

Unit 5 – Personal Selling

- According to William Stanton and Walker, "Personal selling is the personal communication of information to persuade somebody to buy something."
- According to Mahoney and Slone, "Personal selling is the personal communication between a salesperson and a potential customer or group of customers".

NATURE/OBJECTIVE/FUNCTIONS OF PERSONAL SELLING

- It is a Part of promotion mix: personal selling is part of promotion mix or the communication mix in the company's marketing program. Other elements being sales promotion, advertising, public relations etc.
- It is a Two-Way Communication: It is the best tool for two-way communication. Salesman can provide necessary information to customer about company's product, and also can collect information from customer. The ultimate aim is to persuade the customer to buy the product.

NATURE/OBJECTIVE/FUNCTIONS OF PERSONAL SELLING

- It involves presentation and Persuasion: The salesman presents his product to the prospective buyer and tries to persuade the prospective buyer with the help of various skills and techniques.
- It is a Flexible tool: Personal selling is more flexible than other promotional tools. Salespersons can see their customer's reaction to a particular sales approach and make adjustment according to the situation.

NATURE/OBJECTIVE/FUNCTIONS OF PERSONAL SELLING

- It's a creative tool: personal selling is creative in nature. The salesperson tries to create needs, he makes the customer aware of those needs and try to persuade him to buy the product. The salesman does not sell but he creates the urge to buy.
- Development of long-term 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.

NATURE/OBJECTIVE/FUNCTIONS OF PERSONAL SELLING

- Receipt of Additional Information: Normally, before introducing its product, a company is aware of the preferences of 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.
- 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.

NATURE/OBJECTIVE/FUNCTIONS OF PERSONAL SELLING

- Customer Confidence: By systematic sales talk and presentation, a capable salesman can remove all doubts, objections and misunderstandings, and can win customer's confidence. It increases customers' faith in company and its products.
- Improves company's goodwill/ Image: 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 in the mind of buyer. It helps in restoring company image and reputation in market.
- Service Element: Personal selling is not getting rid of a thing or cheating the customers for short term goal. Rather today, it has become a symbol for honesty and dependability.

Types of sales person

Differences in marketing factors cause each company to have individualized selling styles.

Each different type of selling job requires the sales person to perform a variety of different tasks and activities under different circumstances.

The different kinds of selling persons/positions prevalent in Indian companies.

Delivery sales person, Inside order taker, Outside order taker, Missionary sales people, Consultative sales person, Technical sales personnel, Commercial sales person and Direct sales people

Types of Sales Person/Positions

- **Delivery sales person**: The primary job of the delivery sales person is to deliver the product e.g. soft drink, bread, milk etc. The selling responsibilities are secondary. Good service and a pleasant personality may lead to more sales.
- **Inside order taker**: The retail sales person standing behind a counter is an inside order taker. The customer comes to the sales person with the intention to buy a product or service from the sales person only.
- **Outside order taker**: The soap or spices sales person calling on retailer is an outside order taker. They do little creative selling.

Types of Sales Person/Positions

- **Missionary sales people**: These sales persons are not expected or permitted to solicit an order. Their job is to build goodwill or to educate actual or potential user or provide services for the customers.
- **Consultative sales person**: Consultative sales are characterized by the product or service that is sold at the higher level of an organization e.g. computer system or management consultancy service. The decision to purchase such products involves higher capital outlay thus sales job requires a low key, low pressure approach by the sales person. It would also require a very strong knowledge about product, patience to discuss product with several people of organization and potential benefits to the user.

Types of Sales Person/Positions

- **Technical sales personnel**: The most distinctive characteristic of technical sales is the product knowledge required by its sales person. The time required to sell the product is relatively less than consultative sales.
- Most of the technical purchasing requires approval of several people but only one or two people with technical knowledge influence decision. If the sales representative is able to satisfy these people with product characteristics, application, installation process, approval from higher management comes.

Types of Sales Person/Positions

- **Commercial sales person**: This field generally includes nontechnical sales to business, industry, government and non-profit organization e.g. office equipment, wholesale goods, building products, business services and others.
- The process stresses approach to right person (decision maker), making a smooth presentation and closing the sales. Since these require different approaches, they normally require different personality traits e.g. the order getter are more aggressive and more highly motivated.

Types of Sales Person/Positions

- **Direct sales people**: Direct sales are primarily concerned with the sales of products and services to ultimate consumers e.g. door to door sales, insurance, encyclopaedias, magazines etc.
- There is normally some emotional appeal associated with this type of selling, thus sales persons are required to possess strong persuasive ability.
- Sales person are trained to close the sales on the first visit because it is felt if consumers are given time, they will either cool off from buying or will buy from competitor.

Phases of selling Process

- All selling process contain the same basic steps, though the detail of each step and time required to complete it will vary according to the product that is being sold.

1) Prospecting:

The selling process begins with prospecting or finding qualified potential customers. In order to sell the product, the sales person must seek out potential customers, prospecting involves two major activities-

identifying potential customers also known as prospects; and

qualifying them in order to determine if they are valid prospects.

Phases of selling Process

- ***Identifying prospects:*** The identification of potential customers is not an easy job, especially for a new sales person. In some consumer goods businesses, identification of prospects usually come from friends and acquaintances, other sales people, former customers, present customers etc.
- ***Qualifying prospects:*** Once the sales person has identified potential customers, he or she must qualify them to determine, if they are valid prospects. One approach to qualifying often called MAN (Money, Authority and Need).

Phases of selling Process

- **2. Preparation:** After a prospect has been identified and qualified, the sales person prepares for the sale of product or service. The preparation stage involves the two key activities i.e. Pre-approach and Call Planning.
- The pre-approach step includes all the information gathering activities necessary to learn relevant facts about the prospect and his or her needs and situations.
- Call planning involves a specific planning sequence. The sales person defines the objective of the call, devise a selling strategy to achieve this objective, and makes the appointments. The primary objective of any sales effort is to get an order.

Phases of selling Process

- **3. Presentation** : After establishing rapport with the prospects through calls, the sales person proceeds to the formal sales presentation. The objective of the presentation is to explain how the product meets the special needs of the consumer.
- The job of the sales person is to inform the prospect about the characteristics, capabilities and availability of goods and services that are for sale.
- In order to ensure that the presentation is understood by the prospect, the sales person should be clear in his/her communication. Presentation should also be interesting enough to keep the attention of the prospect focused on the proposal.

Phases of selling Process

- **Sales presentations are classified into the different categories:** Fully automated, Semi-automated, Memorized, Organized, and Unstructured.
- **Fully automated:** The fully automated presentation is the most highly structured approach, based on film or slide presentations. The sales person simply answer questions or clear up doubts. e.g. selling life insurance to the rural or semi-urban prospects.
- **Semi-automated:** In this approach, the sales person reads from brochures or literatures, adding comments to the prepared materials when necessary. A common example is selling of pharmaceutical products

Phases of selling Process

- **Memorized:** In memorized presentation, company message is presented, with few changes initiated by the sales person.
- **Organised presentation:** The most popular and often the most effective sales presentation method is the organized presentation. With this method the sales person has complete flexibility in oral communication but follows a company prepared outline or checklist.
- The organized approach best exemplifies the selling process in which customers are moved through four stages to a purchase decision; i.e. attention, interest, desire and action (AIDA).

Phases of selling Process

- **Unstructured presentations:** (Also referred to as problem solving). In this approach, the buyer and seller together explore the problems. These presentations tend to be not too well-focused. As a result, points are often missed and time is wasted. The problem solving presentation seems best suited to experienced, sales person who are selling to established customers.
- **Handling objections:** All sales person confront sales resistance i.e. actions or statements by a prospects that postpone, hinder or prevent the completion of the sale. Normally sales resistance takes the form of an objection which can be classified as stated or hidden.

Phases of selling Process

- **5.Closing:** Closing is the most important aspect of the sales process. After having answered and overcome objections, it is the stage for sales person to ask for the order from the prospects. The entire effort is wasted unless the sales person can get the prospect to agree to buy the product.
- In action close technique the sales person take an action that will complete the sale.
- The gift close technique provides the prospect with an added incentive for taking immediate buying action.
- The direct close is clear and simple technique, the sales person will summarise the major points that were made during presentation to the prospects prior to asking for the sale.

Phases of selling Process

- **6. Follow-up:** The selling process is not completed by merely making the sale, but after sales activities are important part of the whole selling process.
- Effective sales-follow-up reduces the buyer's doubt about the product or services and improves the chance that the person will buy again in the future.

Objectives of personal Selling

- Personal selling may be assigned such qualitative objectives as:
 - 1. To do the entire selling job (as when there are no other elements in the promotional mix).
 - 2. To “service” existing accounts (that is, to maintain contacts with present customers, take orders, and so forth).
 - 3. To search out and obtain new customers.
 - 4. To secure and maintain customers’ cooperation in stocking and promoting the product line.
 - 5. To keep customers informed on changes in the product line and other aspects of marketing strategy.
 - 6. To assist customers in selling the product line (as through “missionary selling”).

Objectives of personal Selling

- 7 .To provide technical advice and assistance to customers (as with complicated products and where products are especially designed to fit buyers' specializations).
- 8. To assist (or handle) the training of middlemen's sales personnel.
- 9. To provide advice and assistance to middlemen on management problems.
- 10. To collect and report market information of interest and use to company management.

Objectives of personal Selling

The quantitative objectives are :

- Sales volume objective-the rupee or unit sales volume management.
- To capture and retain a certain market share.
- To obtain sales volume in ways that contribute to profitability (for example, by selling the “optimum” mix of company products).
- To obtain some number of new accounts of given types.
- 4. To keep personal selling expenses within set limits.
- 5. To secure targeted percentages of certain accounts’ business.