

SALESMANSHIP

Unit -I

Meaning

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.

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.

Importance or Benefits

1. Two-Way Communication:

It is the best tool for two-way communication. Salesman can provide necessary information to customer about company's offer, and also can collect information from customer. Customer can actively involve with salesman to solve his doubts and objections. It is not possible in any other methods of market promotion.

2. Personal Attention:

Advertising and publicity are among mass communication tools. They do not cater individual needs. Personal selling focuses on personal problems of customers. It is comparatively more effective and result-oriented.

3. Detail Demonstration:

Except television advertisements, demonstration is not possible. However, television demonstration is much limited. Salesman can provide a detail demonstration and can supervise when customer is making the actual use of products. For technical products, it has more relevance.

4. Complementary to other Promotional Tools:

Personal selling can support advertising, sales promotion, and publicity. It removes the drawbacks of advertising and sales promotion. Advertising increases awareness while

personal selling reinforces the advertising message. Similarly, it can make sales promotion tools more effective by personal guidance or conviction.

5. Immediate Feedback:

This is the only market promotion technique that provides an immediate feedback. At the end of every call/visit, a salesman can easily judge whether the customer is interested or intended to buy.

6. Individual Services:

Salesmanship offers individual services. It can meet personal expectations of buyers. It leads to customer satisfaction.

7. Flexibility:

Sales talks and presentation can be adjusted according to situation to suit individual nature, motives, and problems.

8. Customer Confidence:

By systematic sales talk and presentation, a capable salesman can remove all doubts, quarries, objections and misunderstandings, and can win customer's confidence. It increases customers' faith in company and its offers.

9. Triple Rewards:

Salesmanship offers triple rewards. It benefits all parties, including customer, salesman, and company. Customer is satisfied with products and services; salesman can achieve his targets; and company can improve its market share and profits.

10. Improving Image:

Note that salesmanship can remove bad image or misunderstanding by highlighting company's achievements and offers. The detailed explanation about company and its products removes all doubts and misunderstandings. It helps in restoring company image and reputation in market.

Objectives of Personal Selling:

(i) Attracting the Prospective Customers:

The first and foremost objective of a salesperson is to attract the attention of people who might be interested to buy the product he is selling.

(ii) Educating the Prospective Customers:

The salesman provides information about the features, price and uses of the product to the people. He handles their queries and removes their doubts about the product. He educates them as to how their needs could be satisfied by using the product.

(iii) Creating Desire to Buy:

The salesman creates a desire among the prospective customers to buy the product to satisfy specific needs.

(iv) Concluding Sales:

The ultimate objective of personal selling is to win the confidence of customers and make them buy the product. Creation of customers is the index of effectiveness of any salesperson.

(v) Getting Repeat Orders:

A good salesperson aims to create permanent customers by helping them satisfy their needs and providing them product support services, if required. He tries for repeat orders from the customers.

Characteristics Of A Successful Salesman

There are a few natural skills that are of great benefit if they already exist within those that want to be successful in sales. Without these, success will take a longer time but it can still be achieved. If there is no desire and dedication to learning or developing these skills, then the selling will be much more difficult and often very stressful.

1. Effective Communicator:

Communication covers a lot of territory. Sales is all about talking to people and making them understand your thoughts. At times sales people need to speak in the local language in order to make customers understand properly.

2. Ability to Listen:

A salesperson has to balance the act of talking and listening. If he does not properly listen, how would he respond back. So a salesperson has to be a good listener.

3. Inquisitive: Salespeople are naturally inquisitive and know that in order to isolate what the real need or desire is in the buyer, they need to ask questions that will lead them to the answer. They naturally ask questions because they have a desire to help solve their problem.

4. Problem Solver:

Another natural skill is the desire and ability to solve problems. Great sales people are always solving problems. The ability to know what the buyer's problem is and offering suggestions that will effectively solve the problem with respect to what products or services we sell, and generally results in a sale.

5. Well Organized:

Sales people have a keen ability to break things down into smaller steps and organize a plan of action. They know how to analyze what their goal is and in what order the steps need to be in order to reach that goal.

6. Self-Starter and Self-Finisher:

A successful sales person moves forward on their own. They never need anyone to tell them when it is time to go to work because they know that if they do not work they will not earn. They are also very persistent to finish what they start. They achieve their goals, even if they are small ones.

7. Positive Self Image:

Having the attitude that they can do just about anything that they put their mind to is usually very common among sales people. They do not cower from meeting or talking to people or trying something new. They rarely allow negatives that are either spoken to them or about them to effect what they are trying to accomplish because they know who they are and what they are capable of doing.

8. Well Mannered and Courteous:

Sales people are very well mannered. One may not realize it, but good manners are a way of showing respect to others. People are attracted to those that respect them and mutual respect is fundamental in building lasting relationships with people, including buyers.

Features of Salesmanship

(1) Personal Form:

Under personal selling a personal contact is established between the buyers and the salesman. In other words, both the parties face each other.

(2) Development of Relationship:

Personal selling results in the development of personal relationship between the sales person and the possible buyer. Such a relationship has an important place in sales.

(3) Oral Conversation:

There is oral conversation between the sales person and the buyer regarding the features of the product, i.e., price, colour, shape, design, method of using, etc.

(4) Quick solution of Queries:

The prospective buyer can make inquiries regarding the product. Salesman answers these queries quickly and removes any doubts in the mind of the buyer.

(5) Receipt of Additional Information:

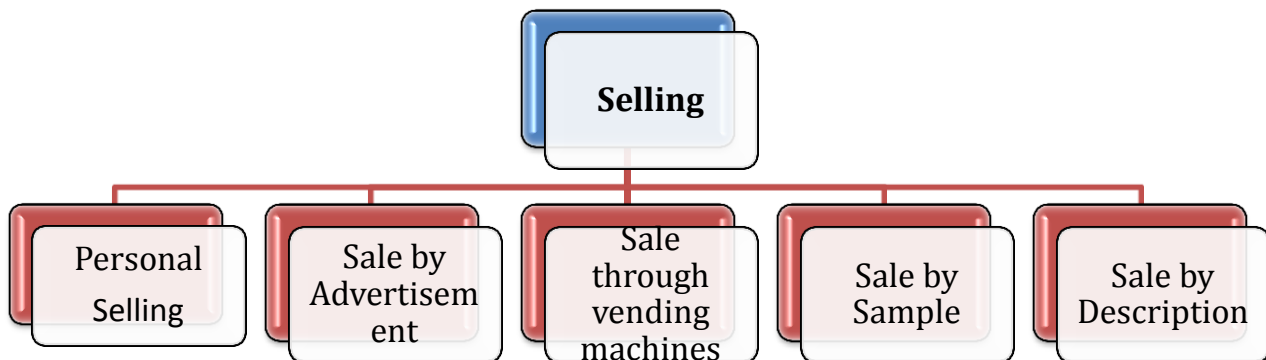
Normally, before introducing its product, a company is aware of the preferences of the probable buyers. Nevertheless, during the course of personal selling, when the sales person is in direct contact with the buyers he/she gathers additional information regarding their tastes and likings.

(6) Real Sale:

Under personal selling, the buyers are not only informed about the product but the goods are actually sold to them.

Methods of Selling

Selling may be performed in anyone of the following ways



(i) **Personal Selling:** As already stated, selling is the personal or impersonal process of assisting and persuading a prospective customer to buy a product or service. People are employed to make direct contacts and persuade customers. The contract between the buyer and the seller may be in person direct or over telephone.

(ii) **Sale by advertisements:** Sales through advertisements is an impersonal method of selling. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertisements create demand for the products or services through written, printed or spoken words, pictures, diagrams and symbols. Advertisements generate sales immediately or at some time in the future.

Advertising through radio and television may be called mass salesmanship.

(iii) **Sale through vending machines:** Sale through vending machines has become quite popular in India. The current market potential for sale through vending machines is about Rs. 3,000 Crores. For people leading busy lives, buying through vending machines is quite convenient. There are about 65,000 vending machines in the coffee and tea segment alone. In India, vending is primarily restricted to the food and beverage segment.

1. Tea and Coffee 85%
2. Soft drinks 10%
3. Soups 3%
4. Snacks/packaged Products/Chocolates 2%

(iv) **Sale by Inspection:** Sale by inspection is the oldest form of sales. In modern days too, the seller allows the buyer to inspect his stocks before making the actual purchase. In this method, the principle of caveat emptor (let the buyer beware) operates. Sale by inspection is limited to goods of the following nature.

- (a) Goods lack standardization.
- (b) Goods are highly perishable.
- (c) The rate of purchase is changeable.
- (d) The idea of self-service holds good.
- (e) Goods displayed in the space available for sale stimulates inspection by buying.

(v) **Sale by sample:** A sample is a specimen of the goods stocked. Where the whole lot of goods offered for sale cannot be presented before the buyer, a small portion representing the bulk of

goods is shown. For example, in the sale of grain, it is not possible for the prospective buyer to see personally every unit offered for sale.

Several handfuls taken from grains stocked are shown as sample. While taking samples, the following should be considered.

(a) Samples should be taken at random.

(b) Samples must duly represent the quality of the whole lot.

(c) Sample must be of a fair quantity taken from the bulk.

(vi) **Sale by description:** When goods are sold by description, it is desired that goods must be standardized. Fair description of goods is essentially for a successful sale under this method. Sale by description widens the scope of marketing in foreign trade where prior inspection of the commodity is not possible.

Qualities of a Sales Person

1. Physical Quality: A salesperson should have a good appearance and an impressive personality. He should also have a sound health he might be required to travel a lot.

2. Mental Quality: A good salesperson should possess certain mental qualities like imagination, initiative, self confidence, sharp memory; alertness, etc. He should be able to understand the need and preferences of the customer.

3. Integrity of Character: He should possess the qualities of honesty and integrity. He is to gain the confidence of the customer. He should be loyal to the employer as well as to the customer. As he is face-off of the company so he should hold a strong character.

4. Knowledge of the product and the company: He should be able to explain each and every aspect of the product i.e. its qualities, how to use it, what precautions to be taken, etc and the company he is representing.

5. Good behavior: A salesman should be cooperative and courteous. Good behaviour enables one to win the confidence of the customers.

6. Ability to Persuade: A good salesperson should be good in conversation so that he can engage the person he is attending. He should be able to convince him and create the desire in mind to possess the commodity. Very few products of any type actually sell themselves. They

must be sold. Salespersons must have the ability to get people to agree. There are situations when persuasiveness may vary keeping in view the consumer's response.

7. Flexibility: A salesperson has to be flexible in many ways. There is no fixed way of convincing the customer, a sales person has to be flexible. A good salesperson is able to adapt himself or herself to a variety of customers. Each contact may require adapting the sales talk, speech habits and even appearance. The timings need to be flexible as per the requirement of customer.

8. Ability to estimate customer's needs and desires: He or she is alert and quickly determines what the customer wants and the best way to sell.

9. Ambition: He or she likes to do a good job and is interested in getting ahead with the company.

10. Appearance: Appearance means a lot today and the successful salesperson is neat and organised. He or she presents himself or herself well in person. Also, he or she keeps his or her desk, books and manuals neat and ready for use.

11. Business Sense: He or she understands that you are in business to make a profit and quickly learns the ins - and - outs of the organisation.

12. Courtesy: He or she reveals a sincere desire to help customers and treats them as guests even when he or she visits their places of business.

13. Creativeness: Imagination, vision and the ability to create ideas make a salesperson dynamic.

14. Curiosity: He or she wants to learn all he or she can about his or her products and customers.

15. Enthusiasm: There is nothing that can drain away a prospect's buying interest more than a half-dead salesperson. Dullness should be left at home. A salesperson must radiate enthusiasm during and after the sales call.

16. Figure Sense: He or she should have the mathematical ability to figure and fill up order form correctly and to make the necessary reports.

17. Friendliness : A salesperson should be able to make people like him or her and he or she must like to meet people

18. Handwriting: He or she must write legibly so that his or her paper work can be readily understood by his or her office people and by his or her customers.

19. Health: Good health generates energy and energy is needed to sell. Poor health prevents many salespersons from fulfilling their potentials.

23. Interest in job: He or she likes selling and working for the company. .

24. Motivation: He or she must have more than just an interest in selling. Psychologists have found certain predominant patterns in people who have become really successful salesperson. They live in the present and not in the future. They do not want power over others and prefer not to work under close supervision.

25. Originality: He or she is constantly searching for new ideas to be used in selling the products and suggests better ways of doing things.

Functions, Duties and Responsibilities of Salesman

1. Selling

The fundamental duty of a salesman is selling. This duty includes meeting the prospects, presenting and demonstrating the products, inducing the prospects to buy, taking orders and effecting sales.

2. Guiding the buyers

A salesman should guide the buyers in buying the goods they want.

3. Attending to complaints

A salesman should attend to the complaints of the customers immediately and try to settle their grievances quickly and sincerely.

4. Collection of bills

Sometimes, a salesman may be required to collect the outstanding bills relating to the goods sold by him. In such a case, he has to collect the bills and remit the amount to his firm.

5. Collection of credit information

A salesman may, sometimes, be required to collect information about the credit-worthiness of the customers. In such a case, he has to collect detailed information and submit it to his firm in time.

6. Reporting

A salesman, especially a traveling salesman, is required to send daily, weekly or monthly reports to his firm, providing information about the calls made, sales effected, services rendered, route schedule, expenses incurred, business conditions, competition, if any, etc.

7. Organizing

A salesman, i.e., a traveling salesman, is required to organize his tour programme. He has to prepare the route and time schedules for his tour so as to systematize his sales efforts.

8. Attending sales meetings

A salesman is required to attend the sales meetings convened by his employer at periodical intervals to discuss the marketing problems, sales promotion activities, sales policies, etc.

9. Touring

A traveling salesman, has to undertake touring regularly to cover the sales territories assigned to him.

10. Arranging for packing and delivery

A salesman, i.e., a counter salesman, has to arrange for the packing of the goods sold and the delivery of the packages to the buyers.

11. Window and counter displays

A salesman, i.e., an indoor or counter salesman, has to arrange for the window and counter displays of the products in an attractive manner so as to attract or induce the prospects to buy.

12. Promotion of goodwill

Every salesman has to build up satisfied clientele (i.e., customers) for his employer and thereby promote the goodwill of his firm.

13. Recruiting and Training

Recruiting new salesmen, imparting training, by accompanying them while making sales calls.

14. Working with Middlemen

Salesmen establish direct relations with middlemen — distributors, wholesalers, etc., and collect market information and pass it on to their firm.

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.

4. Speciality Salesmen:

They are to sell speciality 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.

UNIT - II

Selling Process

Meaning

The complete set of steps that must take place in order to execute a sales transaction from start to finish. The selling process may include such events as the initial contact, product demonstrations, trial periods, bidding, price negotiations, signing of contracts, and delivery of the product or service being sold.

Step in sales process

What are the seven steps of the sales process according to most sales masters? The following steps provide a good outline for what you should be doing to find potential customers, close the sale, and retain your clients for repeat business and referrals in the future.

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 salesy 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.

Prospecting :

Meaning

Prospecting is the first stage of the selling process. According to Futrell, "A prospect is a qualified person or organisation that has the potential to buy the good or service, provided he has the money to buy, authority to buy, and desire to buy. Prospecting is the lifeblood of sales because it identifies potential customers." The salesperson saves his/her time and effort by getting leads. Salespersons must have skills to develop their own leads. The leads can be developed from different sources like present customers, suppliers, dealers, non-competing salespersons, credit agencies, banks, clubs and published data sources

Importance of Prospecting

- A Salesperson looks at prospecting like laying a foundation. Finding leads (or people who might be prospects) is the most vital part of the selling process—one can't make a sale without identifying the people to whom one will be selling.
- It's a continuous process. Firms lose some customers every year for a number of reasons: customers may not need the product or service, or do not have the financial means to purchase the product or service, or the business may no longer be entry - free.

- So if we have not been building the prospect list, we will not have new customers to replace the customers we lose.
- If any of the customer gives a cursory look at things-, Salespersons find a prospect. “Most people - salespersons and customers alike - are surprised to learn that over two-thirds of shoppers who give the “just looking” response end up purchasing the product within a week as per the Channel Intelligence, “2004 Channel Intelligence Consumer Buying Intent Survey Reveals Online Shopping Trends”.

Characteristics of prospects

A good prospect has definite characteristics and stands out for several qualities:

1. A good prospect is someone who has a problem that the product can solve efficiently and cost-effectively:

What problems do the product or service solve? Of those problems, which are the most pressing and valuable? Once the salesman has a clear answer, he searches the marketplace for customers likely to have similar problem.

2. A good prospect has a goal that the company’s product can help to achieve:

The primary buying motivation for all products and services is improvement. When someone has a desire to improve a specific aspect of life or work, and the product or service can help, that individual can be a very good prospect.

3. A good prospect has the power to make the buying decision:

It doesn’t matter if a prospect has a problem that product can fix, a need the product can satisfy, or a goal the product can full fill. If that prospect lacks the authority to make a buying decision, then, “the sales process comes to a halt.”

4. A good prospect is someone who likes the salesman, the company, as well as their product:

People are primarily emotional in their decision making, and almost all emotions revolve around how one person feels about the other. When a prospect continually argues, complains, and criticises while the salesman politely helps him understand the features of the product and takes care of the prospect’s needs, an emotional connect develops towards the salesman, their product and company too.

5. A good prospect is a center of influence; someone who can open doors for other prospects:

Bending over backwards to acquire a VIP can pay off – big. One satisfied customer who is well known and respected can create opportunities to sell more of products and services at full price.

6. A good prospect is easy to sell to and service: one doesn't have to fly across the country to find the perfect prospect. Delivering satisfaction and building a relationship is much easier when the customer is located nearby.

Methods of Prospecting

1. Cold Canvassing: salesperson goes from door-to-door and tries to impress upon the prospects. Cold canvassing means face-to-face interview with the people. Cold call is better over a phone call, where a customer can easily say no. But visiting the prospect after a cold call, will be difficult to out rightly say no, because in the cold call the sales person takes the information of the decision-maker and makes call directly to him.

2. Satisfied Customers: Customers who are satisfied give the names of those who are interested in similar products, apart from repeated buying. Many of the bankers ask their present customers who are satisfied with the services of the bank, about the prospects.

3. Telephone Directory or Mailing List: Prospects names can be generated through telephone directory or mailing lists. Panda and Sahadev (2012) call it prospect pool, which may be constructed from four main sources: Leads (salespersons know nothing), Referrals, orphans (salesperson left the company) and customers,

4. Influencers: People because of their position, authority, responsibility, accomplishments, or personality exercise more influence. These people are found in all spheres – social, business, religious, political, etc. People refer them while buying. Film personalities and celebrities influence the buying process.

5. Non-competing sales Force: Prospects names can be got from salespersons of noncompeting products. These salespersons know about the requirements and purchase managers, who place orders. A salesperson supplying copiers can tell about computers. One can know by listening or observing the buyer of the products.

6. Friends and Acquaintances: It's a rich source for prospects. Banks (while opening F/D), insurance agents and mutual fund sellers use it to build prospects list. Source of known people may include FICCI, ASSOCHAM, CII, and Trade Associations like Naya Bazar Food Grains Association.

7. Tele marketing: There are different applications of telemarketing for preparing the list of prospects. Telemarketing can be inbound and outbound. In the inbound telemarketing the call is made by the prospect and in the outbound telemarketing the salesperson calls the prospects. In the inbound telemarketing,

8. Trade Shows and Demonstrations: Companies go in for trade shows and demonstrations at exhibitions and public shows or street corners and collect prospect data. In Delhi, exhibition is organised annually at the exhibition ground. Firms get a chance to collect prospect data by asking people to register themselves.

9. Bird-dog Method: 'Bird dog' is the nick-name given to the persons who visit the houses at a definite interval. Often, we have electric or water meter readers, gas boys, milk suppliers, news-paper boys, watchmen, liftmen, household servants like dhobi, car cleaners, utensil cleaners, maid servants, in official capacity visit many households in a particular locality.

Team Selling Method:

Team selling involves using multi-person sales teams to deal with multi-person buying centres of their customers. A team approach permits for continuous learning as the members can work together and identify the flaws during the presentation process. They can also identify the features that can be added to the sales pitch.

Relationship Selling Method:

Relationship Selling is about building a friendship or relationship with the prospects and listening to their needs. It is built when the sales person shows care, earns their trust and confidence. Knowing the needs and finding out their secret fears can assist in finding solutions for them that are exactly on-target with their needs and build an even stronger relationship. With a relationship in place, working out details is easy while they may turn into obstacles if one does not share a cordial relationship.

UNIT – III

Sales Techniques

A sales technique or selling method is used by a salesperson or sales team to create revenue and help sell more effectively. The technique typically isn't a one-size-fits all and is often refined through trial and error based on past experiences.

Planning

Sales Planning is a key function in the procedure of sales management process. Sales planning is an effective method that involves **sales forecasting, demand management, setting profit-based sales targets**, and the **written execution steps** of a sales plan.

Set realistic sales goals in your sales plan

Before we get into the process of how you're going to get your sales this year, we need to talk about something bigger: Goals.

Define clear deadlines and milestones in your sales plan

In order to know whether or not the assumptions you're making in your sales plan are close to the mark, you need to break that big number down into smaller expectations with strict deadlines. We call these milestones and they're incredibly handy in tracking whether or not your sales plan is on the right path.

Understand your target customers

It makes no sense spending time and money chasing after the wrong prospects, so don't allow them to make their way into your sales plan.

Once you know your niche, it's time to dig into finding out as much as possible about your target customer in order to properly sell to them.

Map out your customer's journey

Alright, now we're getting somewhere solid.

With your ideal customer profile in place, the next part of your sales plan needs to address how that customer becomes *your* customer. We can do this by mapping out their journey from prospect to loyal customer.

Define your value propositions

We know our customers. We know their journey. Now we need to fit ourselves into it in the best way possible. This comes from defining your competitive advantage.

Build a prospect list

Now that you know the **types** of customers you're after and how you're going to sell them, it's time to build out a list of people at these companies to begin sales prospecting. A prospect list is where we take all the theory and research of the last few sections of our sales plan template and put them into action.

Leverage current client relationships

"Ultimately, almost all software companies end up getting ~80% or so of their new customers from their existing customers once they hit scale. From referrals. From brand. From word of mouth." - SaaStr founder Jason Lemkin

Setting Objectives

Identified discrete sales processes and when to use them. Now we explore **Sales Objectives** and their links to selling activities, specifically **Sales Force Capacity, Salesperson Capability, Product Focus** and **Customer Focus**.

SALES FORCE CAPACITY

Sales force capacity tells you how much available effort you can get from your sales force, and they are used to ensure that there is enough total selling effort to cover all of your desired customers and prospects.

SALESPERSON CAPABILITY

It tells you how effectively your selling effort is being applied. That is, if your salespeople have six hours of sales capacity each day to spend with prospects and customers, how successful are they in these six hours to advancing opportunities, winning deals, or accomplishing other desired outcomes of their customer-facing activities?

PRODUCT FOCUS OBJECTIVES

Those objectives that report whether a sales force is selling the products and services that are deemed optimal to your company. These could be products with higher profitability or

products with some strategic value, such as a new line of products. Are they selling the services that are relevant for your business?

CUSTOMER FOCUS OBJECTIVES

They reveal whether the sales force is attracting, retaining, and growing the company's targeted customers. Examples could be getting or developing customers that are either more profitable for the business or attracting customers that are somehow strategically important, like those in a new market or geography.

Sample Customer Focus metrics include:

Functions of selling Techniques

- ❖ **Presentation**
- ❖ **Demonstration**
- ❖ **Handling objections**
- ❖ **Handling difficult customer**
- ❖ **Closing sales**
- ❖ **After sales service**

PRESENTATION

Presentation means appropriate collection and decoration of the products so as to enhance the number of prospective buyers to the shop. It also includes the interior decoration of the shop, an eye catching display and the proper placing of the products on the counter. Effective presentation is vital in selling goods because customers generally visit a counter attracted by the goods displayed in the shelves of the shop. Proper presentation of the goods is important for creating and holding the interest of the consumer for the products.

TYPES OF SALES PRESENTATION :

- 1. CANNED PRESENTATION:** It is a presentation where the presentation script is written after thoroughly understanding the product and the requirements of the customer. It is also tested before finally rolling it out. Every salesperson must memorize it and follow the script of the presentation in the prescribed order.
- 2. PLANNED PRESENTATION:** The presentation is carefully planned and organized and has a personal touch while the individual is making the presentation. The organization

provides a basic format or procedure for making the presentation and the individual sales person then writes the script which includes description and illustrations.

3. AUDIO-VISUAL PRESENTATIONS: The presentations are made with the help of audio visual aids like charts, slides, video films, computer based presentations which depict the actual use of the product. It is felt that people understand the concept/ product better and retain information when they see and hear in comparison to just listening or seeing the product.

4. PROBLEM SOLVING PRESENTATION: This type of presentation includes two stages. The first stage is to understand the needs of the individual prospect and the second includes offering a solution. Commonly used in the insurance sector where based on the requirements or needs of the prospect a specific policy is suggested.

BENEFITS OF SALES PRESENTATION

1. FACE-TO-FACE: It provides an opportunity to interact with the customers/ prospects in person. It helps in building trust and strengthens bond between the salesperson/organization and the customer/prospect.

2. ENGAGEMENT: It aids in engaging the audience. The audio-visual aids can help in gaining the attention of the audience and create a larger impact than just speaking, enhancing the level of engagement.

3. FLEXIBILITY: The presentation provides an opportunity to alter the content and customize it for different audiences. The requirements of the client can be taken note of and the presentation can be modified accordingly.

4. CONSISTENCY: It helps in ensuring consistency even when different sales persons communicate information to the customers/prospects.

5. VERSATILITY: The presentation can be used in various types of presentation be it in the face-to-face meeting, large meeting or Webinars. The content can be the same but it can be delivered at various platforms either to individuals or in a group .

ESSENTIAL FEATURES OF GOOD PRESENTATION

1. Arousing Interests :

At the start the salesman has to arouse the interest of the customer. He can describe the special features of the products i.e. durability, composition, etc. so as to arouse the interest of the customer about the product.

2. Prompt Presentation

The salesman should always be prompt and alert. He should be prompt in presenting the goods to the customers who indicate his eagerness and willingness to serve. Such an attitude of the salesman creates a positive impression in the minds of the customers and their response is instant and favorable.

3. Clarity Presentation

The salesman's presentation should be clear and complete in all aspects so as to win the confidence of the customers. A high level of clarity in the sales presentation removes all possible doubts about the product from the minds of the prospects. A lucid and elaborate presentation does not allow the prospect to think about the competitive products.

4. Displaying Appropriate Quality and Quantity

The salesman must show the appropriate goods of exact size and quality as desired by the customers. Sometimes, customers ask about a particular brand or quality of an article. An efficient salesman always displays the brand or quality of an article the consumer wants.

5. Demonstration

The salesman can attract the interest and arouse the desire of the customer in a better manner if he demonstrates or shows the features of the product to the customers.

6. Appealing to Senses

It is essential on the part of the salesman to see that the way he presents should be appealing to any one or more of the five senses i.e., sight, touch hearing, smell and taste.

7. Conducting Tests

Tests conducting on the products increase the confidence level of the prospects considerably. The salesman can suggest various common tests of the product to prove its claim and superiority.

8. Handling Goods

Action speaks more than words. Therefore, the salesman should handle the product himself as well as allow the prospects to handle the product. Prospective buyers may have a strong desire to handle the product before the actual purchase is made.

DEMONSTRATION

Demonstration includes the pointing out of quality and features of the product and providing them with certainty through display, trial or test. By demonstration, the customer observes functioning details of the product himself. The salesman through sales presentation provides the requisite information regarding the product and its features to the customers, while the demonstration helps him convince the customer practically as he goes through the operations of the product and the service it renders. This act might help in strengthening the customer take a decision in buying the product.

Significance of Demonstration

A good demonstration provides a number of advantages. Some of the important aspects of demonstration are as follows:

1. Demonstration gives the salesman a chance to show specific features of the product or service more clearly, For example, in case of a vegetable chopper, demonstration is more effective than the description.
2. It creates a lasting impression in the minds of the prospective customers as they see the functions of the product or handle them personally.
3. Demonstration provides an opportunity of proving the product claims. The salesman can provide proof for the claim through a series of tests, experiments and operations.
4. By proper demonstration, the customer's sense of inquisitiveness about the product is considerably satisfied. As a result, the salesman can also complete his task more effectively.
5. It helps in focusing attention of customers on the satisfaction and utility that they will be deriving out of the ownership of such products, rather than on sales resistance.
6. It also provides a chance to the prospects for making comparisons with the competitor products.

Essential of a Good Demonstration

There are certain essential elements which help to make the demonstration more effective.

Important elements of a good demonstration:

1. The product to be demonstrated should be available for displaying its features. The demonstration should be easy and clear to understand.
2. Demonstration of the product is highly effective for pointing out special or specific features.
3. When the demonstration of the product is not possible, testimonials or lab reports are shown to the prospect.
4. Demonstration facilitates comparison of various features and advantages of products thereby enhancing the superiority of a particular product over others easily.
5. A clear and detailed demonstration displaces possible doubts from the minds of the customers. Nothing should be hidden from the prospective customers, so as to build relationship.

Types of Demonstration

There are two types of demonstration, namely,

(i) Demonstration in use and (ii) Demonstration of a specific feature.

(i) Demonstration in use

The most effective form of demonstration is to show the product while in use. In fact, customers usually like this form of demonstration so, in order to win the confidence, the salesman can allow the customers to personally examine and use the product.

(ii) Demonstration of Specific Features

There are certain products which have special features while for some products a full-fledged demonstration is not possible. In such cases, their special features and additional advantages can be demonstrated.

OBJECTION HANDLING

INTRODUCTION

The process of selling consumers is considered challenging only when the prospect raises objections. If objections are not raised, the salesman ends up being an order taker. Experts opine that objections give rise to the selling process, thereby testing the effectiveness of sales

person & also enable the salesman to prove his point and amongst the customers without taking the buying decision.

DEFINITION

An objection is the expression of disapproval of an action taken by the salesman. In other words, objections are the feelings of disapproval or dissent raised by the prospects, suggesting the dilemma of the prospect regarding the purchase. It also points out that the prospective customer is in need of additional information to convince and persuade him to take a decision.

REASONS FOR OBJECTION

There are a number of reasons put forth by the prospects behind objections. Some of the important ones are:

- People normally display resistance to new and unfamiliar ideas and goods. Therefore, many consumers raise objections in the normal course.
- Certain prospects raise objections as they are not 100% sure about the product or service offered, i.e, they are only partially satisfied and are waiting for more explanation, classifications, additional features about the sales proposition.
- Some prospects also raise objections to test the salesman's knowledge and patience.
- Under certain instances the prospects raise objections either to postpone buying or because the prospects lack the required purchasing power.
- Prospects raise objections if the salesman is unable to identify their need or if they come across the salesman pressurizing them or using unfair means to sell the product. Some prospects find objections as a means to avoid salesman.

HANDLING OBJECTIONS

Salesmen sometimes get discouraged when the prospects raise objections because they consider objections as 'refusal' to buy. They feel that the negative attitude is exhibited through objections and the prospects are not going to purchase or they would avoid the sale. But this inference on the part of the salesman is unfounded. It should be understood that unless the prospects are interested in the product / service they hardly bother to raise genuine objections.

IMPORTANT PROCEDURE FOR HANDLING OBJECTIONS TECHNIQUES

Listening Intently, Handling Softly, Foreseeing objections, Agreeing on valid objections, Preventing objections.

- 1. Listening Intently :** In the initial stages, the salesman should listen to the prospect attentively. It is quite important for the salesman to carefully follow what the prospect states without any interruption. A patient hearing proves to be of great help to the salesman.
- 2. Handling Softly :** This technique works as shock absorber and lessens the intensity of objection. The salesman reduces the force of the objection considerably, by making it light. For example, he can invite a third party to act as the neutral judge, and seek his unbiased opinion.
- 3. Foreseeing objections:** One of the most effective methods of meeting objections is to anticipate them in advance and answer them before they are raised by the prospect.
- 4. Agreeing on valid objections :** A good salesman always welcomes valid objections and accepts them. However, valid objections are overcome intelligently by the salesman so that the prospect is completely convinced. For example, when a prospect complains about the high price, the sales person may admit it.
- 5. Preventing objections:** All objections should be met with tact and in defensive manner. In some cases, where the salesman cannot meet the objections reasonably, he can humbly seek the permission of the prospect to clarify his doubts another day. He can praise the prospect for raising a valid point and make the prospect gratified. But all possible efforts should be made to take care of the objections.

OBJECTION HANDLING METHODS :

1. Direct Denial Method

Normally a salesman should avoid confrontation or contradiction with the prospects. However, at times, it is essential to do the same while meeting objections. As the name implies, in this method the prospect is told that he is mistaken.

2. Indirect Denial or Yes.... But Method

This is one of the most popular and widely used methods of overcoming objections raised by the prospects. It is also often termed as side-stepping method. Under this method, initially the salesman agrees with the objections raised by the prospect but subsequently differs in a humble and polite manner.

3. Reverse Position Method

This is also known as 'why method' or 'question method'. Under this method, the salesman asks the prospect questions relating to the objections raised such as 'why' and 'what do you really mean, madam?' In other words, the prospect is asked to elaborate why he thinks so.

4. Boomerang Method

In this method, the objection of the prospect is converted into a reason favorable for purchase. This method is also known as 'translation method' because it converts the objection in the minds of prospects into a reason for making a purchase.

5. Superior Point or Compensation Method

In this method, the salesman frankly admits the validity of the objection raised by the prospect, but simultaneously, offsets the objection by a superior point of greater advantage.

6. Interrogation Method

This method has similarity with the reverse method. Under this method, the prospects are asked questions tactfully so that their objections are answered by themselves.

7. Pass up Method

Under this method, the salesman clearly passes up most of the objections. The salesman just smiles or merely shrugs his shoulder or uses any other method to avoid answers to objections raised.

SOME COMMON OBJECTIONS

There are certain common objections which are usually raised by the prospects. These common objections are as follows:

1. Price objections

a. Offer substitute

The salesman can offer substitutes that are comparatively cheaper. For example, Santoor soap can be suggested in case of Dove or Pears.

b. Justify the price

The price can be justified by the salesman by explaining about the quality, utility and durability of the product and also can be compared with competitor products to justify the price charged.

c. Offer discount

When some prospects raise objections about the price, the salesman offers discount to them so that they buy the product or service.

d. Offer installment payment

The salesman can also offer installment payment facility to the customer who plans to pay the price in EMI'S.

e. Price factor

can be avoided Sometimes the salesman can avoid talking about the price when the customer raises objection instead focus on the benefits no product offers vis-à-vis the price paid.

f. Display evidence

In the form of Certificates, authentications, laboratory reports, research findings, expert opinions, etc. to meet objections.

2. Payment Objection

At times, customer may object to buying because of inadequate cash to pay the full price of the product. It may be genuine or sometimes used as an excuse. In genuine cases salesman can offer credit through EMI'S. The product can be taken while the payment can be made later through Equated Monthly Installments.

3. Service Objections

The salesman while meeting objections related to service has to emphasize the service facilities offered by the organizations are 24x7x365 call centers to register complaints, prompt service by expert service personnel, immediate delivery at doorstep, prompt attendance of service or repair calls within 24 hours etc. and pleasant service experience.

4. Time to Buy Objection

This is another important objection. Some prospects may postpone the time of purchase by citing the reasons of arrival of new models, waiting for festive occasions or waiting for prices to drop

CLOSING SALE

The Final stage in the selling process is closing. This is the ultimate stage of the various efforts made during the previous stages of the selling process which includes prospecting, pre-approach, approach, presentation, demonstration and overcoming objectives. All these steps usually lead to a sale at the stage of close.

INTRODUCTION

‘Closing’ is the action on the part of the salesman to complete the sales transaction. It is nothing but ensuring the prospect’s assent to the salesman’s proposition. It is the simple and logical end to a satisfactory and successful completion of the various steps of the selling process. Getting affirmative reply from the prospect to the selling plan of the salesman is known as ‘closing the sale’.

IMPORTANCE OF CLOSE

- 1. Test of salesman’s ability:** A salesman who closes the deal is considered effective and successful. Thus close is the test of a salesman’s ability to sell.
- 2. Brings additional income:** Firms pay commission /Variable salary on the sale brought by the salesman therefore, a salesman who successfully closes his sale, gets more income.
- 3. Cause of motivation:** A successful or positive close is an achievement and acts as a powerful tool of motivation. The salesman gains confidence in himself. On the other hand, an unsuccessful close results in a salesman feeling of frustration for his efforts.
- 4. Makes salesman extra cautious:** A successful close is the result of successful prospecting pre-approach, approach, presentation and overcoming objections. Moreover, success at each stage depends upon effective contribution of its previous stage.

REASONS OF FAILURE TO CLOSE

1. Incorrect Attitude:

Mental attitude of the salesman makes the difference between success and failure in closing the sale. If the salesman has faith and confidence in his abilities to convince a prospect to buy, he will have little difficulty in closing the sale.

2. Inadequate presentation:

An ineffective presentation is one which takes into account the need of the prospect and the Sales person keeps in mind those needs while preparing the presentation.

3. Anticipating spontaneous reply from prospect:

There are some salesmen, who consider deliberate persuasion as incorrect. At the end of the presentation most prospect need a push. Therefore the salesman sometimes needs to give a big push in order to close the sale.

1. Interruption

In certain cases the salesman might have successfully brought the prospect to a point of closing the sale, but is unable in account of a near or dear over's interruption resulting in withdrawal from closing the sale.

2. A Trial Close

A trial close includes questions asked by a salesman asks the prospects at the different stages of the sales talk to seek buying signals. Through this, the salesman tries to look whether the prospect is ready to buy.

PRE-REQUISITIES FOR SUCCESSFUL CLOSING

Closing a sale is one of the important aspects for the salesman. At this stage of the selling process, the prospect is converted into a customer, the desire of the prospect is converted into an expressed demand and the indecision is converted into a specific decision.

1. Go for it Attitude

As the salesman and the prospect move along the various stages of the selling process, it is better on the part of the salesman to remain calm and handle the situation with enough confidence.

2. Effective Presentation and Demonstration

The salesman should always try to convince the prospect through an effective presentation and demonstration. This is important because through effective demonstration and presentation only the prospect is able to know the benefits and utilities of the product.

3. Seize Attention

To be successful salesman should always try to hold and seize the attention of the prospect towards the product. He should avoid diverting the prospect's attention to other things.

4. Permit Questions

A good salesman always encourages the prospects to ask questions about the product and tries to remove the doubts from their minds. As the prospect should not think that the sale is being forced upon him. Rather, the prospect should accept the sales proposition willingly.

5. Value Prospect Decision

The salesman's duty is to assist the prospect in taking a wise decision to ultimately buy a product by which the prospect will be benefitted. But the final decision to purchase the product is to be left entirely to the prospect and he should have the complete freedom to make the buying decision himself.

6. Preserve Selling Points

An intelligent salesman never discloses all the selling points during the course of the sales talk itself. Rather he should keep the unique sales propositions for appropriate moments. These points are used at crucial junctures when the prospect has a dilemma regarding the purchase.

7. Strike at the Right Time

As the sales talk progresses, the salesman should watch carefully and wait for the signs of agreement or acceptance on the part of the prospect.

METHODS OF SUCCESSFUL CLOSE

The method to be used will vary depending upon the product to be sold, the nature of customer and the circumstances of the sale.

1. Getting a series of affirmative answers: One of the methods of closing the sale involves asking a number of questions to ensure that the prospect gives positive answers to the

questions. The objective behind this is that when the prospect says many 'yes' on small points, he would also say agree to purchase of the product.

2. Narrowing the choice: Prospects may find it difficult to decide or choose when they are offered wide range of products especially in the case of apparels, shoes, jewellery etc. The salesman narrows down the choice by asking them to retain what they like and remove others making it easy to quickly choose from among a selected variety.

3. Closing on minor points: There are some prospects who find it difficult to make major decisions. Hence, a salesman tries to get the confirmation of the buyers over minor points – color, size, brand, delivery date, payment system, etc.

4. Successful business story close: Under this method the salesman provides information and testimonial of people satisfied by the purchase of such goods. The incident must be real and not unreal. They must be related to the product being offered.

5. Offering inducements: In this method, salesman effectively closes his sale by offering various freebies so as to enhance the desire of the product. They may be in form of cash discounts, installment payment system, better after-sales service, etc. This method highlights the benefits associated with purchase of product.

6. Assumptive close: In this method, the salesman presumes that the prospect has decided to purchase the product. At the end of the sales presentation, the salesman places his order form before the prospect and quotes the price and brings the product.

7. Complimentary close: Prospects want to be recognized for their special points. Therefore when a salesperson finds the prospects eyeing a particular product inquiring about it, he may compliment the prospect's choice.

8. Suggesting a smaller quantity: This method is most suitable, when the prospect is unsure regarding the quality of the product. The salesperson suggest purchase of the product in smaller quantities assuring may that he would come back to purchase more forcing the customer to think that the product must be good.

AFTER SALES SERVICE

The discussion on selling process will be incomplete if one does not take into account the 'aftersale service' or 'follow-up action' to be rendered by salesman.

After the sale the salesman has to maintain relationship with the customer.

IMPORTANCE OF AFTER SALES SERVICE

1. Keeps the customers satisfied This helps in keeping the customers satisfied. It promotes proper communication of customer's needs and wants to the product or service provider.
2. Customer When customers make repeat purchases of products or services from a company, it shows that loyalty towards the organization.
3. Reduces the cost of luring new customers.

The cost of gaining new customers is far higher than retaining the old ones. Good customer service from a company helps to retain old satisfied customers, thus reducing the cost for attracting new ones.

4. Helps to beat competitors Organizations that provide excellent after sales services outperform competitors and become leaders in the industry.
5. Helps to receive feedback Customer service representative directly chats to the customers and listens to all the positives and negatives expressed by them.

STEPS IN AFTER SALES SERVICE TECHNIQUES

- 1. Connect with the customers:** Sales professionals need to remain in touch with the customers even after the deal. They should not ignore their calls. They ought to call them once in a while to exchange pleasantries.
- 2. Provide the necessary Support:** The sales personnel can help them install, maintain or operate a particular product. For example, Sales professionals selling laptops must ensure windows are configured in the system and customers are able to use the Internet without any difficulty.
- 3. Replacement of the product:** Any product found broken or in a damaged condition must be replaced immediately by the sales professional. The customer service officers should take a prompt action on the customer's queries. The problems must be resolved immediately.
- 4. Frequent Feedbacks:** Feedback of the products and services from the customers should be taken periodically. It helps the organization to know the customers better and incorporate the necessary changes for better customer satisfaction.

5. Annual Maintenance Contract (AMC): AMC is an agreement signed between the organization and the customer where the organization promises to provide after sales services to the second party for certain duration at nominal costs.

6. Communicating the Policies: The exchange policies must be transparent and in favour of the customer. The customer who comes for an exchange should be given the same treatment as was given to him when he came for the first time.

UNIT - IV

Sales Territory

Meaning

The idea behind the creation of sales territories is to match the sales opportunities with the selling effort. A salesman is given a group of similar customers and prospects for servicing. This assignment by itself facilitates the planning and control of the sales operations.

Definition

A sales territory is defined as a group of present and potential customers assigned to an individual salesperson, a group of salesperson, a branch, a dealer, a distributor, or a marketing organization at a given period of time.

Objectives of Sales Territory

1. To facilitate effective sales planning.
2. To cover and manage the entire market.
3. To assign salesmen's responsibility for a particular territory.
4. For a better evaluation of performance of the salesmen.
5. To reduce the selling costs.
6. To facilitate coordination in marketing functions.
7. To make the marketing research functions.
8. Development of fair competition among all sales persons.
9. To improve the customer relations.
10. To appoint salesmen matching with the territory and customers.
11. Independent work area for each salesman.

12. To compete effectively with competing institutions.

The need for establishing sales territories includes:

1. To provide proper market coverage.
2. To control selling expenses.
3. To assist evaluating performance sales personnel.
4. To contribute to sales force morale, and
5. To help in the coordination of personnel selling and advertising efforts.

Determinants of Sales Territory

1. **Nature of the product** – The nature of the product, viz. industrial consumer or consumer durables, or perishable, may influence the size of territories. The territories for industrial and consumer durables may be larger in sizes.
2. **Demand for the product** – When the demands are larger, the size of the territory may be small.
3. **Mode of distribution** – When the goods are sold to wholesalers, the size of the territory may be larger and on the other hand, if the goods are sold to retailers, the territory may be small.
4. **Selling expenses** – The selling expenses are met from the sale proceeds of the territories and every organization makes provision for such expenses as certain percentage of sales from the particular territory.
5. **Transport and communication facilities** – Where the transportations to the territory is much faster, cheap and efficient, the size of the territories may be larger.
6. **Government policy** – The Government imposes certain controls over the movements of goods and services from one State to another or from one district to another, etc. Such restrictions may also influence the size of the territory.
7. **Density of population** – Where the density of population is thick, the size of the territory may be smaller.
8. **Market potentialities** – Where the market potentialities are much encouraging for larger sales, the size of the territory may be smaller.

9. **State of competition** – Where the state of competition is acute, there is a need to contact the customers regularly. In that case, the size of the territory may be small.

10. **Abilities of salesmen** – If the salesmen are experienced, efficient and well trained, the size of territory may be larger in comparison to new and untrained salesmen.

Advantages of Sales Territory

1. By appointing a salesman or a group of salesmen for a particular territory, the company is able to serve his customers more satisfactorily.
2. Comparison among salesmen is possible and can be easily made. This is so because there is equitable distribution of territories among equally competent salesmen.
3. By allocating sales territories, the entire sales field of a particular organisation can be covered quickly.
4. Assignment of a particular territory to a particular salesman makes the sales force to work hard, as the man working in a particular territory has fixed selling targets before him.
5. By assigning pre-determined sales territories, the sales manager instills the element of competition among the sales force.
6. The inefficient salesmen are easily found out by the sales organisation.
7. The organisation is able to know sales potentialities of each area. Therefore comparison among sales areas is possible.
8. The allocation of sales territories restricts the area of operation of the salesman to given geographical area.
9. Market survey can be easily and quickly done when a company has its sales territories properly divided among its salesmen.
10. Allocation of sales territories ensures adequate market coverage and avoids duplication of sales efforts.

Sales Quotas / Targets

Meaning

Sales quotas are the sum of the total sales of a future period and duties to achieve the component of total sales by each salesperson are handed down to them at the beginning of the period.

Definition

In the words of Philip Kotler, "A sales quota is the sales goal set for a product line, company division, or sales representative. It is primarily a managerial device for defining and stimulating sales effort."

Need for Sales Quotas

1. Accurate, Fair and Attainable Quotas:

Good quotas are accurate, fair and attainable. Obtaining accurate quotas is a function of the quota-setting procedure – the more closely quotas are related to territorial potentials, the greater the chances for accuracy.

2. Securing and Maintaining Sales Personnel's Acceptance:

Management must make certain that sales personnel understand quotas and the quota-setting procedure. Conveying this understanding is a critical step in securing staff acceptance of quotas. If sales personnel do not understand the procedure used in establishing quotas, they may suspect. This attitude destroys the quota's effectiveness as an incentive.

3. Participation by Sales Personnel in Quota Setting:

If sales personnel participate in quota setting, the task of explaining quotas and how they are determined is simplified. With sales personnel helping to set their own quotas, management has more assurance that the procedure will be understood.

4. Keeping Sales Personnel Informed:

Effective sales management keeps sales personnel informed of their progress relative to quotas. Sales personnel receive frequent reports detailing their performance to date. This permits them to analyze their own strong and weak points and take corrective action.

5. Need for Continuous Managerial Control:

In administering any quota system, there is a need for continuous monitoring of performance. Arrangements must be made to gather and analyze performance statistics with minimum delay. Chart recording each salesperson's performance against quota on a monthly, or even weekly, basis facilitates this analysis.

Objectives of Sales Quotas

1. For determining the goals of salesman, sales territory, sales department, or branch office.
2. For evaluating the market territories in respect of prospects of sales and marketing situations.
3. For balanced growth of market territories. The territories where the sales are comparatively lower, efforts can be made for increasing the sales.
4. To motivate the salesman towards achievements of the prescribed quota within the prescribed time.
5. For controlling of sales expenses by fixing a limit on every sales quota allotted.
6. For facilitating to evaluate the results of sales contests. Certain minimum sales quota is fixed for each salesman to be achieved, to ensure his participation in sales contests.
7. Sales quotas serve as the basis for preparing the budget for advertising and sales promotion.
8. It is the basis to define the rights and duties of every salesman, sales department or a branch.
9. It is the basis to avoid the duplication of activities as the rights and duties of every salesman, sales department or branch office are clearly defined in advance.
10. It determines uniformity in workloads between each salesman and sales territories.

principles of Sales quotas

1. **Objectivity** – Sales quotas should be set on the basis of facts and figures while applying skills and intelligence.
2. **Simplicity** – The simplest method of quota setting should be used so that the salesmen and other related persons may understand it easily. Professor White has rightly stated that “An imperfect, but simple quota system is likely to work better than an accurate, but complicated one.”

3. **Fairness** – There should be fairness in allocating sales quotas. This means that there should be uniformity in the allotment between salesmen. But keeping in view of nature of territory, competition and the ability of the salesman, there can be little differences in the quota allotment.

4. **Achievable** – The sales quota should be achievable without much difficulty. If higher quota is fixed to achieve, it would be difficult even for an average salesman to achieve it and it will not motivate the salesman. Quota should be of optimum level.

5. **Flexibility** – Stanton and Buskirk were of the views that no sales quota be good so far as it has not the quality of flexibility.

6. **Definiteness** – It means that there should be definiteness in the quotas fixed, either the quotas may be fixed on geographical basis, or on money value, or on units of product. It should be definite to every salesman that, which object is to be achieved by him.

7. **Follow-up** – For the successful achievement of sales quotas it is essential to follow-up or evaluate the sales quotas. It is the duty of the managers to compare the sales quotas with the sales results regularly. Evaluation of performance will be helpful to determine the remuneration plan, motivational schemes and promotion to salesmen.

8. **Stability** – Stability should be maintained in quota fixation. It means that the base and the method of quota setting should not be changed frequently. Frequent changes in the methods of quota setting may create confusion among the salesman and brings an end to goodwill of managers.

9. **Participation** – Participation of all the sales persons are needed to achieve sales quotas successfully.

10. **Motivational** – The quotas should have motivating effect on the salesmen. Those who have achieved the sales quotas should be given incentives so as to motivate and encourage them for future.

11. **Accuracy** – Accuracy should be maintained while setting sales quotas. The information and facts used for setting quotas must be accurate and representative to respective sales territories.

Methods of Sales Quota

i. Quotas Based on Sales Forecasts and Potentials:

Large organizations set quota on the basis of sales forecasts and the sales potential of the market and the territory. Organizations forecast the total sales or volume for the entire market, which is then divided into territories, and then brought down to the individual salesperson level. The forecasts can be generated at the corporate level, at the total product line level, and at the individual products level.

ii. Quotas Based on Forecast:

It is not always possible to obtain the forecasted figures for individual sales territories as companies lack information, data, money, and people to determine the sales potential for individual sales territories. Small companies set quota in relation to their sales forecast or total market estimate. They establish quota on the basis of the past performance in geographic areas without regard to the sales potential.

iii. Quotas Based on Past Sales or Experience:

Some companies could not make the sales estimates in advance for the total market. In such cases, companies collect the sales data of the previous years, average them out for each geographic territory, and then add an arbitrary percentage for next year's quota. A few companies set quota based on average sales of longer periods. This average method is followed due to the ease of using the trends and projecting them for future.

iv. Quotas Based on Executive Judgment:

This method is used when there is little or no information available about the market. It may also be impractical to find out the potential of a new product in an existing territory or an existing product in a new territory. So managers have to rely on their past experience for making future predictions. They try to analyse facts and figures for the different markets and then decide the quota for the territory, salesperson, and intermediaries.

v. Quotas Based on the Judgment of Salespeople:

Many companies ask their own salespeople to set the quota for themselves. This is mostly applicable in situations where the company is expanding the territory or starting up its own sales force. In these situations it is difficult to project sales even though there may be significant sales potential.

vi. Quotas Based on Compensation:

Salespeople are promoted on the basis of their achieving quota. It is like a bottom line for the salespeople. Salespeople are evaluated on the basis of their attaining quota for higher assignments. Salesperson gets extra compensation by reaching sales volume quotas for total unit or rupee sales, and sales of existing products and new products.

vii. Problems in Setting Sales Quota:

Sales managers face various problems while fixing sales quota for the organization. This is the basic reason why we see a variety of quota setting methods in different sales organizations.

Limitations of Sales quotas

1. **Individual differences** – Ability of individuals may differ. While setting the sales quotas, differences in qualities, abilities, experience and positions among the salesmen are not considered suitable and, therefore, the sales quotas cannot be real.
2. **Economic burden** – It needs to take the services of experts, market research and statistical techniques to set the sales quotas. All these requirements bring the expenses much higher. Many organizations are not in a position to meet higher expenses.
3. **Complex techniques** – Certain institutions use complex techniques to set the sales quotas, and it will not be easier to understand the techniques as they are much complex and costly.
4. **Emphasis on sales only** – Certain managers are of the view that sales quotas are only helpful to increase the sales and earn more profits, but this cannot be the only aim of business. They are of the view that selling of sales quotas is not so important to achieve more sales. Advertisement, publicity, sales promotion, etc. are much helpful in getting more sales and earning more profits.
5. **No importance in sellers' market** – Where the demands are larger than supplies (sellers' market), there will be no difficulty in selling the product. The producers of such products do not give importance to set sales quotas.
6. **Effects of various factors on sale** – It is not correct to say that increase in profits is due to the result of selling efforts, but various other factors such as price, quality, cost of production, demand and supply conditions, competition etc. also influence the quantum of profits.

7. **Negative connotation** – Some managers take the term “quota” as negative connotation. They raise objections on the use of this term. They are of the view that the term “objects” should be used instead of “quotas.”

8. **Personal bias** – It is very difficult to set an accurate, unbiased and justified quota. It cannot be kept away from personal bias of managers.

9. **Lack of mathematical accuracy** – L. D. Weld writes that sales quotas cannot be set with entire accuracy. It would be better if it is based on 70 per cent science and 30 per cent assumption.

10. **Based on estimates** – Sales quotas are set on the basis of sales forecasts and therefore, the quotas will also remain as estimates.

Product Strategy

Meaning

A sales strategy is defined as a documented plan for positioning and selling your product or service to qualified buyers in a way that differentiates your solution from your competitors.

Creation of strategy

1. Customers

The foundation of a successful business is a product that customers want. Therefore, the product strategy should first define who your customers are. Many companies serve multiple customer segments. For example, many banks provide services to both consumers and businesses.

2. Competitors

Most companies have direct competitors in their market, or, at least, companies that provide a similar value proposition. The product strategy describes how you position your product to your customers given the other products and services on the market.

In the cloud storage market, Box is more tailored to the needs of large companies than Dropbox. Airbnb provides guests with the opportunity to live like a local, while the major hotels provide a consistent experience across the world.

3. Business

For-profit companies have shareholders that expect the company to make money and provide a return on investment. The product strategy describes how the product will make money and achieve business goals.

Twitter is a consumer product that monetizes its user base through selling advertising space to brands. Box sells subscriptions to its enterprise customers. Companies employ a variety of different business models. It's important to define your business so that your team understands how the product facilitates it.

4. Macro Environment

The macro environment accounts for economic, technological, political, and cultural forces that may affect your market and your product over the short and long-term. The product development strategy should account for the below factors as appropriate:

Retail stores person

A retail salesperson is someone who sells products directly to consumers, such as beauty supplies, clothing, electronics or cars. They should not be confused with sales representatives, who are people that represent and sell wholesale and manufacturing products.

Different name of retail salesman

1. Sales Associate

With revenue as your main priority, hiring a sales associate is a great first role to fill for your scaling business. A sales associate ensures customers know someone's available to help if they need anything — from answering product questions to showing them a product that meets their needs.

2. Cashier

A cashier might seem like a simple job title, but the position can provide great value to your retail business if you're experiencing an influx of customers each day. A cashier helps to expedite the purchasing process, making it as quick and seamless as possible for your customers.

3. Customer Service Representative

A customer service representative (CSR) might sound similar to a sales associate, but each job has distinct duties. Here's an easy way to remember: A sales associate works on the floor, while a CSR works over the phone or email.

4. Visual Merchandiser

If you've ever envied a great, eye-catching floor display, a visual merchandiser was likely responsible. Their job is to help ensure the best products in your store are highlighted in strategic ways and in specific parts of your store. They possess the knowledge to know what products go where and with what, along with how to prompt sales at specific parts of the store.

5. Buyer

A buyer does so much more than simply purchase the products in your store. This retail job is responsible for doing the necessary research to determine exactly what products you should put on your shelves (or online), and finding the best possible price for you as the retail owner.

6. Store Manager

The responsibilities of a store manager should be tailored to your specific business' needs, but generally speaking, this retail job handles a lot of what you might have started out doing as the business owner — from maintaining day-to-day tasks and managing employees to understanding sales trends and, well, everything in between.

Skills needed:

7. Assistant Store Manager

An assistant store manager, of course, has similar duties to the store manager, but when you add in this retail job to our organization chart, they generally provide support for day-to-day tasks along with taking over most of the employee-related responsibilities like management and scheduling.

8. Inventory Control Specialist

A great addition to your management team is an inventory control specialist. The responsibilities of this retail job include preventing loss, tracking and maintaining inventory, implementing procedures to control costs, controlling the ebb and flow of inventory, creating reports.

Online store

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser.

Importance online store:

1. **Convenience.** The convenience is the biggest perk. Where else can you comfortably shop at midnight while in your pajamas? There are no lines to wait in or shop assistants to wait on to help you with your purchases, and you can do your shopping in minutes. Online shops give us the opportunity to shop 24/7, and also reward us with a 'no pollution' shopping experience.
2. **You can send gifts more easily.** Sending gifts to relatives and friends is easy, no matter where they are. Now, there is no need to make distance an excuse for not sending a gift on occasions like birthdays, weddings, anniversaries, Valentine's Day, Mother's Day, Father's Day, and so forth.
3. **Price comparisons.** Comparing and researching products and their prices is so much easier online. Also, we have the ability to share information and reviews with other shoppers who have firsthand experience with a product or retailer.
4. **No crowds.** If you are like me, you hate crowds when you're shopping. Especially during festivals or special events, they can be such a huge headache. Also, it tends to be more chaotic when there are more crowds out and this sometimes makes us feel rush or hurried.
5. **No need to travel.** People don't usually like to move a lot to get what they want. Of course, nothing can compete with experience of going to a cloth boutique and buying what you want, but normally people just don't want to travel

Sales Opportunities

Uncover opportunities in keywords

Organic search traffic can be the holy grail of ecommerce. If done correctly, Google and other search engines will reward you with massive amounts of consistent and targeted traffic. In a world of slim margins where paid advertising channels are consistently getting more expensive, this is precisely what makes products with keyword opportunities so lucrative.

2. Build an interesting and captivating brand

Differing from the previous method, building a brand means also building an audience. A brand building approach involves developing a superior understanding of your potential customers, crafting a unique brand and carving out a unique place in your customer's mind.

3. Identify and solve a customer pain point

One of the best ways to build a strong business is by solving a customer pain point. Products that solve pain points can be lucrative because customers are actively seeking out solutions to these problems.

4. Cater to consumer passions

It's a fact. Consumers tend to spend significantly more money to support their passions and habits. Just consider golfers. Golfers are notorious for spending thousands of dollars on gear and gadgets with the hopes and dreams of lowering their score, even by the slightest.

5. Follow your own passion

Some people consider choosing a product or niche based on your own personal passion to be a recipe for disaster. However, that's not always the case, and can actually prove to be extremely profitable.

6. Look for an opportunity gap

Capitalizing on an opportunity or feature gap can be lucrative. This opportunity type involves uncovering problems or deficiencies in a product or the marketing for a product that can be capitalized on.

7. Utilize your own experience and expertise

Utilizing your own experience and expertise is a strong competitive advantage. Turning your expertise into an online business is a great way to enter the market with a leg up and a barrier to entry for others.

8. Capitalize on trends early

Capitalizing on a trend early enough can have a massive impact on a new business. It allows you to carve out a place in consumers minds and establish yourself as a leader before others have a chance to. Capitalizing on a trend early can also have a big impact on your SEO (Search Engine Optimization) since you'll be one of the first websites talking about and being indexed by search engines like Google and Bing for the new trending search terms.

UNIT - V

Sales force management

Meaning:

Sales Force Management (SFM) is a sub-system of marketing management. It is Sales Management that translates the marketing plan into marketing performance.

Actually sales force management does much more than serving as the muscle behind marketing management.

Steps in Sales Force Management:

1. Establishing Sales Force Objective:

Sales people must be given clear, feasible and attainable objectives.

2. Designing Sales Force Strategy, Structure, Size and Compensation:

(i) Sales Force Strategy:

This includes deciding the type of persons required, type of products added in product line etc.

(ii) Structure:

Strategy influences the structure.

Possible structures are:

(a) Territorial Sales Force Structure:

A particular territory in which each sales person is assigned to sell company's full line. Sales area is small so selling can be done more effectively. The sales man can understand the needs of the area and can design his strategy accordingly. This strategy is cost effective as well.

(b) Product Sales Force Structure:

It is used when the products are numerous, unrelated and complex. In this, sales force sells along the product line. Kodak films and industrial goods are sold by separate sales force, i.e. for industrial films technical sales force is there and a separate sales force sells commercial armature films.

(iii) Sales Force Size:

It denotes the number of employees.

(iv) Compensation:

Proper compensation is required. Both monetary and non-monetary compensation would complete the compensation plan.

Training Activities:

The activities involved in training are:

- (i) Spelling out the aims of the sales training
- (ii) Determining the needs of training
- (iii) Identifying needs of individual salesman
- (iv) Deciding about the nature and type of training required
- (v) Content of training

5. Supervising Sales People:

The senior management must supervise the sales force on a regular basis. The importance of control cannot be undermined or given less emphasis than any other function. Supervision helps the management in knowing what is going on. Also it helps in taking a corrective action, if required, at an early stage.

Another important objective of supervision is control. The management can show its concern for its people, and thereby motivate them by regular and routine supervision. But such a system must be used in moderation, lest the employees start feeling hassled and demotivated.

6. Evaluating Sales People:

Regular evaluation of sales people helps the management in identifying people who are good or who are bad. Those who are good and efficient must be awarded for their task. Bad ones must be motivated and trained to improve and if after all efforts they do not improve then punitive measures must be adopted.

Functions of Sales force management

- **Recruitment / Selection**
- **Training**
- **Motivation**
- **Compensation**
- **Supervision**
- **Control**

1. Recruitment and Selection of Sales force:

Recruitment involves searching for prospective candidates and encouraging them to apply for the job. Vacancies are finalised, advertised and applications are collected from interested candidates. Selection is concerned with choosing most suitable candidates out of many available or interested. Available candidates are scrutinised, tests and interviews are conducted to find out most suitable candidates.

Salesman is the important corner-stone upon which sales organisation is built. Success or failure of the firm depends upon the type of salesman selected. Therefore, selection must be made carefully. It is the duty of the Sales Manager to select salesmen.

But, selecting a proper salesman is a major challenge due to a number of reasons:

- (a) Selling jobs becoming more difficult to perform because of the greater complexity of the products and services, the multiplicity of channels of distribution, etc.
- (b) Markets today are highly competitive.
- (c) Selling as a career or profession has not been fully accepted and hence, there is only limited number of salesmen who would qualify.
- (d) There is a noted absence of institutions where salesmanship is taught.

Recruitment of salesmen involves the following processes:

1. Deciding the quantity of salesforce.
2. Determination of the characteristics and qualities to be possessed by the salesman.
3. Tapping the various sources of recruitment.
4. Careful selection of the candidates and finalising the employment.

Training:

There is an old belief that “Salesmen are born and not made.” Once in a while, we may come across a salesman who is capable of selling a refrigerator to an Eskimo, but this is rare. The salesman has to educate the customers about products, sell the same with benefit to the customer and profit for the company.

The Need for Training of Salesforce:

The need of training salesman arises from the fact that a newly appointed salesman does not have the knowledge about the product he has to sell. He may not have knowledge about

customers and buying motives. He may not know how to sell the product or how to present them to the prospective buyers.

The extent of training will depend upon following:

1. How difficult and complicated is the selling job concern?
2. The level of education and previous training the salesman possesses.
3. Previous selling experience of the salesmen.
4. The type of buyer to be approached. In case of an expert buyer, more knowledge of the product to be sold is the absolute necessity.

Training Scheme for sales force

(1) Basic Principle of Salesmanship:

Salesmen, to be effective in their sales efforts, should know fully the buying motives of customers and the selling points of the products. They should be well-versed with the methods of approaching the customers.

(2) Knowledge of the Firm:

The salesman should be well informed about the company i.e., history of the company, its organisational set up, the name it has earned, achievement records, sales policies, distribution policies, customer's service provided by the company, selling outlets, (channels) and so on. **(3)**

(3) Knowledge of the Product:

To be successful in increasing the sales volume of a product, salesmen should possess the requisite knowledge of the product. Good physical appearance alone will not help him to sell the product.

(4) Knowledge about the Customers:

A salesman must have a perfect knowledge of customers to whom the products are to be sold. Furthermore, consumers are human beings and their behaviour would be different from one another. Their buying motives would be different from one another. Each customer would be different as to the nature and type.

(5) Knowledge of Competitors:

Apart from the knowledge regarding the firm represented by the salesman and its products, they must possess the knowledge relating to their products and policies of the competing firm.

(6) Matters Pertaining to the Day to Day Work:

Salesman should also be given training to know the following:

- (a) To draft periodical reports to the firm
 - (b) Receipt of and replying letters
 - (c) Preparation of orders and bills
 - (d) Maintenance of accounts
 - (e) Arrangements of display and demonstration of products.
- (7) Knowledge of self- This is partly a personal quality and partly to be developed by constant self-training. Every individual has certain strengths, weaknesses, and limitations.

Methods of Training:

A. Individual Methods:

(1) Initial or Break-In Training:

The trainee is asked to work in different departments and study for himself. He may be guided but often left free. After a specific period, he would be asked to work in his field.

(2) Special Assignments:

Slightly easier assignments are given and his capacity in handling problems is watched. Shortcomings, if any, are brought to his notice for future guidance e.g., senior and junior lawyers.

(3) Field Coaching:

The newly recruited salesman is asked to work along with an experienced salesman in the field. This method creates self-confidence, enthusiasm in the newly recruited salesman.

(4) Sales Manuals:

These are tailored books where a number of problems are stated together with suggested answers. This is prepared out of company's past experience and might contain valuable information. These are given to salesman for self-study.

B. Group Methods:

(1) Lecture Method:

This is the easiest and quickest method of imparting information to the trainees. Most of the training methods are based on this principle, simply because of its assured success. It is

theoretically-oriented and the practical aspects are ignored. In spite of these defects, lecture method forms the cornerstone of various training methods.

(2) Audio-Visual Methods:

It is a 'telling and showing' method. This method is often used as a supplementary to the lecture method. The visual aids such as filmstrips, slides, charts, posters, etc., are capable of providing more exposition to the lectures and making it more interesting. Demonstration is possible under this method.

(3) Conference Method:

Sales conference and seminars are usual nowadays with most organisations. Such methods are useful in sharing the experiences of the experienced people. However, it is not a good method of training for the newly recruited salesmen.

(4) Discussion and Case Method:

For those who have basic knowledge on the subject this method is quite good. A particular problem is given to various groups and each group is asked to discuss it and put forward its suggestions. Later on, all these suggestions are analysed by all the groups together. This enables to have a correct idea of the problem, and a better solution.

(5) Role-Playing:

Under this method, each participant is asked to play a role. A situation is suggested and each one will have to act just like what he is expected to do in real-life situation. This method is a lively one and uses confidence in taking independent decisions. Later on the role played by the participants is analysed and the shortcomings are pointed out.

C. On-the-Job Methods:

This method stresses practice-oriented training.

(1) Field Training:

The new representative works in the field meeting various categories of customers.

(2) Job Rotation:

The salesman is trained in all departments and he would be asked to work in all sections of each department. This would give him a clear idea of inter-departmental relationship, which would give him an idea about the company. Further, he may also be asked to work in the

factory to know how products are processed. All these would give him enough tools to overcome the resistance of the customers in the sales field.

D. Off-the-Job Method:

Many associations generally issue journals, bulletins and other publications to enable their members to perform their duties more promptly and efficiently. The salesperson can become a member of such associations to upgrade his knowledge and skills.

E. Follow-Up Training:

Training is not temporary but should be continuous. Even the trained salesmen require periodic training termed as 'refresher training' or 'follow-up training.' Periodic training is essential as frequent changes are always encountered in the marketing scene. Change in consumer preferences, changes in Government policy, change in product, etc. in order to make the salesman abreast of all these developments, constant training is essential.

Advantages of Training the Salesforce:

A firm having well-designed training schemes gains the following advantages:

1. Greater Sales Volume:

A scientifically designed training programme helps to increase the sales volume.

2. Reduces Cost of Production:

Increased selling helps to reduce cost of production.

3. Early Selling Maturity:

Training reduces the time to be spent by the salesman with each customer in convincing him about the product.

4. Lowers Supervision Cost:

In the case of untrained salesmen, sales manager and the other supervisory staff have to pay more visits than those needed in the case of trained salesmen to keep a check on their work.

5. Lowers Turnover of Salesforce:

Proper training makes the salesman well-prepared for the field work. This results in reduced number of salesmen leaving their job. This lower rate of turnover gives the advantage of reduced costs of recruitment, selection and training of salesmen.

6. Better Customer Relations:

A scientifically trained salesman knows how to deal with a particular sales situation. He does not oversell, e.g., he does not sell the wrong quality or type of goods. The salesman advises the customers in business also.

Motivation of Salesmen

Ability or capacity to work is different from the will to work. You can buy a man's time; his physical presence at a given place; his muscular motions per hour or day. But you cannot buy his willingness to work, his enthusiasm or his loyalty.

Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get a desired action, a compliment, a pay-rise, a smile, a promise of promotion, praise, public recognition of merits and so on. Motivation ignites the will to work. It moves people to take a desired action. Motivation can be either financial or non-financial. Sales contests, conventions and conferences are examples of motivating salesforce.

Compensation Sales force management

Sales-force compensation is number one problem confronting every sales management. Compensation, here, stands for the monetary and nonmonetary reward given by the firm to, its sales-force in return for the services rendered.

Importance

1. To attract best salesmen:

Gifted, talented and high calibre salesmen are available only at higher rewards, both monetary and non-monetary. Pay more and get the best. In fact, cheap is costlier. Therefore, costlier is qualitative.

2. To keep sales-force contented:

There is direct link between the payment made to the salesmen and their satisfaction. A person is supposed to perform his duties, look at his job well when he is contented or satisfied. Satisfaction being a state of mind depends on what he gets in monetary and non-monetary forms for his job or the efforts put in.

3. To have longing loyalty:

The aim of personnel management is not just to build competent sales-force but have a pool of selected persons expected to serve life-time for the nourishment and nourishment of the selling house.

4. To have sound employer-employee relations:

Bickering, misunderstandings and drags arise mostly due to money matter partial or ill-treatment. The wheels of sales organisation must not squeak. One such wheel is sales-force that can be kept in kilt if paid well and treated well. It is the sound compensation plan that greases the squeaking wheel for frictionless working.

level of compensation

1. Sales competence:

The compensation level is bound to be higher in case of salesmen with calibre, competence or the sales acumen. It is the sales personality experience and other attributes that decide the compensation payable.

2. Extent of advertising:

Sales efforts of sales-force are geared by promotional efforts too. Naturally, higher the level of advertising in the sales organisation, lesser will be the input by the sales-force and hence, lower will be the level of compensation.

3. Degree of training:

A highly trained salesman is quite capable of handling the sales job with ease, confidence and grip. However, the company has invested in him to make him worthy of the sales profession. Hence, more the training intensity, lower will be the compensation level.

4. Financial viability:

It is the financial strength and viability of a sales organisation that puts limits on the levels of compensation. Normally, a company which is well to do will not hesitate to pay higher compensation than the one with moderate means.

5. Bargaining power: Leaving aside the quality, calibre of salesmen, it is the bargaining capacity that plays a decisive role in putting higher limits. Thus, stronger bargaining capacity of the salesmen fetches them higher compensation level.

6. Method of compensation:

Much depends on the method of compensation plan or the method. We have pure salary and pure commission plan and the combination of the two. The commission plan and salary and commission plan normally work higher compensation level than mere salary scheme.

Supervision

Supervision means overseeing employees at work. Overseeing of performance is done at all levels of management. High degree of overseeing is required in the case of salesforce who are constantly on the move. Supervision involves both the direction (motivation) and control of salesmen and the continuous development of their abilities.

Thus, supervision consists of the following:

- (a) Observing, monitoring and reporting the performance of the salesforce,
- (b) Counselling and coaching salespeople to remove the defects and weaknesses in their performances.
- (c) Giving them adequate information regarding company plans and policies and changes in those policies.
- (d) Receiving feedback and solving their business and personal problems.
- (e) Motivating the salespeople through appropriate non-financial incentives in order to satisfy egoistic demands of salespeople.

Control of Sales force

Control is the act of checking or verifying whether everything occurs in conformity with one charted in the plans. Supervision and control of salesmen is essential for a sales organisation to achieve maximum success.

Needs of supervision and control

(1) To Enhance the Efficiency of Salesforce:

The actual sales effected at each branch of each territory are brought to the notice of sales executives from time to time. This actually can be compared to the targets and deviation or discrepancies can be curbed by taking corrective actions

(2) To Ensure Co-Ordination in the Efforts: Salesman works independently, often at a long distance from the Sales Manager. Therefore, co-ordination and co-regulation of salesman's efforts become necessary.

(3) Nature of Salesforce Demands Controlling:

Salesmen are unique in the sales organisation. There are some people who die for the organisation and as devoted people they require no supervision or control.

(4) To Have Sound Public Relations:

The aim of controlling is not only to secure raise in the profitability but to lay down solid foundations of sales by carving good public relations

Advantages the sales force management

- i. Understanding the economic structure of an industry
- ii. Identifying segments within a market
- iii. Identifying a target market
- iv. Identifying the best customers in place
- v. Doing marketing research to develop profiles (demographic, psychographic, and behavioral) of core customers
- vi. Understanding competitors and their products
- vii. Developing new products
- viii. Establishing environmental scanning mechanisms to detect opportunities and threats
- ix. Understanding one's company's strengths and weaknesses
- x. Auditing customers' experience of a brand in

The disadvantages are:

- i. Difficulty in adopting the system
- ii. Too much of time spent on Data Entry
- iii. Losing personal touch in the process of automation
- iv. Laborious process of continuous maintenance, information updating, information cleansing and system up gradations
- v. Cost involved in Sales Force Automation Systems and Maintenance
- vi. Difficulty in integration with other management information systems

SALES REPORT :

DEFINITION :

A record of calls made and products sold during a particular time frame kept by a salesperson or their management. For example, a typical sales report might incorporate data on (1) sales volume observed per item or group of items, (2) how many new and current accounts were contacted and when, and (3) any costs that were involved in promoting and selling products.

What is the importance of sales reports in business?

Sales reports are extremely important for sales directors since they're the primary tool with which they can track sales revenue, opportunity status, pipeline health and any number of metrics you choose when making a sales report.

However, I believe the importance of sales reports is sometimes lost when it comes to individual sales representatives.

Why? Because it provides them with context.

For example, if a salesperson enters recent activity with a client into Force Manager – or any mobile sales management system with real-time reporting capabilities – when the time comes to prepare for the next visit they have all the information they need accessible at the click of a button.

I have worked with sales reps who assure me “not to worry, everything that happened is stored to memory so just ask if you have any questions...” Some people do have an extraordinary memory able to recall the minutest of details, but if you manage a sizeable client portfolio I'm 100% sure there's going to be some information lost along the way.

The importance of sales reports from a sales rep's point of view is that they summarize and pinpoint exactly how many deals they have at each of the sales process.

They also package the key information surrounding individual opportunities into digestible, and more importantly, readable snippets accessible before visits, allowing reps to fully prepare before meeting face-to-face.

If a sales director lacks visibility, then they can't help anybody.

Another area that I think really highlights the importance of sales reports is the loss of data. If you work within a large sales network you'll have probably experienced a high turnover of staff.

There's nothing wrong with that per say, as people move on to advance and pursue other opportunities down their career path.

However, a problem can occur when a centralized sales reporting system is not in place. What New opportunities generated.

- Number of first-time visits made.
- The nature of conversations had with prospects.
- What their opinions are and whether they need to be moved along down the funnel.

The importance of a weekly sales report is therefore clear; it provides the sales director and operations executives, as well as the field sales team with a "global vision" of the funnel status, and where extra effort needs to be applied to ensure they hit their sales forecast.

There are 5 different states, depending on the probability the opportunity has of closing, how advanced talks are and the movements that have been reviewed.

In addition, with Force Manager we have customized reports for each field rep, which allow us to streamline these meetings by focusing on the most important:

1. ARPA (Average Revenue Per Account)
2. The opportunities and their position in the pipeline.
3. Quarterly forecast.
4. Activity KPIs
5. All listed accounts: those without activity in the past 15 days (for account managers).

Sales reporting

,Meaning

Managing a sales team is more than adding up revenue at the end of a week, month or quarter. Part of what makes an effective sales manager is knowing the process of the sale: how many touches, or activities, it takes to close a deal; how long a deal should be in the sales pipeline; where deals get held up — the list goes on and on.

Sales reporting is where good sales managers live because it gives insight to the process and a foundation of successful sales operations, strategy and analysis. It's the process of keeping track of information at *every* step of the sales process and analyzing the data, in order to predict where your company's success lies and determine where to improve its results. Again, there is more to measuring your company's growth than by the number of sales you make — you need to know exactly what is driving those sales to figure out how to keep them up as your market grows.

Once you understand the reasons behind your data and results, you will have a clearer understanding of where to focus your sales team's efforts to drive decisions about production quantities, timelines, employment needs, pricing, and other essentials that keep your business flourishing.

More specifically, sales reporting can help you answer these questions and much more:

- Why does a team member have a lot of prospects but isn't closing any deals?
- Why is one team member about to break a sales record while another can't get a deal past the second stage of the pipeline?
- Are you on course to hit your yearly target or do you need to make a drastic correction to your sales process?

In addition, salespeople tend to love a little competition, so giving them visibility into where they stand in relation to everyone else can promote higher performance across your team.

What should I report on, how, and how often?

Sales metrics are the quantifiable indicators that tell you how each aspect of your sales operations is performing and whether you are achieving your targets. Metrics help you clarify where your efficiencies are as well as your inefficiencies.

- **Number of deals in the pipeline (number of prospects):** This is the total number of deals you have in all the stages in your pipeline. Not only is it important to know how many deals are in your pipeline, it's important to know where they are, when they are expected to close and the likelihood of them turning into revenue for your business.

- **Deal size:** Sales contracts can have widely different valuations, depending on a number of factors, but you need to determine the average deal size in your pipeline for making quick but sound sales forecasts and strategies.
- **Conversion rate (close rate):** Determines the average number of open deals you need to close one deal, based on past results.
- **Sales velocity (sales cycle time):** Sales velocity refers to the average time it takes for a lead to enter the pipeline and go through the sales process to the closing stage. The faster it takes to complete the sales cycle, the better for your team.

You should have a set of averages and targets for every stage of your sales process. It may be tricky to figure them out when you're just starting out, but keep in mind that great results don't happen overnight. It *is* a process — embrace it. After you've tracked activities for a while, you should start seeing value in your sales reports.

How do you manage sales reports?

You'll want to use a tool, such as a CRM with built-in sales reporting abilities, which will allow for a consistent way to track and visualize your data. It'll put you in a position to succeed by giving you a real-time view of your sales activities and quickly allowing you to understand how your team is performing, compare results, and identify opportunities for improvement with complete clarity. If you're not quite ready to use a CRM, you can also achieve similar results in an Excel file.

Having these processes in place doesn't excuse managers from personally overseeing their team's activities. Numbers don't always tell the whole story, and big numbers don't necessarily mean the right activities are happening. It is most effective to do qualitative as well as quantitative analysis and reporting to validate your sales process. You have to watch and ask your team questions if you truly want them to understand where you can improve as a whole.

Final thoughts

Sales reporting helps you take the guesswork out of your business decisions by giving you a clear view of where your company stands at every level of your sales process. By focusing on measurable activities that have clear outcomes, you can add more value to each individual salesperson and the company as a whole.

KNOWLEDGE MANAGEMENT :

Knowledge management is the conscious process of defining, structuring, retaining and sharing the knowledge and experience of employees within an organization.

The main goal of knowledge management is to improve an organization's efficiency and save knowledge within the company.

Often it is referring to training and learning in an organization or of its customers. It consists of a cycle of creating, sharing, structuring and auditing knowledge, in order to maximize the effectiveness of an organization's collective knowledge.

main areas of knowledge management

1. Accumulating knowledge
2. Storing knowledge
3. Sharing knowledge

Tacit knowledge and explicit knowledge are the two main types of knowledge covered within the definition of knowledge management.

- Tacit knowledge is more intuitive, less easy to package and share with others. Examples of tacit knowledge are innovative thinking and understanding body language.
- Explicit knowledge is information that is easily codified and taught, such as how to change the toner in a printer and mathematical equations.

Successful knowledge management will improve an organization in several ways. It will ensure that the specialized knowledge of employees does not leave with them, or go unutilized by other employees who would benefit from that knowledge.

It allows for better situational awareness, as well as opening doors for learning about best practices, lessons learned, and overall organizational improvement.

Why is knowledge management important?

Knowledge management is important because it boosts the efficiency of an organization's decision-making ability.

In making sure that all employees have access to the overall expertise held within the organization, a smarter workforce is built who are more able to make quick, informed decisions that benefit the company.

Innovation is easier to foster within the organization, customers benefit from increased access to best practices and employee turnover is reduced.

The importance of knowledge management is growing every year. As the marketplace becomes ever more competitive, one of the best ways to stay ahead of the curve is to build your organization in an intelligent, flexible manner. You want to be able to spot issues from a distance and respond quickly to new information and innovations.

Companies begin the knowledge management process for many different reasons.

1. A merger or acquisition could spur the need for codifying knowledge and encouraging teams to share their expertise.
2. The imminent retirement of key employees could demonstrate the need to capture their knowledge.
3. An upcoming recruitment drive shows the wisdom in using knowledge management to assist in the training of new employees.

Benefits of knowledge management

1. More efficient workplace
2. Faster, better decision making
3. Increased collaboration
4. Building organizational knowledge
5. On boarding and training process is optimized
6. Increased employee happiness and retention, due to the valuing of knowledge, training, and innovation

Knowledge management is an important tool in any company that wants to increase their bottom line and market share.

Knowledge management process

In organizing the knowledge management for an organization, there is a four-step knowledge management process that can be followed.

1. Discovery

In every organization, there are multiple sources of knowledge. In this step of the process, the sources of knowledge are identified, as well as where critical knowledge is kept, what can be learned from this knowledge and if there are areas in which knowledge can be lost during the process.

2. Capture

Every organization contains a vast amount of knowledge, and it must be stored and organized in a deliberate manner. By creating a system that is mapped and categorized, knowledge is more easily accessed and the organizational structure is increased.

3. Process

This step involves a deep analysis of the knowledge gathered in the previous two steps.

The organization must organize and assess the knowledge to see how best it can be folded into the structure of the organization.

4. Share and benefit

The point of knowledge management is to enable easy access to knowledge within the organization. Building a system that works is the first step, but individuals need to understand how to use that system.

Knowledge management framework

- **People** - Knowledge management must be prioritized within the company, and an ethos of sharing knowledge must be built into the DNA of the company and incentivized.
- **Process** - There needs to be a clear system for all steps of knowledge management, while also leaving room for innovation.
- **Technology** - Technology supports knowledge management, allowing knowledge to be searched for, found, and accessed within knowledge management systems. Technology also allows people to communicate better.
- **Governance** - The organization's governance must prioritize and reward knowledge sharing. Without this step, instituting knowledge management systems will be a battle.

SELLING EXPENSES:

Definition:

A selling expense is a cost incurred to promote and market products to customers. These costs can include anything from advertising campaigns and store displays to delivering goods to customers. Any expense that is associated with selling a good or making a sale is considered a selling expense.

SELLING EXPENSES MEANING :

These expenses are reported on multi-step income statement under the operating expense section. Selling expenses are traditionally listed before general and administrative expenses because investors and creditors are typically more concerned about the costs related to producing income. General and admin expenses are still important, but they don't actually produce any sales.

SALES TEAM :

The Importance of a Sales Team

Businesses need sales to stay alive in the same way that humans need water.

Without sales, your business will die.

And as common as online sales are becoming, the need for sales reps to pick up the phone is just as important now as it's ever been.

Building relationships is the key to closing sales. The Internet can't always build relationships for you. Only a good sales team can do that.

PROFESSIONALISM:

Professionalism has to do with the way a person conducts himself or herself in the workplace. An individual who shows consideration and respect for others demonstrates a commitment to professionalism. Likewise, a person who keeps his or her word, demonstrates loyalty, and exceeds expectations is demonstrating professionalism.

Defining Professionalism

The Merriam-Webster dictionary defines professionalism as "the conduct, aims, or qualities that characterize or mark a profession or a professional person;" and it defines a

profession as "a calling requiring specialized knowledge and often long and intensive academic preparation."

There are four key elements that demonstrate a professional attitude. These are:

1. Treat other with respect
2. Keep your word
3. Be loyal
4. Exceed expectations

Professionalism is a trait that's highly valued in the workforce. It has many attributes, including:

1. Specialized knowledge.
2. Competency.
3. Honesty and integrity.
4. Accountability.
5. Self-regulation.
6. Looking the part.

To improve your own professionalism, focus on improving in each of these areas.

Develop and practice professionalism:

1. Be productive

Use your time productively at work. Focus on your job responsibilities and avoid getting pulled into social media, web browsing and phone activity while on the clock.

2. Develop a professional image

Project a professional presence and dress appropriately for your industry and organization. A good rule of thumb is to dress in the position you aspire to have.

3. Take the initiative

Ask for more projects to be given to you or think of assignments that will meet your organization's goals. You don't want to be under-utilized.

4. Maintain effective work habits

Prioritize, plan and manage your assignments and projects. Follow up and follow through with your supervisor and team members.

5. Manage your time efficiently

Establish priorities, set goals and create action plans to meet deadlines.

6. Demonstrate integrity

Be accountable for your work and actions while behaving ethically at all times.

7. Provide excellence

Produce work and results that reflect a sense of pride and professionalism, often exceeding expectations.

8. Be a problem-solver

When you run into problems and obstacles take the time to brainstorm a few solutions and alternatives before you meet with your supervisor.

9. Be resilient

Develop coping skills to manage setbacks and challenges with a positive and constructive attitude.

10. Communicate effectively

Practice professional on-line, in person and interpersonal communication skills.

11. Develop self-awareness

Learn to manage your emotions and gain awareness of your emotional triggers so you can manage your reactions positively and productively. Accept and reflect on feedback to assist as you learn and grow.

12. Build relationships

Network with colleagues, customers and clients to build professional cordial relationships, work on teams and collaborate effectively.

ETHICS :

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. American salespeople have the added constraint that what's illegal in the United States is illegal for them in other countries because of the Foreign

Corrupt Practices Act, even if the behavior in question is acceptable to those countries' laws and practices.

Common Ethical Issues for Salespeople

What are the most common ethical issues facing salespeople? Many of the most common situations you could face as a salesperson involve issues such as the following:

- A customer asking for information about one of their competitors, who happens to be one of your customers
- Deciding how much to spend on holiday season gifts for your customers
- A buyer asking for something special, which you could easily provide, but aren't supposed to give away
- Deciding to play golf on a nice day, since no one knows if you are actually at work or not

Grooming

Grooming is the process of making yourself look neat and attractive, in other words enhancement of your outer image. Personal grooming entails personal hygiene.

Personal grooming can improve self-confidence and enhances the chances of success in many areas of your life. The professionalism, intelligence and the trust people form in you is mainly due to appearance. Whether it is real or imaginary the most important fact is that your appearance influences the opinions of everyone around you.

How is grooming linked to Sales

Personal grooming is an important aspect of customer service.

Sell yourself - The reality is that you must sell yourself before you sell your skills - "personal salesmanship", selling yourself is grooming yourself to impress your customers. First impressions are made within the first five minutes of meeting a person.

You need not speak a word but your appearance speaks about the company to the customers. The reputation of a company relies on the uniform or dress code of that company. A neat clean well-ironed uniform is acceptable and appreciable since it helps to relate well with others. Matured appearance shows the passion of your work, this makes people or the customer remember you.