

PERSONAL SELLING AND SALESMANSHIP PDF NOTES

Dear Students, This Pdf note is prepared for **B.com Final Year students for the subject personal selling and Salesmanship as per Latest CBCS Syllabus.** The pdf is divided into 5 units. You may find grammatical and typing errors. In such case, try to understand the meaning and context of the whole sentence.

UNIT I

Introduction to Personal Selling: Nature and importance of personal selling, Difference between Personal Selling, Salesmanship and Sales Management, Characteristics of a good salesman, types of selling situations, types of salespersons, and limitations of Salesmanship.

UNIT II

Motivation: Concept of Motivation, Maslow's Theory of Need Hierarchy, Dynamic Nature of Motivation

Buying Motives: Buying motives and their uses in personal selling.

UNIT III

Sales Force Management: Importance of selection of salesman, Recruitment and selection of salesman, Selection process of salesman.

UNIT IV

Selling Process-1: Prospecting and qualifying; Pre-approach; Approach; Presentation and demonstration.

Selling Process- 2: Handling of objections; Closing the sale; Post sales activities.

UNIT V

Sales Reports: Reports and documents; sales manual, Order Book, Cash Memo; Tour Diary,

Daily and Periodical Reports: Ethical aspects of Selling.

UNIT I

Topics to be covered as per syllabus

Introduction to Personal Selling: Nature and importance of personal selling, Difference between Personal Selling, Salesmanship and Sales Management, Characteristics of a good salesman, types of selling situations, types of salespersons, and limitations of Salesmanship.

PERSONAL SELLING

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

DEFINITION

1. **According to William Stanton and Walker,** "Personal selling is the personal communication of information to persuade somebody to buy something."
2. **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

(Although Nature, objectives, functions are different things, these points can be explained with regard to all three. Students are required to use their intelligence (if any) in order to explain the points)

1. **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.

2. **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.
3. **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.
4. **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.
5. **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.
6. **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.
7. **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.
8. **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.
9. **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.

10. **Improves company's goodwill/ 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 in the mind of buyer. It helps in restoring company image and reputation in market.
11. **Service Element:** Personal selling is not getting rid of a thing or cheating the customers for short term goal. Rather it is necessarily an act of assisting the customers to buy wisely. Today, it has become a symbol for honesty and dependability.

IMPORTANCE/ADVANTAGES OF PERSONAL SELLING

1. IMPORTANCE TO BUSINESSMEN/COMPANY:

- (a) **Effective Promotional Tool:** Personal selling is an effective promotional tool in the hands of businessman for increasing sales. Salesman provides information about the various features and advantages of his product as well as about market developments.
- (b) **Flexible Tool:** Personal selling is the most flexible tool of promotion. Sales presentation is adjusted according to the requirements of the customer.
- (c) **Minimizes Wastage of Efforts:** Personal selling involves minimum wastage of efforts as compared to other tools of promotion.
- (d) **Customer Attention:** The level of customer attention and interest can easily be assessed under personal selling. Thereafter, the presentation can be modified appropriately.
- (e) **Lasting Relationship:** Personal selling aims at developing good and long lasting relationship between salesperson and the customer to increase sales in line with WIN-WIN philosophy.
- (f) **Personal Relationship:** Competitive strength of a business organisation increases with the development of personal rapport between its salespersons and prospective customers.
- (g) **Role in Introduction Stage:** By describing the merits of a product and persuading the customer to purchase it, salesperson helps in introducing a new product in the market.

2. IMPORTANCE TO CUSTOMERS:

- (a) **Helps in Identifying Needs:** It helps in identifying the needs & wants of the customers, so that they can be satisfied by getting best products.
- (b) **Latest Market Information:** Under personal selling, customers are provided with information regarding availability or shortage of product, introduction of new product etc.
- (c) **Detailed Demonstration:** Personal selling is the only technique through which detail demonstration of product takes place, which generates sales.
- (d) **Expert Advice:** Expert advice and guidance can be provided to the customers while purchasing various goods and services.
- (e) **Induces Customers:** Personal selling induces customers to buy new product in order to satisfy their needs in a better way.

3. IMPORTANCE TO SOCIETY:

- (a) **Removes ignorance:** Salesmanship removes ignorance and educates people regarding different types of products and their utilities.
- (b) **Assist the society:** Salesman is one of the help to increase aggregate sales. They help to maintain equilibrium between demand and supply
- (c) **Employment Opportunities:** It provides opportunity to unemployed people to work as salespersons for earning income.
- (d) **Mobility of Sales People:** Travel and tourism in the country get promoted by the mobility of the people from one place to another.

4. IMPORTANCE TO THE GOVERNMENT: The Government also receives maximum utility out of salesmanship. Salesmanship helps the producers to produce and sell more of goods and services. As production and sale in country increases, the Government is able to get more revenue by way of various taxes, duties and levies like sales tax, income tax, excise duty, freight and transportation charges. It contributes to GDP growth of the country.

CHARACTERISTICS OF A GOOD SALESMAN

A salesperson should have following qualities

1. PHYSICAL QUALITIES:

- (a) **Sound Health:** Just like a normal human being, a salesperson must also be of sound health. A salesperson would be mentally and physically fit only if he has a good health. For a sound health, a salesperson must eat well, sleep well and exercise regularly.
- (b) **Good Appearance:** Good Appearance always attracts people. A salesperson must not be too fat or thin. He must carry his body well.
- (c) **Cheerful Disposition:** A scholar has rightly said that smile is like plague. If the salesperson is cheerful and happy he can make his customer cheerful and happy, which directly helps to have a good conversation and chances of sales increases.
- (d) **Agile:** A good salesperson should always be agile. A lazy and boredom salesman can never attract customers.
- (e) **Postures:** the gestures and postures of a salesman are also crucial in influencing customers. Unnecessary hand-eye movements, shoulder movements etc. creates wrong impression in the mind of prospective buyers.
- (f) **Cleanliness:** No person likes to sit around and listen to a dirty fellow. A good salesman must have a good hair style, must be well shaved, must have clear nails etc.
- (g) **Clothing:** A well-dressed salesman often attracts customers very easily. He should wear a formal suit with tie. Dressing sense of a salesperson often increases his confidence and likability by the customers.

2. SPEAKING QUALITIES

- (a) **Clear Pronunciation:** A salesperson should have clear pronunciation. Otherwise prospects may misinterpret things. A person without good pronunciation can never became a good salesman.
- (b) **Proper Vocabulary:** while giving presentations, proper choice of word is very important. A salesman must have a good vocabulary to create lasting impression with words. A salesman must use those words which are easy to understand and easy to pronounce. Technical jargons must be avoided.

(c) **Effective delivery:** many times, ‘how we speak’ is more important than ‘what we speak’. if the delivery style is not good, a salesperson may not be able to persuade the customer with good pronunciation and vocabulary.

3. MENTAL QUALITIES:

- (a) **Resourcefulness:** A resourceful person is one, who understands and behaves according to the changing circumstances. A good salesperson changes his behavior according to different customers and situations.
- (b) **Intelligence:** A salesperson must be intelligent. A good salesperson could handle objections carefully and easily with his intelligence.
- (c) **Sharp Memory:** To be successful, a salesperson must have sharp memory. He must be able to remember previous meetings with customers, likes and dislikes of the customers along with various offers being provided by the company.
- (d) **Maturity:** A salesperson must be mature enough to understand his duties and obligations. He must have sense of what he is talking about and how it will affect the sales of the company.
- (e) **Self-confidence:** Self-confidence is a thing which could help a person to tackle any kind of situation. A good salesman should be confident on his presentations skills and objection handling techniques.
- (f) **Ability to Observe and Judge:** The success of a salesperson depends highly on his ability to observe the conditions around him and his ability to take prompt decisions.

4. SOCIAL QUALITIES:

- (a) **Sociable:** a good salesperson must be sociable. He must treat everyone equally and meet with them frequently. He must have contacts with everyone whether rich, poor, middle class people etc.
- (b) **Courtesy:** it is said that courtesy has no cost but has high impact. Salesperson must deal everyone with courtesy.
- (c) **Co-operative:** A salesman himself needs cooperation from various people. So, he must be cooperative with other members of the salesforce, sales managers, customers etc.

- (d) **Convincing Conversationalist:** salesman must be a good conversationalist. He must have the ability to speak complicated things in a clear and concise manner. He must be able to influence other with his communication skills.
- (e) **Patience:** A salesman has to meet with various kinds of people. some people deliberately tries to annoy the salesperson. Many times sales presentations do not result in effective sales. In such a situation a salesman must remain patient and do not lose his calm.

5. MORAL OR ETHICAL QUALITIES

- (a) **Honesty:** it is said that “honesty is the best policy”. A salesperson should not lie to his customers and deliver according to his promises. A dishonest salesperson can never become successful in the long run.
- (b) **Loyalty:** To be successful, a salesperson must be loyal towards his company, sales manager, fellow salespersons and customers.

6. PROFESSIONAL QUALITIES:

- (a) **Educated and trained:** well-educated and trained salesman could increase sales turnover of the company by his ability to engage with customers. Training helps a salesman to tackle different situations with proper care.
- (b) **Knowledge about the institution:** A salesman must know each and every minute details about the company for which he is working. Past and present performances, types of product being offered, the credit policies of the company Etc. must be known to the salesperson.
- (c) **Knowledge of product:** Ernest and Da Vall has rightly said that ‘nothing is important to the salesman than knowing his product’ salesman must know all the features and ingredients of the product he is offering. He must also know about the different varieties of the same products.
- (d) **Communication Skills:** it is said that personal selling involves a two-way communication between salesman and customer. It is the communication skill of salesman which helps in persuading the customer to buy the product. Good

communication skill enables a salesperson to communicate well with seniors, peers and customers.

- (e) **Knowledge of Customers:** A good salesman must have information's about demographics, buying motives, likes and dislikes etc. of the customers.

DIFFERENCE BETWEEN PERSONAL SELLING, SALESMANSHIP AND SALES MANAGEMENT

PERSONAL SELLING: Personal selling is an important component of promotional mix. It is a means for implementing marketing programs. Personal selling facilitates interaction बी a salesman and a buyer so that the need of the buyer could be understood well and salesman could serve the buyer according to his need. We can say that personal selling is a broader concept than salesmanship

SALESMANSHIP: Salesmanship on the other hand, is just an art of selling. It is an art of successfully persuading prospects or customers to buy products from which they can derive suitable benefits. Salesmanship is all about skills required by the salesman to understand the need and emotions of the prospect and offering him various information, options and benefit to satisfy their need. Thus, we can say that personal selling includes salesmanship.

SALES MANAGEMENT: It is all about managing all activities related with the sales of the business. It involves marketing, advertising, pricing etc. Through sales management only, a company keeps track record of target sales and actual sales. it involves management of sales operations, formulation of sales strategies and preparing sales analysis. Sales managers in the sales department is the responsible authority for sales management. The sales manager has to look after marketing strategies, has to manage the salesforce and has to organize personal selling efforts. Thus, sales management is ultimately responsible for planning, organizing, directing and controlling of personal selling efforts also for recruitment, selection, training, supervision and motivation of the personal sales force.

| | BASIS | PERSONAL SELLING | SALESMANSHIP | SALES MANAGEMENT |
|----|------------------------|---|---|--|
| 1. | Meaning | Personal selling is an act of engaging with customers to persuade them to buy the product. | It is an act of being employed as sales person. Salesmanship is an art and skill of initiating selling efforts. | Sales management is an act of planning, controlling, directing and coordinating the sales process. |
| 2. | Flexibility | It is most flexible as the messages could be changed according to the customer's needs. | It is comparatively less flexible than personal selling. | It is least flexible as the rules and policies are formed and followed strictly. |
| 3. | Reach | Only one or two customers can be dealt in one time. | Only limited number of persons can be contacted. | It reaches to masses in the form of advertising and other marketing communications. |
| 4. | Cost per person | Cost per person is high as limited persons can be reached at a given time. | Cost is comparatively lower than personal selling. | Cost per person is very less. |
| 5. | Coverage | It takes long time to cover the market. | It takes comparatively less time to cover the market. | It takes medium time to cover the market. |
| 6. | Media | It does not make use of mass media. | Makes comparatively less use of mass media. | Makes use of mass media. |
| 7. | Feedback | Direct feedback can be collected from customers. | Indirect feedback can be collected. | Feedback is not possible because customers are not involved. |
| 8. | Useful for | More useful for industrial and customized product. | More useful for technical product. | Useful for all kinds of product. |
| 9. | Scope | Personal selling is a part of sales management and the scope of personal selling is narrower than sales management. | Salesmanship is included under personal selling. | Sales management has a broader scope as it guides both personal selling and salesmanship efforts. |

TYPES OF SELLING SITUATIONS

1. **Service Selling Situation:** This situation is related with obtaining sales from existing customers whose habits and patterns of thoughts are already known to the seller. Comparatively less effort is required to satisfy these type of customers. Inside order takers, delivery salesperson, merchandisers, technical salesperson etc. helps in service selling situations.

2. **Developmental selling Situation:** In this type of situation a salesman tries to convert prospects into customers. It requires creativity by the salesperson to persuade the customer. It includes creative salesperson of tangibles and creative salesperson of intangibles. Like a salesperson selling vacuums cleaner (tangible) to a new customer and a salesperson selling insurance(intangible) to a new customer.
3. **Retail Selling situation:** It is a totally different scenario when goods are sold through retailers. An individual retailer is the last person in the distribution channel to make products available to the buyer. Advertisement and promotions attracts people but the ultimate sale depends on the salesman at the counter. The salesman inside the retail store is the key person in retail selling situation. They do not negotiate with customer but they only make sales.
4. **Wholesale selling situation:** The Wholesalers calls on retailers, dealers at regular interval on behalf of the wholesaler and helps retailers and dealers in selection of goods and services and advices them on various matters. These salespeople help a wholesaler in dealing with many retailers and dealers in day to day business which would be otherwise very difficult for wholesaler alone.
5. **Product oriented selling situation:** Selling situation also changes with the nature of the product. products at different stages of life cycle, with different value and with different technical nature requires customized efforts in sales. a salesman according to product situation could change the selling tactic.
6. **Competition Oriented Selling situation:** There is a cut throat competition in the market. Every company wants to grab more and more market share. Also, there is a competition between the salespeople within the company's salesforce. The salespeople tend to convince the customer at any cost in order to stay ahead of other salesperson.
7. **Consumer behavior Oriented selling situation:** Selling situation also differs according to the type of buyer. Different buyers have different income level, social status, occupation, personality, perception, belief, brand choice, payment options etc. all these factors affect the buying behavior of a person. A salesman must understand the consumer buying behavior and must offer products according to the buying behavior of the person.

TYPES OF SALESPERSON

1. Order Takers

Order takers do not have the responsibility to persuade customers to buy products and increase the sales. Rather, they are only supposed to book customers' orders and pass on the information to the company for delivery arrangements. Order takers should provide accurate information to the company and customer about booking of orders and date of delivery.

- A. **Inside order-takers:** They are retail sales assistants (like sales assistants in Vishal Megamart). customer has full freedom to choose products without the presence of a salesperson. The sales assistant's task is purely transactional – receiving payment and passing over the goods. Another form of inside order-taker is the telemarketing sales team who support field sales by taking customers' orders over the telephone.
- B. **Outside order-takers:** They travel to customers. Use laptop computers to improve tracking of inventory and orders etc. These salespeople visit customers, but their primary function is to respond to customer requests rather than actively seek to persuade.
- C. **Delivery salespeople:** The salesperson's task is primarily concerned with delivering the product. In India, milk, newspapers and magazines are delivered to the door. There is little attempt to persuade the household to increase the milk order or number of newspapers taken: changes in order size are customer-driven. Winning and losing orders is dependent on reliability of delivery and the personality of the salesperson.

2. Order-Creators/Missionary Salespeople

Order creators are the salespeople who help in pulling the customer toward product. Missionary salespeople are best order creator's Missionary salespeople do not take purchase orders. Rather, they are involved in dissemination of information about the product. They help in increasing goodwill of the company and educate customers about the product. They do not call the ultimate buyers but approach to those who make advices to the buyer about the product. for example, A salesperson from a book publisher calls a professor urging them to use certain books, but the actual buyers are the students who buy and use the books. Similarly, medical representatives approach to the doctors, the doctor does not use the drugs but advises patients to buy the drugs.

3. Order-Getters/Front-Line Salespeople

Order-getters consists of those salespersons whose major objective is to persuade customers to make a direct purchase. They are required to acquire new businesses for the company and negotiate with new prospects. These are the front-line salespeople and should have several skills like ability to identify new prospects, persuading and negotiating, and ultimately building new and profitable business. They generate customer leads, provide information, persuading customers and closes the sale. The job of order getters is most challenging than any other type of salespersons.

4. Support Salespeople

- A. **Technical support salespeople:** This type of salesperson provide sales support to front-line salespeople. When a product is highly technical and negotiations are complex, a salesperson may be supported by product and financial specialists who can provide the detailed technical information required by customers.
- B. **Merchandisers:** These people provide sales support in retail and wholesale selling situations. Orders may be negotiated nationally at head office, but sales to individual outlets are supported by merchandisers who give advice on display, implement sales promotions, check stock levels and maintain contact with store managers.
- C. **Trade Salespeople:** Spend much time helping customers, especially in retail stores, Restock the shelves, set up displays.
- D. **Service Salespeople:** interacts with customers after sale is complete.

LIMITATIONS OF PERSONAL SELLING

1. **Lack of knowledgeable and skilled salesman:** Salesman having the necessary training and aptitude are rare. Salesman who have adequate knowledge and necessary skill are found waiting in many concerns at the counter and elsewhere, they are unable to do full justice to their work.
2. **Bad employers:** Many employers engaging the services of salesmen are unscrupulous. They violate or circumvent laws and try to exploit their salesmen. As good work is not appreciated and payment is very less, many intelligent and

enterprising salesmen feel discouraged and disgusted. They lose interest to work honestly and efficiently.

3. **Little respect:** Salesmanship as a profession commands little respect in many countries including India. Moreover, salesmen are not recruited either on the basis of examination results or according to any strict rule. As an entry into the profession is easy, many incompetent people become salesman only to bring discredit to it.
4. **Practices of fraud:** The practices of fraud and dishonesty is another drawback of salesmanship. Malpractices of various types and misrepresentation do great harm to the cause of salesmanship.
5. **Difficult job:** Salesmanship is not an easy job for those, who are introverts not desirous or mixing freely with others. Salesmanship requires frequent travelling and this may prove to be harmful to the health of the salesman besides being inconvenient to him and his family. Rude and rough behavior of customers or retailers, and step motherly treatment given by the employers are likely to make salesmanship a thankless, disgusting and miserable task.

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UNIT II

Topics to be covered as per syllabus

Motivation: Concept of Motivation, Maslow's Theory of Need Hierarchy, Dynamic Nature of Motivation

Buying Motives: Buying motives and their uses in personal selling.

MOTIVATION

A person is said to be motivated when his or her system is energized, made active and his behavior is directed towards a desired goal. Motivation is the driving force within individuals that impels them to take action.

DEFINITION

According to Lillis: "It is the stimulation of any emotion or desire operating upon one's will and promoting or driving it to action."

According to Vance: "Motivation implies any emotion or desire which so conditions one's will that the individual is properly lead into action."

From above definition, following inferences can be derived:

1. Motivation is an inner feeling or driving force which energizes a person to work more.
2. The emotions or desires of a person prompt him for doing a particular work.
3. There are unsatisfied needs of a person which disturb his equilibrium.

POSITIVE AND NEGATIVE MOTIVATION

Positive Motivation

Positive motivation induces people to do work in the best possible manner and to improve their performance. Positive motivation or incentive motivation is based on reward. The workers are offered incentives for achieving the desired goals. Under this, better facilities and rewards are provided for their better performance. Such rewards and facilities may be financial and non-financial. For a salesperson positive motivation could be to achieve sales target and claim increased commission, remuneration, recognition, promotion etc.

Negative motivation: Negative or fear motivation is based on force or fear. Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with demotions or lay-offs. The fear acts as a push mechanism. The employees do not willingly co-operate, rather they want to avoid the punishment. A salesman's negative motivation could be that he would lose his job if he does not perform well.

INTRINSIC AND EXTRINSIC MOTIVATION

Intrinsic Motivation

means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfills a desire. Some factors which influences the intrinsic motivation of a salesperson includes honor, recognition, power, status etc.

Extrinsic Motivation

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Extrinsic motivation is external in nature. The most well-known and the most debated motivation is money. examples: employee of the month award, benefit package, bonuses

PROCESS OF MOTIVATION

Motivation can also be described as the driving force within individuals that impels them to action. This driving force is produced by a state of tension, which exists as the result of an unfulfilled need. To reduce tension, every individual strives consciously and sub-consciously to reduce this tension to fulfil their needs and thus relieve them of the stress they feel. The specific goal they select and pattern of action they undertake to achieve their goal is based on individual thinking and learning (experiences). Therefore, marketers and salespersons try to influence the consumer's cognitive processes.

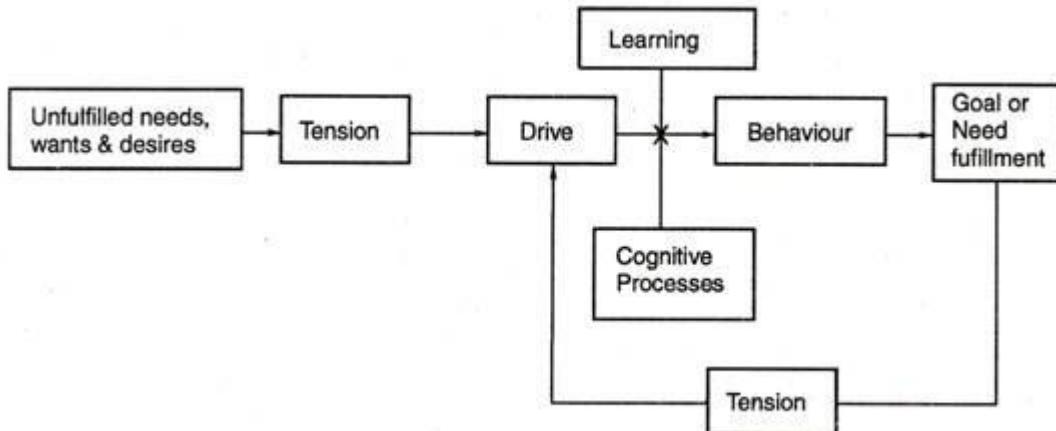


Fig. 3.2

Source: <http://www.yourarticlerepository.com/>

NEED, GOALS AND MOTIVES

A consumer motivation process is largely affected by three components need, goals and motives

Need: Every individual has **needs**, they are innate and acquired.

1. **Physiological needs:** As the name suggests, these needs arise out of our physiology and are also called as primary or biological or biogenic needs; e.g. Need for food, water, sleep, air, shelter etc. We are born with such needs and these are innate in nature.
2. **Psychological needs:** These needs arise out of our sociology and psychology and as such they are also called secondary or psychogenic needs; e.g. Need for affiliation, power, recognition, esteem and status, etc. Acquired needs are those needs that we learn from our surroundings environment or culture. therefore, they are also called as secondary needs.

Goals: Goals are the end result of motivated behavior. From marketer point of view, there are four types of goals:

1. **Generic goals:** General classes of goals that consumers select to fulfill their needs. For example, need for washing hands.
2. **Product specific goals:** For washing hands what kind of product is used. For example, use soap, liquids etc.
3. **Brand specific goals:** For example, which soap – Lux, Pears etc., to be purchased.

4. **Store specific goals:** From where that product must be purchased.

Motives: A motive is something that causes us to act or behave in order to reach a goal or desired endpoint. Motives can be rational as well as emotional.

1. **Rational:** When consumer motives are objective, and when selection of goals is made on the basis of objective criteria, they are referred to as rational motives. These criteria could be price, size, weight etc.
2. **Emotional:** When consumer motives are subjective, and when selection of goals is made on the basis of personal and subjective criteria, like appearance and looks, colour, aesthetics etc., they are referred to as emotional motives

MASLOW'S NEED HIERARCHY THEORY

In his influential paper of 1943, *A Theory of Human Motivation*, the American psychologist Abraham Maslow proposed that healthy human beings have a certain number of needs, and that these needs are arranged in a hierarchy. The hierarchy consists of five stages.

1. Physiological Needs:

These are important needs for sustaining the human life like Air, Food, water, warmth, shelter, sleep etc. Maslow was of an opinion that until these needs were satisfied, no other motivating factors can work. Air, food, and water, are the most important things to sustain our physical bodies. A salesman selling water purifier could talk about the bad effects of drinking contaminated water. In this way he tries to fulfill the physiological needs of the customer.

2. Security or Safety needs: Safety needs are the second level in the hierarchy and contain the needs such as personal/financial security, health/well-being, as well as needing safety against accidents and illnesses.

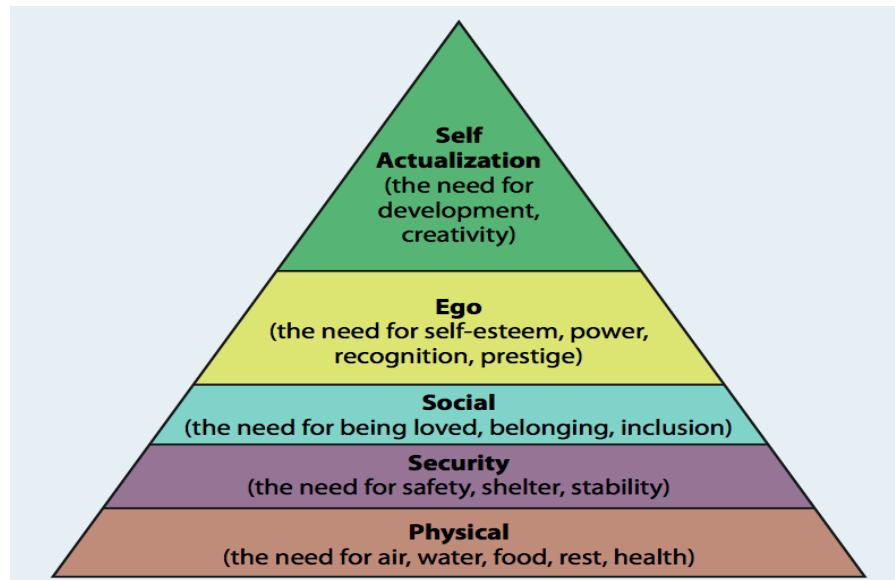
When an insurance agent talks about the customer in an accident, he creates a fear about safety in the mind of the prospect. In the same way, in an advertisement of car, they talk more about safety features rather than the luxury features to fulfill the safety needs of the customer.

3. Social needs: Since people are social beings, they have a feeling of belongingness with one another. People try to satisfy their need for love, affection, acceptance and friendship. People through social media platforms like Facebook, Instagram, WhatsApp etc. are connected with their friends, family and relatives and fulfill social needs.

A salesperson could sell greeting cards, holiday packages etc. to satisfy social needs of people.

4. Esteem needs: Esteem level includes need for status, recognition, attention, expertise over something. Failure to achieve an adequate level of self-esteem often leads to an inferiority complex. People's professions and hobbies often reflect this need to gain recognition. People also try to maximize their self-esteem by wearing branded clothes, by owning luxury cars and watches etc. By offering a luxury product or experience marketers and salespeople provide people an opportunity to master something, gain recognition.

This is the last level of deficiency needs, meaning that if a human satisfies all four of these needs, meaning that once all of these needs are met and mastered, an individual will feel content with their life.



Source: <https://www.psychologytoday.com>

5. Need for self-actualization: Maslow considers this as the highest need in his hierarchy. It is the drive to become what one is capable of becoming. It includes growth, achieving full potential

and self-fulfillment. Self-Actualization deals with the recognition of an individual's full potential. The meaning of self-actualization is subjective and vary according to individual themselves. Some examples of this motivation could be to become the best musician who ever lived, be the best athlete of their sport etc.

DYNAMIC NATURE OF MOTIVATION

Motivation means the driving force within individuals that impels them to action. It is considered to be **dynamic in nature** as it constantly changes in reaction to life experiences. Needs and goals are constantly changing because of an individual's physical condition, social circle, environment and other experiences.

When one goal is achieved, an individual try to attain the new ones. If they are unable to attain, either they keep striving for them or finds out the substitute goal. Psychologists have given certain reasons to support the statement "Needs and goals are constantly changing"—

1. An individual's existing needs are never completely satisfied
2. As one need is satisfied, the next higher level need emerges.
3. An individual who achieves their goals set new and higher goals for themselves.

1. An individual's existing needs are never completely satisfied:

Most of the human needs are never permanently satisfied. There are various examples in our surroundings that show temporary goal achievement does not fully satisfy the need and every individual keeps striving to satisfy the need more fully. Physiological needs are never fully satisfied. Desire to stay connected with friend through social media is onother example in this regard. Even if a person is connected with his friends in Facebook, he also tries other social media platforms.

2. As one need is satisfied, the next higher level need emerges.

Some researchers say that new needs emerge as old needs are satisfied. In motivational theories, researcher have given facts supporting that new higher-order needs emerge as individual fulfills his lower needs (Maslow's hierarchy of needs). Marketers must be aware

of the changing needs. automobiles were considered as prestige symbol before and therefore, marketer were promoting in the same manner. Now, marketers stress more on safety because consumers are going for long drives with family because of shifting of need satisfaction reasons of people.

3. An individual who achieves their goals set new and higher goals for themselves:

Individuals set their new and higher goals, if they successfully achieve the previous ones. This means they raise their levels of aspiration. The success in the previous goals gives them confidence for reaching higher goals. A person may have set a goal to purchase a bike for transportation purpose, once he purchases the bike he strives to buy a car.

BUYING MOTIVES

1. A Motive is a strong feeling, urge, instinct, desire or emotion that makes the buyer to make a decision to buy.
2. Buying Motives are all the desires, considerations and impulses which induce a buyer to purchase a given product.
3. According to Prof. D. J. Duncan “Buying motives are those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods or services.”
4. These motives are generally controlled by economic, social, psychological influences etc.

Buying Motives are generally of two types

1. PRODUCT MOTIVES

The impulses, considerations and desires that induces a person to be positively inclined to purchase a particular product is called product motives. The product is inclusive of attributes color, size, attractive design, package, price, etc., which may be the reason behind a person having product motive.

(A) EMOTIONAL PRODUCT MOTIVES

Emotional Product Motives are those impulses which persuade the consumer on the basis of his emotion. The buyer does not try to reason out or logically analyse the need for purchase. Evaluation of the pros and cons of the decision or logical reasoning analysis is not found behind such purchase decisions. Here the buyer lets the heart rule over the mind. That is, emotional product motives usually appeal to the buyers' sense of ego, to display his social status, tendency to imitate others, to satisfy pride, urge to initiate others, and his desire to be unique.

Emotional product buying motives include the following:

1. **Pride or Prestige:** Pride is the most common and strongest emotional buying motive. In fact, many products are sold by the sellers by appealing to the pride prestige of the buyers.
2. **Emulation or Imitation:** Emulation, i.e., the desire to imitate others, is one of the important emotional buying motives. For instance, a housewife may like to have a silk saree for the simple reason that all the neighboring housewives have silk sarees.
3. **Affection:** Affection or love for others is one of the stronger emotional buying motives influencing the purchasing decisions of the buyers. For instance, a husband may buy a costly silk saree for his wife or a father buy a costly watch for his son or daughter out of his affection and love.
4. **Comfort or desire for comfort:** Desire for comfort (i.e., comfortable living) is one of the important emotional buying motives. In fact, many products are bought comfort. For instance, fans, refrigerators, washing machines, cushion beds, etc. are bought by people because of their desire for comfort.
5. **Ambition:** Ambition refers to the desire to achieve a definite goal. It is because of this buying motive that, sometimes, customers buy certain things. For instance, it is the ambition that makes many people, who do not have the facilities to pursue their college education through regular colleges, pursue their education through correspondence courses.
6. **Desire for distinctiveness or individuality:** Desire for distinctiveness, i.e., desire to be distinct from others, is one of the important emotional buying motives. Sometimes, customers buy certain things, because they want to be in possession of things, which

are not possessed by others. Purchasing and wearing a particular type of dress by some people is because of their desire for distinctiveness or individuality.

7. **Desire for recreation or pleasure:** Desire for recreation or pleasure is also one of the emotional buying motives. For instance, radios, musical instruments, etc. are bought by people because of their desire for recreation or pleasure.
8. **Hunger and thirst:** Hunger and thirst are also one of the important emotional buying motives. Foodstuffs, drinks, etc. are bought by the people because of this motive.
9. **Habit:** Habit is one of the emotional considerations influencing the purchasing decision of the customers. Many customers buy a particular thing because of habit, (i.e. because they are used to the consumption of the product). For instance, many people purchase cigarettes, liquors, etc. because of habit.

(B) RATIONAL PRODUCT MOTIVES:

Rational product motives involve careful reasoning and logical analysis of the intended purchase. The buyer will work out whether it is worthwhile to purchase the product. The buyer makes rational decision after careful evaluation of the purpose, alternatives available, cost benefit, and such valid reasons.

Rational product buying motives include the following:

1. **Safety or Security:** Desire for safety or security is an important rational buying motive influencing many purchases. For instance, iron safes or safety lockers are bought by the people because they want to safeguard their cash, jewelries etc., against theft.
2. **Economy:** Economy, i.e. saving in operating costs, is one of the important rational buying motives. For instance, Hero Honda bikes are preferred by the people because of the economy or saving in the operating cost, i.e. petrol costs.
3. **Relatively low price:** Relatively low price is one of the rational buying motives. Most of the buyers compare the prices of competing products and buy things, which are relatively cheaper.
4. **Suitability:** Suitability of the products for the needs is one of the rational buying motives. Intelligent buyers consider the suitability of the products before buying them.

For instance, a buyer, who has a small dining room, naturally, goes in for a small dining table that is suitable, i.e. that fits in well in the small dining room.

5. **Utility or versatility:** Versatility or the utility of a product refers to that quality of the product, which makes it suitable for a variety of uses. Utility of the product is one of the important rational buying motives. People, often, purchase things that have utility, i.e. that can be put to varied uses.
6. **Durability of the product:** Durability of the product is one of the most important rational buying motives. Many products are bought by the people only on the basis of their durability. For instance, buyers of wooden furniture go in for teak or rosewood table, though they are costlier, as they are more durable than ordinary wooden furniture.
7. **Convenience of the product:** The convenience of the product (i.e. the convenience the product offers to the buyers) is one of the important rational product buying motives. Many products are bought by the people because they are more convenient to them. For instance, automatic watches, gas stoves, etc., are bought by the people because of the convenience provided by them.

2. PATRONAGE MOTIVES

Patronage motives may be defined as consideration or impulses which persuade the buyer to patronage specific shops.

Why do buyers purchase from certain specific firms or shops?

What are the considerations or factors which persuade the buyer to display such store patronage? These questions can be answered by understanding patronage motives. Just like product motives patronage can also be grouped as emotional and rational.

(A) EMOTIONAL PATRONAGE MOTIVES

Emotional Patronage Motives are those impulses which motivate and persuade a buyer to purchase from specific shops or firms. There may be no logical reasoning behind his decision to purchase from a particular shop and he may simply decide to buy from his ‘most preferred’ or ‘favorite’ shop, merely based on subjective reasons. Here also it may be the urge to gain social recognition or urge to imitate others etc. which may be responsible for the buyer developing patronage to a specific shop.

Emotional patronage buying motives include the following:

1. **Appearance of the shop:** Appearance of the shop is one of the important emotional patronage buying motives. Some people make their purchases from a particular shop because of good or attractive appearance of the shop.
2. **Display of goods in the shop:** Attractive display of goods in the shop also makes the buyers patronize a particular shop.
3. **Recommendation of others:** Recommendation of others also constitutes one of the important emotional patronage buying motives. Some people purchase their requirements from a particular shop because that shop has been recommended to them by others, i.e., by their friends and relatives.
4. **Prestige:** Prestige is one of the emotional patronage buying motives of the buyers. For instance, some people consider it a prestige to take coffee from a five-star hotel.
5. **Habit:** Habit is also one of the important emotional patronage buying motives. Some people make their purchases from a particular shop for the simple reason that they have been habitually making their purchases from that shop.

(B) RATIONAL PATRONAGE MOTIVES

A buyer may select a shop because it offers a variety of products, or stocks the latest designs and models or prompt delivery or assures good after sales service. He may select a shop because it offers a variety of products, or stocks the latest designs and models or prompt delivery or assures good after sales service.

Rational patronage buying motives include the following:

1. **Convenience:** Convenient location proximity of a shop is one of the considerations influencing the purchases of many buyers from a particular shop. Similarly, convenient working hours of the shop also influence the purchases of good many buyers. For instance, if a shop works for a longer period of time every day and even on Sundays, it will be very convenient to the buyers.
2. **Low price charged by the shop:** Price charged by the shop also influences the buyers to patronize a particular shop. If the price charged by a shop for a particular product is relatively cheaper, naturally, many people will make their purchases from that shop.

3. **Credit facilities offered:** The credit facilities offered by a store also influence the buying of some people from a particular shop. People who do not have enough money to make cash purchases every time prefer to make their purchases from a shop which offers credit facilities.
4. **Services offered:** The various sales and after-sale services, such as acceptance of orders through phone, home delivery of goods, repair service, etc., offered by a shop also induce the buyers to buy their requirements from that shop. Rational buyers are, often, influenced by the various services or facilities offered by the shop.
5. **Efficiency of salesmen:** The efficiency of the salesmen employed by a shop also influences the people in patronizing a particular shop. If the employees are efficient and are capable of helping the buyers in making their purchases, people naturally would flock to such a shop.
6. **Wide choice:** Wide choice of goods offered by a shop is one of the rational considerations making the buyers patronize a particular shop. People generally prefer to make their purchases from a shop, which offers wide choice (i.e. wide varieties of goods).
7. **Treatment:** The treatment by a shop to the customers is one of the rational considerations influencing the buyers to patronize a particular shop. Usually, people would like to purchase their requirements from a shop where they get courteous treatment.
8. **Reputation of the shop:** Reputation of the shop for honest dealings is also one of the rational patronage buying motives. Usually, people would like to make their purchases from a store having reputation for fair dealings.

USES OF BUYING MOTIVES IN PERSONAL SELLING/

IMPORTANCE OF KNOWING BUYING MOTIVES IN PERSONAL SELLING

Buying motives are the “inner feelings” of the buyers and he tries to satisfy them at any rate to the maximum possible extent. Buying motives being a model of consumer mind, play an important role in the whole scheme of selling and production. A salesman sell those products and service

wanted by the buyers and therefore, his firm produces or stocks those goods and services. The significance of buying motive are as follows:

1. **Helpful in the success of a salesman:** if a salesman could evaluate and understand the buying motives of a customer he can become successful. A salesman could provide goods and services as per the need of the buyer. By already knowing the buying motives, a salesman could satisfy the buyer with his offering in a very little time.
2. **Buying motives are the basis of Product Planning and Development:** The manufacturers product decision with regard to size, color, weight, dimension, design, packaging, taste, etc. depends a lot on the consumer psychology which is based on information about the buying motives which is provided by salesman. Thus, once the buying motives are known, the salesman may suggest the firm about the product planning and development according to the consumer likings, tastes and preferences. Therefore, a thorough knowledge of the buying motives makes the product planning and development of an organisation considerably easy.
3. **Buying motives are determinants of pricing policies.** Pricing of products and services is extremely significant because survival, growth and the profitability of an organisation depends on the pricing. it is essential that firms should direct the salespersons to pay more attention and examine the nature of buying motives closely. So that pricing decisions can be made accordingly.

In case a large section of the consumers is influenced by rational buying motives, the pricing policies of the firm have to be competitive.

On the other hand, a comparatively high pricing strategy can be adopted if a majority of the consumers are guided by emotional buying motives.

4. **They are planks of distribution policies.** Once the salesman informs about the buying motives of the consumers to the seller, the distribution channel of an organisation can be planned effectively.

In other words, if the consumers are primarily guided by the service facilities offered by the salespersons, the manufacturer can plan the distribution pattern accordingly so as to make services available at different distribution points.

If door-to-door service is the motivational factor for a majority of buyers, then such provisions have to be built up by the seller. Similarly, if consumers prefer a particular type of store, the distribution channel has to be modified accordingly.

5. **They are helpful in designing promotional policies.** All promotional efforts usually aim at winning the confidence of the potential buyers in favor of products or services. Once the influencing factors or the buying motives of the consumers are known, the advertisement and sales promotion programs can be directed towards appealing to those specific buying motives.
6. **Helpful in improving goodwill of the companies:** Any salesperson, after knowing the buying motives of customers, tries to fulfill his needs. As a result of which, the goodwill of the company automatically increases.
7. **Important to win the confidence and loyalty of customers:** Buying motives helps a salesperson easily point out the real need of the customer. So, he plans his offering accordingly. The customers get a feeling of being treated carefully and diligently. As a result, customer's confidence and loyalty increases about the company and salesperson.

WAYS/SOURCES TO DISCOVER BUYING MOTIVES

The most common sources of discovering the buying motives are:

1. **Listen and Observe:** If the sales force, more particularly the salesman, keeps his eyes and ears open, he can easily trace out certain buying motives. by listening patiently and hearing carefully, the salesman can easily trace out the real motives which drive the prospects to make purchases.
2. **Past Records and Experiences:** It is well known that experience makes a man perfect. After dealing with several customers for a reasonable period of time, the salesman can set generalization about the buying motives or the specific reasons for which consumers buy products or services. The past experiences, both successful and unsuccessful, act as a

guiding force for the salesman in improving upon the future performances. Most often, a salesman keeps notes of the views and reactions of the prospects.

3. **Company Advertising:** Advertising forms a rich source of knowing the buying motives of the prospects. Usually, advertisements are drafted on scientific lines, keeping in view the current trends of consumer taste and liking and unique selling propositions of the products or service. The advertisers spend a lot of time, effort and money in finding out as to why people buy. Therefore, a careful analysis of the advertisements that the company is making can provide the salesman a list of important appeals which influence most of the consumers. Those appeals form a part of the buying motives of the consumers.
4. **Direct Talk with the Prospects:** Another important source of knowing the buying motives is face-to-face discussion with the prospects. The salesman can discuss threadbare the specific needs of the prospects and find out their buying motives. Though all the motives cannot be known in such talks with the customers, yet useful clues and points can be discovered by the salesman. Those clues and points prove to be quite important in ascertaining the buying motives of the prospects.
5. **Colleagues:** Intelligent and experienced fellow salesmen constitute another important source of identifying the buying motives of the prospects. For the salesman, who wants to learn and improve, colleagues form the primary source of gathering such information about prospective customers. Each salesman has his own way of tackling customers. Much can be learnt about buying motives from salesmen with successful track records.

DIFFICULTIES IN DETERMINING BUYING MOTIVES

1. **Ignorance of customers:** Many times, customers themselves don't know about their own buying motives. Therefore, it becomes difficult for salesman to know their motives.
2. **Resistance by customers:** Some customers are not open to talk about their buying behavior. They try to hide their buying motives.
3. **Diversity in Buying motives:** According to a research there are more than 600 buying motives. Generally, there are numerous buying motives of an individual customer. It becomes difficult to categorize, study and collect information about those buying motives.

4. **Buying motives changes continuously:** Buying motives of an individual keeps on changing regularly according to changes in his occupation, income level, social status etc. it is very difficult to keep track of these things.
5. **Lack of sufficient interaction:** due to geographical and economic reasons, it is difficult to maintain continuous interaction with a customer.
6. **Individual Differences:** Everyone is different in one way or the other. Hence, individual buying motives are also different. Therefore, it becomes difficult to identify buying motives of a particular customer group.

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UNIT III

Topics to be covered as per syllabus:

Sales Force Management: Importance of selection of salesman, Recruitment and selection of salesman, Selection process of salesman.

SALES FORCE MANAGEMENT

American Marketing Association (AMA) has defined sales management as “The planning, direction and control of selling personnel including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to personnel sales force”.

In simple words we can say that sales management is the process of developing a sales force, coordinating sales operations and implementing sales techniques that allows a business to achieve the sales target.

Sales Force Management simply means managing the sales force to achieve the target sales.

Through Sales force management business owners plan the company staffing levels effectively and within budget. The company could ascertain the correct number of salespersons for the business, as well as the appropriate skill sets they require to meet company goals. Sales force management is a continuous process that ensures a business has the appropriate salespersons at all times.

NEED/IMPORTANCE OF SELECTION OF SALESMAN

1. A good salesman helps in increasing the customer base A company cannot engage with every customer. Salesperson are the people who negotiate with customers on behalf of company.
2. Selecting required number of salesman helps the company to achieve the target sales quickly.
3. To provide better services to every customer.
4. The salesman acts as a catalyst and consultant to the customer by providing information and benefits of the products.

5. He also works out the details, manner and timing of giving physical possession to the customer.

The interaction between a buyer and a seller comprises a **buyer-seller dyad**. It is the effectiveness of communication between the salesperson and the customer during the sales process decides the success of the sales call. The salesman acts as a catalyst and consultant to the customer by providing information and benefits of the products. He also works out the details, manner and timing of giving physical possession to the customer.

RECRUITMENT OF SALESMAN

All the activities involved in securing the applications for the sales positions are referred to as recruitment. Recruitment sets out the necessary stages to clarify what kind of person is required, where he/she might be found and how to make the right choice. The choice of he/she is also very significant.

According to Edwin B. Flippo,

“Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization”.

According to Byars and Rue

“Recruitment involves seeking and attracting a pool of people from which qualified candidates for job vacancies can be chosen.”

PROCESS OF RECRUITMENT

1. **Recruitment Planning:** The first step involved in the recruitment process is planning. Major activities in this stage is Performing Job Analysis in the form of job description and job specification
 - (a) **Job description** is an informative documentation of the scope, duties, tasks, responsibilities and working conditions related to the job.
 - (b) **job specification** defines the knowledge, skills and abilities that are required to perform a job in an organization. Job specification covers aspects like education, work-experience, managerial experience etc.

2. **Strategy Development:** Once it is known how many with what qualifications of candidates are required, the next step involved in this regard is to devise a suitable strategy for recruiting the candidates in the organisation. The strategic considerations to be considered may include issues like whether to prepare the required candidates themselves or hire it from outside, what type of recruitment method to be used, what geographical area be considered for searching the candidates, which source of recruitment to be practiced, and what sequence of activities to be followed in recruiting candidates in the organisation.
3. **Searching:** This step involves attracting job seekers to the organisation. There are broadly two sources used to attract candidates i.e. Internal and External. the firm must judiciously select that media of communication that successfully conveys the employment information to the prospective candidates.
4. **Screening:** The screening means to shortlist the applications of the candidates for further selection process. Although, the screening is considered as the starting point of selection but is integral to the recruitment process. This is because the selection process begins only after the applications are scrutinized and shortlisted on the basis of job requirements. The purpose of recruitment here is to remove those applications at an early stage which clearly seems to be unqualified for the job.
5. **Evaluation and Control:** Evaluation and control is the last stage in the recruitment process wherein the validity and effectiveness of the process and the methods used therein is assessed. This stage is crucial because the firm has to check the output in terms of the cost incurred. The recruitment is a costly process as it includes the salaries of recruiters, time spent by the management, cost of advertisement, cost of selection, a price paid for the overtime and outsourcing in case the vacancy remains unfilled. Thus, a firm is required to gather all this relevant information to evaluate the performance of a recruitment process effectively.

IMPORTANCE OF RECRUITMENT

1. Attract and encourage more and more candidates to apply in the organization.
2. Create a talent pool of candidates to enable the selection of best candidates for the organization.

3. Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
4. Help increase the success rate of selection process by decreasing number of visibly under qualified or overqualified job applicants.
5. Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time
6. Meet the organizations legal and social obligations regarding the composition of its workforce.
7. Begin identifying and preparing potential job applicants who will be appropriate candidates.
8. Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants

SOURCES OF RECRUITMENT

The candidates may be available inside or outside the organisation. Basically, there are two sources of recruitment i.e., internal and external sources.

1. INTERNAL SOURCES

Best employees can be found within the organisation. When a vacancy arises in the organisation, it may be given to an employee who is already on the pay-roll. Internal sources include promotion, transfer and in certain cases demotion.

- a) **Transfers:** Transfer involves shifting of persons from present jobs to other similar jobs. These do not involve any change in rank, responsibility or prestige. The numbers of persons do not increase with transfers.
- b) **Promotions:** Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more pay. The higher positions falling vacant may be filled up from within the organisation. A promotion does not increase the number of persons in the organisation.
- c) **Former employees:** Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them

- d) **Referrals from Present Employees:** The employees recommend their relations or persons intimately known to them. Management is relieved of looking out prospective candidates. The existing employees take full responsibility of those recommended by them and also ensure of their proper behavior and performance.

ADVANTAGES OF INTERNAL SOURCES:

- a) The existing employees get motivated.
- b) This method is cost effective as no extra expense is incurred for advertising and interviewing.
- c) This method saves a lot of time of the management. advertising, interviewing and selection generally takes many months through external sources.
- d) It builds loyalty among employees towards the organization.
- e) Training cost is saved in most of the cases, as the employees already know about the nature of job to be performed.
- f) It is easier for the management to coordinate with the new recruits as they (new recruits) are familiar with the work culture and organizations rules and regulations.
- g) It is a reliable and easy process.

DISADVANTAGES OF INTERNAL SOURCES:

- a) It discourages capable people from outside the organization to join.
- b) It restricts inflow of new talents in the organization.
- c) The organization may miss infusion of innovation and revolutionary ideas.
- d) It is possible that the requisite number of persons possessing qualifications for the vacant posts may not be available in the organisation.
- e) For posts requiring innovations and creative thinking, this method of recruitment cannot be followed.
- f) It may lead to nepotism and favoritism. The employees may be employed on the basis of their recommendation and not suitability.

2. EXTERNAL SOURCES:

All organisations have to use external sources for recruitment to higher positions when existing employees are not suitable. More persons are needed when expansions are undertaken. In case of unavailability of suitable candidates within the organization, it is better to select them from outside sources.

- a) **Advertisement:** Advertisement can be given in newspapers, websites, magazines and professional journals. These advertisements attract applicants in large number of highly variable quality from across the country due to high rich.
- b) **Employment Exchanges:** People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.
- c) **Campus interviews:** It is the best possible method for companies to select students from various educational institutions. It is easy and economical. The company officials personally visit various institutes and select students eligible for a particular post through interviews.
- d) **Placement agencies:** various placement agencies prepare data banks of suitable candidates according to their qualifications. A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.
- e) **Poaching or Raiding:** Poaching means inducing an employee to leave one employer and take up employment with another employer. The purpose of employee raiding is usually to gain access to unique or rare knowledge or skills which the employee may possess. Taking the employee gives the raiding company an unfair competitive advantage.

BENEFITS OF EXTERNAL SOURCES OF RECRUITMENT:

- a) New talents get the opportunity to join the organization.
- b) It can help in bringing new ideas, better techniques and improved methods to the organisation.
- c) The best selection is possible as a large number of candidates apply for the job.
- d) The entry of qualitative persons from outside will be in the long-run interest of the organisation.

LIMITATIONS OF EXTERNAL SOURCES OF RECRUITMENT:

- a) Skilled and ambitious employees may switch the job more frequently.
- b) It gives a sense of insecurity among the existing employees.
- c) It increases the cost as advertisement is to be given through press and training facilities to be provided for new candidates.
- d) The process of recruiting from outside is very expensive. It starts with inserting costly advertisements in the media and then arranging written tests and conducting interviews.

SELECTION

Selection means selecting the fixed number of suitable candidates from those who applied for the posts. Selection process starts as soon as recruitment ends. Recruitment considers all applications received in a due date while selection considers only the required number of most suitable candidates.

STEPS IN SELECTION PROCESS:

1. **PRELIMINARY INTERVIEW:** The initial screening is usually undertaken by the receptionist in the office. This interview is essentially a sorting process in which perspective applicants are given the necessary information about the nature of the jobs in the organisation. If a candidate meets with the requirements of the organisation he may be selected for further action. If not, he is eliminated at this preliminary stage.
2. **REVIEVING FORMAL APPLICATION BLANK:** Application in blank is a written formal application submitted by the person while applying. The object of this application in blank is to get the candidate introduced to the interviewer so that he is in a position to prepare himself as to what kind of questions he is to ask to size-up the candidate. The blank provides preliminary information and helps in interview by indicating the areas of interest and discussion. It is a useful device for collecting historical data from the candidate as well as storing information for later reference.

3. **INTERVIEW:** This is most important step in the process of selection. Only the screened applications are considered for selection and the firm sends out interview letters. By this interview, the sales manager can understand the positive and negative qualities of the applicant with reference to the job duties. A good interviewer must be unbiased, able to discover facts, a keen observer of the interviewee etc. No method other than interview is quite as satisfactory in judging an individuals' ability in oral communication, personal appearance and attitude towards selling and personal impact on others which are most important for the person involved in selling.

INTERVIEWING TECHNIQUES:

- a) **Non-Directed/Non-Structured Interview:** This kind of interview does not follow a standard format of questions, instead it involves a relaxed discussion. This method is perhaps the best way of probing an individual's personality in depth.
 - b) **Patterned/Structured Interview:** In this method the interviewers are given a prepared list of questions or a specific outline of questions designed to elicit a basic core of information.
 - c) **Interaction (Stress) Interview:** It is a highly complex technique. In this the interviewer assumes a hostile role towards the applicant. He deliberately puts him on the defensive by trying to annoy, embarrass and frustrate him. The interaction interview simulates the stresses the applicant would meet in actual selling and how he would react to them.
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4. **PSYCHOLOGICAL TESTING:** A psychological test can be defined as "Systematic approach for comparing the behavior of two or more persons". The psychological tests operate on the common theory that human behavior can be well forecasted by sampling.
 - a) **Aptitude or Ability Test:** These are used to measure the talent/ability of a candidate to learn the job or skill.
 - a. **Mental or Intelligence Test:** They measure the overall intellectual activity or the. Intelligence Quotient (IQ) of the candidate. They also determine the candidate's word fluency, memory, inductive reasoning, speed of perception and spatial visualization.

- b. **Mechanical Aptitude Test:** These measure the capacity of a person to learn a particular type of mechanical work as they measure a person's visual-motor coordination or integration.
 - c. **Psychomotor or Skill Test:** These tests measure a person's ability to do a specific job. They are administered to determine mental dexterity or mental ability and similar attributes involving muscular movement, control and coordination.
- b) **Personality Tests:** These tests try to find out an individual's value system, his emotional reactions, maturity and his mood characteristic.
- c) **Achievement Tests (Proficiency Tests):** Achievement tests seek to determine how much the individual knows about a subject. They determine the admission feasibility of the candidate and measure what he is capable of doing.
- d) **Interest Test:** These tests aim at finding out the types of work in which the candidate is interested. if two persons have equal ability, the one with a greater interest in a particular job is more successful.
5. **REFERENCE CHECK:** Sometimes applicants are asked to name as references those people on whom they can rely to speak about them. The main purpose of reference checks as a selection tool is to verify the facts such as dates of employment, earnings, sales volume, absenteeism and nature of the past selling job. This typical procedure is to check the references by personal visit, telephone or letter.
6. **MEDICAL EXAMINATION:** Confirmation of physical fitness demands that every candidate has to undergo a medical test. everyone in this world is suffering from one kind of disease or the other. The salesman's job needs both mental and physical fitness. Diseases and physical deficiencies of the salesmen affects the business.
7. **FINAL INTERVIEW AND APPOINTMENT:** The selected applicant is probably, called for a final interview and his suitability is measured from the different tests, physical reports etc. The job must be explained to him along with all relevant details, which are required in performing the duties efficiently. If everything is in favor of the applicant, an

agreement must be executed by him. Generally, the agreement contains duties and authorities, sales quota, sales territory allotted, salary and conditions of resigning. It is followed by an appointment order, which contains designation, jobs to be performed, salary and other financial benefits etc.

DIFFERENCE BETWEEN RECRUITMENT AND SELECTION

| S.N. | BASIS | RECRUITMENT | SELECTION |
|------|-----------------------|---|---|
| 1 | Meaning | It is the process of finding and attracting qualified applicants for the job. | It is the process of short-listing candidates, assembling and their final hiring decisions. |
| 2 | Priority | Recruitment is the initial process. | Selection is the final process. |
| 3 | Time | It begins when new recruits are sought and ends when their applications are received. | It begins after the applications are received and ends when hiring decision are made. |
| 4 | Level | Generally lower level manager's deals with the recruitment process. | Mid and top level manager's deal with the selection process. |
| 5 | Come & Bye | This process invites the applicants by saying "come". | This process tells 'bye' to most of the applicants. |
| 6 | Approach | The process of Recruitment is the positive approach. | The process of selection is a negative approach. |

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UNIT IV

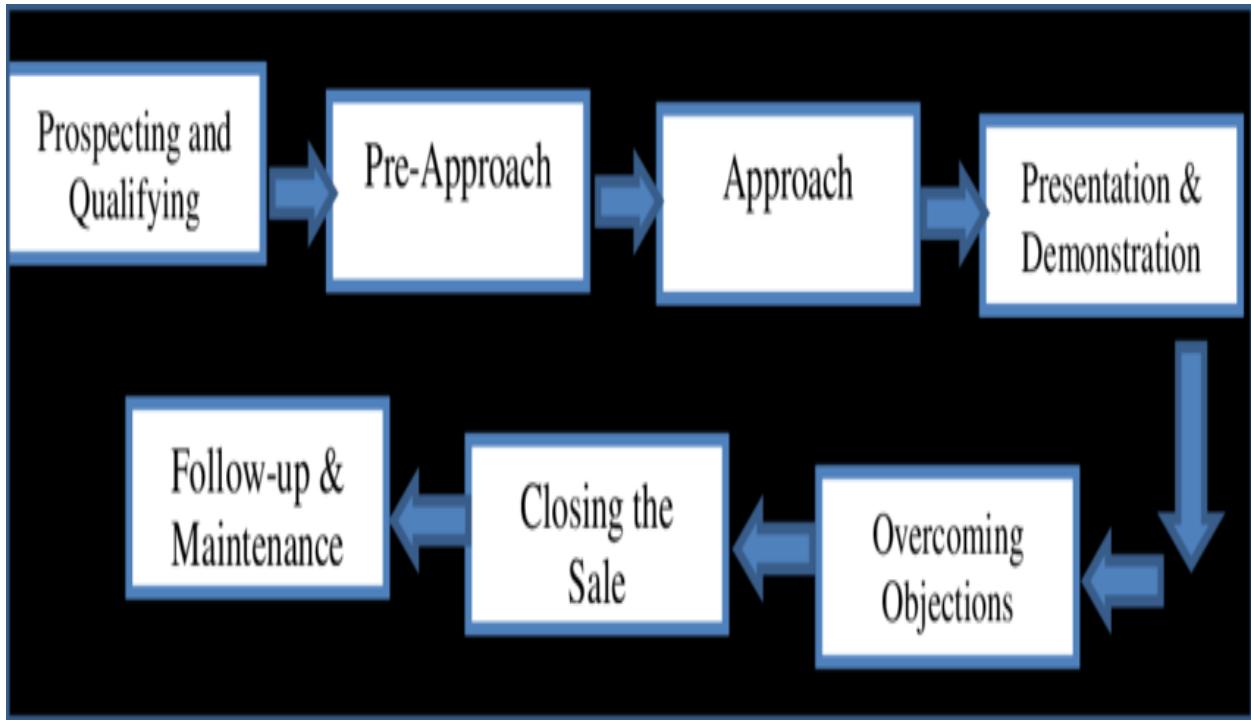
Topics to be covered as per syllabus:

Selling Process – 1: Prospecting and qualifying; Pre-approach; Approach; Presentation and demonstration.

Selling Process – 2: Handling of objections; Closing the sale; Post sales activities.

THE SELLING PROCESS

The selling Process Involves Following steps



Source: https://www.researchgate.net/figure/Steps-in-the-selling-process_fig1_283292043

1. IDENTIFYING AND QUALIFYING PROSPECTS

Prospecting is the first stage of the selling process. Prospecting is the lifeblood of sales because it identifies potential customers.” A steadily growing list of qualified prospects is important for reaching the sales targets. A prospect is a potential buyer.

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.

1. A good prospect is someone who has a problem that the product can solve efficiently and cost-effectively.
2. A good prospect has a goal that the company’s product can help to achieve:
3. A good prospect has the power to make the buying decision:
4. A good prospect is someone who likes the salesman, the company, as well as their product
5. A good prospect is a center of influence; someone who can open doors for other prospects:
6. A good prospect is easy to sell to and service:
- 7.

A. IDENTIFICATION OF PROSPECTS

The identification of potential customers is not an easy job, especially for a new sales person. Rejection rate is quite high and immediate payoffs are usually minimal. Following are the methods of identifying prospects

- a) **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. At the end of cold call, the salesperson must give his visiting card, so that the prospect could call the salesperson. If at the time of cold call, a person had shown interest he may be ready to buy.
- b) **Present Satisfied Customers:** Customers who are satisfied give the names of those who are interested in similar products, The Insurance Advisor of Birla Sunlife Insurance asks five names of the persons who are known to the customer and are in need of insurance products.

- c) **Telephone Directory or Mailing List:** Prospects names can be generated through telephone directory or mailing lists. In India, specialized companies compile lists of individuals and organizations for direct mail advertisers. A sales person may also find that membership directories of trade associations, professional societies, and civic and social organizations are good sources for prospects.
- d) **Spotters:** Some companies use spotters as a source for prospecting potential customers. Spotters are usually ‘sales trainees’ who help sales person identifying prospects, thus saving time and qualifying sales lead.
- e) **Trade shows and exhibitions:** A cost effective way to make personal contacts and locate prospective buyer is to participate in trade shows and exhibitions. In view of the rising costs of personal selling trade shows have become an increasingly important source of prospecting. India International Trade Fair organized by Trade Fair Authority of India every year provides a good example of usage of trade shows for prospecting
- f) **Non-competing sales Force:** Prospects names can be got from salespersons of noncompeting products. A salesperson supplying copiers can tell about computers. One can know by listening or observing the buyer of the products.
- g) **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, milkn suppliers, news-paper boys, watchmen.

B. QUALIFYING PROSPECTS

Once the sales person has identified potential customers, he or she must qualify them to determine, if they are valid prospects. Unless this is done, time and energy is wasted in trying to sell to people who cannot or will not purchase the product or service.

- a) **Money:** Does the prospect have the money or resources to purchase a product or service?
- b) **Authority:** Does the prospect have the authority to make commitment?
- c) **Need:** Does the prospect need the product or service?

2. PREAPPROACH

The pre-approach step includes all the information gathering activities necessary to learn relevant facts about the prospect. It is an effort to get details regarding the prospect such as his ability, need,

authority, accessibility to buy; it is a closer look of prospects, likes and dislikes, tastes, habits, financial status, social esteem, material status, family background and the like.

IMPORTANCE OF PRE-APPROACH

- a) Pre-approach helps in saving valuable time, effort and energy of the salesperson in the best interest of the organisation in which he works
- b) Pre-approach makes the salesperson more confident and enthusiastic while meeting the prospects and putting forth the sales proposition before them. The confidence and enthusiasm is the cumulative result of the detailed background information about the prospects collected during pre-approach.
- c) Pre-approach enables the salesperson to know beforehand about the needs and requirements of the prospects in the most detailed manner possible.
- d) By pre-approach, the salesperson's knowledge about the prospects is considerably enhanced. As the salesman has prior information about the financial status, likes, dislikes, tastes. he is likely to commit least number of mistakes at the subsequent stages of sales presentation.
- e) the salesperson can plan out the sales talk in advance and present the same on systematic lines for assured success. Salesperson who has all possible socio-economic information about the prospects is better placed in handling the prospects.

SOURCES OF INFORMATION IN PRE-APPROACH

1. **Fellow Salesmen:** Friendly relationship with other salesperson helps to add to the information regarding prospects. Other salespersons may disclose some useful clues about prospects and their wants.
2. **Customers:** Customers, particularly satisfied customers are most dependable source of information. The satisfied customers readily give the information in terms of the likes and dislikes, income status, family composition and so on.
3. **Market Survey Reports:** Market surveys are conducted by companies whenever they need data of a particular locality.

4. **Dealers:** Dealers especially retailers are the last link in the chain of distribution. They usually have close contact with customers. They know their customers totally in terms of temperament, buying behavior, profession, purchasing power, and so on.
5. **Data Surfing:** A salesperson could also get the data about prospect by surfing through various social media platforms like Facebook, Instagram, twitter etc.

Some sources of prospecting like, bird-dogs, directories and spotters could also be used as source of information in pre-approach. Other sources may be travel agents, garment cleaners, jewelers, petrol pump stations, garages and so on. All these sources appear quite petty but they are rich sources of information.

3. APPROACH

It means coming in to direct contact with the prospects. It involves meeting the prospect for the first time by the salesperson. salesperson makes face-to-face contact with the prospect to understand him better.

Prospects often judge the quality of a salesman by the way in which the salesperson comes prepared. With this stand, the prospects form their opinion that the salesperson has really something to offer. Success follows those salespersons who are in possession of courage, courtesy and also the ability to win confidence. So it is important stage in selling process that the salesperson approaches the prospect confidently and makes a good impact.

IMPORTANCE OF APPROACH

Approach is one of the important stages in the selling process. It is correct to say that a sale is won or lost during the approach. In reality, approach influences the prospects to keep their door either open or close for the salesperson or sale. During the first few minutes of the approach, the prospect decides whether he will buy or not. Similarly, the salesperson is also likely to know whether the prospect is really interested in the product or not. The importance of the approach varies with the type of selling. For example, while selling cheap and necessary articles, the importance of the approach is comparatively less, whereas for selling costly and luxurious goods and services, the importance of the approach is very high. The importance can be explained as follows:

1. Approach is most vital for the success or failure of the firm because it directly contributes to increased sales or decline in sales.
2. It helps in throwing out competition.
3. The approach increases the prospect's knowledge about the product or service and helps to take better decision.
4. Modern people are too busy that they have little time to know in detail about the products, new innovations, new features, latest developments. Through approach prospects are able to get all such information from the salesperson.

METHODS OF APPROACH

1. **Introductory Approach:** The introduction approach is the simplest way to start a sales call. Salesperson describes his name and his company's name and hands over a business card to the prospect in the introductory approach.
2. **Referral Approach:** Furnishing the name of a satisfied customer or a friend of the prospect can be the beginning of a sales call by salespersons. The reference approach is often effective with prospects who are sociable and expressive because they emphasize on relationships. Successful salespersons always get permission from references prior to using them.
3. **Benefit Approach:** It is better to open sales call to fill the prospect's attention on a product benefit. The salesperson could start the conversation by telling about specific benefit, something the prospect can actually realize of his advantage. This benefit approach is better for those who like to get down to business rather quickly.
4. **Product Approach:** Product approach means really demonstrating the product features and benefits as soon as the salesperson goes up to the prospect. It is nice to hand over the product to the prospect for his use. This delivery shows deeper involvement. This approach can be better for the prospects who express directly.
5. **Compliment Approach:** everyone like being complemented. Sincere and specific complements by the salesperson influences prospects attention. But too much flattery could be dangerous.

6. **Question Approach:** Starting the conversation with a question is helpful in getting prospects attention. It helps in starting a two-way communication at the very initial stage. The question must be related with the buying motives.
7. **Socratic Approach:** it is an extension of question approach. In this approach customer is asked opinion keeping in view the salespersons product and the buyers need. This approach is helpful as it emphasizes on customer's needs and it is the consumer who takes lead of the meeting.
8. **Fear Approach:** Fear appeals a lot. Everyone has a fear of one kind or other. A salesman selling insurance policy often start the conversation with some fearful talks related with the old age, sickness, death, theft accidents etc. while starting the conversation with the prospect.
9. **Statement Approach:** A salesman can open his talk with hard facts of achievements or benefits of the product he is offering. This is generally done by putting some strong facts in favor of product to the prospect.

4. PRESENTATION DEMONSTRATION

PRESENTATION

A good presentation is as important as a good product. The significance of a good presentation of the product can be gauged from the fact that many a time an attractively packed presentation is sufficient to sell the product.

ESSENTIALS OF A GOOD PRESENTATION

1. Quick presentation must create a good impression in the mind of the customer that he feels that he is being dealt with care and understanding.
2. The salesman should explain the product with its features and price advantage to the customer in simple and easy terms.
3. The presentation can also be given through models, slides, pictures and videos to make the presentation interesting.

4. An intelligent salesman should never compare his product with rival products. Under circumstances, he can stress on high points of his offering rather than pointing out the negatives of the rivals.
5. It is very important that the customer be shown the kind of quality that he is looking for. Too many varieties will only confuse the customer, while too little does not help him make a choice.
6. Half the battle is won, if the salesman is able to make the product appeal to the customer's senses.

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. This is most often used in non-technical products like pharmaceuticals, telephonic selling and door to door selling of products.
2. **Planned 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. They are widely used by advertising firms, software companies.
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.
5. **Webinar:** A webinar is an online seminar presentation on a specific product that salesman wants to present. anyone with an Internet connection and a compatible device can watch, no matter where they are. Webinar presentation is better because they are easy to prepare,

cheap and have a high conversion rate. Internet users like them a lot too they get all the benefits of a live event

DEMONSTRATION

Demonstration is an exercise to prove the characteristics of the product. It highlights various attributes of the product such as utility, performance, service and quality. Demonstration happens mostly when the product is tangible.

During a sales presentation, the salesman describes the product to the prospect but it is only during the demonstration that the customer gets an opportunity to verify the facts about the product. Hence, demonstration is imperative and essential for a prospect to make a buying decision.

Significance of Demonstration

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. The salesman can provide proof for the claim through a series of tests, experiments and operations. Thus, increasing the confidence of the prospective buyers.
4. By proper demonstration, the customer's sense of curiosity about the product is considerably satisfied.
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.
6. it also provides a chance to the prospects for making comparisons with the competitor products.

ESSENTIAL OF A GOOD DEMONSTRATION

1. The demonstration should be easy and clear to understand.
2. The demonstration must be in a way that it displaces possible doubts from the minds of the customers.

3. Demonstration must be in a manner that provide a chance to the customer to compare the product with the product of competitors.

TYPES OF DEMONSTRATION

1. **Demonstration in use:** The most effective form of demonstration is to show the product while in use. The salesman can allow the customers to personally examine and use the product. For example, while selling readymade garments, footwear, Jewellery, etc., the salesman may ask the customers to try the product.
2. **Demonstration of Specific Features:** special features and additional advantages can be demonstrated. For example, un-breakability, leak-proof, waterproof, fire-resistant, shock absorbent etc.

6. OBJECTION HANDLING

Prospects usually show resistance against buying products by pointing out real or imaginary hurdles and by voicing objections. In other words, objections are the feelings of disapproval or dissent raised by the prospects. It has been rightly pointed out that without handling objections the salesman cannot sell anything to the prospects. Therefore, the success of a salesman depends on how well he handles objections efficiently and tactfully. Hence, raising of objections are normal and common from the point of view of the salesman.

REASONS FOR OBJECTION

1. People normally display resistance to new and unfamiliar ideas and goods. Therefore, many consumers raise objections in the normal course.
2. 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.
3. Some prospects also raise objections to test the salesman's knowledge and patience.
4. Under certain instances the prospects raise objections either to postpone buying or because the prospects lack the required purchasing power.

5. 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.
6. Some prospects find objections as a means to avoid salesman.

SOME COMMON OBJECTIONS AND HANDLING TECHNIQUES

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

1. **Price objections:** It is the most common objection raised by the prospects in a country like India. It is an economic excuse. Objections based on price may be of two types, one the prospect may state that he feels that he cannot afford or that the price is too high. Some prospects may object that the price of the product is not on par with that of the neighboring shops in the market.
The salesman can offer substitute, offer installment payment and justify price by displaying the evidence.
2. **Payment Objection:** It may be genuine or sometimes used as an excuse. In genuine cases salesman can offer credit through EMI'S.
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:** 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. The salesman tries to emphasize on the value of time and induce them to purchase immediately, by stating that the prices would increase in the near future or the model would arrive after a considerable time.

OBJECTIONS AND HANDLING TECHNIQUES

| | Types of Objection | Handling Technique |
|----|---|---|
| 1. | Objections on Price | 1. Cheaper variations of same product can be shown. 2. Cash memo or invoice of previous customer can be shown. 3. Discount can be offered. |
| 2. | Objections on Quality | 1. Reference of prominent customer can be provided. 2. Product could be supplied in right size and color as per demand. 3. Special features could be compared with competitors. |
| 3. | Objections on Payment | 1. Product can be offered on credit so that customer can pay later. 2. Both cash and credit option should be given for payment. 3. EMI (Equated Monthly Installment) option could be given. 4. All payment methods like Internet banking (IMPS, NEFT, RTGS) and app based payments (BHIM UPI, Paytm, Phonepay, Tez etc.) should be accepted. |
| 4. | Objections on Timing of Purchase | 1. Incentives could be provided for inducing on spot purchase. 2. The salesperson must exaggerate the inconvenience of not buying on spot. |
| 5. | Objections on After Sales Services | 1. The salesman must give his contact number and office address. 2. Free servicing coupons can be given. 3. Annual Maintenance charges could be borne by the company. |

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6. CLOSING THE SELL

This is the last stage and the most crucial stage for a salesman. The whole exercise becomes useless if the sale does not take place. The main aim of the close is to convince the prospect to sign the order form or to place an order immediately rather than in the future. The salesman should be alert and use his good judgment to spot an opportunity when he is in a position to close the sale

| | Type of Close | Description |
|----|----------------------|---|
| 1. | Action Close | The sales person takes an action that completes the sales procedure. Like handing over the memo or invoice to the prospect. |
| 2. | Benefit Close | Here the salesman restates the benefits of his product to induce the prospect to respond positively. |
| 3. | Direct Close | If the buyer is showing strong positive buying motives; this technique is most appropriate. It is easy to close the deal when prospect is little affirmative. |
| 4. | Urgency Close | Creating a sense of urgency places pressure on the prospect to make a decision, especially if salesman has identified that the client needs to make a decision quickly. |
| 5. | Gift Close | The salesman could provide a gift as an incentive to induce the prospect to take purchase decision immediately. |

| | | |
|------------------------|------------------------------|--|
| 6. | Alternative Close | Providing alternatives to close the deal is one of the best methods. The Salesman could give alternatives regard to product like payment on cash or credit, red or yellow product color. |
| 7. | The suggestion close: | If the salesperson has good rapport with the prospect and prospect view him as a trusted expert, a suggestion close is a good approach. |
| 8. | Objection Close | If an objection is hurdle in closing the sale, the salesman must try to handle the objection quickly and close the sale. |
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7. AFTER SALES SERVICE/ FOLLOW UP

- Post purchase follow up is important in building customer confidence and long-term relationship with the company.
- The moment the salesman closes the sale; he should not think that relationship is closed. Rather a close is just the beginning of such relationship.
- The salesperson contacts customer to learn if there are any problems and answers any questions that the customer does.
- He also contacts customers regularly to ascertain that they are happy with their purchase and offered services.

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. This helps the organizations identify what their customers want and expect from them. Thus, they can offer their customers desired products that will satisfy their needs.
2. **Gaining customer loyalty:** When customers make repeat purchases of products or services from a company, it shows that loyalty towards the organization. This happens when a product or a service delivers consistent value of the money spent by the customers.
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. Even if such a company offers services and products at little higher rates, customers prefer purchasing it from them. As excellent after sales service is one of the most important factors determining sales.
5. **Helps in receiving feedback:** Customer service representative directly chats to the customers and listens to all the positives and negatives expressed by them. This helps the company to receive invaluable feedback, which they would otherwise never receive.

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 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. Their grievances should be addressed and make them feel comfortable.
4. **Frequent Feedback:** 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 Cost:** 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. **Exchange 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.

AIDA THEORY OF PERSONAL SELLING

AIDA theory was developed by American advertising and sales pioneer, Elmo Lewis in 1898. He created his AIDA (Attention/Awareness, Interest, Desire and Action) funnel model on customer studies in the US life insurance market to explain the mechanisms of personal selling. Later evolutions of the theory have edited the AIDA steps and therefore, another step- satisfaction- has been added.

This theory is based on the premise that during a sales presentation, the prospect consciously goes through five different stages: Awareness/Attention, Interest, Desire, Action and Satisfaction.

1. AWARENESS/ATTENTION

The salesperson should attract the prospect to his presentation before he actually goes into the details of the same

- (a) This is to ensure that the prospect becomes receptive to the presentation.
- (b) Unless the salesperson involves the prospect's mind in the presentation, his total effort may go unnoticed or unregistered.
- (c) Drawing the prospect's attention is important for dissociating him from other assignments and involving him in the presentation, both physically and mentally, so as to gain maximum from the sales meeting.

2. INTEREST

The salesperson should ensure that the prospect remains glued to his presentation throughout its length and that the prospect does not wander away from the same.

The salesperson should make efforts to know the interests, likes, dislikes, attitude and motivation of the prospect and should proceed with the presentation, keeping in view all these factors.

3. DESIRE

The salesperson should consciously try to bring the prospect into this stage of readiness to the point of buying his product.

He should concentrate on projecting the benefits of his product to the prospect. He should go even to the extent of presenting benefits according to the motivation of the prospect. For example, if the prospect is motivated more by safety need, then an insurance salesman can put stress on the safety benefits provided by the insurance plans he is offering.

4. ACTION

Once the salesperson has been successful in taking his prospect through the three stages, as discussed above, he should induce the prospects into actually buying the product.

5. SATISFACTION

The salesperson should also ensure that the delivery of the service takes place within the time frame and all other promises are kept, regarding freebies, discounts, etc. Moreover, the salesperson should try to keep in touch with his prospect and should keep enquiring about the experience of the customer with the service.

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UNIT V

Topics to be covered as per syllabus:

Sales Reports: Reports and documents; sales manual, Order Book, Cash Memo; Tour Diary,

Daily and Periodical Reports: Ethical aspects of Selling.

SALES REPORTS

The fundamental purpose of sales reports is to provide information about the activities of the salesperson. It serves as a control mechanism, as the management gets the needed information about sales people's performance in the field. They can compare with targets assigned and can determine the success rate of their sales person.

A good sales reporting system assists not only the management in exercising control but it can even help sales personnel in their self-improvement. Recording sales performance in a written form forces an individual salesperson to check their own work. They become their own critics, and self-critics is often more valuable and effective than others. This motivates sales person to improve coordination of their efforts with sales management plans and the management process functions more smoothly.

Purpose of Sales Reports

General purpose of sales report is to provide information for measuring performance. Additional purposes are

1. **To provide data for evaluating sales person's performance:** these reports provide details concerning account and prospects called on, number of calls made, orders obtained, days worked, miles travelled, selling expenses etc.
2. **To help the sales person plan their work:** the salesperson could plan his future work with innovative ideas and measures on the basis of past sales reports.
3. **To record customer's suggestions and complaints:** sales reports helps record customer's suggestions and complaints and their reactions to new products, service policies, policies change, advertising campaigns and so forth.

4. **Gathering information:** sales reports helps in gathering competitive activities, new products, market test, change in promotion policy, product policy, price policy etc.
5. **To report changes** in local business and economic conditions.
6. **To provide information requested by marketing research data** on dealer's sales inventories and competitive products.
7. **To keep the mailing list updated** for promotional and catalogue material.

TYPES OF SALES REPORTS

1. **Progress or call report:** most companies have a progress or call report system. It is prepared individually for each call and for all calls made daily or weekly. Progress report keep management informed about the salespersons activities. It provides important data to the company about calls made by salespersons in different territories. Accordingly, the company could inform and suggest the salespersons about revisits. Usually the call report contains more detailed information such as the class of customer, other brand likings of customer, etc.
2. **Expense Report:** Most companies prepare expense report for reimbursement and income tax purposes. From sales management point of view, the purpose of preparing expense report is to control the nature and amount of expenses made by salespersons.
3. **Sales Work Plan:** a sales work plan is a work plan submits by salesperson giving details about prospect to be contacted, products to be discussed, routes to be travelled etc.
4. **Potential new business report:** This reports informs about prospects who may become source of new business. It provides data for evaluating the extent and effectiveness of work done the salesperson.
5. **Lost sales report:** This provides information for evaluating salesperson abilities to keep customers and keep customer and sell against competition. Lost sales reports provide the way to needed sales training, change in customer services policies and product improvement reason for the loss of the business.
6. **Report of complaint and /or adjustment:** this report provides information for analyzing complaints arising from a salesman's work, complaint by class of customer and cost of

complaint adjustment. This assists management in detecting needed product improvements and changes in merchandising and service practice policies.

SALES MANUAL

One of the fastest ways to increase sales of product is to educate the sales force on the key features and benefits of the product, unique advantages of the product, how to sell the product, and the competition.

Performance of the company depends on its sales team's performance and capabilities. That's why smart companies keep sales teams highly informed about all things essential, relevant and helpful to being "smart" and effective. They supply every resource the sales team needs to do the job exceptionally well, and keep them well trained.

The sales manual is part policy, part procedures, part best practices, part how-to guide. It explains protocols and processes. It provides standards of performance.

In all cases, conciseness and good organization of sales manual is important because sales people don't have much time to read and they need quick access to the information. It is essential that the sales manual is concise provide quality information.

Some features of a sales manual are as follows

1. Accurate and up to date.
2. Relevant.
3. Easily accessed.
4. Readily available.
5. Secure.
6. Readily understood.
7. Easy to read and well organized.

OUTLINE OF A SALES MANUAL

1. **Contact information:** Let the sales person know where they can get more information on product or on any part of the guide. Include email addresses and phone numbers.

2. **Selling strategies:** Outline target market, market size, sales cycle, ideal customer profile, list of current customers, references, press mentions and success stories. If this is a one-page sales guide the information must be kept to one paragraph with a few bullets.
3. **Products and Demonstration:** Positioning of the product, how it fits into the overall product line, a list of key features and benefits, demonstration highlights, most common customer questions, and product updates. For a one page sales guide use only the top three the key features and benefits.
4. **Competition:** A table of competitors with a feature matrix is the best way to show this information. Don't forget to include pricing. Short write-ups on key competitors including strengths, weaknesses, and an overview of their strategy can be useful if you have just a few competitors. Since many competitors fall into similar categories you may want to outline a more broad strategies for competing against competitors in those categories. You may also want include write-ups of what the competitors will be saying to your customers.
5. **Pricing:** Include all pricing, ordering, and configuration information.
6. **Collateral Documents:** All associated collateral including datasheets, brochures, and white papers.
7. **Sales presentation:** It is important to let the sales people know how to present the product. An online presentation detailing high-level positioning, success stories, and features and benefits with a script is great. A video of the presentation is also a useful tool.
8. **Glossary:** You may need a glossary of terms and acronyms associated with the product.
9. **Index:** Include an index if the sales manual is over 50 pages.
10. **Reference Material:** Include reference where the sales persons could find more information. Like Annual Report of the company, monthly booklets, circulars etc.

ESSENTIAL OF AN EFFECTIVE SALES MANUAL

A thorough and well-designed sales manual is an important resource for sales team's success. It is through sales manual that sales associates get a big part of their training, reliable information structure necessary to ensure reliable performance. Some of the essentials of a sales manual are

1. **Eye Catching Format:** as no one is going to read the entire manual, it is important that the required information is presented in an eye-catching manner. There should be proper table of contents, clear headings for each sections and subsections, index and glossary terms. Use of diagrams, tables and illustrations be made to summarize complex information.
2. **Concise length:** the length of the document will vary depending upon the target audience and the nature and number of product options.
3. **Pronunciation:** a new salesperson might be unfamiliar with the buzz words of the specific industry. Pronunciation must be called out wherever necessary and in glossary terms.
4. **Well marked customer sections:** sales people will often copy parts of the sales manual and handover it to customers. Sections of the manual must be clearly identified.
5. **Consistent updates:** a sales guide out of date is useless. An updated sales manual keeps the salesperson informed about the developments within the company and new competitive announcements.

TOUR DIARY

Tour diary is a document containing information about a salesman's visit to various places for selling purpose. Every salesman has to give detailed account of his visits. The tour diary must include information about name of visited place, purpose of the visit, name of the person contacted with, date and time, mode of convenience etc.

A tour diary helps a company informed about movement of salesperson, their regularity and it also shows their dedication towards work. A salesman consistently visiting various places for qualifying and identifying prospects, gathering information about prospects, giving presentations to the prospects is considered a valuable asset for the company. Tour diary is also helpful in measuring efforts and performances of a salesman.

PROFARMA OF A TOUR DIARY

TOUR DIARY IN RESPECT OF MR. HAPPU SINGH

Designation SALESPERSON

Office Address _____

Residential Address _____

DETAILS OF TOURS

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

CASH MEMO

Cash Memo is a commercial document issued by the seller to the purchaser when cash is received as a payment. When a trader sells goods for cash, he gives a cash memo and when he purchases goods for cash, he receives a cash memo. Details regarding the items, quantity, rate and the price are mentioned in the cash memo. It works as a proof of cash payment made.

In simple words, we can say that a Cash memo is a document stating cash received for goods sold. It is a paid bill for cash sales.

THE CONTENTS OF CASH MEMO

1. Date
2. Serial Number
3. Name and address of supplier
4. Name and address of buyer
5. Unit price of goods
6. Quantity

7. Discount (if any, both for trade and cash discount)
8. Tax (GST or other as the case may be)
9. Total Amount Received
10. Signature of the cashier.

PROFARMA OF A CASH MEMO

| Imran Store 63, London, England | | | | |
|--|----------------------|-------------|-----------|-------------|
| Voucher No..... | | Cash Memo | | |
| Date..... | | | | |
| Buyer's Name: Lion & Bros. Address: 32 London, England. | | | | |
| S/No. | Description Of Goods | Rate (Taka) | Qty. | Amount (\$) |
| 1 | Gel Pen | 5.00 | 1000 pcs. | 5,000 |
| | | | | \$5,000 |

Amount(words):Five Thousand Dollar

Buyer's Signature
N.B.: Sold goods can't be returned

Seller's Signature

Order Book

An Order Book is a business's list of open, unshipped, customer orders, normally time-phased and valued at actual individual order prices. This is also referred as sales order book. Sales order is the order placed by the buyer and maintained in the books of seller. Therefore, sales order book contains the details of sales order, order reference number order amount etc.

Specimen of Sales order book

| | | | 123456 | | | |
|-------------------------|-------------|-----------------------|--------|-----------|-------------|----------|
| CUSTOMER'S ORDER NO. | | DEPARTMENT | DATE | | | |
| NAME | | | | | | |
| ADDRESS | | | | | | |
| CITY, STATE, ZIP | | | | | | |
| SOLD BY | CASH | C.O.D. | CHARGE | ON. ACCT. | MDSE. RETD. | PAID OUT |
| QUANTITY | DESCRIPTION | | | PRICE | AMOUNT | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
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ETHICAL ASPECTS IN PERSONAL SELLING

Ethics refers to a set of moral principles dealing with what is right or wrong. These principles govern most of actions of individuals and organizations. Ethics is very important in businesses. In context of personal selling where one to one interaction and relationship building is necessary, ethics plays a major role in sustaining such relationship.

Many people enjoy working in sales because of the autonomy to make decisions, make deals, and satisfy customers. However, with freedom comes the responsibility to act in ethical ways. Salespersons are likely to face ethical dilemmas. Most of the times salespersons work in the field unnoticed and unsupervised. There is no one to keep a check on their activities, whether they are doing working ethically or not. **Some of the ethical activities could be with regard to company and some could be with regard to customers.** Salespersons might report inaccurate working hours, inflate sales data and number of calls made. Also, they might provide information to customer in order to close the sale.

Ethical issues from company's Perspective

1. **Misusing companies credit card and expense account:** a salesperson must use credit card only for sales purposes and not for personal purposes. Many salesperson use credit card for dinner, see a show or stay a hotel, bringing spouse or friend on a business trip without permission. The company loses money when a salesperson attaches receipts of money spent on personal purpose.
2. **Reporting Inaccurate working hours:** salesman get freedom in their working as there is no close person to supervise them in their field work. So, salesperson do not provide actual hours worked but inflate their working hours.
3. **Inflate the number of contact calls:** since nobody is watching, the salesperson can exaggerate the number of calls he made, so that he looks busier than other salespersons.
4. **Misusing confidential information:** salespersons usually have access to important and confidential information about the company's policies, products and services.

5. **Unauthorized discounts:** it has been observed that on many occasions, to meet their targets and increase sales, salespersons provide unauthorized discounts to customers. This kind of practice results in unnecessary price cutting and company has to bear the ultimate loss.
6. **Unethically joining competitors or quitting the job without proper notice:** A company spends a lot time, money and efforts in recruiting and training the salespersons. Such trained salespersons are generally in huge demand and competitive firms may attract them by offering higher amount of salary. It is unethical If a salesperson quits the job by getting such offer and joins other firm and shares secret information about the company,
7. **Stealing the leads and clients of other competitor:** there is a cut throat competition prevailing in the market resulting in sales person's stealing competitor's customers and converting them into their customers. Such practices are unethical and unprofessional from the business perspective.

Ethical issues from Customers Perspective

1. **Making false exaggerated claims:** a salesperson must not make false and exaggerated claims in order to make sales in case they do not have the complete information asked by the customer, they need not lie and request customer to give them some time to look for it.
2. **Not entertaining customer's complaints properly:** handling complaints is not an easy task. Many a times salespersons do not respond to customers queries and complaints whole heartedly. The customer is not satisfied then it may result in loss of valuable customer by the company.
3. **Special treatment or discrimination between customers:** Ideally, all customers should be treated equally and should be offered equal incentives. But, in practically, sales person tends to favor some customers, give them extra incentives or discounts. This is an unfair practice; salespeople avoid such practices.
4. **Hiding essential information from customers:** The salespersons hide essential information about the negative features of the product. None of the product can be picture perfect, if there are some weaknesses, it's always better to bring it to the notice of customer with meaningful justification.

5. **Forceful selling or pressure tactics:** in order to persuade the customer to purchase the product, the salesperson create artificial scarcity of the product and use pressure techniques to compel the customer to purchase the product.
6. **Misleading pricing or fake discounts:** if the product price is not clearly mentioned on the pack, the sales person has the tendency to charge different prices from different customer. They might even inflate the price or give fake discounts to customers and play with their innocence.
7. **Ineffective after sales services:** effective after sales services is necessary to create good relationship with customers so that customers get satisfied and remain loyal to the company. It has been observed that in various situations, before selling the product, the salesperson promises various benefits and after sales service, but once the product is sold they do not fulfil their commitment to the customers.

FACTOR AFFECTING ETHICS IN PERSON SELLING

Individual Factors:

1. **Age:** since age is associated with length of time in a person's career, experienced sales persons have been found to be more concentrated toward careful conduct of their responsibilities and are less involved in unethical sales activities.
2. **Gender:** Reports or studies shows women are more ethical in them in their selling behavior compared to men.
3. **Personal Values:** Personal Values of a person largely affects ethics in salespersons behavior. Many a time, salespersons learned values since childhood determines his behaviors on field.

Organizational Factors

1. **Selecting, Hiring and Training:** if the company is careful while recruiting, hiring and training the individuals, there will be less issues of unethical behaviors.
2. **Companies Code of ethics:** code of ethics in an organization largely affects the behavior of salespersons. If the company has a strong code of ethics, there will be less chances of ethical conflicts in behaviors of sales people.

3. **Supervision and discipline:** While managing ethics, supervisors should have a close look at the behavior of salesperson. The supervisor/sales manager himself follow discipline in his own actions as his actions directly affects and influences the actions of salesforce.
4. **Reward and Punishment Policies:** reward and punishment policies also affect the ethical behaviors of salesperson. If the punishment policy is harsh, the salespeople will not repeat unethical behaviors in future.

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Visit the link for more: Commercestudyguide.com

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