

Summary

Chapter 11

PERSONAL SELLING

Learning Objectives:

- **Personal Selling Meaning, features & Changing Face.**
- **Types of Salesmen**
- **Advantages & Limitations of Personal Selling**
- **Essentials of Effective Selling**
- **Qualities of Good Salesman**
- **The Sales Process**
- **Collaborative Selling**
- **Buying Formula Method**

1. Meaning of Personal Selling- Personal selling refers to oral and face-to-face communication and presentation with the prospect for making sales. Personal selling involves two-way communication. Personal selling is highly distinctive and the only form of promotion involving face-to-face relationship between a salesperson and one or more prospective customers.

2. Features of Personal Selling:

- a) It enhances customer's confidence in the seller.
- b) It promotes long-term business relations through personal intimacy.
- c) It provides a human touch to business transactions.
- d) It helps facilitate the seller to understand each customer's needs and preferences more clearly.
- e) It helps satisfy a customer by modifying the product as per the customer's choice and preference.
- f) Personal selling followed by personal service helps build long-term relations between the business and the customer.
- g) It helps keep up with the competition in the market, based on product's customization as per customer's preferences.
- h) It is a powerful and effective tool in convincing the customer about the product.
- i) Through personal selling the time lag between introducing a product through the media and selling it, is reduced.
- j) It provides prospective customers with a better understanding of product and an interactive opportunity to liaise with the sales personnel.

3. Changing Face of Personal Selling:

In today's competitive markets, the scope of Personal Selling has widened and corporations have begun to explore the efficacy beyond the sole objective of promoting sales. In view of the above, the modern sales approach is based on the following parameters:

- A. Value Sharing
- B. Relation Building
- C. Role Playing
- D. Changing Approach

4. Efficacy of Personal Selling in the Marketing-Mix:

- A. **Personal Selling with Respect to Product Strategy-** Since salespeople are in direct liaison with prospective customers, their input is valuable during the product development. Their inputs help design the product based on customer preferences and needs.
- B. **Personal Selling and Pricing Decisions-** Sales Personnel inputs are considered useful in formulating pricing strategies because they are aware of the competitor's price and based on the market reaction and customers' sentiments they can advise a more prudent price policy to the management.
- C. **Personal Selling and Distribution-** The end-result of any distribution effort is the ready availability of the product to the customer, in the right quantity and at the right place. The salesforce plays an important role in coordinating, liaising and advocating the product's utility to the end-user.
- D. **Personal Selling and Product Promotion-** The salesforce stimulates and generates interest in the customer to make the final decision to buy the product. Sharing the same values that the customer does, a sale-person provides confidence in the customer for the product. And thus, personal selling promotes a product.

5. Types of Salesmen- There are three types of salesmen in the machinery of distribution: Industrial salesman, Merchant salesman, and Consumer salesman.

- A. **Industrial Salesman (Business Marketing)-** Buyer-seller inter-dependence and product complexity are the two unique aspects of industrial marketing. Both, the representative of the selling organisation and the representative of the buying organisation are professionals and experts in their own lines. The interaction takes place between these two professionals.

The reputation of the company (source) which the salesman (communicator) represents plays a very important role in the buyer's decision to purchase. Salesman must know thoroughly his product, his customer and his company. Customer service, including helping the customer to sell to his customers is more important than the physical product itself. Industrial marketing is now termed as business marketing.

B. Merchant Salesman

Merchant salesmanship is involved in selling of all types of consumer goods (convenience, shopping and specialty goods). We have four types of merchant salesmen:

(a) **Speciality salesman**- He is called upon to sell consumer specialties. These salesmen specialize in introducing new products or innovations in the market. They adopt the techniques of aggressive salesmanship.

(b) **Missionary salesman**- Missionary salesmen are responsible for promoting sales and creation of demand. They are not engaged in direct selling to customers.

(c) **Creative salesman**- He is a salesman who seeks to introduce a new product or a new brand into the market and create a demand for such a novelty. He creates a new business, a new market, new customers, and so on. Example: Creating the need for vacuum cleaners and water purifiers and medical policy.

(d) **Detail salesman**- Detailing is a form of specialty selling. The salesmen visit doctors, dentists, architects, engineers to sell them or to recommend a product to their clients. Example: Medical representatives.

C. **Consumer Salesman or (Retail Sale)**- We need consumer (retail) salesmanship for selling high-cost articles, e.g., automobiles, refrigerators, television sets, appliances, expensive clothing, etc. There are three types of outside (outdoor) consumer salesmen.

(a) **The route salesman** who follows a regular route serving consumers, e.g., baked goods.

(b) **The independent consumer salesman** sells on his own account, e.g., street vendors, peddlers, mobile retailers.

(c) **The controlled consumer salesman** is the employee of manufacturer, retailer, or insurance company. He may be employed for door-to-door selling. Many manufacturers may bypass the usual channels of distribution and sell their products directly to the final consumers right in their own homes or offices.

6. Advantages/ Limitations of Personal Selling:

The following are the relative **advantages** of personal selling:

- i. Personal selling is a means of mass communication and not an individual communication. Hence, there is minimum waste of effort and expenditure in personal selling or communication.
- ii. Personal interview in salesmanship assures attention and interest of a prospect. Personal selling has flexibility.
- iii. Salesman can adjust sales presentation on the spot to meet objections and reactions of his prospect to gain action.
- iv. It is left to the salesman to close the sale and effect transfer of title.
- v. Actual demonstration of the product or its use is recognized as the most powerful means of convincing which the salesmen can use it easily.
- vi. Personal selling is the best means of two-way communication continuously between the company and its customers.

While personal selling is the most powerful and effective method of convincing the customers it has certain **disadvantages**.

- i. The greatest limitation is the high cost of personal selling, particularly in inflationary conditions. The cost of developing and maintaining efficient salesforce is quite high.
- ii. Good and competent salespersons are scarce. When compared with other occupations, sales profession is becoming less attractive. General shortages of salesforce have compelled retailers to depend more on self-service principle. Personal selling, though costly, it is very effective and indispensable.

7. Essentials of Effective Selling:

There are seven prerequisites of effective selling:

- (1) Know your company
- (2) Know your product
- (3) Know your competitors and their products
- (4) Know your customers
- (5) Know the process of selling
- (6) Know of self
- (7) Day to day working.

8. Qualities of Good Salesman-

The qualities of a successful salesman can be broadly divided into four categories: Physical, Social, Mental, and Character qualities.

- a) **Physical Qualities-** A good physical appearance is a very big asset for a salesman. The first impression that a salesman makes on his customers is the most important impression. A good physical appearance also gives the salesman more self-confidence. A salesman must be well- built, free from physical defects, take sufficient care of his appearance. Good grooming, appropriate dress, clean and tidy appearance, a good posture, and poise go a long way in creating a good first impression. A salesman must always have a cheerful smile on his face. A good salesman will also take care of his health. There is a very close relation between physical health and mental health. Sound mind lives only in a sound body.
- b) **Social Qualities-** A salesman is required to move in different circles, meet many customers and get along with them. He must, therefore, develop a good social behaviour. A salesman must always cultivate good manners, always be polite & respectful and never become unduly familiar with his customer. A salesman must also be tactful. He must be able to put things in the correct manner in front of his customers. A desire to meet people, helpfulness and co-operative attitude, and a likeable disposition are essential for a successful salesman. A salesman must be an extrovert (directed outward and not self-centered).
- c) **Mental Qualities-** The mental make-up of a salesman must be conducive to success. A salesman must have a good power of

memory, observation, be able to recognize customers, their characters, their buying motives, and adjust his sales talk accordingly. He must be alert and always on his toes. A salesman must be able to handle difficult situations independently and on his own initiative. He must have a creative mind. He must develop empathy, i.e., putting himself in the buyer's position.

A self-confident salesman will also inspire confidence in his customers. Determination and drive are also very important for success. The proper management of time and a systematic attitude are two traits which will help a salesman in the successful completion of his duties.

- d) **Moral Qualities-** Honesty and integrity are essential character qualities of a salesman. Customers must be willing to depend on the salesman, willing to be guided by him and to rely upon his statements. Creation of goodwill and a name for fair and honest dealings are essential in business. A salesman must be loyal, both to his employer and to his customer. The success of the employer depends on the goodwill of the customer. Therefore, a salesman who is loyal to his customer will also benefit his employer. A salesman must develop positive, dynamic and cheerful attitude.

- 9. **The Sales Process-** The process of selling involves a number of steps such as: Pre-sale preparation, Prospecting, Pre-approach, Approach, Sales presentation or sales interview, Objections, Closing and Follow-up.
 - I. **Pre-sale Preparations-** A salesman must identify a customer's problem, solve that problem, and prescribe a solution to the customer accordingly. Background knowledge (of the company, its products, and its rivals) constitutes the essence of pre-sale preparation.
 - II. **Prospecting-** A salesman must seek potential customers who are called prospects. A prospect means a probable buyer — the one who brings prospects to the seller's business. A prospect is one who has an unsatisfied need, ability to buy (purchasing power) and willingness to buy (motivation).
 - III. **Pre-approach:** Once a prospect is located and qualified, salesman should find out his needs, problems to be solved, his preferences, personal habits, nature, behaviour, etc. The product should be tailored to the specific requirements of the customer.
 - IV. **Approach-** The next step is the stage where the salesman comes face-to-face with the prospect. The approach consists of the two major parts — obtaining an interview, and the first contact. The salesman must be able to attract the prospect's attention and get him interested in the product.
 - V. **Sales Presentation-** The sales presentation should be closely related to the buying process of customers. It should be in the

language the prospect understands. The sales interview should generally go according to AIDAS (Attention, Interest, Desire, Action, Satisfaction) theory.

- VI. **Objections-** At any stage during the sales interview the salesman may be confronted by an objection. The clever salesman will always welcome an objection, interpret the objection correctly and will remove it tactfully, without arguing with the customer.
- VII. **Close-** It is very important for salesman to be alert and find out the right moment at which to close the sale. This is known as the “psychological moment” or the “reaction moment”, the moment at which the prospect’s mind and the salesman’s mind are in perfect accord.
- VIII. **The Follow-up (Post-sale contacts):** A salesman must write the order, arrange for dispatch, and delivery of the product, facilitate grant of credit, reassure the buyer on the wisdom of his decision, and minimize, his dissatisfaction, if any. The salesman should contact the customer frequently to maintain his goodwill and smooth over any post-purchase problems. The follow-up is a good source of feedback to the salesman.

10. Collaborative Selling- Today’s salespeople build towards long-term partnerships with buyers. They focus on a new goal: years of repeat business plus a steady flow of referrals to other customers. The new formula for doing so is called Collaborative Selling. There are six steps in collaborative selling.

- i. Target your market
- ii. Contact your prospect
- iii. Explore customer needs
- iv. Collaborate
- v. Confirm the sale
- vi. Assure continuing Customer Satisfaction

11. Buying Formula Method- It is buyer-oriented method. It emphasis on the buyer’s needs and problems. Salesman is to help the buyer to find solutions to his problems. Problem-solving approach is because a sale is made in the mind of the buyer. The mental process has four elements:

- (1) Need or problem
- (2) Solution
- (3) Purchase
- (4) Satisfaction