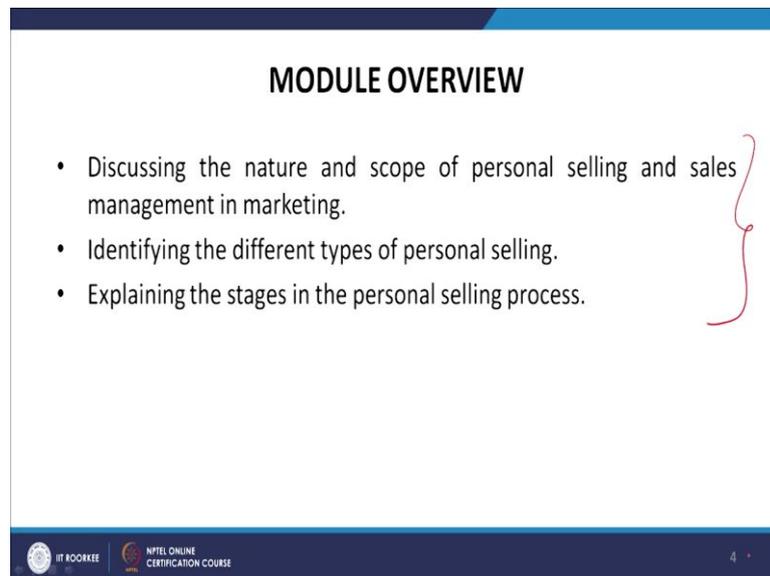


Introduction to Marketing Essentials
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Lecture – 37
Personal Selling and Sales Management – I

Welcome to this course on Introduction to Marketing Essentials. Now we will discuss about module 37. As you can see from this slide module 37 and 38, they are dedicated to cover Personal Selling and Sales Management. Now let us see what are the things that will be covered in this module 37.

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MODULE OVERVIEW

- Discussing the nature and scope of personal selling and sales management in marketing.
- Identifying the different types of personal selling.
- Explaining the stages in the personal selling process.

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So, we will start with the with discussing the nature and scope of personal selling and sales management in the marketing. Then we will go on to identify the different types of personal selling. After that then we will explain the stages in the personal selling process.

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INTRODUCTION

- Although mass and digital communications provide many benefits, there are times personal communications are needed to be relevant and close a sale.
- Personalizing communications and saying and doing the right thing for the right person at the right time are critical for marketing effectiveness.
- Although it is important to recognize that personal selling is a useful vehicle for communicating with present and potential buyers, it is much more.

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Now, you see that all of them are related to personal selling. So, you can understand how important this personal selling is. To introduce this module although mass and digital communications provide many benefits there are times; where personal communications are needed to be relevant and close a sale.

So, this is one way which may become necessary in several situations whereby other sales techniques may fail where the digital media may not work. So, this has a very important role to play in whole of this marketing process.

Personalizing communications and saying and doing the right things for the right person at the right time. Saying the right things to the right person at the right time and the right thing, the right person and the right time may be different for different people. So, personalizing communication and saying and doing the right things for the right person at the right time are critical for marketing effectiveness.

Although it is important to recognize that personal selling is a useful vehicle for communicating with present and potential buyers.

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INTRODUCTION

- In reality, however, virtually every occupation that involves customer contact has an element of personal selling.
- Earlier modules described personal selling and management of the sales effort as being part of the firm's promotional mix.
- In this module, we consider how companies personalize their marketing communications to have more impact.
- We begin by understanding the nature of personal selling and sales management, then move on to consider the many forms of personal selling and the stages in personal selling process.

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It is much more than that. In reality; however, virtually every occupation that involves customer contact has an element of personal selling. So, it is not only the sales people or the sales team are doing personal selling. As soon as a customer comes in contact with the employees this personal selling comes into picture.

Earlier module modules described personal selling and management of the sales efforts as being part of the firm's promotional mix. In this module we consider how companies personalize their marketing communications to have more impact. Now, here is a chance of highly customizing the communication according to the customer because the customer is there in front of the sales people.

So, they can judge what is the right thing the right time for to say that for this particular person. So, we begin by understanding the nature of personal selling and sales management. Then move on to consider the many forms of personal selling and the stages in this personal selling process.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Nature of Personal Selling and Sales Management**
 - **Personal selling** involves the two-way flow of communication between a buyer and seller, often in a face-to-face encounter, designed to influence a person's or group's purchase decision.
 - Due to advances in telecommunications, personal selling also takes place over the telephone and through video teleconferencing and Internet-enabled links between buyers and sellers.
 - Despite the use of technology, personal selling remains a highly human-intensive activity. Accordingly, the people involved must be managed.

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Now, let us look at the scope and significance of personal selling and sales management. So, we will start this with the understanding of the nature of personal selling and sales management. Now, you see that personal selling involves two-way flow of communication between a buyer and a seller. Often in a face to face encounter, designed to influence a person's or a group purchase decision.

So, the basic idea is to influence the purchase decision; one is to reduce the time period that a person takes in making a decision one, second is to change his attitude towards your product and make him buy a product.

So, due to advances in telecommunications personal selling also takes place over the telephone and through video teleconferencing and internet enabled links between buyers and sellers. So, these are some technology interventions that have come in this personal selling.

Despite the use of technology, personal selling still remains a highly human intensive activity. Accordingly, people involved must be managed so here this sales people or anybody who is involved in this process there is a greater need to manage those people.

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The slide features a title at the top: "SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT". Below the title is a bullet point: "• Nature of Personal Selling and Sales Management". Under this bullet point are two sub-points: "– Sales management involves planning the selling program and implementing and evaluating the personal selling effort of the firm." and "– The tasks involved in managing personal selling include setting objectives; organizing the salesforce; recruiting, selecting, training, and compensating salespeople; and evaluating the performance of individual salespeople." The second sub-point is circled in red. Handwritten red notes are present: "Marketing" and "Sales mgmt" are written vertically to the left of the circled text, and "HRM" is written to the right. At the bottom left of the slide are logos for "IIT ROORKEE" and "NIFEL ONLINE CERTIFICATION COURSE". At the bottom right is the number "8".

Now, let us look at the sales management. Sales management involves planning the selling program and implementing and evaluating the personal selling efforts of the firm. So, you see that personal selling becomes a part of sales management this is a broader thing whereby we plan the selling program and then implement and then evaluate the outcome of that personal selling.

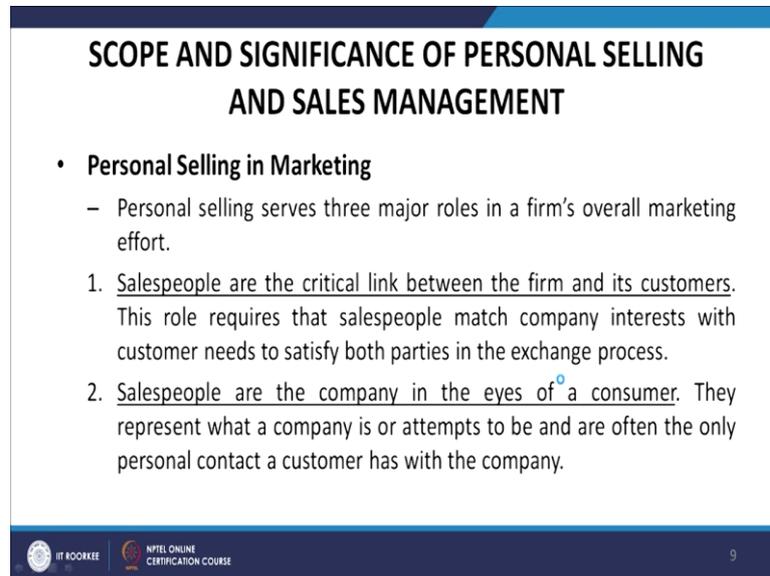
The task involved in managing personal selling includes; setting objectives that is the 1st step; the 2nd step is to organize the sales force, the 3rd is recruiting, selecting, training and compensating the sales people. So, these are all the functions of human resources and evaluating the performance of individual sales people.

So, now, this also shows how marketing or sales management has to be integrated with human resource management; recruiting, selecting, training and compensating sales force. The first is recruiting the right people, then training them according to their training needs requirement and then paying them according to their capabilities and abilities and outcome. So, that is an important component of this sales management.

So, organizing the sales the first is first you decide on what are the objectives that you want to achieve from this particular sales force, then organize and then recruit, select, train and compensate sales people and after that to complete this feedback loop there has to be some kind of evaluation of the performance of individual sales people.

So, there are two types of performances that are to be measured one is of the individual salesmen and then for the whole other sales personal selling team.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Personal Selling in Marketing**
 - Personal selling serves three major roles in a firm's overall marketing effort.
 - 1. Salespeople are the critical link between the firm and its customers. This role requires that salespeople match company interests with customer needs to satisfy both parties in the exchange process.
 - 2. Salespeople are the company in the eyes of a consumer. They represent what a company is or attempts to be and are often the only personal contact a customer has with the company.

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The next thing is to understand personal selling in marketing. Personal selling serves three major roles in the firms overall marketing efforts. So, the first of that role is sales people are the critical link between the firm and it is customers. This role requires that sales people match company's interests with customer needs to satisfy both parties in the exchange process.

So, you see that this selling or buying is an exchange process and this happens only when the needs of both the parties are satisfied. So, these salespeople they are the critical link between the firm and the customer and they have to satisfy the needs of both the parties that is the company and the customer so that this exchange can happen.

The second role that personal selling plays is that the salespeople are the company's in the eye of the consumer; so, they go and meet the consumers. So, therefore, they represent the company and thereby they become the company in the eyes of the customers. So, they represent what a company is or attempts to be and are often the only personal contact a customer has with the company.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Personal Selling in Marketing**
 3. Personal selling may play a dominant role in a firm's marketing program. This situation typically arises when a firm uses a push marketing strategy, described earlier.
Pharmaceutical firms and office and educational equipment manufacturers also rely heavily on personal selling in the marketing of their products.

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The third role that the sales, personal selling plays is that the personal selling may play a dominant role in a firm's marketing program. This situation typically arises when a firm uses a push marketing strategy that we have talked about in one of the earlier modules.

For example, in pharmaceutical firms and office and educational equipment manufacturers they rely heavily on personal selling in the marketing of their products. So, these sales reps they visit doctors to sell the pharmaceuticals.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Creating Customer Solutions and Value through Salespeople:**
 - As the critical link between the firm and its customers, salespeople can create customer value in many ways.
 - For instance, by being close to the customer, salespeople can identify creative solutions to customer problems. → *Solutions to a problem*
 - Salespeople can create value by easing the customer buying process.
 - Customer value is also created by salespeople who follow through after the sale.

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Another thing to understand is creating customer solution and value through sales people. As the critical link between the firm and its customers sales people can create customer value in many ways. So, these sales people are supposed to be creating customer value. For instance, by being close to the customers sales people can identify creative solutions to customer's problem. Because keep in mind that customers are looking for solutions to a problem.

So, whenever we buy anything, we want to solve a problem. Now this sales people because they are with the customer so then they can understand what is the real need of the customer, what is the real problem customer faces and then they can come up with creative solutions for those problems. So, salespeople can create value by easing the customer buying process.

Especially, when the product that the customer wants to buy is expensive or is more technical then the role of sales people will become much more important. So, customer value is also created by sales people who follow through after the sales so they keep in touch with the customer so that they can understand whether the customer's problem has been solved or not.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Relationship Selling:**
 - Customer value creation is made possible by relationship selling, the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.
 - Relationship selling involves mutual respect and trust among buyers and sellers.
 - It focuses on creating long-term customers, not a one-time sale.
 - A survey of 300 senior sales executives revealed that 96 percent consider "building long-term relationships with customers" to be the most important activity affecting sales performance.

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Next is relationship selling; customer value creation is made possible by relationship selling. So, keep in mind that how do we go about creating customer value? That is by

way of relationship selling. The practice of building ties to customers based on a sales people attention and commitment to customer needs over time.

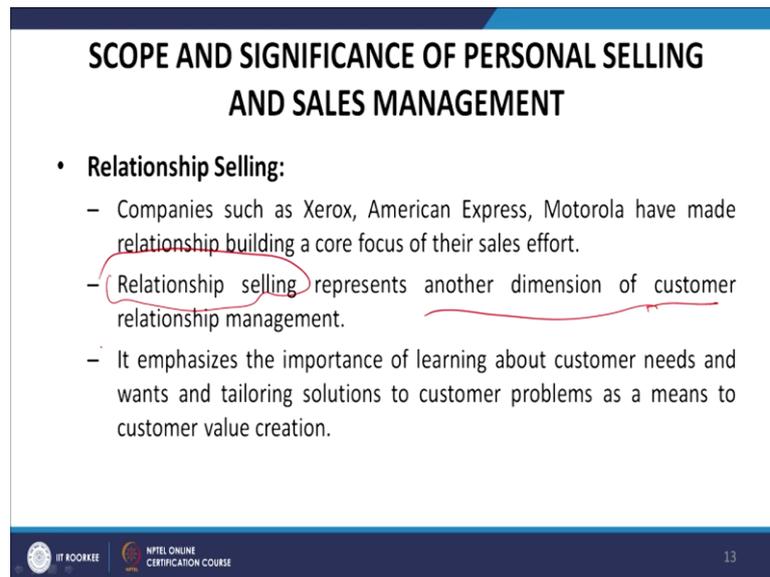
So, now, this salesman the sales team sales person he keeps on visiting the customer after he has made a sale made a sale for providing customer services. Then again, he keeps on visiting them for selling other products from the company and therefore, this relationship is established between the customer and the sales person. So, this sales relationship selling involves mutual respect and trust among buyers and sellers.

So, what happens that over a period of time when the sales people keep on meeting the customer, a mutual respect and trust develops between these two and that leads to a relationship. It focuses on creating long term customers not a onetime sale. So, we are talking not of this one-time sale, but a relationship that continues for the long term.

A survey of 300 senior sales executive revealed that 96 percent considers building long term relationships with customers to be the most important activity affecting sales performance. So, now, you see this how this is important for building long term relationships with the customers and you all understand that building long term relationships with the customers make the company more profitable.

So, companies such as Xerox, American Express, Motorola, have made relationship building a core focus on their sales efforts. Relationship selling represents another dimension of customer relationship management.

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SCOPE AND SIGNIFICANCE OF PERSONAL SELLING AND SALES MANAGEMENT

- **Relationship Selling:**
 - Companies such as Xerox, American Express, Motorola have made relationship building a core focus of their sales effort.
 - Relationship selling represents another dimension of customer relationship management.
 - It emphasizes the importance of learning about customer needs and wants and tailoring solutions to customer problems as a means to customer value creation.

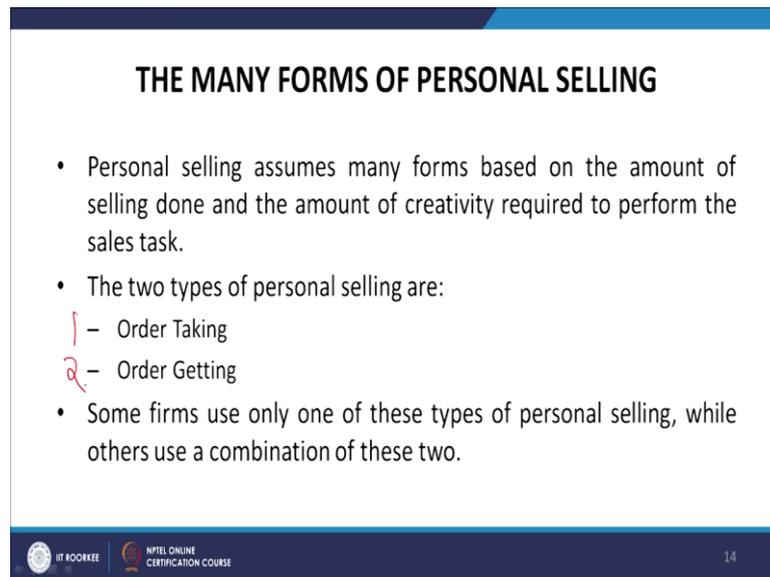
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So, this customer relationship management is built on this relationship selling. It emphasizes the importance of learning about customer needs and wants and tailoring solution to customer's problem as a means to customer value creation.

So, now, it is not about the sales person wants to sell only their products, but then it is about understanding customer needs and then tailoring the solution according to the customer needs. So, that customer value creation is customer value is created and then the customer will keep on coming back and buying from the same company.

Now there are many forms of personal selling. Personal selling assumes many forms based on the amount of selling done and the amount of creativity required to perform the sales task. Now there are two types of personal selling; one is order taking and another is order getting.

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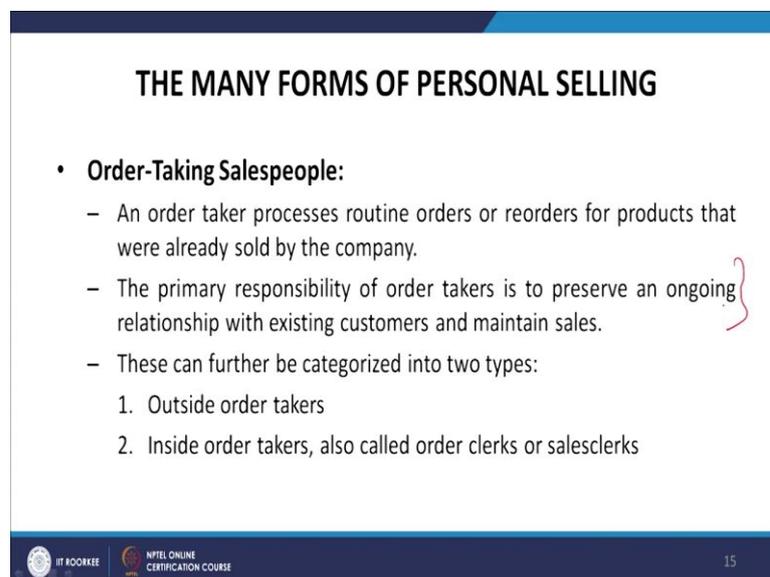
THE MANY FORMS OF PERSONAL SELLING

- Personal selling assumes many forms based on the amount of selling done and the amount of creativity required to perform the sales task.
- The two types of personal selling are:
 - 1 – Order Taking
 - 2 – Order Getting
- Some firms use only one of these types of personal selling, while others use a combination of these two.

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So, you may not find any difference between them order taking and order getting. So, some firms use only one of these types of personal selling while other use a combination of these two.

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THE MANY FORMS OF PERSONAL SELLING

- **Order-Taking Salespeople:**
 - An order taker processes routine orders or reorders for products that were already sold by the company.
 - The primary responsibility of order takers is to preserve an ongoing relationship with existing customers and maintain sales.
 - These can further be categorized into two types:
 1. Outside order takers
 2. Inside order takers, also called order clerks or salesclerks

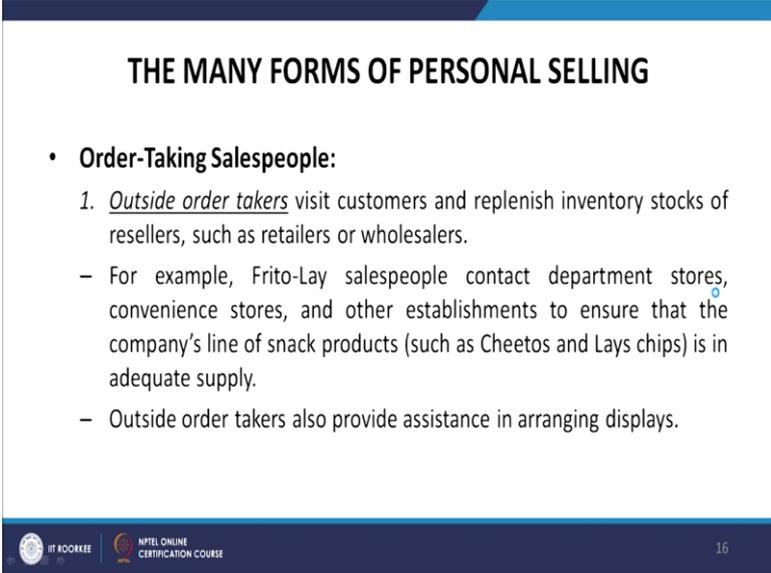
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Now let us look at what is the difference between these two. So, what does a order taking sales person does? An order taker processes routine orders or reorders for products that were already sold by the company. So, the primary responsibility of order taker is to

preserve an ongoing relationship with existing customers and maintain sales. So, he does not do anything new he just continues to do what was done by the sales force.

Now this can further be categorized into two types the first is outside order takers and the second is inside order takers also called order clerks or sales clerks.

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THE MANY FORMS OF PERSONAL SELLING

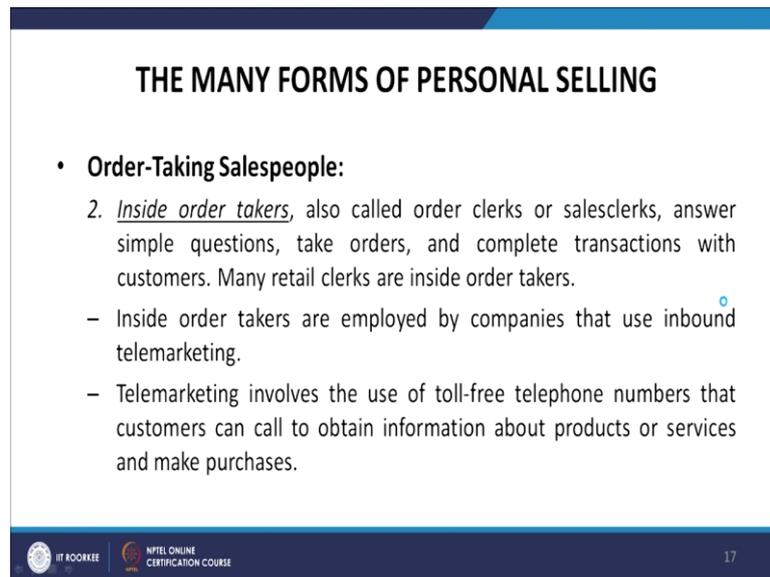
- **Order-Taking Salespeople:**
 1. *Outside order takers* visit customers and replenish inventory stocks of resellers, such as retailers or wholesalers.
 - For example, Frito-Lay salespeople contact department stores, convenience stores, and other establishments to ensure that the company's line of snack products (such as Cheetos and Lays chips) is in adequate supply.
 - Outside order takers also provide assistance in arranging displays.

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Now what does this outside order taker they do? They visit customers and replenish inventory stocks of resellers such as retailers or wholesalers. For example, Frito-Lay's sales people contact department stores, convenience stores, and other establishments to ensure that the company's lines of snack products such as Cheetos and Lays chips are in adequate supply.

So, outside order takers also provide assistance in arranging the displays. So, they may replenish the inventory stocks and they may put those packets on the shelves for the retailers.

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THE MANY FORMS OF PERSONAL SELLING

- **Order-Taking Salespeople:**
 2. *Inside order takers*, also called order clerks or salesclerks, answer simple questions, take orders, and complete transactions with customers. Many retail clerks are inside order takers.
 - Inside order takers are employed by companies that use inbound telemarketing.
 - Telemarketing involves the use of toll-free telephone numbers that customers can call to obtain information about products or services and make purchases.

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Another type of order taker is inside order takers; they are also called order clerks or sales clerks. Answer simple questions, take orders and complete transactions with customers, many retail clerks are inside order takers. Inside order takers are employed by companies that use inbound telemarketing. So, they sit there on the telephones and keep on taking orders.

So, telemarketing involves the use of toll-free telephone numbers that customers can call to obtain information about products or services and make purchases. So, we are talking of order takers salesman order taker generally do little selling in a conventional sense. They engage in modest problem solving with customers they often represents product that have few options such as magazine subscription and highly standardized industrial products.

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THE MANY FORMS OF PERSONAL SELLING

- **Order-Taking Salespeople:**
 - Order takers generally do little selling in a conventional sense.
 - They engage in modest problem solving with customers.
 - They often represent products that have few options, such as magazine subscriptions and highly standardized industrial products.
 - Inbound telemarketing is also an essential selling activity for more “customer-service” driven firms, such as Dell.
 - At these companies, order takers undergo extensive training so that they can better assist callers with their purchase decisions.

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Inbound telemarketing is also an essential selling activity for more customer service driven firms such as; Dell. So, these people they keep on sitting there taking orders and addressing customer queries that. These companies order takers undergo extensive training so that they can better assist callers with their purchase decisions.

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THE MANY FORMS OF PERSONAL SELLING

- **Order-Getting Salespeople:**
 - An order getter sells in a conventional sense and identifies prospective customers, provides customers with information, persuades customers to buy, closes sales, and follows up on customers' use of a product or service.
 - Like order takers, order getters can be inside order getter (an automobile salesperson) or outside order getter (a Xerox salesperson).
 - Order getting involves a high degree of creativity and customer empathy.

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Now let us look at what are these order getting sales persons. An order getter sells in a conventional sense and identifies prospective customers provide customers with information. So, now, he sees you see that the difference in the job of these two types of

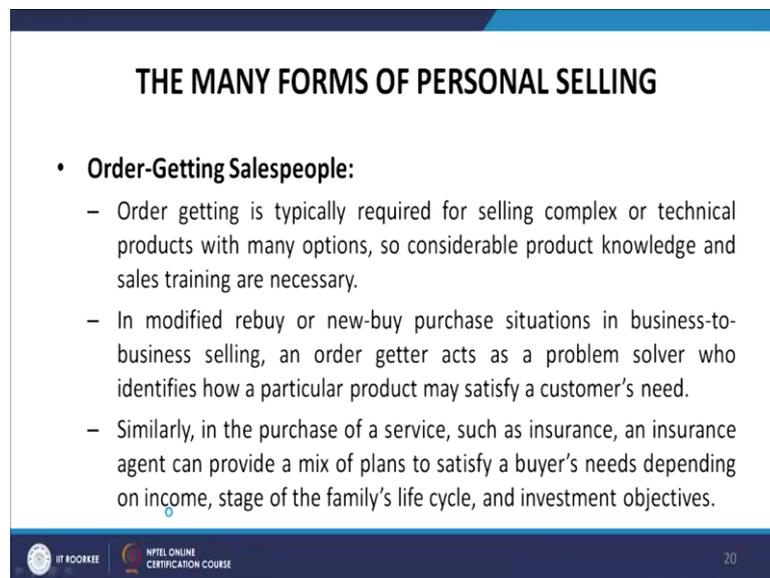
sales people; order getter has a much more responsibility because he first has to identify prospective customers then provide customers with the information.

The most difficult part is to persuade customers to buy, then they are supposed to close the sales and follow up on customers use of a product or service. So, after these order getters they complete all these things then the things may make shift to order taking sales person. So, like order takers order getters can be inside order getters and automobile sales person.

So, the people visit automobile showroom and then the sales people try to make a sale to them or outside order getter that is a Xerox sales person. So, they go to various places various companies' various individuals to sell their photo copiers. Order getting involves a high degree of creativity and customer empathy.

So, these are the two important component of this order getters they should be high on creativity and high on customer empathy.

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THE MANY FORMS OF PERSONAL SELLING

- **Order-Getting Salespeople:**
 - Order getting is typically required for selling complex or technical products with many options, so considerable product knowledge and sales training are necessary.
 - In modified rebuy or new-buy purchase situations in business-to-business selling, an order getter acts as a problem solver who identifies how a particular product may satisfy a customer's need.
 - Similarly, in the purchase of a service, such as insurance, an insurance agent can provide a mix of plans to satisfy a buyer's needs depending on income, stage of the family's life cycle, and investment objectives.

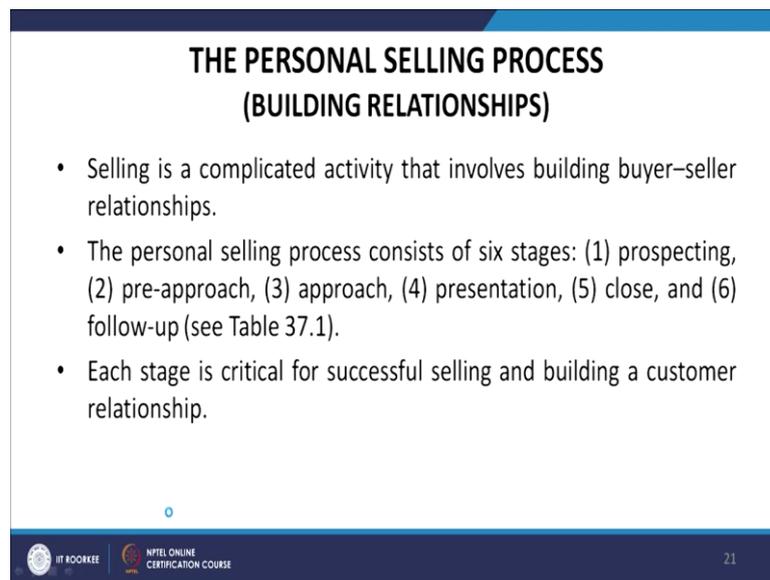
IT ROORKEE | NPTEL ONLINE CERTIFICATION COURSE | 20

Order getting is typically required for selling complex or technical products with many options; so considerable product knowledge and sales training are necessary for these people.

In modified rebuy or new buyers purchase situations in a business to business selling that we have talked about in business to business selling. An order getter acts as a problem solver who identifies how a particular product may satisfy a customer's need.

Similarly, in the purchase of a service such as insurance and insurance agent can provide a mix of plans to satisfy a buyer need depending on income, stage of the family's lifecycle and investment objectives.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

- Selling is a complicated activity that involves building buyer–seller relationships.
- The personal selling process consists of six stages: (1) prospecting, (2) pre-approach, (3) approach, (4) presentation, (5) close, and (6) follow-up (see Table 37.1).
- Each stage is critical for successful selling and building a customer relationship.

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Now let us look at this personal selling sales process about building relationships. Selling is a complicated activity that involves building buyer seller relationships. This personal selling process consist of these six stages starting with the 1st; that is prospecting, the 2nd is pre approach, the 3rd is approach, 4th is presentation, 5th is close, and 6th is follow up; that is shown in table: 37.1. Each stage is critical for successful selling and building a customer relationship.

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STAGE	OBJECTIVE	COMMENTS
1. Prospecting	Search for and qualify prospects.	Start of the selling process; prospects produced through advertising, referrals, and cold canvassing.
2. Pre-approach	Gather information and decide how to approach the prospect.	Information sources include personal observation, other customers, and own salespeople.
3. Approach	Gain a prospect's attention, stimulate interest, and make transition to the presentation.	First impression is critical; gain attention and interest through reference to common acquaintances, a referral, or product demonstration.
4. Presentation	Begin converting a prospect into a customer by creating a desire for the product or service.	Different presentation formats are possible; however, involving the customer in the product or service through attention to particular needs is critical; important to deal professionally and ethically with prospect skepticism, indifference, or objections.
5. Close	Obtain a purchase commitment from the prospect and create a customer.	Salesperson asks for the purchase; different approaches include the trial close and assumptive close sales possibilities.
6. Follow-up	Ensure that the customer is satisfied with the product or service.	Resolve any problems faced by the customer to ensure customer satisfaction and future.

So, these are the various stages of this personal selling process. And against them are listed the objective of each of this stage followed by the comments. For example, objective in the 1st stage that is prospective is to search for an qualify prospects. The comment here is start this is the start of the selling process prospects produced through advertising referrals and cold canvassing.

The 2nd stage of this personal selling process is pre approach; here the objective is to gather information decide how to approach the prospects. So, here the information sources include personal observations other customers and own sales people. The 3rd stage is approaching here the objective is to gain a prospects attention is stimulate interest and make transition to the presentation. And in this the first impression is critical gain attention and interest through reference to common acquaintances or referral or a product demonstration.

The 4th stage is presentation here the objective is to begin converting a prospect into a customer by creating a desire for the product or service. Now here different presentation formats are possible; however, involving the customer in the product or service through attention to particular needs is critical. Important to deal professionally and ethically with is skepticism indifference or objections. The 5th stage is to close the objective in this 5th stage is to obtain a purchase commitment from the prospect and create a customer.

So, sales person asks for the purchase different approaches include the trial close and assumptive close sales possibilities. The last stage of this process is following up here the objective is to ensure that the customer is satisfied with the product or service. And the need here is to resolve any problem faced by the customer to ensure customer satisfaction and future sales.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

1. Prospecting: *Identifying and Qualifying Prospective Customers*

- Personal selling begins with the prospecting stage—the search for and qualification of potential customers.
- There are three types of prospects:
 - 1. A *lead* is the name of a person who may be a possible customer.
 - 2. A *prospect* is a customer who wants or needs the product.
 - 3. A *qualified prospect* is an individual who wants the product, can afford to buy it, and is the decision maker.

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Now let us look at each of them in detail the so the 1st step is prospecting that is identifying and qualifying prospective customers. So, personal selling begins with the prospecting stage, the search for, and qualification of potential customers. There are three types of prospects; the first type is a lead is the name of a person who may be a possible customer.

The 2nd is a prospect is a customer who wants or needs the product, so every lead may not be a prospect. And the 3rd is a qualified prospect is an individual who wants the product can afford to buy it and is the decision maker so this is how this funnel goes prospecting. So, leads and prospects are generated through several sources for example, advertising may contain a coupon or a toll-free number to generate leads. Some companies use exhibits at trade shows, professional meetings, and conferences to generate leads or prospects.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

1. Prospecting: *Identifying and Qualifying Prospective Customers*

- Leads and prospects are generated using several sources.
- For example, advertising may contain a coupon or a toll-free number to generate leads.
- Some companies use exhibits at trade shows, professional meetings, and conferences to generate leads or prospects.
- These exhibits are used to attract the attention of prospective buyers and disseminate information.
- Some companies utilize the Internet for generating leads and prospects.

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These exhibits are used to attract the attention of prospective buyers and disseminate information. Some companies utilize the internet for generating leads and prospects.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

1. Prospecting: *Identifying and Qualifying Prospective Customers-*

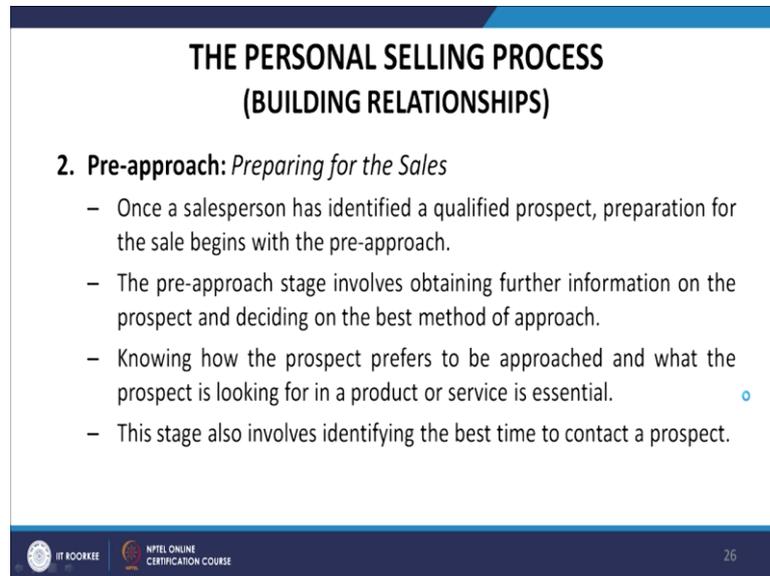
- Today, salespeople are using websites, e-mail, and social networks, such as LinkedIn, to connect to individuals and companies that may be interested in their products or services.
- Another approach for generating leads is through cold canvassing or cold calling, either in person or by telephone.
- This approach simply means that a salesperson may open a directory, pick a name, and contact that individual or business.
- Despite its high refusal rate, cold canvassing can be successful.

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Today sales people are using websites emails and social networks such as LinkedIn to connect to individual and companies that may be interested in their products or services. Another approach for generating leads is through cold canvassing or cold calling either in person or by telephone. This approach simply means that the sales person may open a

directory, pick a name and contact the individual or business. Despite its high refusal rate cold canvassing can be successful.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

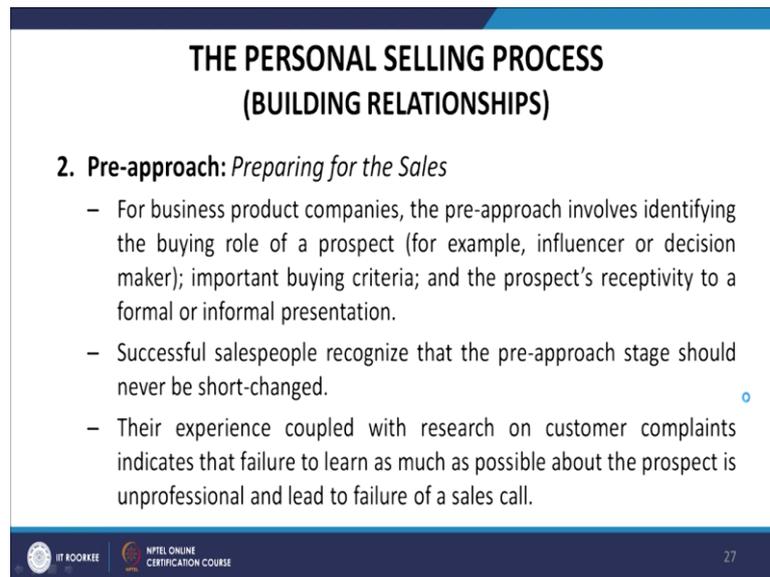
2. Pre-approach: *Preparing for the Sales*

- Once a salesperson has identified a qualified prospect, preparation for the sale begins with the pre-approach.
- The pre-approach stage involves obtaining further information on the prospect and deciding on the best method of approach.
- Knowing how the prospect prefers to be approached and what the prospect is looking for in a product or service is essential. ◦
- This stage also involves identifying the best time to contact a prospect.

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The 2nd stage is pre approach that is preparing for the sale. Once a sales person has identified a qualified prospects preparation for the sale begins with the pre approach. The pre approaches stage involves obtaining further information on the prospect. And deciding on the best method to approach and deciding on the best method of approach knowing how the prospect prefers to be approached and what the prospect is looking for in a product or service is essential. The stage involves identifying the best time to contact a prospect.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

2. Pre-approach: *Preparing for the Sales*

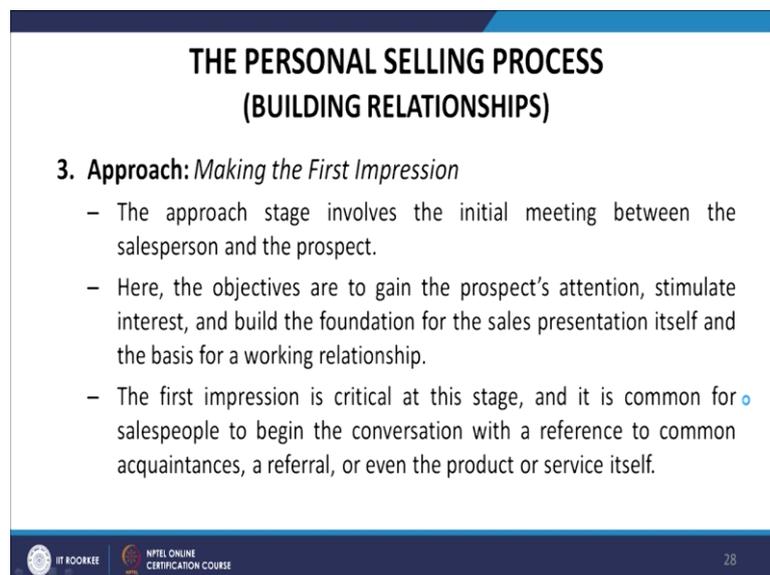
- For business product companies, the pre-approach involves identifying the buying role of a prospect (for example, influencer or decision maker); important buying criteria; and the prospect's receptivity to a formal or informal presentation.
- Successful salespeople recognize that the pre-approach stage should never be short-changed.
- Their experience coupled with research on customer complaints indicates that failure to learn as much as possible about the prospect is unprofessional and lead to failure of a sales call.

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For business products companies the pre approach involve identifying the buying role of the prospect for example, influencer or decision maker important buying criteria and the prospects receptivity to a formal or informal presentation.

Successful sales people recognize that the pre approach stage should never be short changed. This, experience coupled with research on customer complaints indicate that; failure to learn as much as possible about the prospect is unprofessional and leads to failure of a sales call.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

3. Approach: *Making the First Impression*

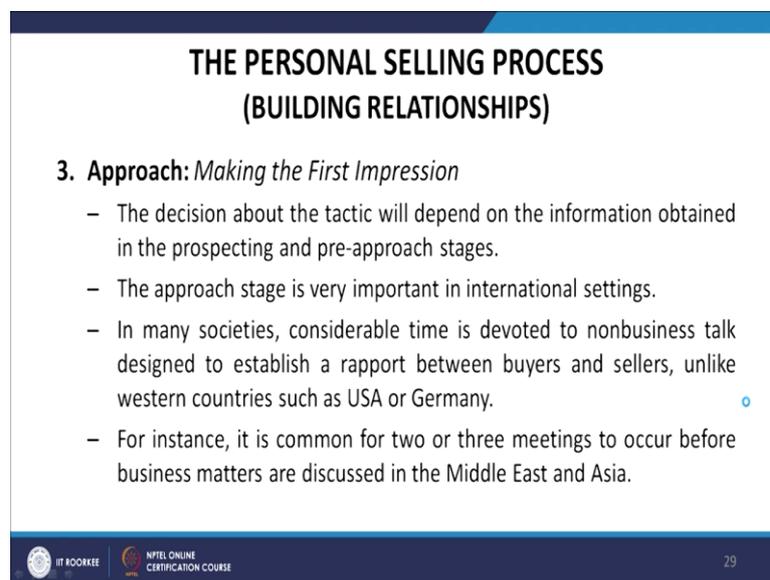
- The approach stage involves the initial meeting between the salesperson and the prospect.
- Here, the objectives are to gain the prospect's attention, stimulate interest, and build the foundation for the sales presentation itself and the basis for a working relationship.
- The first impression is critical at this stage, and it is common for salespeople to begin the conversation with a reference to common acquaintances, a referral, or even the product or service itself.

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Then comes approach; the approach stage involves initial meeting with the sales between the salesperson and the prospect. Here the objective is to gain the prospects attention is stimulate interest and build the foundation for the sales presentation itself and the basis of a working relationship.

The first impression is critical at this stage and it is common for salesperson to begin the conversation with a reference to common acquaintance or referral or even the product or service itself.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

3. Approach: *Making the First Impression*

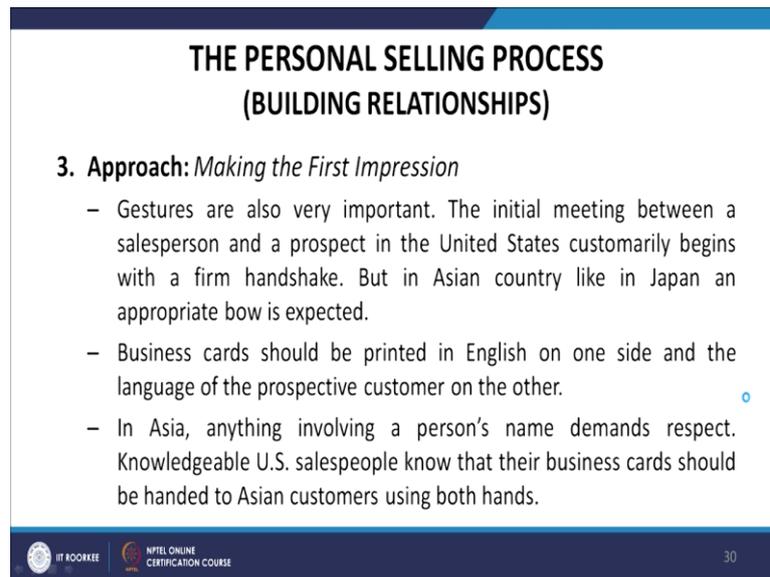
- The decision about the tactic will depend on the information obtained in the prospecting and pre-approach stages.
- The approach stage is very important in international settings.
- In many societies, considerable time is devoted to nonbusiness talk designed to establish a rapport between buyers and sellers, unlike western countries such as USA or Germany.
- For instance, it is common for two or three meetings to occur before business matters are discussed in the Middle East and Asia.

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The decision about the tactics will depend on the information obtained in the prospecting and pre approach stage; the approach stage is very important in international settings. In many societies considerable time is devoted to non business talk designed to establish a rapport between buyers and sellers unlike western countries such as U.S. or Germany.

For instance, it is common for two or three meetings to occur before business matters are discussed in the Middle East and Asia.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

3. Approach: *Making the First Impression*

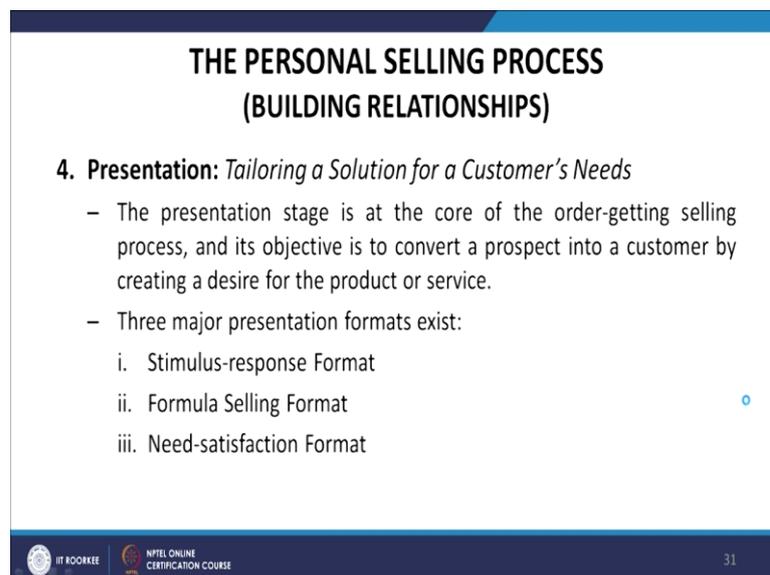
- Gestures are also very important. The initial meeting between a salesperson and a prospect in the United States customarily begins with a firm handshake. But in Asian country like in Japan an appropriate bow is expected.
- Business cards should be printed in English on one side and the language of the prospective customer on the other.
- In Asia, anything involving a person's name demands respect. Knowledgeable U.S. salespeople know that their business cards should be handed to Asian customers using both hands.

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Gestures are also very important; the initial meeting between the sales person and prospect in the United States customarily begins with the firm with a firm shake a handshake, but in Asian country like in Japan an appropriate bow is expected.

Business card should be printed in English on one side and the language of the prospective customer on the other. In Asia anything involving a person's names demand respect knowledgeable U.S. sales people know that their business cards could be handed to Asian customers using both hands.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

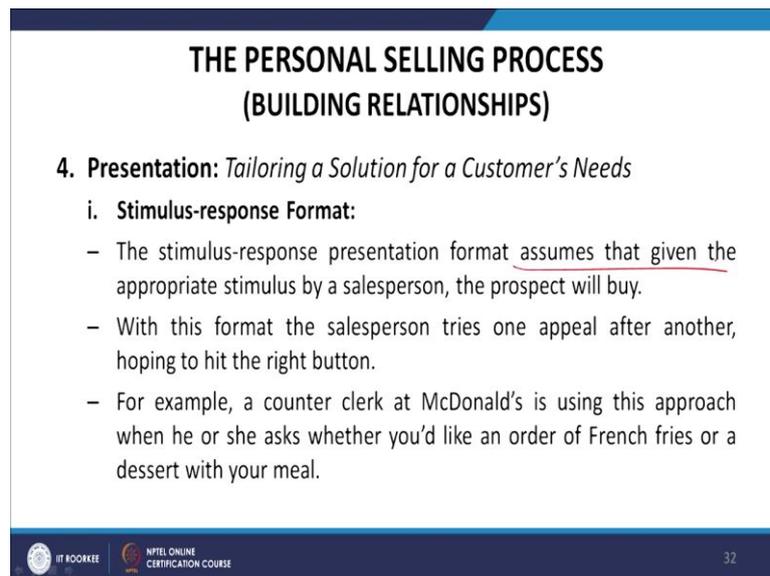
4. Presentation: *Tailoring a Solution for a Customer's Needs*

- The presentation stage is at the core of the order-getting selling process, and its objective is to convert a prospect into a customer by creating a desire for the product or service.
- Three major presentation formats exist:
 - i. Stimulus-response Format
 - ii. Formula Selling Format
 - iii. Need-satisfaction Format

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The 4th stage is the presentation; the presentation stage is at the core of the order getting selling process and its objective is to convert a prospect into a customer by creating a desire for the product or service. So, there are three major presentation formats that exist. So, stimulus response format, the second is formula selling format and the third is need satisfaction format.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

4. Presentation: *Tailoring a Solution for a Customer's Needs*

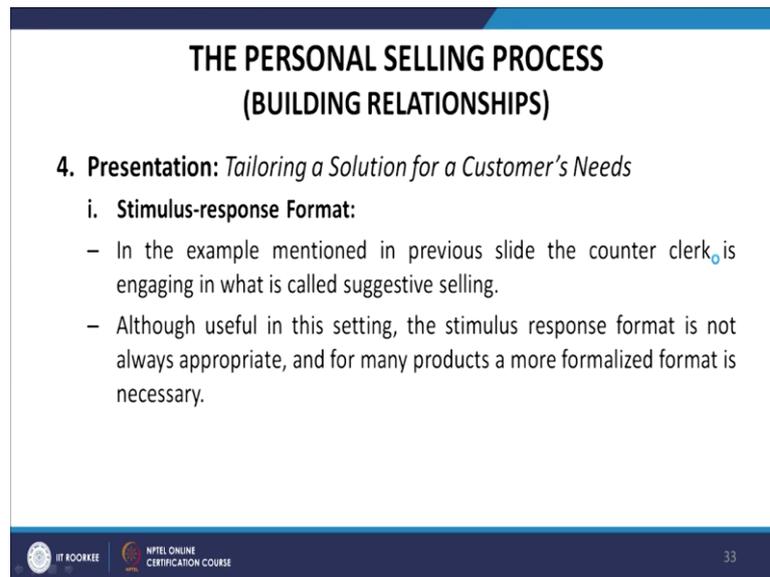
i. Stimulus-response Format:

- The stimulus-response presentation format assumes that given the appropriate stimulus by a salesperson, the prospect will buy.
- With this format the salesperson tries one appeal after another, hoping to hit the right button.
- For example, a counter clerk at McDonald's is using this approach when he or she asks whether you'd like an order of French fries or a dessert with your meal.

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So, in this stimuli response format assumes that; given the appropriate stimulus by sales person the prospect will buy. So, this is the basic assumption. With this format the sales person tries one appeal after another hoping to hit the right button. For example, a counter clerk at McDonalds is using the approach when he or she asked whether you would like an order of French fries or a dessert with your meal.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

4. Presentation: *Tailoring a Solution for a Customer's Needs*

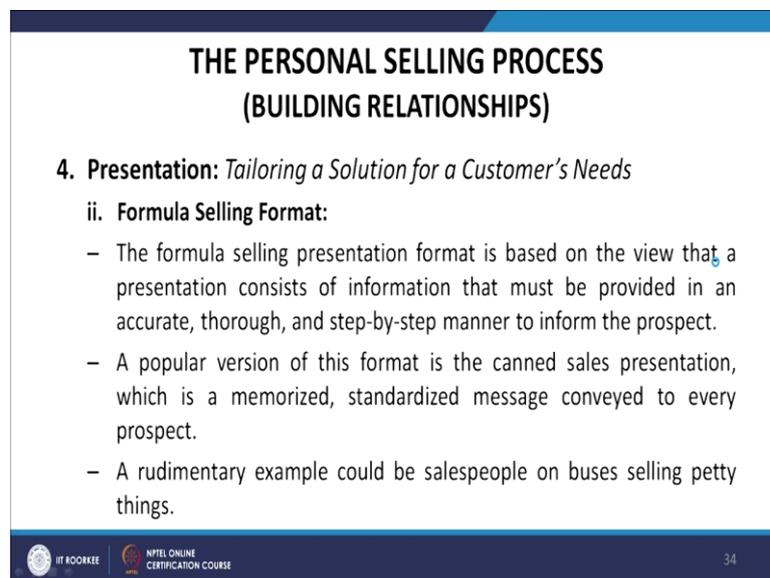
i. Stimulus-response Format:

- In the example mentioned in previous slide the counter clerk is engaging in what is called suggestive selling.
- Although useful in this setting, the stimulus response format is not always appropriate, and for many products a more formalized format is necessary.

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In this example mentioned in the previous slide the counter clerk is engaging in what is called a suggestive selling.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

4. Presentation: *Tailoring a Solution for a Customer's Needs*

ii. Formula Selling Format:

- The formula selling presentation format is based on the view that a presentation consists of information that must be provided in an accurate, thorough, and step-by-step manner to inform the prospect.
- A popular version of this format is the canned sales presentation, which is a memorized, standardized message conveyed to every prospect.
- A rudimentary example could be salespeople on buses selling petty things.

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Then comes formula selling format; the formula selling presentation format is based on the views that a representation consists of information that must be provided in an accurate thorough and a step by step manner to inform the prospect.

A popular version of this format is the canned sales presentation which is a memorized standardized message conveyed to every prospect. A rudimentary example could be the salespeople on buses selling petty things.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

ii. Formula Selling Format:

- It is used frequently by firms in telephone and door-to-door selling of consumer products (for example, vacuum cleaners).
- This approach treats every prospect the same, regardless of differences in needs or preferences for certain kinds of information.
- Canned sales presentations can be advantageous when the differences between prospects are unknown or with novice salespeople who are less knowledgeable about the product and selling.

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It is used frequently by firms in telephone and door to door selling of consumer products for example, vacuum cleaners.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

ii. Formula Selling Format:

- Although it guarantees a thorough presentation, it often lacks flexibility and spontaneity.
- More importantly, it does not provide for feedback from the prospective buyer— which is a critical component in the communication process and the start of a relationship.

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Although it guarantees the thorough presentation, it often lacks flexibility and spontaneity.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

iii. Need-Satisfaction Format:

- The stimulus response and formula selling formats share a common characteristic - the salesperson dominates the conversation.
- By comparison, the need-satisfaction presentation format emphasizes probing and listening by the salesperson to identify the needs and interests of prospective buyers.
- Two common selling styles in this format are: Adaptive Selling and Consultative Selling.

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The third approach is the need satisfaction format, the stimulus response and formula selling formats share a common characteristic; that is the sales person dominate the conversation. There are two common selling styles in this format adaptive selling and consultative selling.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

iii. Need-Satisfaction Format:

- Adaptive selling involves adjusting the presentation to fit the selling situation, such as knowing when to offer solutions and when to ask for more information.
- Sales research and practice show that knowledge of the customer and sales situation are key ingredients for adaptive selling.
- Many consumer service firms such as brokerage and insurance firms and consumer product firms like BodyShop and Gillette effectively apply this selling style.

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Adaptive selling involves adjusting the presentation to fit the selling situation such as knowing when to offer solutions and when to ask for more information. So, many

consumer services firms such as brokerage and insurance firms and consumer product firms like BodyShop and Gillette effectively apply this selling style.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: Tailoring a Solution for a Customer's Needs

iii. Need-Satisfaction Format:

- Consultative selling focuses on problem identification, where the salesperson serves as an expert on problem recognition and resolution.
- With consultative selling, problem solution options are not simply a matter of choosing from an array of existing products or services.
- Rather, novel solutions often arise, thereby creating unique value for the customer.

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Consultative selling focuses on problem identification where the sales person serves as an expert on problem recognition and resolution.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: Tailoring a Solution for a Customer's Needs

iii. Need-Satisfaction Format:

- Consultative selling is prominent in business-to-business marketing.
- IBM's Global Services, DHL Worldwide Express and GE Healthcare offer customer solutions through their consultative selling style.
- This format is effectively used by Tata Teleservices (TTL) for winning clients in both large and SME (small and medium-size enterprises) segments.
- This is done by first understanding about customer business, and then creating solution to solve their problems.

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So, consultative selling is prominent in business to business marketing for example, IBM's Global Service, DHL Worldwide Express and GE Healthcare offer customer

solution through their consultative selling. The format is effectively used by Tata Teleservices for winning clients in both large and SME's segment.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections**
 - A critical concern in the presentation stage is handling objections.
 - *Objections* are excuses for not making a purchase commitment or decision.
 - Some objections are valid and are based on the characteristics of the product or service or price. However, many objections reflect prospect doubtfulness or indifference.

IT KOOKEE NPTEL ONLINE CERTIFICATION COURSE 41

Then handling object objections; the critical concern in the presentation stage is handling objections. Objections are excuses for not making a purchase commitment or decision. Some objections are valid and are based on characteristics of the product or service or price; however, many objections reflect prospects doubtfulness or indifference.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections:**
 - Experienced salespeople know that objections do not put an end to the presentation.
 - Several techniques can be used to deal with objections in a courteous, ethical, and professional manner.
 - There are six common techniques which could be employed to handle objections in real world sales situation.

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Experienced sales people know that these objections do not put an end to the presentation. And there are several techniques that can be used to deal with; objections in a courteous ethical and professional manners.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections:** *Six common techniques are-*
 - Acknowledge and convert the objection:** This technique involves using the objection as a reason for buying. For example, an objection about high price could be addressed with a reply "Yes, the price is high because we use the finest materials. Let me show you. . ."
 - Postpone:** The postpone technique is used when the objection will be dealt with later in the presentation.

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And there are six techniques for this for that. The first is acknowledge and convert the objection.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections:** *Six common techniques are-*
 - Agree and neutralize:** Here a salesperson agrees with the objection, then shows that it is unimportant. A salesperson would say, "That's true. Others have said the same. But, they thought that issue was outweighed by other benefits."
 - Accept the objection:** Sometimes the objection is valid. Let the prospect express such views, probe for the reason behind it, and attempt to stimulate further discussion on the objection.

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The second is postpone them, the third is to agree and utilize them, the fourth one is to accept the objection.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections:** *Six common techniques are-*
- v. **Denial:** When a prospect's objection is based on misinformation and are clearly untrue, it is wise to meet the objection head on with a firm denial.
- vi. **Ignore the objection:** This technique is used when it appears that the objection is a stalling mechanism or is clearly not important to the prospect.

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Then the fifth one is to deny and the sixth one is to ignore the objection.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

4. Presentation: *Tailoring a Solution for a Customer's Needs*

- **Handling Objections:**
 - Each of these techniques requires a calm, professional interaction with the prospect and is most effective when objections are anticipated in the pre-approach stage.
 - Handling objections is a skill requiring a sense of timing, appreciation for the prospect's state of mind, and adeptness in communication.
 - Objections also should be handled ethically. Lying or misrepresenting product or service features are grossly unethical practices.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

5. Close: *Asking for the Customer's Order or Business*

- The closing stage in the selling process involves obtaining a purchase commitment from the prospect.
- This stage is the most important and the most difficult because the salesperson must determine when the prospect is ready to buy.
- Telltale signals indicating a readiness to buy include body language (prospect reexamines the product or contract closely), statements (“This equipment should reduce our maintenance costs”), and questions (“When could we expect delivery?”).

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The 5th stage is the closing; so the closing stage in the selling process involves obtaining a purchase commitment from the prospect. So, telltale signs indicating a readiness to buy includes body language that is prospects examine the product or contact closely is statements.

This equipment should reduce our maintenance costs and questions when should we expect delivery.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

5. Close: *Asking for the Customer's Order or Business*

- The close itself can take several forms. Three closing techniques are used when a salesperson believes a buyer is about ready to make a purchase:
 - i. Trial close
 - ii. Assumptive close
 - iii. Urgency close

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Now the close itself can take several forms there are three types of these forms; the trial close, assumptive close and urgency close.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

5. Close: *Asking for the Customer's Order or Business*

- i. Trial close**
 - A trial close involves asking the prospect to make a decision on some aspect of the purchase: “Would you prefer the blue or gray model?”
- ii. Assumptive close**
 - An assumptive close entails asking the prospect to consider choices concerning delivery, warranty, or financing terms under the assumption that a sale has been finalized.

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In trial close, questions like; would you prefer to prefer the blue or gray model. In assumptive close it entails asking the prospects to consider choices concerning delivery warranty or financing terms under the assumption that a sale has been finalized.

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THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)

5. Close: *Asking for the Customer's Order or Business*

- iii. Urgency close**
 - An urgency close is used to commit the prospect quickly by making reference to the timeliness of the purchase: “The low interest financing ends next week,” or “That is the last model we have in stock.”
 - Of course, these statements should be used only if they accurately reflect the situation; otherwise, such claims would be unethical.
 - When a prospect is clearly ready to buy, the final close is used, and a salesperson asks for the order.

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In urgency close these states an urgency close is used to commit the prospect quickly by making a reference to the timeline of the purchase.

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**THE PERSONAL SELLING PROCESS
(BUILDING RELATIONSHIPS)**

6. Follow-Up: *Solidifying the Relationship*

- The selling process does not end with the closing of a sale; rather, professional selling requires customer follow-up.
- The follow-up stage includes making certain the customer's purchase has been properly delivered and installed and difficulties experienced with the use of the item are addressed.
- Attention to this stage of the selling process solidifies the buyer-seller relationship.
- In short, today's satisfied customers become tomorrow's qualified prospects or referrals.

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The 6th step in this process is follow up that is solidifying the relationship. The selling process does not end with the closing of a sales, rather professional selling requires customer follow up. In short today's satisfied customers becomes tomorrow qualified prospect or referrals.

In order to conclude this module, we have learned about the nature and scope of personal selling and sales management in marketing.

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CONCLUSION

- In this module we learnt about the nature and scope of personal selling and sales management in marketing.
- Two types of personal selling are: (a) order taking and (b) order getting. Each type differs from the others in terms of actual selling done and the amount of creativity required to perform the sales task.
- Finally we explained the personal selling process in detail. It consists of six stages: (a) prospecting, (b) pre-approach, (c) approach, (d) presentation, (e) close, and (f) follow-up.

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There are two types of personal selling's; order taking and order getting. And then finally, we have explained the personal selling process in detail.

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And there are six steps in this process. The material was taken from these three books.

Thank you.