance matches, customer is	satisfied	dissatisfied	Delighted	none of above	<b>satisfied</b>

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship**

**MCQ Unit II**

54	What are the business buyers' three types of buying situations?	Awareness, evaluation, trial	Straight rebuys, modified rebuys, new	Straight rebuys, rebuys for laggards, old task	none of the above	<b>Straight rebuys, modified rebuys, new task</b>
55	When purchasing a high speed packaging machine, Nestlé would be classified as:	An original equipment manufacturer.	User.	A distributor.	A dealer.	<b>User.</b>
56	Adopter group 'laggards' are	Deliberate	Skeptical	Guided by respect	Tradition bound	<b>Tradition bound</b>
57	Tendency to which results of innovation are communicated to others is classified as	relative advantage	divisibility	Communicability	compatibility	<b>Communicability</b>
58	Tendency to which experiences of potential customers fits with innovation is called	Relative Advantage	Divisibility	Communicability	Compatibility	<b>Compatibility</b>
59	In 'adoption process for new products', customer seek information in the	Awareness Stage	Interest Stage	Evaluation and trial stage	All of Above	<b>Interest Stage</b>
60	Personal selling step in which sales person asks for an order to customer is classified as	A. shipper approach	A. handling shipment	closing	follow up	<b>closing</b>

# KARPAGAM ACADEMY OF HIGHER EDUCATION

**Class: III B.Com Course code: 16 CMU 603A**

**Personnal Selling and Salesmanship**

## MCQ Unit III

S. No.	Questions	Option A	Option B	Option C	Option D	ANSWER
1	_____ motives persuade a person to buy products from a particular manufacturer or trader	Patronage Motive	Product Motives	Internal Motives	Inherent Motives	<b>Patronage Motive</b>
2	AIDA approach helps to plan sales presentations. What is AIDA stands for?	Attention Interest Desire Action	Attitude Interest Development Achievement	Attention Interest Direction Assisting	Attitude Integrity Directing Achievement	<b>Attention Interest Desire Action</b>
3	_____ is the process of dividing buyers into different groups on the basis of personality traits, lifestyle or values	Demographic segmentation	Geographic Segmentation	Psychographic Segmentation	Behavioural Segmentation	<b>Psychographic Segmentation</b>
4	Maslow's Need Theory is based on _____	Organizational needs	Market needs	Human needs	Government needs	<b>Human needs</b>
5	At the top of Maslow's hierarchy of needs (shown as a pyramid in the text) are _____ needs.	esteem	self-actualization	social	safety	<b>self-actualization</b>
6	_____ is one of the most basic influences on an individual's needs, wants, and behavior.	Brand	Culture	Product	Price	<b>Culture</b>
7	What is the least pressing in Maslow's Hierarchy of Needs?	Self actualization	safety needs	physiological needs	social needs	<b>physiological needs</b>
8	Even though buying roles in the family change constantly, the _____ has traditionally been the main purchasing agent for the family.	wife	husband	teenage children	grandparent	<b>wife</b>
9	The energizing force that activates behavior and provides purpose and direction to that behavior is known as _____.	motivation	personality	emotion	perception	<b>motivation</b>
10	Which of the following reflects the relatively stable behavioral tendencies that individuals display across a variety of situations?	motivation	personality	emotion	perception	<b>motivation</b>
11	A good synonym for motive is a(n) _____.	omen	Need	Drive	cue	<b>cue</b>
12	_____ describes changes in an individual's behavior arising from experience.	modeling	motivation	perception	learning	<b>learning</b>

# KARPAGAM ACADEMY OF HIGHER EDUCATION

**Class: III B.Com Course code: 16 CMU 603A**

**Personnal Selling and Salesmanship**

## MCQ Unit III

13	Kelly is hungry, and this inner force is making him search for the type of food he wants to eat. He decides that an Arby's roast beef sandwich will satisfy his hunger. This inner force that is compelling him to search for food is known as a(n) ____.	motive	personality trait	emotion	perception	<b>motive</b>
14	Maslow's hierarchy of needs includes all EXCEPT which of the following?	cognition	physiological	safety	belongingness	<b>cognition</b>
15	In Maslow's hierarchy of needs, food, water, sleep, and to an extent are considered ____ motives	safety	self-actualization	physiologica	belongingness	<b>physiologica</b>
16	.Which of Maslow's needs reflects individuals' desires for status, superiority, selfrespect, and prestige?	safety	self-actualization	physiological	esteem	<b>esteem</b>
17	Which of Maslow's needs involves the desire for self-fulfillment, to become all that one is capable of becoming?	safety	self-actualization	physiological	belongingness	<b>self-actualization</b>
18	Sales management deals with _____	sales	product	profit	market	<b>market</b>
19	Selling is an act of _____	persuasion	illusion	forcing	communication	<b>forcing</b>
20	_____ and other forms of promotion are supported by a advertisement	personal selling	branding	promotion	publicity	<b>personal selling</b>
21	_____ influences the buyer to buy a product	personal selling	packaging	price	grading	<b>personal selling</b>
22	Motives refers to strong _____	emotions	purchase power	need	Behaviour	<b>emotions</b>
23	Sales force structure in which a sales representative is assigned to geographical area is allocated to sell product line in specific area is classified as _____	customer sales force structure	product sales force structure	indirect sales force structure	territorial sales force structure	<b>territorial sales force structure</b>
24	In consumer promotions, certificates given to product buyers which confirms savings when they buy particular items are called _____	sample	coupon	premium	cash refunds	<b>coupon</b>
25	_____ motives urge the buyer to do impulsive purchases without reason or logic	Emotional Product Buying Motives	Rational Product Buying Motives	Operational motive	Socio-psychological motive	<b>Emotional Product Buying Motives</b>
26	A family buys television because they feel it has utility for them, is an example of _____ motive	Emotional Product Buying Motives	Rational Product Buying Motives	Operational motive	Socio-psychological motive	<b>Operational motive</b>

# KARPAGAM ACADEMY OF HIGHER EDUCATION

Class: III B.Com Course code: 16 CMU 603A

Personnal Selling and Salesmanship

## MCQ Unit III

27	_____ is a non mointary motivational factor.	Incentives	Bonus	Appreciation and recognition	Salaries or wages	<b>Appreciation and recognition</b>
28	_____ is a mointary motivational factor.	Working conditions	Delegation of authority	Appreciation and recognition	Bonus	<b>Bonus</b>
29	_____ need explain, recognize achievements to make employees feel appreciated and valued.	Physiological needs	Safety Needs	Esteem Needs	Self-Actualization	<b>Esteem Needs</b>
30	_____ is a person who first suggests or thinks of the idea of buying the particular product	Initiator	Influencer	Decider	Buyer	<b>Influencer</b>
31	_____ is a person who actually uses or consumes the services or products	User	Buyer	Decider	Influencer	<b>User</b>
32	_____ is an example of Public sources to Consumer to search information about the product	salesmen	mass media	friends	examining	<b>mass media</b>
33	Which of the following is an assumption in Maslow's hierarchy of needs?	Needs are dependent on culture and also on social class.	Lower-level needs must be at least partially satisfied before higher needs can affect behaviour.	Needs are not prioritized or arranged in any particular order.	Satisfied needs are motivators, and new needs emerge when current needs remain unmet.	<b>Lower-level needs must be at least partially satisfied before higher needs can affect behaviour.</b>
34	Companies using team of salespeople specialized in sales, marketing, engineering, finance and technical support used for managing complex accounts is known as _____	Outside sales force	Inside sales force	Telemarketing	Team selling	<b>Team selling</b>
35	The salespeople who travel to call on customers is known as _____	Outside sales force	Inside sales force	Territorial sales force	Product sales force	<b>Outside sales force</b>
36	_____ is the most effective promotional tool in making buyers preferences, convictions and most importantly actions.	Personal selling	Promotion mix	Dealers promotion method	Sales promotion	<b>Personal selling</b>
37	Salespeople who sells their product directly to the customers on telephone is called _____	Outside sales force	Inside sales force	Telemarketing	Team selling	<b>Telemarketing</b>

# KARPAGAM ACADEMY OF HIGHER EDUCATION

Class: III B.Com Course code: 16 CMU 603A

Personnal Selling and Salesmanship

## MCQ Unit III

38	_____ involves the use of satisfied customers to convince the buyer of the effectiveness of the salesperson's product.	Demonstration	Guarantees	Trail orders	Reference selling	Reference selling
39	What is AIDA?	Attention Interest Desire Action	Attract Interest Desire Action	Attention Interest Design Action	Attract Interest Design Action	Attention Interest Desire Action
40	_____ reduces risk because they prove the benefits of the product.	Demonstration	Guarantees	Trail orders	Reference selling	Demonstration
41	According to Maslow, some needs grow stronger when unsatisfied. Maslow called these: _____	being needs	deficiency needs	growth needs	primary needs	deficiency needs
42	According to Maslow's hierarchy of needs, if a person's esteem needs have been satisfied, then it is safe to assume that all of the following needs have also been satisfied EXCEPT: _____	belonging	knowing	psychological	safety	knowing
43	Which type of motivation is associated with activities that are rewarding or satisfying in themselves?	Extrinsic motivation	Trait motivation	State motivation	Intrinsic motivation	Intrinsic motivation
44	Meeting all of Maslow's (1970) needs should result in which of the following?	Unconditional positive regard	Self-efficacy	Loci on control	Self-actualisation	Self-actualisation
45	Which of the following contains an aspect that would not fall into the category of basic needs?	Water and rest	Food and water	Security and warmth	Intimate relationships and safety	Intimate relationships and safety
46	A situation in which consumer purchases are unplanned is known as _____	Primary buying motives	Secondary buying motives	Impulse buying	Buying behavior process	Impulse buying
47	_____ buying behavior is generally seen in India.	Impulse buying	Bargaining	Complex buying behavior	Repeat purchases	Bargaining
48	Bargaining, cleanliness, efficiency, convenience are called _____	Primary buying motives	Secondary buying motives	Buying motives	Direct buying motive	Secondary buying motives
49	A person who first suggests the idea of buying something is called _____	Buyer	Influencer	Initiator	Likely buyer	Initiator
50	People having similar lifestyles, values, norms, behavior and interests are grouped in _____	High class	Social class	Middle class	Lower class	Social class
51	Producer can be successful in selling only when he identifies the physical, social and economical forces known as _____	Primary buying motives	Secondary buying motives	Buying motives	Primary selling motive	Buying motives



# KARPAGAM ACADEMY OF HIGHER EDUCATION

**Class: III B.Com Course code: 16 CMU 603A**

**Personnal Selling and Salesmanship**

## MCQ Unit III

52	If a famous or prestigious person starts to consume a particular product, many other persons will start to consume the same product because of _____	Influencer	Likely buyer	Group influence	Initiator	<b>Group influence</b>
53	_____ are the buying motive force for the satisfaction of customer purchases.	Perseverance	Goods and services	Primary buying motives	Secondary buying motives	<b>Goods and services</b>
54	A consumer market comprises of all individuals and households who acquires goods or services for _____.	Personal consumption	Purchase and consumption	Buying motive of consumer	Commercial sources	<b>Personal consumption</b>
55	Which is a rational buying motive?	ambition	durability	fear	love	<b>durability</b>
56	Which is a patronage motive?	economy of use	love	merchandise assortment	durability	<b>merchandise assortment</b>
57	The FIRST face-to-face meeting of the customer and the salesperson is the _____	approach	demonstration	closing	merchandise presentation	<b>approach</b>
58	Buying motives based on customers' feelings are _____	rational	emotional	impulse	patronage	<b>emotional</b>
59	A decided customer _____	Has a need but has not identified a product to meet that need	Wants to browse	Needs the salesperson to make recommendations	Knows exactly what he/she wants and why.	<b>Knows exactly what he/she wants and why.</b>
60	Salespeople who conduct business from their offices through telephones and visiting to customers site is known as	Outside sales force	Inside sales force	Telemarketing	Team selling	<b>Inside sales force</b>

KARPAGAM ACADEMY OF HIGHER EDUCATION						
Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship						
MCQ      Unit IV						
S.No	Questions	Opt1	Opt2	Opt3	Opt4	Answer
1	Promotion technique for consumers according to which demonstrations and displays of products made at place of sale is called	point of purchase promotion	cents off deals	sales premium	advertising specialties	<b>point of purchase promotion</b>
2	Advertising that builds pre-awareness may:	increase selling costs	reduce selling costs	reduce probability of a sale	increase profit	<b>reduce selling costs</b>
3	Personal selling step in which sales person asks for an order to customer is classified as	shipper approach	handling shipment	closing	follow up	<b>closing</b>
4	Sales force structure in which a sales representatives works to sell specific items of product line is classified as	indirect sales force structure	territorial sales force structure	customer sales force structure	product sales force structure	<b>product sales force structure</b>
5	In personal selling process, step which consists of identifying potential customers is classified as	presenting quota	demonstrating quota	prospecting	Qualifying	<b>prospecting</b>
6	Personal selling process step according to which sales person dictates how company can solve problem by offering its product is classified as	inbound approaching	presentation	demonstration	nominal approaching	<b>presentation</b>
7	_____ Spend most of their time and energy in managing the sales force.	All Level managers	Top level managers	Middle level managers	Top level managers	<b>Top level managers</b>
8	Which of the following is not a type of personal selling?	Order-takers	Order-getters	Order-supporters	Order-writers	<b>Order-writers</b>
9	_____ The field staff whose job is to contact the ultimate targets - the buyers - and convince them in buying the product, get orders and execute the sales.	All Level managers	Lower Level manag	Middle level managers	Top level managers	<b>Middle level managers</b>
10	_____ Planning function is very important aspect in regards to sales force management.	quality supervisors	Field Supervisors	Floor Supervisors	Sales Supervisors	<b>Sales Supervisors</b>
11	_____ is the statement stipulating the minimum desired qualification and experience a person must posses	Sales Representative/Executive	Salesman	Salesperson	Personalselling	<b>Sales Representative/Executive</b>
12	_____ is a learning process, intended the twin purpose of improving intellectual abilities and moral character.	Job enrichment	Job Analysis	Job specification	Job enlargement	<b>Job Analysis</b>
13	_____ reduces risk because they prove the benefits of the product.	Demonstration	Guarantees	Trail orders	Reference selling	<b>Demonstration</b>

**MCQ Unit IV**

14	_____ is a short-term learning process. This is application specific, intended for improving skill and/or knowledge	Job design	Job enlargement	Job specification	Job Analysis	<b>Job specification</b>
15	_____ is the process of transition of an employee from a lower level of capability of skill and knowledge to that of a higher level	Employment	Occupation	Qualification	Education	<b>Education</b>
16	In <u>ACMEE</u> Approach , A stands for _____.	Aim	Ambition	Attitude	Application	<b>Aim</b>
17	In <u>ACMEE</u> Approach , C stands for _____.	Concept	Contents	Confrence	Contract	<b>Contents</b>
18	In <u>ACMEE</u> Approach , M stands for _____.	Market	Manage	Methods	Matters	<b>Methods</b>
19	In <u>ACMEE</u> Approach , E stands for _____.	Evaluation	Elements	Existance	Execution	<b>Execution</b>
20	In <u>ACMEE</u> Approach , E stands for _____.	Evaluation	Elements	Existance	Execution	<b>Evaluation</b>
21	_____ approach is derived from the poem "I keep six honest serving men. Their names are WHAT and WHY and WHEN and HOW and WHERE and WHO."	ACMEE	AIDS	Sales	AIMS	<b>ACMEE</b>
22	Promotion technique for consumers according to which demonstrations and displays of products made at place of sale is called	point of purchase promotion	cents off deals	sales premium	advertising specialties	<b>point of purchase promotion</b>
23	Advertising that builds pre-awareness may:	increase selling costs	reduce selling costs	reduce probability of a sale	increase profit	<b>reduce selling costs</b>
24	Personal selling step in which sales person asks for an order to customer is classified as	shipper approach	handling shipment	closing	follow up	<b>closing</b>
25	Sales force structure in which a sales representatives works to sell specific items of product line is classified as	indirect sales force structure	territorial sales force structure	customer sales force structure	product sales force structure	<b>product sales force structure</b>
26	_____ is irregular in nature.	Promotion mix	Sales promotion	Trade promotion	Discount coupon	<b>Sales promotion</b>
27	Third step in personal selling process after completion of pre-approach step is to	prospecting and qualifying	handling objections	approach	presentation and demonstration	<b>approach</b>
28	Step in personal selling process which consists of first meeting between customer and sales person is called	qualifying	prospecting	follow up	Approach	<b>approach</b>
29	Personal selling step in which sales person asks for an order to customer is classified as	shipper approach	handling shipment	closing	follow up	<b>closing</b>
30	A sales force organization under which salespeople sells only a portion or particular product of the company's product.	Product sales force	Customer sales force	Complex structure	Territorial sales force	<b>Product sales force</b>

**MCQ    Unit IV**

31	Standard amount that must be sold by salesperson of company's total product is classified as	sales contest	expense quota	production quota	sales quota	<b>sales quota</b>
32	Kind of sales people who travel to call all customers in field is classified as	inside sales force	outside sales force	channel intermediaries	nominal sales force	<b>outside sales force</b>
33	Consumer promotion technique in which products are offered at low cost or free of cost on purchase of new product is classified as	sample	coupon	premium	cash refunds	<b>premium</b>
34	Consumer promotion technique in which customer purchase proof is send to manufacturer which then refunds some part of price is classified as	cash refund	coupon	sample	Premium	<b>cash refund</b>
35	Providing knowledge of product, personality development, communicating the criteria to the salesperson are _____ in sales force management.	Formal evaluation	Qualitative evaluation	Product evaluation	Training evaluation	<b>Qualitative evaluation</b>
36	Individual who represent company by performing selling, servicing, information gathering and prospecting is classified as	sales person	promoting manager	prospering manager	persuasion manager	<b>sales person</b>
37	Short term benefit given to customers to attract more customers is called	sales promotion	inbound promotion	outbound promotion	organizational promotion	<b>sales promotion</b>
38	Salespeople who sells their product directly to the customers on telephone is called	Outside sales force	Inside sales force	Telemarketing	Team selling	<b>Telemarketing</b>
39	Promotion tools such as sweepstakes, event sponsorships, samples and coupons are classified in category of	organizational promotion	consumer promotions	inbound promotion	outbound promotion	<b>consumer promotions</b>
40	Consumer promotion technique according to which product consumers are told to submit their names for drawing is classified as	cash refunds	cash sample	sweepstakes	cents off deals	<b>Sweepstakes</b>
41	According to consumer promotion techniques, cash refunds are also classified as	price packs	sweepstakes	point of purchase promotions	cash rebates	<b>cash rebates</b>
42	Concept which states information about value, opportunities and rewards of good performance as thought by sales people is called	organizational climate	media climate	sales climate	outbound climate	<b>organizational climate</b>
43	The salesperson learns as much as possible about the prospective customer before making sales call by consulting standard	Handling objections	Pre-approach	Prospecting and qualifying	Closing	<b>Pre-approach</b>
44	Series of steps that must be followed by sales people is classified as	marketing process	selling process	intermediation process	nominal process	<b>selling process</b>
45	First step in personal selling process is to	prospecting and qualifying	pre-approach	approach	presentation and	<b>prospecting and qualifying</b>

**MCQ    Unit IV**

46	_____ is the most effective promotional tool in making buyers preferences, convictions and most importantly actions.	Personal selling	Promotion mix	Dealers promotion method	Sales promotion	<b>Personal selling</b>
47	Second step of personal selling process after completion of prospecting and qualifying is to	approach	presentation and demonstration	handling objections	pre-approach	<b>pre-approach</b>
48	Process of planning, analyzing, controlling and implementing activities of sales force is classified as	indirect sales management	direct sales management	sales force management	persuasion management	<b>sales force management</b>
49	The salespeople of sales force sell their product may be relevant to a wide variety of products, types of customers, and broad geographic area.	Product sales force	Customer sales force	Complex structure	Territorial sales force	<b>Complex structure</b>
50	A small amount of product is offered to the customer for trial is called	Product combination	Sample	Coupon	Rebate	<b>Sample</b>
51	Tools of sales promotion that are used to trigger short term customer involvement or to build customer relationships are classified as	inbound promotion	outbound promotion	organizational promotion	consumer promotions	<b>consumer promotions</b>
52	Step of personal selling process in which sales person learns about potential buyer before making a call for sale is classified as	pre-approach	sales nomination	qualifying	prospecting	<b>pre-approach</b>
53	Sales promotion tool through which resellers are persuaded to carry brand, provide shelf space, promote advertising and push to final buyers is classified as	point of purchase promotion	trade promotion	event promotion	off deal promotion	<b>trade promotion</b>
54	Last step in personal selling process is	present and demonstrate	follow up	closing	approach	<b>follow up</b>
55	Contribution to net profit, evaluation of current vs past, ranking, clearing standards and sales vs expenses are _____ in sales force management.	Training evaluation	Qualitative evaluation	Formal evaluation	Product evaluation	<b>Formal evaluation</b>
56	Sales force structure in which a sales representative is assigned to geographical area is allocated to sell product line in specific area is classified as	customer sales force structure	product sales force structure	indirect sales force structure	territorial sales force structure	<b>territorial sales force structure</b>
57	Advertising is a non-personal process but must be written or printed in words _____ advertise and helps in the sale of the product.	Salesman	Sponsors	Marketer	Marketing manager	<b>Sponsors</b>
58	Promotional products used in consumer promotion are also classified as	price packs	advertising specialties	sweepstakes	cash rebates	<b>advertising specialties</b>
59	Trial amount of any market offering for limited time before full introduction in market is classified as	premium	advertising specialties	sample	Coupon	<b>Sample</b>

**MCQ    Unit IV**

60	In consumer promotions, certificates given to product buyers which confirms savings when they buy particular items are called	sample	coupon	premium	cash refunds	<b>Coupon</b>
61	Fringe benefit, variable amount, fixed amount, expenses are the part of _____ in Salesforce Management.	Recruiting	Training	Supervising	Compensating	<b>Compensating</b>
62	Way of selling in which groups of people are involved from various departments such as finance, engineering and marketing to serve large accounts is called	nominal selling	territorial selling	team selling	group selling	<b>team selling</b>
63	Forth step in personal selling process after completion of step consisting of approach is to	prospecting and qualifying	follow up	closing	present and demonstrate	<b>present and demonstrate</b>
64	Which theory is also known as “Situation Response Theory”?	AIDAS theory	Buying formula theory	Behavioral equation theory	Right set of circumstances theory	<b>Right set of circumstances theory</b>
65	Personal selling step in which sales person asks for an order to customer is classified as	shipper approach	handling shipment	closing	follow up	<b>closing</b>
66	Ask for order, review points of agreement, help in writing up the order, ask which model the customer wants, note that customer will lose out if not ordered now; offer incentives to buy now – lower price, larger quantity for same price are several techniques of _____.	Approach	Pre-approach	Follow-up	Closing	<b>Closing</b>
67	A person acting for company by performing _____ activity for the company.	prospecting & communicating	servicing	information gathering	All of the above	<b>All of the above</b>
68	A sale forces organization that assigns each salesperson to a geographical territory in which that salespersons have to sell the company's full line is	Product sales force	Customer sales force	Complex structure	Territorial sales force	<b>Territorial sales force</b>
	Reduce buyer concerns that might have arisen after the sale, reveal problems, assure buyer of salesperson's interest, ensure customer satisfaction and repeat business is called	Approach	Pre-approach	Follow-up	Closing	<b>Follow-up</b>
70	What is the next step after “negotiation” in personal selling process?	The opening	Need and problem i	Closing the sale	Dealing with objectives	<b>Closing the sale</b>

	KARPAGAM ACADEMY OF HIGHER EDUCATION					
	Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship					
UNIT V						
S.No	QUESTION	OPTION A	OPTION B	OPTION C	OPTION D	ANSWER
1	Which sales management tool helps a salesperson know which customers to visit and which activities to carry out during a week?	time-and-duty analysis	sales force automation systems	call plan	sales quota plan	call plan
2	Companies are always looking for ways to increase face-to-face selling time. All of the following are ways to accomplish this goal EXCEPT _____.	using phones and video conferencing instead of traveling	simplifying record keeping and other administrative tasks	developing better sales-call and routing plans	reducing the number of customers each sales rep must visit	reducing the number of customers each sales rep must visit
3	Which of the following is an advantage created by the use of a sales force automation system?	lower costs for training sales personnel	increased motivation to acquire new customers	decreased need for an inside sales force	more efficient scheduling of sales calls and sales presentations	more efficient scheduling of sales calls and sales presentations
4	Firms that have adopted sales force automation systems most likely use all of the following tools EXCEPT _____.	customer-contact and relationship management software	time-and-duty analysis software	smart phones	laptop computers	customer-contact and relationship management software
5	A(n) _____ is a salesperson's write-up of his or her completed sales activities.	call plan	call report	sales report	expense report	call report
6	A provincial consumer protection practice that helps curb unethical selling practices by salespeople is:	The implementation of "Cooling off laws"	The posting of prices	The certification of salespeople	The training of salespeople	The implementation of "Cooling off laws"
7	What is the best approach to dealing with a sales manager who continually directs salespeople to behave unethically despite coaching and several warnings?	Give the sales manager another warning	Apologize to the sales team and customers	Fire the sales manager and explain the decision to the sales team	Do nothing. The sales manager gets results	Fire the sales manager and explain the decision to the sales team
8	_____ is the major objective of any marketing activity in the world because marketing completes with the real sale of goods and services bought or acquired by the seller or when intermediary has been affected.	Marketing	Selling	Assembling	Transportation	Selling
9	_____ emphasizes on the product & _____ Emphasizes on the Customers needs & wants.	Selling, Marketing	Marketing, Selling	Consumer, Customer	Marketing, Customer	Selling, Marketing
10	Inside sales is known as _____	Direct marketing	Social marketing	Tele- marketing	Viral marketing	Tele- marketing
11	“Buy it now” refers to which one of the following options?	Advertising	Personal selling	Publicity	Sales promotion	Personal selling
12	Which one of the following is a key to build lasting relationships with consumers?	Price of the product	Need recognition	Customer satisfaction	Quality of product	Customer satisfaction
13	Which of the following questions would provide management with the LEAST beneficial information regarding the performance of its sales force?	Is the sales force meeting its profit objectives?	Is the sales force working well with the marketing team?	Are sales force costs in line with sales force outcomes?	Does the sales force complete its sales reports and expense reports in a timely manner?	Does the sales force complete its sales reports and expense reports in a timely manner?
14	Reports are the basis on which the _____ of sales	Sales territories	Sales quoats	sales forecast	Record	Record
15	The control of sales operation is known as _____	Sales Planning	Sales Budget	Sales Forecast	Sales Control	Sales Control

	KARPAGAM ACADEMY OF HIGHER EDUCATION					
	Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship					
UNIT V						
16	_____ is a periodical report made by a salesperson to a manager giving details of amounts sold, existing and new accounts, etc.	sales report	Sales quoats	sales forecast	expense report	<b>sales report</b>
17	_____ report measures the performance of promotional efforts.	Coupon sales report	Common sales report	Promotional sales report	The daily call report	<b>Promotional sales report</b>
18	_____ report shows the number of sales that the sales team is concluding every month and the representatives who are closing the deals. It also shows the sales trend over time.	Coupon sales report	Closed and won opportunities sales report	Promotional sales report	The daily call report	<b>Closed and won opportunities sales report</b>
19	_____ shows the number of times the sales representatives call customers, who they were talking to, what they talked about and the intended plan of action for scheduled calls.	The daily call report	Closed and won opportunities sales report	Promotional sales report	The daily call report	<b>The daily call report</b>
20	_____ keeps track of all activities that happen within the sales organization and indicates whether each sales representative is underperforming and/or meeting and exceeding expectations.	The daily call report	The productivity report	Promotional sales report	The daily call report	<b>The productivity report</b>
21	Sales managers are required to review sales reports _____	regularly	Occasionally	rarely	Infrequently	<b>regularly</b>
22	Sales report also known as _____	Sales Volume		navigational aide	Profit	<b>navigational aide</b>
23	Which is NOT an example of weekly sales report?	Sales Volume by channel	Revenue closed by rep	Lead-to-opportunity ratio	Number of client conversations by rep	<b>Number of client conversations by rep</b>
24	Which is NOT an example of monthly sales report?	Sales cycle length report	Number of new leads created by rep	Sales performance report	Sales & Order report	<b>Number of new leads created by rep</b>
25	_____ is information that is used to manage sales	Purchase data	Sales data	Production Data	Process Data	<b>Sales data</b>
26	Sales planning data such as market data that is used to generate _____	Sales report	Sales quoats	to identify Past sales	sales forecasts	<b>sales forecasts</b>
27	The _____ displays only the totals from the normal Sales Report.	Sales report	Sales quoats	Sales Summary	sales forecasts	<b>Sales Summary</b>
28	_____ provides standards of performance for sale force and sales team	sales manual	Sales coupon	Sales Brocuher	Sales quoats	<b>sales manual</b>
29	Sales Manual is NOT a _____	part policy	part procedures	part how-to guide	Part Sales personal details	<b>Part Sales personal details</b>
30	_____ is a seller-generated document that authorizes sale of the specified item(s), issued after receipt of a customer's purchase order.	Sales Order	Sales report	Sales quoats	Sales Summary	<b>Sales Order</b>
31	A _____ commercial document issued by the seller to the buyer when cash is received as a payment.	Cash memo	Invoice	Sales Order	Sales report	<b>Cash memo</b>
32	Periodic report is sales report prepared under _____	Only Monthly	Daily and Monthly	Weekly and Monthly	either hourly, daily, weekly or monthly	<b>either hourly, daily, weekly or monthly</b>



	KARPAGAM ACADEMY OF HIGHER EDUCATION					
	Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship					
UNIT V						
33	_____ consists of short-term incentives to encourage the purchase or sale of a product or service. This offers reasons to buy it now.	A segmented promotion	Publicity	A patronage reward	Advertising	Advertising
34	A _____ is a salesperson's write-up of his or her completed sales activity.	call plan	sales report	<i>sales quota</i>	call report	call report
35	A salesperson's compensation plan is typically made up of several elements—a fixed amount, _____, expenses, and fringe benefits.	recognition	retirement	nonmonetary rewards	a variable amount	a variable amount
36	All of the following are problems associated with the poor selection of salespeople except which one?	less office support	lower sales	less productivity	costly turnover	less office support
37	In many cases today, a major reason to adopt team selling stems from changes in _____.	customers' buying organizations	rising costs	fewer skilled salespeople	technological capabilities	customers' buying organizations
38	Management sets standards that state the amount each salesperson should sell and how sales should be divided among the company's products with _____.	sales goals	sales contests	sales incentives	sales quotas	sales quotas
39	Members of a company's _____ travel to call on customers in the field.	product sales force	complex sales force	inside sales force	outside sales force	outside sales force
40	Of the main consumer promotion tools, which is the most effective for introducing a new product or creating excitement for an existing one?	coupons	advertising	sampling	rebates	sampling
41	Sales applicants are typically not tested for _____.	organizational skills	accounting skills	personality traits	sales aptitude	accounting skills
42	The consultative selling approach is based on the sales person_____	Having multiple products to sell	Assessing customer needs early in process	Using a scripted sales approach	Basing the sales pitch on price and convenience	Assessing customer needs early in process
43	A salesperson's personal selling philosophy is, in part, based on _____	His or her communication style	His or her desire to be successful	Adopting a total sales concept	Adopting a marketing concept	Adopting a marketing concept
44	The biggest factor that has caused the strategic / consultative selling model to evolve is _____	The requirement to increase emphasis on customer needs	Increased competition	Increased number of services	Better sales processes	The requirement to increase emphasis on customer needs
45	The product strategy element of the Strategic / Consultative Selling Model is most importantly based on _____	Being a product expert	Having several product options to sell	Understanding how to create value-added solutions for customers.	Being able to adjust prices for your products	Understanding how to create value-added solutions for customers.
46	In today's highly competitive selling environment, a successful salesperson must absolutely master _____	Reading spreadsheets	Bending the laws	Delivering product demos	Being a skilled influencer and negotiator	Being a skilled influencer and negotiator

	KARPAGAM ACADEMY OF HIGHER EDUCATION					
	Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship					
UNIT V						
47	Which is a good technique to manage dissatisfied customers?	Give the customer a discount	Blame someone else in your organization so the customer will feel sorry for you	Encourage the customer to voice the complaint so you can understand the issue and try to address it quickly	Immediately bring your boss in to solve the problem	Encourage the customer to voice the complaint so you can understand the issue and try to address it quickly
48	An example of a ideal ethical approach that a sales organization can put in place is	Firing a salesperson when he breaks the rules	Establishing ethics training that includes role-plays	Outsourcing sales function to independent agents	Telling a buyer everything you don't like about a competitor	Establishing ethics training that includes role-plays
49	A key challenge for salespeople to develop character in today's business environment is _____	Many companies only focus on the end result	Salespeople are morally corrupt	Many companies only focus on the end result	The pace of business has slowed down	Many companies only focus on the end result
50	Most salespeople that face an unethical sales leadership team will:	Quit	Stay and reluctantly participate in the unethical behaviour	Blow the whistle on their bosses	Tell their customer about the unethical practices	Stay and reluctantly participate in the unethical behaviour
51	A salesperson sees a colleague constantly exaggerate to customers regarding the benefits of a product and then copies that behaviour. What is the best approach for the sales manager to take?	Fire the salesperson	Fire the sales colleague and fine the salesperson	Meet with both salespeople and coach them on how to behave; document approach	Do nothing, as long as results are good	Meet with both salespeople and coach them on how to behave; document approach
52	The most important element of making an ethical decision is:_____	Pass out copies of "Competition Act"	Evaluate alternatives	Recognize that the ethical dilemma exists	Hire ethical people	Recognize that the ethical dilemma exists
53	A salesperson gives a customer a gift before a major deal to thank the customer for past business. What's the potential problem with this approach?	The buyer might not like the gift	This could be considered a bribe by the buyer	This is illegal	The salesperson will have to give the client a gift after every deal	This could be considered a bribe by the buyer
54	A common unethical practice by salespeople is _____	Showing up for work late	Lying to the sales manager	"Padding" the expense account	Using a company car after hours	"Padding" the expense account
55	The best way to get salespeople to conform to ethical behaviour is to _____	Recognize and reward ethical behaviour and punish unethical behaviour.	Create a Code of Ethics	Give a senior manager the title of Senior Ethics Advisor	Bring in a motivational speaker	Recognize and reward ethical behaviour and punish unethical behaviour.

	KARPAGAM ACADEMY OF HIGHER EDUCATION					
	Class: III B.Com Course code: 16 CMU 603A      Personnal Selling and Salesmanship					
UNIT V						
56	This is good example of ethical behaviour by a salesperson:	Promising a buyer that your own company will buy from them if you get the dea	Pointing out that a competitor has unethical salespeople	Omitting the mandatory shipping cost from a price quote	Being truthful about competitors and focusing on your own solutions	<b>Being truthful about competitors and focusing on your own solutions</b>
57	The best approach a sales manager can take when an account is re-classified a "house account" to avoid unethical behaviour:	Make sure any current deals are turned over immediately to the new salesperson	Inform the current salesperson by email to avoid a confrontation	Encourage the current salesperson to quickly close any outstanding deals any way they can	Meet with the current account salesperson to discuss the transition, determine if switch will cause a short term loss of revenue, and offer to adjust accordingly	<b>Meet with the current account salesperson to discuss the transition, determine if switch will cause a short term loss of revenue, and offer to adjust accordingly</b>
58	A common way for a salesperson to exhibit unethical behaviour is to	Blow the whistle on a co-worker cheating on expenses	Record a sales order before the deal is completely signed off	Ask a sales manager for advice on dealing with a pushy customer	Booking a doctor's appointment during work hours	<b>Record a sales order before the deal is completely signed off</b>
59	The sales team wants to increase their sales margins. They approach some competitors to set prices higher than they should be. This is called:	Price discrimination	Price fixing	Price dumping	Pyramid selling	<b>Price fixing</b>
60	A salesperson is pressuring a retail distributor to purchase another of their company's product and they make this a condition of getting the product requested. This unethical practice is called:	Refusal to deal	Referral selling	Tied selling	Misleading selling	<b>Tied selling</b>

**CLASS: III B.COM**

**UNIT: I**

**COURSE CODE: 16CMU 603A**

**BATCH-2016-2019**

**COURSE NAME: PERSONAL SELLING AND SALESMANSHIP**

**Introduction to Personal Selling**

Personal selling can be defined as an oral presentation in conversation with one or more prospective customers for the purpose of making sales. It is the most important ingredients in the promotion mix. In personal selling, a salesman can pinpoint the prospect and actual demonstration of the product can be made through two –way communication. Personal selling has a permanent place in promotion and distribution. Personal selling searches for customers offers for sale, create confidences and execute sales through different activities.

**Introduction to Personal Selling:**

Personal selling happens when companies and business firms send out their salesmen to use the sale force and sell the products and services by meeting the consumer face – to – face. Here, the producers promote their products, the attitude of the product, appearance and specialist product knowledge with the help of their agents. They aim to inform and encourage the customer to buy, or at least trial the product.

For example, salesmen go to different societies to sell the products. Another example is found in department stores on the perfume and cosmetic counters. A customer can get advice on how to apply the product and can try different products. Products with relatively high prices, or with complex features, are often sold using personal selling. Great examples include cars, office equipment (e.g. photocopiers) and many products that are sold by businesses to other industrial customers.

***Definition:***

- **According to W.J. Stanton**, “Personal selling consists of individual, personal communication, in contrast to the mass impersonal communication of advertising, sales promotion, and other promotional tools.”
- **According to Philip Kotler**, “Personal selling is a broader concept and involves oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.”

### **NATURE OF PERSONAL SELLING**

- The greatest freedom to adjust a message to satisfy customers informational needs, dynamic.
- Most precision, enabling marketers to focus on most promising leads. vs. advertising, publicity and sales promotion
- Give more information
- Two way flow of information, interactivity.
- Discover the strengths and weaknesses of new products and pass this information on to the marketing department.
- Highest cost. Businesses spend more on personal selling than on any other form of promotional mix.
- Goals range from
  - finding prospects
  - convincing prospects to buy
  - Keeping customers satisfied--help them pass the word along.

### **IMPORTANCE OF PERSONAL SELLING**



Personal selling is an important element of promotion mix and an effective promotional tool. The importance of personal selling can be shown briefly below:

***Flexible message:***

Personal selling is important as a flexible message. It involves individual and personal communication as compared to the mass and impersonal communication of advertising and sales promotion. Therefore, personal selling is most flexible in operation. He can observe the customer's reaction to a particular sales approach and thus makes necessary adjustments right on the spot. Face- to –face contacts with customers is the most effective means of communication.

***Minimum wastage:*** Personal selling helps in minimum wastage of the goods. In personal selling, a salesman can select the target market and concentrate on the customers. He need not communicate with the people. Therefore, personal selling involves minimum wastage of effort.

***Effective sales:***

Personal selling helps in the effective sales of products. Personal selling in most cases leads to an actual sale. A salesman can find potential buyers, demonstrate the product, explain its operation, and convince customers to buy it or install it at the customer's place and provide after sale service. Therefore, personal selling does the entire job of selling. It is a complete promotional technique of keeping customers satisfied.

***Immediate feedback:***

Personal selling helps in the immediate feedback of the products in the market. It involves a two-way flow of communication between the buyer and the seller. It is a useful method of understanding the needs and behavior of customers. It provides knowledge about the tastes, habits, and attitudes of the customers.

***Complements to advertising:***

Personal selling also acts as a complement to advertising. In most situations, there is a need for explaining the quality uses and price of the product. Advertising attracts customers but their doubts and questions about the product are answered by salesmen. In this way, personal selling supports advertising. Salesmen educate the consumers about new products and about new uses of existing products.

***Educates consumers:***

Personal selling helps to educate the consumers about the products. Salesmanship is not simply a tool of convincing people to buy certain products. It assists customers in satisfying their wants. A salesman provides information, education, and guidance to customers. He handles their complaints and assists them in getting value for their money. It is important to educate the consumers about the product.

***Employment opportunity:***

Personal selling also creates employment opportunity to the people. It helps to increase aggregate sales and production in the country thereby increasing employment opportunities. They help to maintain equilibrium between demand and supply.

**FUNCTIONS OF PERSONAL SELLING**

Personal selling is an oral presentation in face to face conversation with one or more prospective customers for the purpose of making sales.

The main functions of personal selling are as follows:

- Provide service to customers (Introduce the product, explain the right use, Convince them etc.)
- To sell the product
- Maintain the sales record
- Executive Function
- Develop goodwill
- Achieve sales target

**CHANGING FACE OF PERSONAL SELLING**

Modern sales approach is based on the following parameters

- **Value Sharing:**

Salespeople study the changing needs and preferences of their customers.

- **Relation Building:**

A value-based relationship helps the salespeople to constantly mobilize resources and modify the end product by catering to the specifics of the buyer.

- **Role Playing:**

The salespeople, in personal selling, go far beyond realizing sales. Sales people act as consultants to their prospective customers constantly advising them of new products, their updates and impart knowledge to them.

- **Changing Approach:**

Personal selling comes in a package containing the inputs of the experts from different areas such as maintenance, installation, trouble shooting, delivery staff, sales personnel, etc.

## **MYTHS ABOUT SELLING**

### ***Myths of selling:***

There are various myths about selling process which needs to be cleared for a sales person.

1. Buyers are liars
2. Anyone can be persuaded to buy
3. In buying decision, price is the primary reasons
4. A technique that works well for one person will work for everyone
5. Close the sales as soon as possible
6. The deal can be closed at any price

It can see in detail as follows:

**1. Buyers are liars.** I'm constantly amazed how many salespeople use this expression. Absolutely. But this usually occurs when the sales person has failed to earn that person's trust. Gaining someone's trust means not pushing them into making a buying decision. It means focusing your attention on THEIR situation rather than trying to close the sale. Earning trust means treating people with respect and dignity even if they are not prepared to make a buying decision right now.

**2. Anyone can be persuaded to buy.** This may be true of impulse purchases but in today's business world, buyers are savvier than ever before. I once heard someone say, "If you have a strong case you will clarify it. If you have a weak case, you will try and persuade the other person." The real key is to determine whether or not the person or company you are speaking to has a genuine need for your product or service. If they do not, then your best strategy is to move on to someone who does need AND want your particular solution. Even if a company could benefit from your product but they are reluctant to give you the opportunity to discuss, your time is better spent talking to other companies.

**3. Price is the primary reason people make a buying decision.** I will never dispute that price is a factor in the buying process but it is not usually the primary reason, unless, of course, you fail to establish the value of your products or services. If you don't clearly show how your solution will help your customer, price will become the default decision-making criteria.

**4. A technique that works well for one person will work for everyone.** Countless books have been written about one sales strategy or another and I have read many of them. In this search, I



have discovered that we all have our unique personality and what works well for someone may not work as effectively for us. However, instead of discarding that particular idea you should look for a way to integrate it into your natural style and approach.

**5. It's critical to close the sale as soon as possible.** This is one of the craziest beliefs. Yes, it's important to move people towards a buying decision. Yes, it is important to gain commitments along the way. Yes, it is important to include a call to action in your proposals and conversations. But, it is also important to recognize that not every sales decision will be made quickly. Decisions can be delayed for a number of reasons, and in certain situations, trying to rush the customer to a commitment will actually cost you the sale.

**6. Close the deal at any price.** Too many people feel they have to close every deal, even if it does not make good business sense to do so. I have spoken to countless sales people who will accept a deal that has virtually no margin just so they can get the sale. I recall talking to a store owner who quickly matched the prices of her competitor in order to prevent people from going to her competition. However, this seldom creates loyalty and only conditions that customer to continue asking for a better price. Decisions like this cost you or your company money. If you are not making your desired gross profit on a particular sale, then you need to consider whether it makes good business to accept it. I know small business owners who will offer substantial discounts to a large company in the hopes of generating additional business from that client in the future. Unfortunately, they end up giving away their services and expertise because they don't get any more business from that company. They neglected to negotiate an upfront agreement.

**Salesmanship:**

“The personal selling” and “salesmanship” are often used interchangeably, but there is an important difference. Personal selling is the broader concept. Salesmanship may or may not be an important part of personal selling and it is never ‘all of it. Along with other key marketing elements, such as pricing, advertising, product development and research, marketing channels and physical distribution, the personal selling is a means through which marketing programmes are implemented.

The broad purpose of marketing is to bring a firm’s products into contact with markets and to effect profitable exchanges of products for money. The purpose of personal selling is to bring the right products into contact with the right customers, and make ownership transfer.

Salesmanship is one of the skills used in personal selling, as defined by Stroh, “it is a direct, face-to-face, seller-to-buyer influence which can communicate the facts necessary for marketing a buying decision; or it can utilize the psychology of persuasion to encourage the formation of a buying decision”.

Salesmanship is seller-initiated effort that provides prospective buyers with information and motivates or persuades them to make favorable buying decisions concerning the seller’s products or service. The salesman of today has to react and interact in any different ways to many different people.

Some definitions emphasize that salesmanship is the art of influencing or persuading people to do what sales representative wants them to do. For instance, contractors, teachers, ministers, authors, politicians, industrial engineers etc., practice the art of influencing others to do what they want them to do. Every man is a salesman in his own walks of life.

- “He who works with his hands is a labourer.
- “He who works with his hands and his head is a craftsman.
- “He who works with his hands, HEAD and heart is an artist.
- “He who works with hands, his head, his heart and his feet is a salesman.”

Salesmanship is the ability to persuade people to want the things which they already need. Salesmanship is the ability to convert human needs into wants. The work of salesman is a service i.e., helping the consumer. The salesman gives a solution to the customer’s problems. Salesmanship is the ability to handle the people and to handle the products.

**Definition:**

According to W.G Carter, “Salesmanship is in attempt to induce people to buy goods.” According to the National Association of Marketing Teachers of America, “It is the ability to persuade people to buy goods or services at a profit to the seller and benefit to the buyer.”

According to Knox, “Salesmanship is the power or ability to influence people to buy at a mutual profit, that which we have to sell, but which they may not have thought of buying until call their attention to it. Salesmanship is the ability to persuade people to want they already need.”

According to Prof Stephenson, “Salesmanship refers to conscious efforts on the part of the seller to induce a prospective buyer to purchase something that he had not really

decided to buy, even if he had thought of it favourably. It consists of persuading people to buy what you have for sale in making them want it, in helping to make up their minds.”

According to J.C. Jagasia, “It is an ability to remove ignorance, doubt, suspicion and emotional objection concerning the usefulness of a product.”

According to Holtzclaw, “Salesmanship is the power to persuade plenty of people to pleasurably and permanently purchase your product at a profit.”

According to Carfield Blake, “Salesmanship consists of winning the buyers’ confidence for the sellers’ house and goods, thereby winning regular and permanent customers.”

According to Sefred Gross, “Salesmanship is the art of increasing satisfaction by persuading those people who should do so to buy specific goods or service.”

Thus, salesmanship is the process of persuading a person to buy goods or services. It does not mean that salesmanship is applied only to personal selling; it can also be applied to advertising- printed salesmanship. Salesmanship in its broader meaning, includes all types of persuasion means, by a seller, viz., advertising, personal selling and other methods.

**Modern Concept of Salesmanship:**

In olden days, a salesman takes an order. He shows the goods. He waits for an order. Then he receives the payment. He never attempts to guide, or help or persuade the consumers. But the modern concept of salesmanship is entirely different from the old concept of salesmanship. Modern concept is creative in approach. He creates needs and converts them into wants. Customer satisfaction is the main problem of salesman. Mutual profit is essential both for the buyer and the seller. Salesman guides the customer to buy things which satisfy his want. Salesman motivates the feelings of the customers to act.

**Importance of Salesmanship:** In the present day, salesmanship plays an important part. Salesman is the connecting link between sellers and buyers at every step., i.e” from the collection of raw materials to the finished products. , Of all, customers are the most benefited by salesmen.

Present era is of large-scale production, which is in anticipation of demand. The market expands along with competition. This makes distribution a difficult and a complex factor in the face of still competition. The expansions of the market, growing competition etc., invite a better salesmanship.

**1. Important to Producers:** Salesmanship is important to producers and manufacturers. For pushing products into the competitive market, salesmanship is necessary. To capture new markets also salesmanship is very important. Salesmen increase the sales volume. It brings larger profits to the manufacturers. Salesmen work as the “eye and ear” for the manufacturers.

They improve their products according to the taste of the consumers. They improve their sales policies by keeping in mind the suggestions, impressions and complaints of the consumers. He is the creator of demand. Hence it leads to increased production and increased business activity. As such it increases employment opportunity as well as personal incomes.

**1. Important to Consumers:**

Salesman educates and guides the consumers. He gives them more satisfaction. ‘Consumers are right’ in the marketing. As such, he gives more importance to them. Salesman helps the consumers in making the right decision and proper selection of the products which they want to buy. Salesmanship increases the rate of turnover, and hence reduces unsold stock. As such it minimizes the economic stagnation. Consumers can select the best products according to their requirements, taste and money.

**Duties of a Salesman:**

1. The principal duty is to make sales of products or services.
2. He has to do the assigned duty (travelling).
3. He has to make collection of bills relating to sale.
4. He has to make report-Sales made, Calls made, Services rendered, customers lost, competition and any other matters, relating to firm.
5. All complainants must be satisfied peacefully.
6. He has to attend sales meetings.
7. A salesman with his experience must supply information in order to solve problems relating to product or the firm.
8. He must maintain a good relation with the customers.
9. He must assist the customers to make good selection.
10. He must develop goodwill for the firm and the products.
11. He must have cooperative habits.
- 12 He takes periodic inventories of the stocks.

**Difference between personal selling salesmanship and sales force management**

Sales managements are the act of managing the activities of the sales force. Personal selling or salesmanship is the process of assisting and persuading a prospective buyer to buy a product or a service in a face to face situation. ... It involves face to face communication between the seller and the potential buyer.

Personal selling is a direct selling process between two parties. it's a face to face discussion between two people about a product.

Salesmanship is a process of encouraging people to buy a product. it's an art or skill of a person to convince someone with their idea and logic.

**Differences between Personal Selling and Sales management:**

<b>BASIS FOR CUSTOMER</b>	<b>PERSONAL SELLING</b>	<b>SALES MANAGEMENT</b>
Meaning	Personal Selling is a marketing tool in which the sales person presents the goods to the customers and instigates them to purchase it.	Sales Management is a range of non-personal marketing activities that are carried on to initiate sales of product and service.
Consequence	Long term increase in sales	Short term increase in sales
Cost involved	High	Comparatively less
Communication	Face to face	Indirect
Customers	Few	Many
Incentive schemes and offers	Not always present	Always present
Nature of product	Customized and technically complex	Standardized and easy to understand
Method used for	High value	Low value

<b>BASIS FOR CUSTOMER</b>	<b>PERSONAL SELLING</b>	<b>SALES MANAGEMENT</b>
which kind of product		

The following are the major differences between personal selling and Sales management

1. Personal Selling is an element of promotional mix, where salesman visits the customer and displays the goods to initiate the purchase. Sales management is a tool used to stimulate sales by employing incentive element to attract customers.
2. The effect of personal selling can be seen in the long run when there is an increase in sales. Conversely, Sales management activities may result in an instant growth in sales but for a short term only.
3. Personal Selling is an expensive tool as compared to Sales management.
4. Personal Selling involves face to face interaction between prospective buyer and the company representative which is not in the case of Sales management.
5. In personal selling the market size is small, and that is why there are few customers only. Unlike Sales management, where the market size is large, so there are end number of potential customers.
6. The major tool of Sales management is the incentive schemes and offers, but these tools are not used in case of personal selling.
7. Personal Selling is used when the product value is high, and it is difficult to understand, whereas Sales management the product value is comparatively low and easy to use.

**Characteristics or the Qualities of a Successful Salesman:**

1. Establishing good relationship with a variety of people.
2. Learning quickly and adapting smoothly.
3. Planning ahead and efficiently managing his time and efforts.
4. Working hard to achieve his goals, dedicating himself to provide long-term service, rather than having a get-rich-quick attitude.
5. Communicating clearly both in speech and in writing.
6. Thinking analytically and learning to break problems down to their basic components.
7. Producing constantly both in quality and quantity rather than performing erratically.

8. Persisting steadily his goal and not giving up easily.
9. Possessing and living up to high moral characteristics that enable people to admire,, respect and trust him.

“Personality is the personal distinction or dynamic force which is felt by everybody who comes within the radius.” Personality is the sum total of the impressions made on people with whom one comes into contact. The impression is the result of many qualities that one possesses. There are a number of qualities which make a salesman successful.

To become a successful salesman, he must master all the traits. A number of evidences as given by RG Walters, J.W. Windate, Russel etc., divide the qualities of a successful salesman into the following major factors. They are: 1. Personality of a salesman, 2. Knowledge of the product and, 3. Knowledge of the customers and their buying motives.

#### **Type of Salesmen:**

##### **1. Manufacturer’s Salesmen:**

(a) **Missionary Salesmen:** They are also known as Creative Salesmen or Pioneer Salesmen. They are employed by manufacturers and do the work, of missionary nature. They create demand for the products. They usually develop goodwill. They call on distributors- wholesalers, retailers, customers, in order to educate, train and induce them to promote the products. Manufacturers of medical supplies use this type of salesmen to promote their products.

##### **(b) Merchandising Salesmen:**

They assist dealers by giving suggestions on display, store- layout, service facility etc. They arrange wide publicity and conduct demonstration for dealer salesmen, by even working along with them. They are largely involved in drugs, medicines, grocery etc. There is a wide scope for this category.

##### **(c) Dealer-Servicing Salesman:**

These salesmen call on retailers in their territory and visit them often. They bring samples of new products, take orders and make up window display.

##### **(d) Sale Promotion Salesmen:**

They are also known as Retail Salesman. They are specialised in promotional work. They are representatives of medical firms or publishers. They may not take spot orders

but they try to convince people like doctors about the new drug, research work, testing, result etc. They create demand by calling on customers,

**(e) Technical Salesmen:**

They are trained technically. They provide technical assistance to company's customers on matter connected with the product, its quality, its design, its installation etc. Generally these types of salesmen deal with computers, equipment's, machinery items, chemical products etc.

**2. Wholesaler's Salesmen:**

Products reach the hands of customers through a number of channels, the main channel being wholesalers. They are the nerve-centres of distribution between manufacturers and retailers. These salesmen are mainly concerned with retailers through whom the products are to be marketed.

**Their main concerns are:**

1. To guide the wholesalers in giving credit transaction to retailers,
2. To collect bills from retailers and customers,
3. To collect information of the market trend,
4. To help retailers to improve sales and
5. To take orders from retailers.

**3. Retail Salesmen:**

They are of two types: 1. Indoor salesmen and 2. Outdoor Salesmen. Indoor salesmen work within the store—counter sales over the counter. They do not need training as they have to face only customers and not the prospects. They deal with regular buyers. They are order filling salesmen.

They receive orders and execute them. They must have good manners and a helpful attitude. They must be able to guide the customers and help them to make quick decisions. They must also be knowledgeable and honest. Above all, they must maintain products in the shelves in an attractive manner.

Outdoor salesmen may also be called travelling salesmen. Their main job is to make regular travels, visit customers, canvass orders etc. They must possess all the qualities of ideal salesmen.



#### **4. Specialty Salesmen:**

They are to sell specialty products-expensive durable goods, furniture, books, house furnishings, washing machines, automobiles, refrigerators etc. People purchase these products only after a personal and careful selection, because they do not buy them frequently. Salesmen of this kind must be masters of the art of salesmanship. They are representatives of manufacturers, who produce special items.

### **ADVANTAGE AND DISADVANTAGE OF PERSONAL SELLING:**

#### **Advantages of Personal Selling**

- It is a two-way communication. So the selling agent can get instant feedback from the prospective buyer. If it is not according to plan he can even adjust his approach accordingly.
- Since it is an interactive form of selling, it helps build trust with the customer. When you are selling high-value products like cars, it is important that the customer trusts not only the product but the seller also. This is possible in personal selling.
- It also is a more persuasive form of marketing. Since the customer is face to face with the salesperson it is not easy to dismiss them. The customer at least makes an effort to listen.
- Finally, direct selling helps reach the audience that we cannot reach in any other form. There are sometimes customers that cannot be reached by any other method.

#### **Disadvantages of Personal Selling**

- It is a relatively expensive method of selling. High capital costs are required.
- Also, it is an extremely labour intensive method. A large sales force is required to carry out personal selling successfully.
- The training of the salesperson is also a very time consuming and costly.
- And the method can only reach a limited number of people. Unlike TV or Radio ads it does not cover a huge demographic.

### **DIFFERENCE BETWEEN PERSONAL SELLING, SALESMANSHIP AND SALES MANAGEMENT:**



**PERSONAL SELLING** is a broader concept than salesmanship. Personal selling is an important ingredient of promotional mix, which is a part of marketing mix. Personal selling is a means for implementing marketing programs. It involves processes like interaction of the seller with the buyer to understand needs and wants of buyer.

It is a direct presentation of a product to a prospective customer by a representative of the organization selling it.

**Objectives of personal selling:**

- To shoulder the entire responsibility of the promotion mix (when no other element of Promotion mix is used)
- To maintain contact with existing customers, take orders etc (also known as servicing existing accounts)
- To search and obtain new customers
- To secure customers cooperation in stocking and promoting the product line
- To inform and educate customers
- To assist customers in selection
- To provide technical assistance
- To assist with training the middlemen's sales personnel
- To collect market information

**SALESMANSHIP**

**Meaning:**

- ☐ Sales Management, Personal Selling and Salesmanship are all related. Sales management directs the personal selling effort which is turn is implemented largely through salesmanship
- ☐ Salesmanship is one aspect of personal selling and never all of it.
- ☐ It is one of the skills used in personal selling

**Definition:**

**Salesmanship is the art of successfully persuading prospects or customers to buy products or services from which they can derive suitable benefits, thereby increasing their total satisfaction.**

**SALES MANAGEMENT** is the management of all market related activities like advertisement, sales promotion, marketing research, physical distribution, pricing and product development .

Sales management is responsible for the sale of a product of a company and to add profits to the business operations. Sales managers are in charges of personal selling activity and their primary assignment is management of the personal sales force. Thus sales management emphasis on planning, organizing, directing and controlling of personal selling including recruitment, selection, training , supervision and motivation of the personal sales force.

### **OBJECTIVES OF SALES MANAGEMENT**

- From the Organizations Viewpoint there are three general objectives of sales management
- a. Achieving the desired sales volume
- b. Contribution to profits in the organization
- c. Continuing growth.

### **NATURE & IMPORTANCE OF SALES MANAGEMENT**

- A. Its integration with marketing Management -
- B. Relationship Selling
- C. Varying Sales responsibilities

### **SALESMANSHIP: DEFINITION, IMPORTANCE, DUTIES AND TYPES**

“The personal selling” and “salesmanship” are often used interchangeably, but there is an important difference. Personal selling is the broader concept. Salesmanship may or may not be an important part of personal selling and it is never ‘all of it. Along with other key marketing elements, such as pricing, advertising, product development and research, marketing channels and physical distribution, the personal selling is a means through which marketing programmes are implemented.

- The broad purpose of marketing is to bring a firm’s products into contact with markets and to effect profitable exchanges of products for money. The purpose of personal selling is to bring the right products into contact with the right customers, and make ownership transfer.
- Salesmanship is one of the skills used in personal selling, as defined by Stroh, “it is a direct, face-to-face, seller-to-buyer influence which can communicate the facts necessary for marketing a buying decision; or it can utilize the psychology of persuasion to encourage the formation of a buying decision”.

- Salesmanship is seller-initiated effort that provides prospective buyers with information and motivates or persuades them to make favourable buying decisions concerning the seller's products or service. The salesman of today has to react and interact in any different ways to many different people.
- Apart from the knowledge of the product, a salesperson has to be a psychologist with one prospect, a human computer with another, an adviser with another, and at the same time a friend with some buyers. Salespersons must adjust their personalities on every call. Salesmanship may be implemented not only through personal selling but through advertising. Thus, advertising has been described as "salesmanship in print."
- Some definitions emphasize that salesmanship is the art of influencing or persuading people to do what sales representative wants them to do. For instance, contractors, teachers, ministers, authors, politicians, industrial engineers etc., practice the art of influencing others to do what they want them to do. Every man is a salesman in his own walks of life.

*"He who works with his hands is a labourer.*

*"He who works with his hands and his head is a craftsman.*

*"He who works with his hands, HEAD and heart is an artist.*

*"He who works with hands, his head, his heart and his feet is a salesman."*

- Salesmanship is the ability to persuade people to want the things which they already need. Salesmanship is the ability to convert human needs into wants. The work of salesman is a service i.e., helping the consumer. The salesman gives a solution to the customer's problems. Salesmanship is the ability to handle the people and to handle the products.

**Definition:**

- According to W.G Carter, "Salesmanship is in attempt to induce people to buy goods.
- According to the National Association of Marketing Teachers of America, "It is the ability to persuade people to buy goods or services at a profit to the seller and benefit to the buyer."
- According to Knox, "Salesmanship is the power or ability to influence people to buy at a mutual profit, that which we have to sell, but which they may not have thought of buying

until call their attention to it. Salesmanship is the ability to persuade people to want they already need.”

***Modern Concept of Salesmanship:***

In olden days, a salesman takes an order. He shows the goods. He waits for an order. Then he receives the payment. He never attempts to guide, or help or persuade the consumers. But the modern concept of salesmanship is entirely different from the old concept of salesmanship. Modern concept is creative in approach. He creates needs and converts them into wants. Customer satisfaction is the main problem of salesman. Mutual profit is essential both for the buyer and the seller. Salesman guides the customer to buy things which satisfy his want. Salesman motivates the feelings of the customers to act.

**IMPORTANCE OF SALESMANSHIP:**

In the present day, salesmanship plays an important part. Salesman is the connecting link between sellers and buyers at every step., i.e” from the collection of raw materials to the finished products. , Of all, customers are the most benefited by salesmen. Present era is of large-scale production, which is in anticipation of demand. The market expands along with competition. This makes distribution a difficult and a complex factor in the face of still competition. The expansions of the market, growing competition etc., invite a better salesmanship.

***1. Important to Producers:***

Salesmanship is important to producers and manufacturers. For pushing products into the competitive market, salesmanship is necessary. To capture new markets also salesmanship is very important. Salesmen increase the sales volume. It brings larger profits to the manufacturers. Salesmen work as the “eye and ear” for the manufacturers.

They improve their products according to the taste of the consumers. They improve their sales policies by keeping in mind the suggestions, impressions and complaints of the consumers. He is the creator of demand. Hence it leads to increased production and increased business activity. As such it increases employment opportunity as well as personal incomes.

***2. Important to Consumers:***

Salesman educates and guides the consumers. He gives them more satisfaction. 'Consumers are right' in the marketing. As such, he gives more importance to them. Salesman helps the consumers in making the right decision and proper selection of the products which they want to buy. Salesmanship increases the rate of turnover, and hence reduces unsold stock. As such it minimizes the economic stagnation. Consumers can select the best products according to their requirements, taste and money.

**DUTIES OF A SALESMAN:**

1. The principal duty is to make sales of products or services.
2. He has to do the assigned duty (travelling).
3. He has to make collection of bills relating to sale.
4. He has to make report-Sales made, Calls made, Services rendered, customers lost, competition and any other matters, relating to firm.
5. All complainants must be satisfied peacefully.
6. He has to attend sales meetings.
7. A salesman with his experience must supply information in order to solve problems relating to product or the firm.
8. He must maintain a good relation with the customers.
9. He must assist the customers to make good selection.
10. He must develop a goodwill for the firm and the products.
11. He must have cooperative habits.
- 12 He takes periodic inventories of the stocks.

**ESSENTIAL ELEMENTS OF A SUCCESSFUL SALESMAN**

***(i) Element of persuasion***

Personal selling is the art of winning the confidence of the customers and thereby convincing them to accept the proposal. It is through powerful suggestions and tactful handling of situation that the salesmen are able to make the people agree to the sales proposals.

***(ii) Element of creativity***

It is the creative thinking of the salesmen that arouses interest for the product. It creates and maintains demands for the product. It tends to satisfy the individual needs of the customer.

***(iii) Element of education***

Personal selling helps the customers to increase their satisfaction by educating them about the uses of new products and new uses of old products. It educates people about the availability of products, their features, uses, etc.

***(iv) Element of mutual benefits***

The main aim of personal selling is not to make high profits. It is beneficial both to consumers and sellers. It not only increases the profit of the businessman but also provides full satisfaction to the consumers.

**PERSONAL SELLING SITUATIONS**

**Personal Selling situations -**

- i) Service Selling
- ii) Developmental Selling
- iii) Creative Selling

**i) Service Selling**

- Inside Order taker – here the salesperson waits on customers (e.g Sales Counter person)
- Delivery Salesperson – Engaged in delivering the product (Person who delivers Milk, Eggs)
- Merchandising/Route Sales Person – Works as an order taker on field mainly with retailers
- Missionary \_Works only to create goodwill and disseminate information . Does not do any order taking
- **Technical Sales Person – Emphasizes technical Knowledge and educates customer**

**ii) Developmental Selling**

- Creative sales person of tangibles – Sales person selling vacuum cleaners , encyclopedias
- Creative sales person of intangibles- Sales person selling Insurance, advertising services, Educational programs

**iii) Creative Selling**

- Political /Indirect/Back Door – Selling big ticket item by catering to the other interests of the customers (which have no connection with the product)
- Salespersons engaged in multiple sales- Where the sales person is required to make presentation to various entities of an organization (Ad agency salespersons making presentations to selection committee, creative department, product department etc)

### **Types of Salespersons**

In business and industry, the following types of salespersons are widely used:

#### ***Manufacturers' salesman:***

A manufacturer's salesman is that type of salesman whose job is to sell products either directly to the consumers or to the wholesale or retailers. He may be a "pioneer salesman", merchandising salesman or a 'dealer servicing salesman'. A manufacturer's salesman is engaged in creating and cultivating outlets for a new product.

#### ***Pioneer or missionary salesman:***

Pioneer salesman are also known as a creative salesman. They are employed by manufacturers and do the work of missionary nature. They create demand for the products. They usually develop goodwill. They call on distributors – wholesalers, retailers, professional customers, in order to promote the products.

#### ***Merchandising salesman:***

Merchandising salesman is the salesman who gives suggestions on display, store- layout, service layout, service facility, etc. They arrange wide publicity and conduct demonstration for dealer salesmen by working along with them. They are largely involved in drugs, medicines, grocery, etc.

#### ***Dealer servicing salesmen:***

Dealer salesman is that salesman who calls on retailers in their territory and visits them often. They bring samples of new products, take orders and organize window display.

#### ***Wholesaler's salesmen:***

The wholesaler's salesman are the salesman who calls on retail dealers at regular intervals to book their orders. He informs the retailers about the various products offered by the wholesaler, helps them in the selection of articles and advises the retailers in involving effective selling techniques. The wholesaler's salesman may be the outdoor or indoor salesman.

#### ***Sales engineer:***

Sales engineer are that salesman who deals in high-value goods like computers, automobiles, refrigerators, washing machines, and television set. They are known as specialty salesman. They help in the installation of the products like computer or plant and machinery at the customer's place.



***Service salesmen:***

Service salesmen are appointed by the institutions providing intangible/ individual services like banking and insurance companies. These salesmen can meet the public to convince them about the need of saving for better future. Their job requires greater persuasion as compared to the job of salesmen dealing in tangible products.

**QUALITIES OF A GOOD SALESMAN**

In order to become a successful salesman, a person should possess some qualities. These qualities may be:

- (i) Knowledge about the products.
- (ii) Knowledge about the customers.
- (iii) Knowledge about the techniques of selling.
- (iv) Personal qualities
  - Personality
  - Mental qualities
  - Social qualities
  - Character qualities

***1. Knowledge about the products***

Most of the customers are ignorant about the features and utility of a product as to how many varieties, types and design, are available in the market. Without the help of salesman, it is difficult for the customers to decide about their products. A salesman has to convince the customers about the utility of the product by removing their doubts. The salesman, therefore, must have complete knowledge about the product – its special features and uses. In order that the salesman could answer the questions of the customers, he should know the whole process of production – raw materials used, place of production, sources of supply, etc. He must also know the terms and conditions of sale, delivery, prices, packing, credit facilities available etc., and the distribution channels used. Suppose, if a salesman sells a technical product (vacuum cleaner), then he must know in detail about the operation and functionalities of that product.

***2. Knowledge about the customers***

Salesmanship is the art of persuasion. In order to be successful a salesman must have sufficient knowledge about the customers to whom he is going to sell. He must try to understand their nature, types, habits and buying motives (considerations that compel a customer to buy). It

is only then that he wins permanent customers. Salesman selling vacuum cleaner must identify the target customers for their product. Like for this product customers generally will be high income group urbanites.

### ***3. Knowledge about the selling techniques***

All the above knowledge is of no use unless salesman learns some techniques of selling and uses them. For example, firstly, he should see that the prospect line customer is well attended to. Secondly, he should try to understand his requirements. Thirdly, he should always be prepared to help him in order to win his confidence. Fourthly, he should ensure that the need of the customer is suitably met. If salesman follows these steps then selling vacuum cleaner won't be a problem to target customers (potential customers)

### ***4. Personal qualities***

Some of the personal qualities are:

#### ***a. Personality***

A successful salesman must have sound health and pleasing personality, good appearance, good tastes, good habits, impressive voice, etc. First impression is the last impression. A pleasing and charming personality boosts self-confidence. It plays an important role in selling. The good appearance has a far reaching impact on the customers.

#### ***b. Mental qualities***

An effective successful salesman must possess certain mental qualities intelligence, presence of mind, imagination, confidence, observation, sharp memory, foresightedness and above all the power to take quick decisions, etc.

#### ***c. Social qualities***

A successful salesman should be co-operative, courteous, well mannered, have a liking for people, etc. He should always be ready to help his customers, remove their grievances and give new suggestions. He should be friendly and ready to mix with his customers. He must have the power to lead the people.

#### ***d. Character qualities***

A successful salesman should have moral qualities like honesty, integrity, loyalty, etc. A salesman should be such that his tasks, promises, gestures and behaviours can be trusted, respected and honoured. He should be honest in his dealings. He should be loyal both to the customers and business.

**CAREER OPPORTUNITIES IN SELLING:**

There is a corresponding sales career. For those interested in either starting a sales career or changing from one sales industry to another, there are many options, choices and factors to consider.

***01 IT Industry Sales Careers***

Computer technician using digital tablet performing maintenance PhotoAlto/Frederic CirouPhotoAlto Agency RF Collections/Getty Images

The IT industry is one that affords successful sales professionals a substantial income opportunity as well as job security. However, both of these wonderful benefits can quickly become lapsed by the rapidly changing nature of the IT world.

For those in IT sales and those considering IT as their career, having a career-long commitment to education and learning new skills is of paramount importance.

***02 Real Estate Careers***

Real Estate Sales Professionals, aka "Agents," have the enviable job of helping people own their piece of the American dream. While agents do much more than just sell homes for and to people, essentially their job is close deals. For those who do that well, the rewards can be incredible.

But the allure of an unlimited income and the freedom of real estate sales hides a very important but critical success factor. That factor is that, like any other sales profession, success does not come before hard work.

***03 Medical Devices Sales Careers***

Of all the career industries, none provide as much security as does the Healthcare industry. The percentage of each dollar spent that goes towards Healthcare rises each year. With all that money going into the industry, the money available for successful sales professionals is amazing.

The question is not whether a sales career in the Healthcare industry should be a consideration or not, but which avenue a sales professional should explore.

***04 Independent Sales Reps***

Sometimes, jobs that offer the income potential that you need can't be found. When the economy takes a turn for the worst, jobs are often the first victim. But companies that make a product or have a service, still need to have someone sell their wares to customers. When hiring a sales

force doesn't make fiscal sense, many companies turn to independent sales reps to carry their flag.

Because of this factor, there is usually an abundance of independent sales reps positions available. So for those self-motivated sales professionals who can take risks involved with not having a base salary, a career as an Independent Sales Rep may be the best and most secure choice they can make.

### ***05 Food Service Sales***

There are two things that everyone in the world needs. One is air to breathe, and the other is food to eat. Those in the Food Service Sales career are responsible for selling food and food-related items to the establishments that help people meet their second need of eating food.

Food Service Sales Reps almost always represent a restaurant supply distributor though some may work exclusively for food distributors. But no matter who a Food Service Sales Rep works for, they should expect stiff competition, a lot of networking and a job that extends beyond the normal working hours.

### ***06 Manufacturer's Representatives***

Much like Independent Sales Reps, Manufacturer's Representatives sell products for a specific manufacturer. While there is seldom a rule that demands that a sales professional represents only one manufacturer, most manufacturers prefer that their reps sell only their products.

For those with excellent time management and professional networking skills, selling for a manufacturer (or two) offers numerous rewards and benefits.

## **COMMON SALES JOB TYPES AND MEASURES FOR MAKING SELLING AN ATTRACTIVE SALARY**

### ***1. Sales development rep (SDR)***

- SDRs (also commonly called business development reps, or BDRs) are responsible for the first part of the sales process: Researching, prospecting, and qualifying leads.
- Depending on the organization, that may mean identifying and reaching out to potential good fits, answering requests for more information, following up with prospects who downloaded content, prospecting on LinkedIn and other social networks, and more.

- Once an SDR has determined the lead is qualified, they pass the opportunity to a sales rep. That rep is responsible for presenting or demoing the product, resolving the buyer's objections, and creating a proposal.
- Unlike a closing sales rep, SDRs don't carry a traditional quota. They're typically measured on their activity, like number of calls made and/or emails sent. According to The Bridge Group's 2016 Sales Development Metrics and Compensation report, it's most common for companies to base an SDR's commission on the number of meetings or opportunities they pass to their partner reps and the number of meetings or opportunities accepted by those reps.

#### **Measures for Making selling an attractive salary**

- This position is a great entry point to sales. Not only is there a clear promotion path, you don't need much experience.
- You'll spend most of your time speaking with potential prospects, so you may not want to become an SDR if you're not comfortable talking on the phone. The typical SDR role requires excellent written and verbal communication skills.

#### ***2. Account Executive (AE)***

- The vast majority of candidates are ready to be promoted after approximately six to 18 months in a sales development role. As an AE, they've got a brand-new set of responsibilities: Running demos or giving presentations; identifying, surfacing, and addressing potential buying obstacles; crafting personalized value propositions; getting the commitment to purchase; and negotiating the actual terms.

#### **Measures for Making selling an attractive salary**

- Being an AE is a natural next step once you've gotten some selling experience under your belt. People with strong interpersonal skills thrive as AEs, since the lion's share of their day is spent in meetings, on the phone, sending emails, and/or engaging prospects on social media.
- Resiliency is crucial. Like most sales jobs, the AE role comes with rejection and uncertainty. You'll be miserable if you don't learn to bounce back quickly after failure and remain calm in high-stress situations.
- Of course, there are also a lot of highs. If the idea of closing a big deal or winning a low-probability opportunity thrills you, this position is right up your alley.

### ***3. Outside Salesperson***

- Due to the rise of email, social media, and web-conferencing tools -- not to mention, a growing desire to talk to salespeople virtually and on the phone rather than in-person -- outside sales roles are becoming increasingly less common.
- An outside salesperson spends most of their time “in the field,” or visiting potential customers at their offices. You’ll be moving around constantly: Around the city, region, state, country, or even world.
- Because you’re largely working by yourself or with a few other team members, a field sales job can be isolating. On the other hand, you’ll likely have a flexible schedule.

### **Measures for Making selling an attractive salary**

- Employers usually look to more experienced salespeople for outside sales roles, since you’ll normally be meeting buyers on your own. It’s also harder to learn selling fundamentals when you’re operating solo or in a small team.
- As a result, an outside sales role might not be the optimal choice when you’re new to sales. The travel takes a toll too -- whether you’re a novice or veteran.
- Outside sales does offer some advantages. Building rapport and establishing trust with your prospects tends to be easier if you’re face-to-face. In addition, many reps like how much autonomy and independence this role offers.

### ***4. Account Manager***

- Account managers enter the picture once the initial purchase is complete. Unlike a salesperson, whose accounts are constantly changing, an account manager’s portfolio is relatively stable.
- You’ll work with each customer to understand their needs, create a long-term strategy, and help them realize the greatest possible ROI from your product.
- An account manager also serves as the client’s primary point-of-contact at the company. When they have non-support questions, they’ll go to you.
- The main metrics you’ll be measured by? Retention and satisfaction rates. But account managers also look for upsell and cross-sell opportunities. At some organizations (usually smaller ones), they’ll handle this conversation with the customer directly. At larger companies, it’s more common for a salesperson to take over once an opportunity to expand the account comes up.

**Measures for Making selling an attractive salary:**

- If you're passionate about building lasting relationships and being an internal advocate for your customers, you'll do well as an account manager.
- Successful account managers are also skilled at balancing multiple needs. For any given account, you must consider the client's objectives, your company's objectives, sales targets, and more.
- Lastly, you'll need to speak your customer's language. Without a deep understanding of their business, market, product, and industry, you'll never earn their confidence.

***5. Regional Sales Manager***

- Sales managers and regional sales managers lead teams of SDRs, reps, and, sometimes, account managers. You'll set individual quotas and team goals, analyze data, coordinate sales trainings and call reviews, and manage sales territories.
- You also might be involved in the recruiting, hiring, and firing of employees. And, depending on your organization's hierarchy, you might need to represent your team in executive and company-wide meetings.

**Measures for Making selling an attractive salary**

- How to know if the job is right for you: You'll need at least three years of sales experience, including some managerial experience. You might have held an account executive position or overseen a few SDRs, and you should be familiar with managing a small budget and analyzing team performance.
- Before applying for a sales manager role, consider whether you have this experience. If not, ask your supervisor to help you develop in these areas. Is there a new sales rep who would benefit from your coaching? Volunteer for the job.
- Once you have the experience, ask yourself whether you like managing people, budgets, and strategy for a team. Some salespeople prefer to remain individual contributors. If you're happier in the trenches making sales and ringing the gong, a sales manager position might not be for you.

***6. Sales Engineer***

- These professionals are also known as "pre-sales support," "systems engineer," or "field consultant." Sales engineers combine the technical expertise of engineers with the business acumen and selling skills of a traditional rep.

- As a sales engineer, you'll answer in-depth product questions; work with prospects to determine their technical needs; communicate those needs to your sales, engineering and/or product teams; help salespeople give demos; and craft the technical components of proposals and contracts.
- You'll either be paired with a single rep -- in which case you may be held to a joint quota -- or assigned to deals. Reps often complain there aren't enough sales engineers to go around, so it's likely you'll have a full schedule.

#### **Measures for Making selling an attractive salary**

- This position is ideal if you're excited to flex both your technical knowledge and people skills. It requires fantastic active listening, presentation, and communication skills, as you'll be spending a great deal of time in front of customers.
- Some sales engineers are always on the road. Can you picture yourself spending a few days per week away from home hosting workshops for prospective customers and giving demos? If just the thought exhausts you, a sales engineering position may not be the best fit.
- It's also worth noting most employers look for a B.S. in computer science, a B.A. in engineering, or another related degree. Five-plus years of experience in pre-sales roles will also increase your chances of getting hired.

#### ***7. Director of Sales***

- A director of sales works with sales managers to determine sales objectives, forecast and develops sales quotas, maintain sales volume, and remain a crucial part of the hiring process.
- In this position, you'll maintain a more strategic role than that of a sales manager. You'll likely report to the VP of Sales, and communicate executive directives to the rest of the sales organization.
- You'll probably be held responsible for the performance of your department. And your bonus will be awarded when your sales organization meets or exceeds goals. Budget and people management, recruiting, and business development initiatives will also be on your plate.



**Measures for Making selling an attractive salary**

- A sales manager who's ready for more responsibility and leadership potential? This might be the role for you.
- You should have spearheaded incredible growth and performance from your team as a sales manager. Your reps and region should be thriving, and you should already be flexing your muscles outside your job description.
- Demonstrate a one-step-ahead mentality against your competition by identifying gaps in your business and delivering solutions first.

***8. VP of Sales***

- A vice president of sales should contribute to the overall growth and strategy of the sales organization -- and the company as a whole.
- You should identify strategic hiring opportunities that will strengthen your team, and aid in recruiting top talent. You'll also be in charge of team strategy, like deciding which markets your organization will expand to -- and you should be able to sell the tactics your team will need to get there.
- At the end of the day, your goal is to help your sales organization -- and the company -- scale. Your experience should yield keen insight into the company's next move before it's visible on the horizon.
- Because this role requires 10 or more years of experience and a proven track record of success, VPs also boast a bigger salary.

**Measures for Making selling an attractive salary**

- Managerial and director-level sales positions and be able to claim significant department and company growth.
- You should be fairly familiar with what's required of the VP position, having worked directly with or reported to one previously.
- And you should feel comfortable in a leadership role, be able to think analytically about your sales organization, and be proficient at communicating with executive- and board-level colleagues.
- Good luck finding your perfect job in sales. It's a career that offers unlimited earning potential, great fulfillment, and autonomy. Get started today.