

MARKETING AND SALES

CLASS X

Students Handbook

Study Material

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Curriculum for Class X:- Marketing

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Unit I – Sales with other functions –Introduction of Marketing Mix

| | | | | |
|--|--|---|--|--|
| Classroom or Company's premises | LOCATION: | | | |
| | DURATION: | | | |
| | SESSION 1: PRODUCT | | | |
| | Learning Outcome | Knowledge Evaluation | Performance Evaluation | Teaching And Training Method |
| | 1.What are the types/ tools of Marketing Mix 2. To understand product as the first tool of marketing mix. | Able to understand the four tools of marketing mix and their role to satisfy the needs of a prospective customer. | 1. Able to understand the significance of marketing mix. 2. Able to analyse the types and features of the product | Interactive lecture Power point presentation on the four tools of Marketing Mix |
| | SESSION 2: PRICE | | | |
| | Explain what is the meaning of price in context of one of the tools of marketing. | The learner would be able to understand the price policy and its strategies. | Able to analyse the different types of pricing techniques | Interactive lecture Power point presentation |
| | SESSION 3: PLACE | | | |
| | Understand the meaning of place in context of one of the tools of marketing mix | Able to understand the channels of distribution and role of intermediaries in physical distribution. | Able to identify the correct channel of distribution for a product/ service. | Interactive lecture Power point presentation |
| | SESSION 4: PROMOTION | | | |
| Able to understand the meaning of promotion in context of one of the tools of marketing. | Able to understand the need of communicating with the prospective customers through different tools used in promoting sales. | Able to distinguish and understand the significance of the different types tools used in promoting sales. | Interactive lecture Power point presentation | |

Unit I: Introduction to Marketing Mix

CLASS X : MARKETING AND SALES

UNIT -1

MARKETING MIX



Introduction to Marketing Mix

Every business organization has to determine its Marketing Mix for the satisfaction of needs of the customers. Marketing mix represents a combination of the marketing methods, devices and tools – product, price, promotion and place. These elements are inter-related because decision in one will usually affect actions in the others.

The 4P's were formalized and developed over the years by experts to ensure the creation and execution of a successful marketing strategy. Through the use of this tool, the attempt is to satisfy both the customer and the seller. When properly understood and utilized, this mix has proven to a key factor in a product's success

According to William J. Stanton, “Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company’s marketing system, the product, the price structure, the promotional activities and the distribution system.” A successful marketing strategy must have a marketing mix as well as a target market for whom the marketing mix is prepared. The marketing mix will be changing (naturally) according to changing marketing conditions and also with changing environmental factors (technical, social, economic and political) affecting each market. If the needs of the customers change, the marketing mix will also be changed.

Types of Marketing Mix

Marketing mix is mainly of two types.

1). **Product marketing mix** – Comprised of **Product, Price, Place** and **Promotions**. This marketing mix is mainly used in case of Tangible goods.

2). **Service marketing mix** – The service marketing mix comprises of **Product, Price, Place** and **Promotions** and has three further variables included which are **People, Physical evidence** and **Process**.



(Diagram 1)

But here in this unit we are going to discuss only the Product Marketing Mix comprising of the 4Ps.

Significance / Importance of Marketing Mix

Marketing mix represents a blending of all the four elements namely product, price, promotion and place /physical distribution. Determination of an effective marketing mix is an important decision for any manager of an organization. If a proper marketing mix is determined, the following benefits will accrue to the organization.

- Marketing mix helps in pursuing consumer-oriented marketing as it serves as a direct link between the organization and its customers thus focusing on the satisfaction of the customers.
- It helps in increasing the sales and earning higher profits.
- Marketing mix gives consideration to the various elements of marketing system. There is a balanced relation between these elements. For instance, the price of a product depends upon is

features and branding, packaging etc. The different media required in promoting the product will depend upon the product and its features. The channels of distribution will also depend upon the nature, utility etc of the product.

- Marketing mix facilitates meeting the requirement of different types of customers. Product design, pricing, promotion and distribution will depend upon the needs and purchasing power of the customers.
- Marketing mix signifies that its four elements are closely inter-related. Decisions or changes in one element usually affect decisions or changes in the other.

1. Assessment

A. Fill in the blanks :

- i. Marketing mix is of ----- types.
- ii. ----- is mainly used in case of tangible goods.
- iii. -----, -----, ----- are the three further variables included in Service marketing mix.
- iv. The elements of marketing mix are ----- to one another as decision in one will affect the action in the other.

B. Short questions :

- i. Briefly explain what is marketing mix?
- ii. What is the importance of marketing mix?

C. Multiple choice questions:

- i. A business's marketing mix would NOT include:
 - a) Product
 - b) Profit
 - c) Place
 - d) Promotion
 - e) Price
- ii. Which of the following descriptions provides the best definition of the marketing mix?
 - a) The way products are arranged in a retail store to maximize sales
 - b) The way a business combines the main marketing elements to sell products that meet the needs and wants of customers
 - c) The way a business distributes its products through retailers and wholesalers
 - d) The way products are priced and packaged
- iii. What do the 4 P's achieve when they work together?
 - a) Target customers
 - b) Profit margins
 - c) Creating Marketing plan
 - d) None of the above

Answers: A. i) Two ii) Marketing mix iii) People, process, physical evidence iv) Inter-related

C. i) b ii) b iii) a



It was the marketer [E. Jerome McCarthy](#) who proposed a four Ps classification in 1960, which has since been used by marketers throughout the world.

A good and easy way to understand the 4Ps is by the questions that you need to ask to define your marketing mix. Some questions that will help you understand and define each of the four elements as given in the above diagram 2 are as under:

Product/Service

The product is either a tangible good or an intangible service that is seen to meet a specific customer need or demand. All products follow a logical product life cycle and it is vital for marketers to understand and plan for the various stages and their unique challenges. It is key to understand those problems that the product is attempting to solve. The benefits offered by the product and all its features need to be understood and the unique selling proposition of the product need to be studied. In addition, the potential buyers of the product need to be identified and understood. Some of the questions which will help us to understand more about the product are:

- What does the customer want from [the product / service](#)? What needs does it satisfy?
- What features does it have to meet these needs?
- How and where will the customer use it?
- What does it look like? How will customers experience it?
- What size(s), color(s), and so on, should it be?
- What is it to be called?
- How is it branded?
- How is it differentiated versus your competitors?
- What is the most it can cost to provide, and still be sold sufficiently profitably?

Place/Distribution

Place includes the distribution channels, the extent of market coverage, managing inventories, transportation and logistics. Availability of the product to the customers at the right time, right place and in the right quantity are some crucial decisions in placement of a product. Place or placement has to do with how the product will be provided to or reach the customer. Distribution is a key element of placement. The placement strategy will help assess what channel is the most suited to a product. How a product is accessed by the end user also needs to compliment the rest of the product strategy. Distribution is of two types:

Direct distribution

Your business sells its products directly to customers through channels such as retail stores, markets, the internet, direct mail orders, door to door sales and catalogues.

Indirect distribution

Your business sells its product through some form of middleman who sells the product on behalf of the business. This may be through retailers (such as department stores), wholesalers, agents (such as a real-estate agent) or a distributor.

Some questions which will help us in understanding the place element are:

- Where do buyers look for your product or service?
- If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalogue?
- How can you access the right distribution channels?
- Do you need to use a sales force? Or attend trade fairs? Or make online submissions? Or send samples to catalogue companies?
- What do your [competitors](#) do, and how can you learn from that and/or differentiate?

Price

Price covers the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. If a product is priced higher or lower than its perceived value, then it will not sell. This is why it is imperative to understand how a customer sees what you are selling. If there is a positive customer value, than a product may be successfully priced higher than its objective monetary value. Conversely, if a product has little value in the eyes of the consumer, then it may need to be underpriced to sell. Price may also be affected by distribution plans, value chain costs and markups and how competitors price a rival product. Some relevant questions about the pricing strategy are given below.

- What is the value of the product or service to the buyer?

- Are there established price points for products or services in this area?
- Is the customer price sensitive? Will a small decrease in price gain you extra market share? Or will a small increase be indiscernible, and so gain you extra profit margin?
- What discounts should be offered to trade customers, or to other specific segments of your market?
- How will your price compare with your competitors?

Pricing strategy is an important part of the marketing mix. There are a number of popular pricing techniques to choose from:

1. Cost-plus pricing. A common way to make pricing decisions is to calculate how much it costs to do a particular job or activity, and then add on a given percentage as a return for the job or activity. This is sometimes known as mark-up.

For example, a business may decide that to do a small repair job on a car, including use of premises, infrastructure, labor but excluding parts, etc, it will charge Rs 100. The business works on the basis of making a return of 25% on all the work that it does. It therefore charges the customer Rs 125.

2. Hour-based pricing. Many small businesses are able to work out what their costs are on the basis of every hour of work they do, e.g. for gardening, sign writing, photography, etc. The business owner is then able to charge a standard rate per hour.

3. Penetration pricing. When a firm brings out a new product into a new or existing market, it may feel that it needs to make quick sales in order to establish itself and to make it possible to produce larger quantities. It may therefore start off by offering the product at a low price. When it sees that product has penetrated well in the market and market penetration has been achieved, then he goes for price rise.

4. Skimming. When you bring out a new product, you may be able to start off by charging quite a high price. Some customers may want to be the first to buy your product because of the prestige of being seen with it, or because they want to be associated with your product before anyone else. Example mobile phones. Another example would be an exclusive and unique dress could be sold initially at a particular price to wealthier customers. The next season, the price could be lowered making it accessible to a less wealthy group of customers. Later on, the dress could be mass produced and made available at low prices to the mass market.

A premium price is an exclusive price charged for up market products.

The marketing mix for a bank account might include:

- the product/service itself - the account and what the customer can do with it - e.g. overdraft facilities, direct debit payment etc
- the place - either online/ over the telephone or in a physical location

- the promotion - for example attractive offers to students who open the account when first going to university such as an interest free loan, or money to buy books
- the price - the rate of interest paid on positive balances and charged on negative balances.

Promotion

The marketing communication strategies and techniques of an organization fall under the promotion. These may include advertising, sales promotions, public relations, direct mail, personal selling and internet promotion. All these have been discussed briefly. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user it is being marketed to. It is important to differentiate between marketing and promotion. Promotion is just the communication aspect of the entire marketing function.

1. **Advertising:**Is any non personal paid form of communication using any form of mass media. For example on TV, Radio, Billboard, Newspaper
2. **Sales Promotion:**Commonly used to obtain an increase in short term sales. Could involve money off coupons or special offers, loyalty cards, coupons, price promotions e.g. point of sales, packaging promotions or web coupons.
3. **Public Relations:**This involves developing positive relationships with the organization media public. The art of good public relations is not only to obtain favorable publicity within the media, but also involves being able to handle successfully negative attention.
4. **Direct Mail:**Is the sending of publicity material to a named person from an organization. The aim of direct marketing is to create one to one relationships with the organizations target market. Direct marketing can come in the form of post, e-mail, telephone calls and mail order. The company usually contacts a named person at the address.
5. **Personal Selling:**Selling a product service one to one. This can either be done face- to-face (door to door) or over the phone.
6. **Internet Marketing:**The use of the web for the promotion of products or services. This could be the firm advertising via the use of banner ads, flash videos, or Google keywords. It is becoming very popular among firms as a tool for promotion.

Some pertinent questions which come to the mind for understanding the promotion element are as follows.

- Where and when can you get across your marketing messages to your target market?
- Will you reach your audience by advertising online, in the press, or on TV, or radio, or on billboards? By using direct marketing mails hot? Through PR? and On the Internet?

- When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues that suggest or dictate the timing of your market launch, or the timing of subsequent promotions?
- How do your competitors do their promotions? And how does that influence your choice of promotional activity?

By using variations of these four components you have the ability to reach to multiple consumers with in your target market. Various elements of Marketing mix are interrelated and interdependent. For example: A feature of any product will depend on the price, but the price the customers can pay also determines the product features. The choice of the channels is determined by the nature of the product and its price. Similarly, any promotional activity adds to the cost of the product; the nature of product and its price also influence the kind of promotion to be done.

Another easy and simple way to remember and learn the key points in the elements of the Marketing mix can be done with the help of diagram 3 given below

| Marketing Mix 4 P's | | | |
|--------------------------------|----------------|----------------|------------------|
| Product | Price | Place | Promotion |
| Variety | List price | Channels | Advertising |
| Quality | Discounts | Coverage | Personal selling |
| Design | Allowances | Locations | Sales promotion |
| Features | Payment period | Inventory | Public relations |
| Brand name | Credit terms | Transportation | Direct marketing |
| Packaging | | Logistics | |
| Services | | Assortments | |

(Diagram 3)

2. Assessment

A. Comment briefly on the following 4 P's:

- i. Price
- ii. Product
- iii. Place
- iv. Promotion

B. Give examples of each of the seven elements of the marketing mix.

C. What promotional strategies are used by organization to promote their products?

D. Explain in brief any two pricing techniques?

E. Multiple choice question:

- i. The use of a name, symbol, or design to identify a product is known as
 - a) USP
 - b) Advertisement
 - c) Promotion
 - d) Branding

- ii. Which of these promotional methods involve face to face communication with the customers
 - a) Public relation
 - b) Sponsorship
 - c) Online advertising
 - d) Personal selling
- iii. Which of these methods is NOT an example of direct marketing
 - a) Direct mailing
 - b) Sales promotion
 - c) E-mail promotion
 - d) Tele marketing
- iv. A publisher wants to reach new customers overseas. Which would be the most cost-effective form of promotion.
 - a) Sales promotion
 - b) Radio advertisement
 - c) Online advertisement
 - d) Newspaper advertisement
- v. Which of the 4 P's of the marketing mix concerns how much a customer pays for the goods or service being offered?
 - a) Place
 - b) Price
 - c) Product
 - d) Promotion
- vi. Which of the following is a short distribution channel
 - a) Direct to the customer
 - b) Wholesaler – retailer- consumer
 - c) Producer – retailer- consumer
 - d) Producer- wholesaler- retailer-consumer
- vii. Sales promotion can involve all of the following EXCEPT:
 - a) Loyalty program
 - b) TV commercials
 - c) Samples
 - d) Coupons

We can understand the concept of marketing mix with the help of the example of McDonalds

Marketing Mix of McDonalds



The marketing mix of McDonalds consists of the various elements in the marketing mix which form the core of a company's marketing system and hence helps to achieve marketing objectives. The marketing mix of McDonalds discusses the 4p's of the leading burger chain across India offering the tastiest burgers and french fries.

Product :- McDonald's places considerable emphasis on developing a menu which customers want. Market research establishes exactly what this is. However, customers' requirements change over time.

In order to meet these changes, McDonald's has introduced new products and phased out old ones, and will continue to do so. Care is taken not to adversely affect the sales of one choice by introducing a new choice, which will cannibalise sales from the existing one (trade off). McDonald's knows that items on its menu will vary in popularity. Their ability to generate profits will vary at different points in their cycle. In India McDonalds has a



diversified product range focusing more on the vegetarian products as most consumers in India are primarily vegetarian. The happy meal for the children is a great seller among others

Price: - The customer's perception of value is an important determinant of the price charged. Customers draw their own mental picture of what a product is worth. A product is more than a physical item, it also has psychological connotations for the customer. The danger of using low price as a marketing tool is that the customer may feel that quality is being compromised. It is important when deciding on price to be fully aware of the brand and its integrity.

In India McDonalds classifies its products into 2 categories namely the branded affordability (BA) and branded core value products (BCV). The BCV products mainly include the McVeggie and McChicken burgers that cost Rs 60-70 and the BA products include McAloo tikki and Chicken McGrill burgers which cost Rs30-40. This has been done to satisfy consumers which different price perceptions.

Promotion :- The promotions aspect of the marketing mix covers all types of marketing communications One of the methods employed is advertising, Advertising is conducted on TV, radio, in cinema, online, using poster sites and in the press for example in newspapers and magazines. Other promotional methods include sales promotions, point of sale display, merchandising, direct mail, loyalty schemes, door drops, etc. The skill in marketing communications is to develop a campaign which uses several of these methods in a way that provides the most effective results. For example, TV advertising makes people aware of a food item and press advertising provides more detail. This may be supported by in-store promotions to get people to try the product and a collectable promotional device to encourage them to keep on buying the item.



At McDonalds the prime focus is on targeting children. In happy meals too which are targeted at children small toys are given along with the meal. Apart from this, various schemes for winning prizes by way of lucky draws and also scratch cards are given when an order is placed on the various mean combos.

Place :- Place, as an element of the marketing mix, is not just about the physical location or distribution points for products.

It encompasses the management of a range of processes involved in bringing products to the end consumer. McDonald's outlets are very evenly spread throughout the cities making them very accessible. Drive in and drive through options make McDonald's products further convenient to the consumers.

The service marketing mix can further be understood after discussing the other three variables/elements viz; people, process and physical evidence

People :-The employees in Mc Donalds have a standard uniform and Mc Donalds specially focuses on friendly and prompt service to its customers from their employees.



Process :-The food manufacturing process at Mc Donalds is completely transparent i.e. the whole process is visible to the customers. In fact, the fast food joint allows its customers to view and judge the hygienic standards at Mc Donalds by allowing them to enter the area where the process takes place. The customers are invited to check the ingredients used in food.

Physical evidence :- McDonalds focuses on clean and hygienic interiors of its outlets and at the same time the interiors are attractive and the fast food joint maintains a proper decorum at its joints.

A. Prepare a marketing mix assignment on any product

- Coca cola
- Nestlé's Maggie or
any other tangible product using **3. Assessment**
- the four main elements of marketing mix.

B. Analyze each of the 4 P's mentioned in the above marketing mix.

C. Prepare a case study on creating the right Marketing mix.

Answers of Assessment 2:

E: i) d ii) d iii) b iv) c v) b vi) a vii) a

UNIT: II Market (Segmentation, Targeting and Positioning) – Unit X

| Location: Classroom, retail store or Mall or local vendor or Online websites | Session 1 | Market Segmentation | | |
|--|--|---|--|--|
| | Learning Outcomes | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | 1. Describe the concept of Segmentation | 1. Describe the importance of segmentation in marketing. 2.Explain how segmentation is done. | 1. Identify a segment for a particular product 2. Find out the requirements of an effective segment | Interactive Lecture: Introduction to Market Segmentation Activity: Make a PowerPoint presentation on market segmentation |
| | 2. Identify the bases of market segmentation | 1. Explain the various bases on which a market can be segmented 2. Understand that different basis of segmentation are be used for different product categories. | 1. Classify the various bases of segmentation. 2. Differentiate between the different bases of segmentation | Interactive Lecture: Basis of Segmentation Activity: Pick up a product of your choice and identify the segment for that product |

| | | | | |
|--|--|---|---|---|
| Location: Classroom, retail store or Mall or local vendor or online websites | Session 2 | Targeting the Market | | |
| | Learning Outcomes | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | 1.Explain the concept of market targeting 2.State the various Strategies of Targeting available to the marketer | 1. Describe the importance of Targeting the market 2.Explain the process of evaluating the market 1. Explain the various strategies of Targeting the market 2. Understand that different types of targeting strategies can be used for different types of products | 1.Understand how to target the market for a particular product 2. Analysing how a market can be evaluated for the purposes of targeting 1. Classify the various strategies of targeting 2. Differentiate between the different bases of segmentation | Interactive Lecture: Introduction to Market Targeting Activity: Make a presentation on the concept of targeting the market Interactive Lecture: Target Marketing Strategies Activity: Choose a product or service of your choice and identify which strategy of targeting would you choose for that product or service |

| | | | | |
|--|--|---|---|--|
| Location: Classroom, retail store or Mall or local vendor or online websites | Session 3 | Positioning the Product | | |
| | Learning Outcomes | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | 1.Describe the concept of Positioning 2.State the various bases/strategies of Positioning the product available to the marketer | 1. Explain the importance of Positioning the product 1. Comprehend the difference in the various strategies of Positioning the product 2. Understand that different types of Positioning strategies can be used for different types of products | 1.Understand how to position a product in a market 2. Analyse how a product can be associated with a Positioning strategy 1. Classify the various strategies of Positioning 2. Differentiate between the different bases/strategies of Positioning | Interactive Lecture: Introduction to Positioning Activity: Make a presentation on the importance of positioning the product in the market Interactive Lecture: Positioning Strategies Activity: Give a list of products to the students and ask them to position them on particular attributes and then present in class as to why they chose a particular attribute of positioning of a particular product |

UNIT II

MARKET SEGMENTATION, TARGETING AND POSITIONING

Learning Objectives

- (a) Understand the importance of Segmentation
- (b) Identify the various bases of Segmentation
- (c) Appreciate the significance of Targeting the Market
- (d) Know about the strategies of Targeting the Market
- (e) Learn the role and importance of Positioning
- (f) Comprehend the various strategies of Positioning

Introduction

Whenever a producer decides to produce a product that product may not be suitable for consumption of everyone. So for that matter he asks his marketing manager to identify the target audience for his product (the people who would need and buy his product) so that all the marketing strategies/plans could be designed keeping in view the needs of those specific people. That is why, when one goes to a market to buy a product, one might find different types of products for different types of people. For example, we have normal Coca-cola for general public and Diet Coca-cola for health conscious and diabetic people.

Now the question arises, how is it done? This is done through the techniques of Segmentation, Targeting and then Positioning. First of all, one should understand that the whole market consists of different types of people with different tastes, preferences and behaviours. This means that the whole market is heterogeneous and catering to everybody's taste with one's product is practically impossible. So the whole market needs to be broken into smaller units or segments which consist of people with similar tastes and behaviour. By doing so the marketer will also be able to focus better on his particular target audience. This process is known as Market Segmentation. Market segmentation cannot be done in isolation. It has to be followed by 'targeting the market' and 'positioning the product'. Marketing targeting aims at evaluating and comparing the various segments to see their attractiveness and deciding as to which segment the marketer should focus. After the decision about target market has been made, next step consists of positioning of the product in order to place the product so that it occupies a distinct place in the market as well as in the minds of the consumers.

The sequential relationship between segmentation (S), targeting (T), and positioning (P), popularly called STP, is shown in **Figure**

Figure : Sequential Relationship between STP



Session 1: Market Segmentation

Concept of Market Segmentation

Market segmentation can be defined as the process of dividing the total heterogeneous market into relatively distinct homogeneous sub-groups of consumers with similar needs or characteristics. In other words, Market segmentation involves dividing a market into smaller segments that might require different products.

Therefore, we can also say that a *market segment* is that portion of a larger market in which the individuals, groups, or organizations share one or more characteristics that cause them to have relatively similar product needs.

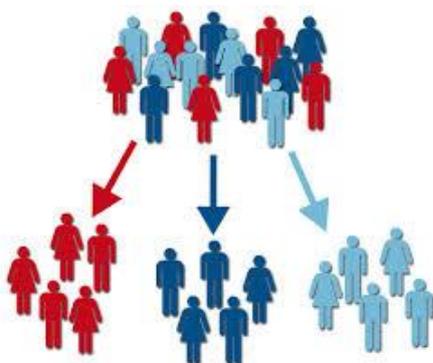


Figure- showing the segmentation

How to segment a Market? Or on what bases can a market be segmented:

Primarily, there are two broad categories of markets for which the segmentation has to be done:

- i) Consumer markets
- ii) Business markets

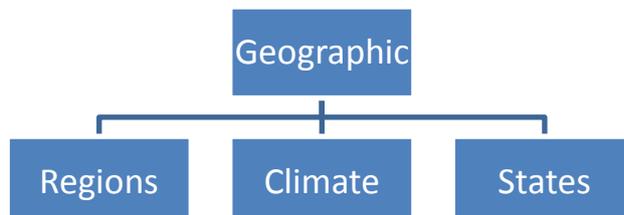
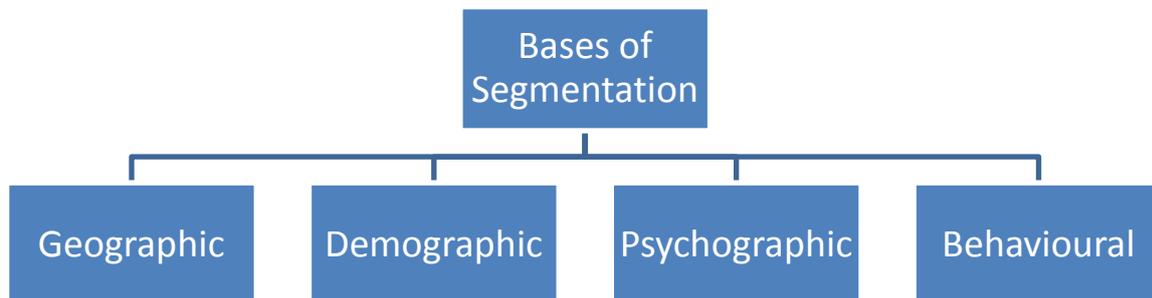
Consumer markets are the markets where the consumers buy products for their own consumption. Whereas, in business markets, business, industrial houses or business persons buy goods and services for use in their organizations or production units for producing goods and services. Since these markets are quite different from each other, the bases for segmenting them are also different.

Here, we will discuss the various bases for segmenting consumer markets only.

Bases for segmenting consumer markets

Marketers generally use the following four bases for segmenting their markets, as shown in the figure below.

Figure: Bases of Market Segmentation



Geographic Segmentation

Geographical segmentation means segmenting the market on the basis of **geography**. Geographic segmentation focuses on dividing the whole market into different geographic units, such as regions, states, urban, rural, climate, etc. People residing in different geographical locations might be having different needs and hence requiring different products. For example, people living in rainy areas would be requiring raincoats, umbrellas, boots while people living in deserts would not be requiring them. Therefore, the marketer has to see whether the product produced by him will cater to which market segment. The marketers marketing raincoats will have to segment their market on the basis of geography (i.e. weather). Similarly, food habits also change with geographical locations. The food habits of South Indians are different from those residing in North or West India. The marketer has to keep this in mind. In case of multinational companies, the companies segment the market by continent/country/region in the first instance, and then go for segmentation on other bases.

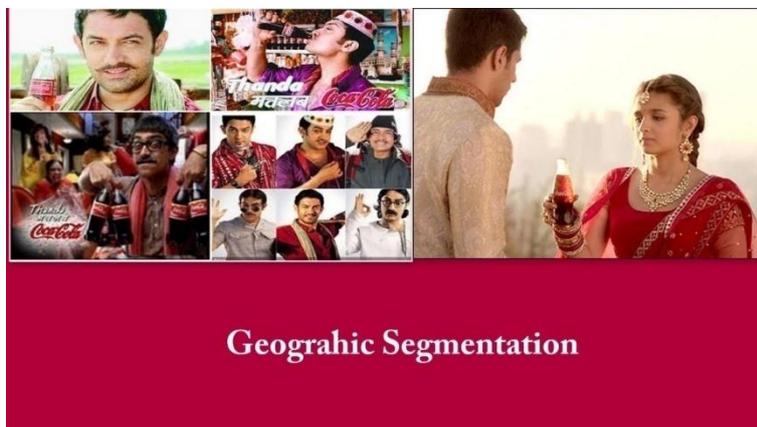
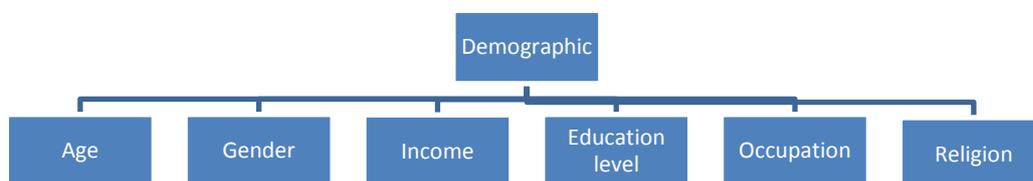


Figure: Geographic Segmentation

Demographic Segmentation



Demographic segmentation is done on the basis of the **demography** of a country. The demography means *the composition of human population of a country*. Therefore, Demographic segmentation may be based on factors like **age group, income level, gender, education status, religion, occupation and so on**.

The tastes and needs of people of different **age-groups** are different. Children need toys, books, chocolates etc., while the needs of elders will be quite different. Hence, the marketer has to see that

the product they have produced is for all age-groups or for a particular age-group. If the product is for a particular age-group, they will have to identify that segment and target that segment only.



Figure Demographic Segmentation

Similarly, the marketer can also segment his market on the basis of **gender** (male/female), **income-group** (high income group, middle income group, low income group), **education** (literate, illiterate), **occupation** (skilled workers, non-skilled workers) etc. Of all these, income-group is the most commonly used basis by the marketers. For example, in Railways, AC I class, AC II tier, AC III tier, and ordinary class are the segments based on income group.



Figure showing Age Segmentation

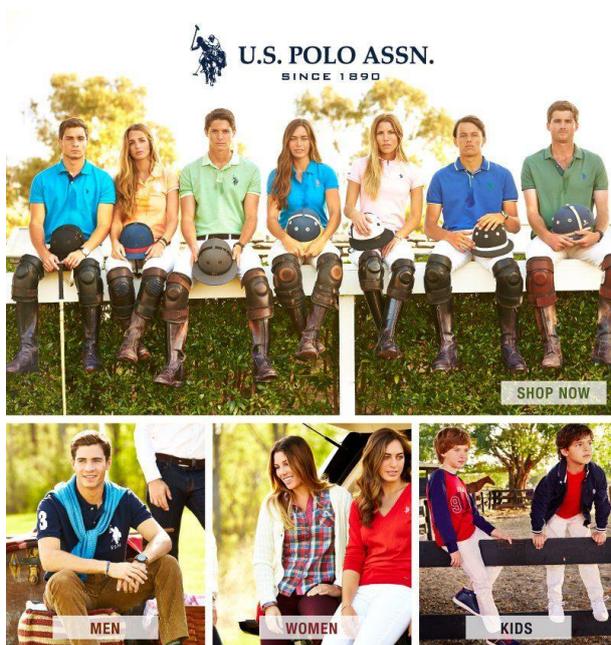
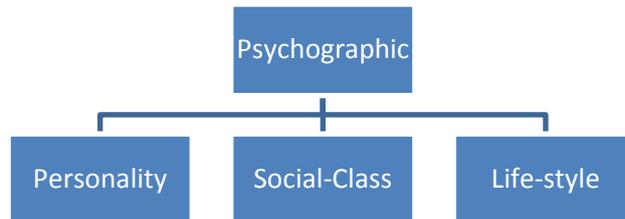


FIGURE- Showing Gender Segmentation

Psychographic Segmentation



Psychographic segmentation is the segmentation done on the basis of social class, lifestyle, and personality characteristics of a person. Psychographic segmentation involves assessing people on the basis of their thinking, liking, disliking, behaviour and feelings. People belonging to the same demographic segment might possess different psychographic traits. For example, two brothers of the same family might be having different lifestyles, or liking or disliking. That makes it an important basis of segmentation. Although, these traits are often difficult to measure, marketers often use this type of segmentation. Some people follow healthy lifestyle. They will need the products that they think will improve their health. Some are adventurous, some are introverts. 'Wills Lifestyle' and 'lifestyle' departmental store are using this type of psychographic segmentation. Raymond suitings also uses psychographic segmentation.

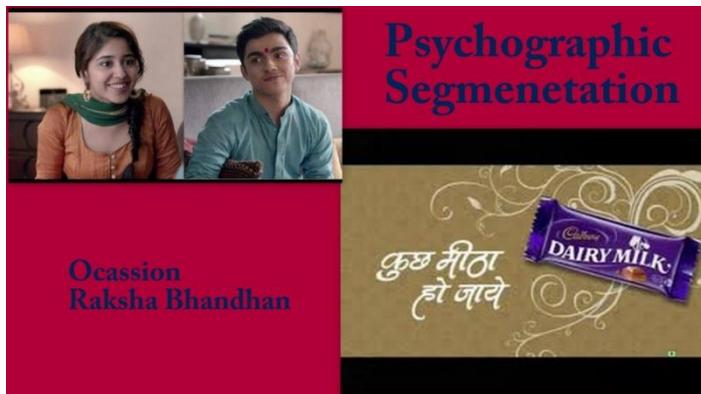
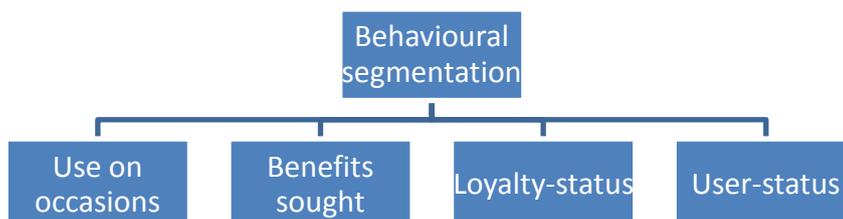


Figure: Psychographic Segmentation

Behavioural Segmentation



In this type of segmentation, the marketers divide the buyers on the basis of their behaviour patterns. Such segmentation is based on use of product based on occasions (Diwali, Holi, Mother's day, Father's day, Rose day, Promise day and so on); benefits sought (Fair and lovely to become fairer, head and shoulder's for dandruff free hair); user status (regular users, non-users or potential users) and loyalty status (hard core loyals or switchers) towards the product.

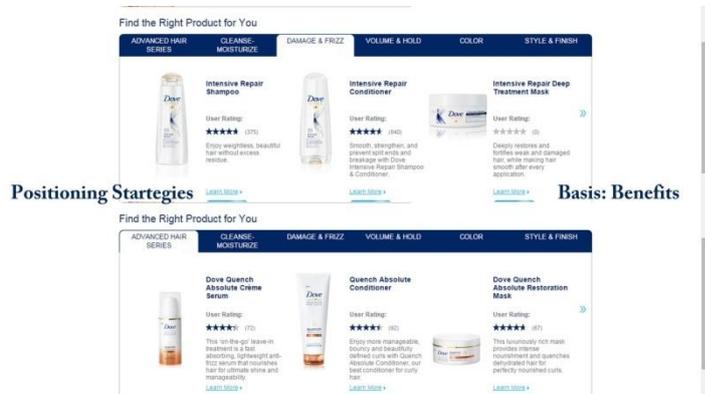


Figure: Benefit Segmentation

Understanding Segmentation

A major reason of a company's success is the ability to segment its market effectively. Use of a particular basis of segmentation would largely be dictated by the type of product for which segmentation is being done. For example, segmenting a market on the basis of age of a person is not relevant for a product like sugar. In fact, gender classification also would not matter. However, lifestyle and usage pattern can provide a better base. Some people are health conscious and would like to consume less sugar. Similarly, segmentation can also be done on the basis of diabetics (non-users of sugar) and non-diabetics.

How is segmentation done?

Marketers do not necessarily limit their segmentation to one basis alone, but use multiple segmentation bases. Generally, multi-base segmentation is used depending on the nature of product and various other factors. Suppose an organization has decided to focus on manufacturing shoes for children. In developing the segment for this product, the marketer will have to decide the age-group of the children. He decides to target the children in the age group of 1-10 years (Age Segmentation). Then he has to decide whether he would be focusing on girls or boys (Gender Segmentation). His segment would be, 'Shoes for girls in the age-group of 1-10 years'. Accordingly, he will frame the marketing strategies.

Table 5.12 Possible bases of Segmentation of some products

Table 5.12: Some Products and Bases of Segmentation

| Product | Possible basis of segmentation |
|-----------|---|
| Magazines | Literacy status, Gender, Occupation, Social-class |
| Shoes | Gender, Income, Benefit |

| | |
|------------|--|
| Shampoo | Benefit, Age |
| Toothpaste | Benefit |
| Clothes | Gender, Income, Age, Social-class, Personality |

Requirements for Effective Segmentation

A marketer should select a segment that fulfills the following requirements:

1. **The segment should be measurable:** It means that the segment selected should be capable of being measured. It means the data should be available. For example, number of females in a country can be measured but number of people who love partying cannot be known.
2. **The segment should be accessible:** Accessibility means that the segment should be within the reach and could be approached conveniently.
3. **The segment should be substantial or large:** The segment that is selected should be large enough so that the production could be done for that segment.
4. **The segment should be feasible:** The segment should be capable of being practically served and be cost effective as well.
5. **The segment should be different:** Every segment so selected should be different. Any kind of overlapping in segments can lead to confusion and chaos.

Session-1

Assessment

A. Fill in the blanks:

- i. The two broad categories of markets are ----- and _____.
- ii. Segmenting on the basis of gender is the example of ----- segmentation.
- iii. Personality is the part of ----- segmentation.

B. Multiple Choice

- i. Which one of them is not an example of segmentation based on 'Occasion':
 - a. Diwali
 - b. Father's day
 - c. Id
 - d. All of the above
- ii. Select the best basis of segmentation for 'toys' from the following:
 - a. Infants
 - b. Children
 - c. Both of the above
 - d. None of the above
- iii. Which of the following is not a requirement for effective segmentation?
 - a. Accessible

- b. Economical
- c. Measureable
- d. Large enough

C. True or False

- a. Breaking down of the heterogeneous market into homogeneous units is called Targeting.
- b. Segmentation helps the marketer to cater to the specific needs of the customer.
- c. Producing products for customers residing in North India is an example of Behavioural segmentation

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i. What do you mean by Segmentation. Explain the requirements for effective segmentation.
- ii. Explain the Psychographic segmentation in detail.
- iii. List the possible basis for segmenting face crème.
- iv. What are the various bases of segmentation? Discuss two of them with examples.

Part B

Class Activity

Ask the students to pick up a consumer product of their choice and try to segment it. Then explain it in the class with the help of a PowerPoint presentation.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|--|-----|----|
| The Ability to comprehend the concept of segmentation and be able to actually segment the market for the various products. | | |

Session 2: Market Targeting



Market targeting is the process of **evaluating** each identified market segment's attractiveness and **selecting** which segments to enter.

Evaluating the segment:

There are many factors which tell us whether the segment is attractive or not; they are

- size of the segment,
- growth prospects in the segment,
- accessibility of the segment,
- nature of the product being produced and
- resources of the company.

If the segment or the segments fulfill the criteria above, they should be selected otherwise not. Nature of the product and resources of the company would largely determine the number of segments to enter.

Selecting the segment:

After evaluating the segments, the marketer has to decide as to which segments to enter. He might find many segments lucrative but the selection criteria will depend on the above mentioned factors. Once he has selected the segments, he has to decide the strategies to target these segments. The decision related to these strategies will again depend on the nature of product, resources of the organization and the strategy that the top management wants to adopt. Some of the companies may think an individual customer as a complete segment (Individual marketing) and some may consider the whole market as one segment (Mass Marketing). In between lie the Differentiated Marketing and Concentrated Marketing. Let us discuss these strategies and try to understand them.

Strategies of Market Targeting



I. Undifferentiated Strategy: As the name indicates, the marketer under this strategy makes a single marketing plan for the product to be used by all the customers in the market. He considers the whole market as one segment and sells his product to everyone without differentiating. The marketers of products like steel, cement, sugar, salt etc. follow this type of strategy to target the market. Here, the nature of product is such that he will have to follow mass-marketing or undifferentiated marketing. The strength of this strategy lies in its being cost-effective.

II. Differentiation Strategy (Segmented marketing): In this strategy, the firm decides to segment the total market into different segments and then designs separate products for different segments that the company wants to cater to. It means the company has something to offer to every segment it decides to enter. This type of strategy is generally followed by garment and shoe manufacturers (children, teenagers and adults) and also airlines (economy class and business class). But differentiated marketing also means more cost to the company as the company has to make a separate product for each segment.

III. Concentrated Marketing (Single-segment marketing): In this strategy, the marketer selects only one single segment out of the various segments available. The reason being that the segment is untouched has less competition. For example, equipment for disabled, western wear for Indian ladies. This strategy is followed when the resources are limited. The company that serves a single segment assumes a strong position in the market because of greater understanding of the consumer needs of the segment it serves.

IV. Individual Marketing/Customised Marketing: Individual marketing refers to producing products suited to the specific needs of specific individuals. It is done to satisfy the needs and preferences of individual customers. This type of marketing is also known as ‘one-to-one’ marketing or ‘customized marketing’. Individual marketing can range from a task such as a barber giving a particular haircut to his customer to an architect planning a villa for his client. Unlike mass production, individual marketing aims at building relationships with customers. Individual marketing is becoming more and more important and acceptable these days. For example, Nerolac paints allows you to create your own shade for your home.

| Strategy of Target Marketing | Market Served | Marketing Strategy Required |
|------------------------------|-------------------|-----------------------------|
| Undifferentiated/Mass | Total Market | One mass strategy |
| Differentiated/Segmented | Selected segments | Different strategies |
| Concentrated/Single-segment | Single Segment | Single strategy |
| Individual/Customised | One individual | Single unique strategy |

Session-2 Targeting

Assessment

A. Fill in the blanks:

- Undifferentiated strategy of target marketing is also known as -----.
- Individual Marketing is done to satisfy the needs of -----.
- Segmentation helps to identify the segments, while Targeting helps to ----- segments.

B. Multiple Choice

- i. Which one of the following tells us about which segment to enter:
 - a. Market segmentation
 - b. Target Marketing
 - c. Only 'a'
 - d. 'a' and 'b' both
- ii. Which one of the following tells us about which segment to enter:
 - e. Market segmentation
 - f. Target Marketing
 - g. Only 'a'
 - h. 'a' and 'b' both

iii. Undifferentiated target marketing strategy is also known as

- e. Single Segment Strategy
- f. Mass Marketing
- g. Individual Marketing
- h. Customisation

C. True or False

- d. Collecting information about customers is called Customisation. (F)
- e. Individual marketing means producing products suited to the specific needs of specific individuals. (T)
- f. In case of differentiated marketing strategy, selected segments of a market are selected. (T)

D. Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- a. What is Market Targeting? How is it different from Market Segmentation, explain with the help of an Example.
- b. Explain the factors that the marketers should take into consideration for evaluating the segments.
- c. List out the various strategies available to a marketer for targeting the customer. Discuss any two of them.
- d. What do you understand by Niche Marketing? When should a marketer adopt this strategy.

Part B

Class Activity

Divide the class into groups and ask them to assume that they are the marketing team of an organization and then ask them to choose a product of their choice and decide which *targeting strategy* would they use to market their product in the form of a presentation to be presented in the class.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|---|-----|----|
| Understanding the concept and strategies of market targeting and be able to understand when to use a particular strategy. | | |

Session 3: Positioning the Product

‘Positioning the Product’ means pitching the product or creating a place for one’s product in the market in relation to competitor’s product. For attaining a place, the firm has to highlight certain features of its product which make it unique or different from competitor’s product. Positioning helps to create a distinct position of the product in the market. For example Pepsodent has positioned itself as ‘Germi-check’, and Close-Up has positioned itself as toothpaste that gives ‘Freshness.’ Positioning is what you make the consumer think about you and how they perceive your product in relation to other products. A brand’s position establishes over the years through various promotional tools like advertising, publicity, and also word-of-mouth. Positioning can be done by using both tangible (Fridge with door cooling technology; washing powder that does not produce LINT) as well as non-tangible features (Dermi-cool powder as ‘Thanda-thanda, cool-cool’). A company can very effectively use its Unique Selling Proposition (USP) for positioning. Even product differentiation can form a very effective basis for positioning.

Positioning Strategies/Bases

Positioning of a product can be done using certain bases/strategies that are explained below:

On the basis of product characteristics or customer benefits: In this strategy, the marketer tries to position his product on the basis of the benefits the customer derives from the product. For example, Corform Mattresses have been positioned on the basis of the comfort it provides to its user. Whirlpool has positioned its refrigerators on the basis of ‘quick ice making’ and ‘Fair and Lovely’ says that it can make one fairer. ‘Olay’ says it can give you wrinkle-free skin. These products are actually highlighting their product benefits and trying to position themselves on the basis of these benefits. Sometimes, a firm can use two or three benefits as well. If the company does so then it has to be very careful as it can result in confused image of the product.

Positioning on the basis of price: Some products attempt to offer more in terms of price. Many marketers try to position themselves on the basis of ‘economy’ provided by them to the customers. Ginger chain of hotels has positioned itself as ‘The stores like Reliance Fresh and Big Bazaar have positioned themselves as ‘economical stores’. Similarly, many marketers try to position their product on the basis of price.

Positioning on the basis of quality: Quality and price are related to each other. High price is generally associated with higher quality. All big brands keep their prices exceptionally high to indicate their exceptionally good quality. A company can give the indication that it is charging high prices because it is delivering a quality product For example, the handbags of Da Milano Hidesign are of very good quality and very expensive.

Positioning on the basis of user: Another basis is to associate a product with a user. Varousbollywood stars have been associated with Lux which gives the impression that Lux is the soap of stars. Similarly, Salman Khan endorsing the Thums-Up advertisement saying ‘aajkuchtoofaanikartehain’. The fan following of Salman would find adventure in drinking Thums-Up because of celebrity association.

Positioning on the basis of symbols or illustrations: Many marketers use various symbols or illustrations to create a distinctive image of themselves and position themselves accordingly. ‘RathVanaspati’ has used ‘Rath’ as its symbol. ‘Zoos Zoos’ of Vodafone is another example. One can find many examples of this type of strategy in Indian advertising and this is especially helpful in case your target audience is illiterate.

Positioning on the basis of different product class: This type of strategy is also used by the marketers to portray that the product they are offering are different from the existing product category and use it as their basis of positioning. They create their own product class. For example, Peanut butter is not a category of butter but is different from it. Sprite pitched itself against Coca-cola and Pepsi as an ‘Uncola’; something which is not cola.



Figure: Positioning Strategy

Table 5.13 shows various brands of refrigerators and their positioning attributes.

Table 5.13: Products and Positioning Attributes

| Product (refrigerator) | Positioning Attribute |
|------------------------|-------------------------------|
| Whirlpool | Ice-magic (makes ice quickly) |
| LG | Door cooling technology |
| Samsung | Convertible fridge |
| Kelvinator | The coolest one |

Session-3 Positioning

Assessment

C. Fill in the blanks:

- iv. Pitching the product or creating a place for one's product in the market is called -----
-.
- v. For securing a position, a product has to highlight its -----.
- vi. In case mascots and figures are used to position a product, it is called positioning on the basis of ----- .

D. Multiple Choice

i. Positioning helps :

- e. To create a distinct image in the market
- f. To identify the segments
- g. To enter the segment
- h. All the above

ii. Which of the following is not the basis of Positioning:

- e. On the basis of User
- f. On the basis of User Class
- g. On the basis of Quality
- h. On the basis of Income

iii. Positioning is done:

- a. Before the segmentation and targeting
- b. After the segmentation and targeting
- c. Simultaneously with the segmentation and targeting
- d. None of the above

C. True or False

- a. Positioning means creating a unique place for the product in the market. (T)
- b. For Positioning a product both tangible and non-tangible attributes are used. (T)
- c. When a product is positioned on the basis of some benefit that it gives, it is called Positioning on the basis of Quality. (F)

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i. With the help of appropriate examples, explain the term Positioning.

- ii. How can a product be positioned?
- iii. Explain any two bases of Positioning with the help of suitable examples.
- iv. Give three differences between Segmentation and Positioning.

Part B

Class Activity

- a. Ask the students to select a product and identify the segments for that product and also try to position by highlighting the benefit offered by the product.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|--|-----|----|
| Able to understand the concepts of Segmentation, Targeting and Positioning and also be able to apply these concepts. | | |

1. Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|-----------------------|-----|----|
| | | |

| | | | | |
|---|---|--|---|--|
| Location: Classroom, retail store or Mall or local vendor or visit kiosks | Session 2 | Planning the Approach (Pre-Approach) | | |
| | Learning Outcomes | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | 1. Explain the concept of Planning an Approach (Pre-Approach) | 1. Analyse the importance of Planning an Approach (Pre-Approach) in the process of Selling 2. Understand Pre-approach and preparation of presentation | 1. Find out the process involved in the making of a presentation 2. Analyse making of a presentation is made | Interactive Lecture: Planning an Approach Activity: Students to be asked to plan an Approach (Presentation) |
| 2. Describe the process of planning a presentation | 1. Comprehend the importance of Prospecting in the process of Selling 2. Analyse how Prospecting is done | 1. Classify the various ways of making a presentation 2. Analyse the role of Pre-approach in the process of Selling | Interactive Lecture: Process of Planning an Approach Activity: Role-playing in the class, wherein, some students act as prospective customers and some are asked to do Prospecting | |

| | | | | |
|---|---|--|---|--|
| Location: Classroom, retail store or Mall or local vendor or a Kiosk | Session 4 | Closing the Sale | | |
| | Learning Outcomes | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | <p>1. Explain the meaning of 'Closing the Sale' in the process of Selling</p> <p>2.Explain the various ways of 'Closing the Sale'</p> | <p>1. Comprehend the importance of 'Closing the Sale' in the Process of Selling</p> <p>2.Understand the intricacies/difficulties involved in 'Closing the Sale'</p> <p>1. Learn the importance of 'Closing the Sale' in bringing repeat sales</p> <p>2. Analyse how a Sale is closed keeping in view the customers</p> | <p>1. Analyse the difficulties in 'Closing a Sale'</p> <p>2. Apply presence of mind in 'Closing a Sale'</p> <p>1. Classify the various ways of 'Closing a Sale'</p> <p>2. Understand the importance of satisfying customers in 'Closing a Sale'</p> | <p>Interactive Lecture: 'Closing a Sale'</p> <p>Activity: Visit to a mall and let the students have a word with the salesperson and first hand experience of 'Closing a Sale'</p> <p>Interactive Lecture: 'Closing a Sale'</p> <p>Activity: Role-playing in the class, wherein, a situation is given and the students are asked 'Close a Sale'</p> |

UNIT-III

SALES PROCESS

LEARNING OBJECTIVES

After reading this unit the learner would be able to:

- (a) Describe the Sales Process.
- (b) Appreciate the importance of Process of Selling.
- (c) Understand how Prospecting is done.
- (d) Know how an Approach is planned.
- (e) Learn the ways to Handle Objections.
- (f) Identify the various methods to Close the Sale.



Introduction

Every product produced has to be sold. There are a wide range of products being sold in the market. Right from a biscuit to a ship or an aeroplane, everything has to be sold by whichever way. Of all the tools available to a seller, Personal selling is an important tool to sell the products to the consumers. That means for selling the product, the company has to hire sales people who do the job of selling the product. As the value of the product increases, so does the rank of the salesperson. For example, one can find peddlars/ vendors (Pheriwalas) selling their products on a cart or a cycle or sitting on a pavement; a shoe is sold by a simple salesman at a retail outlet; while a CT scan machine is sold to a big hospital by the marketing head of an organization along with a team. Here, the period of completion of sale may range from six months to one year. But for completing a sale, a salesperson has to go through a complete selling process.

Sales Process Overview

The sales process includes the five steps to conclude a sale. These are -



This process is not a rule of thumb but a better way of handling a sale based on the experiences of various salespersons. It is a recommended process. The salespersons can use them in their own way. Each step in the process overlaps the other or may go simultaneously and their sequence can be changed as per the demand of the sales situation by the salesperson. For cheaper products, the process may shorten and for valuable products the whole process may be followed step by step. In the following sections we will discuss and understand the various steps in the selling process in detail.

Session-1

Prospecting-

In order to sell a product, a sales person has to find new customers on a continuous basis. Hence, the first step in the selling process deals with finding prospects who will buy their product. Through

prospecting, the salesperson tries to find out the people who need the product and can afford to buy it, that is, they try to create a database of prospective customers also known as **Prospects**.

Who is a Prospect?

As already explained, Prospects are the ‘potential customers’ (persons who might become your customers). They are the ones who need the product and might buy it. A prospect can be an individual or an institution. For example, atta is required by an individual household also and a bakery and a hotel also. Hence, they are all the prospects for an atta manufacturer/producer.

Characteristics of a good prospect-

A prospect can be considered a good prospect only if he possesses certain characteristics. These are:



1. He should feel the **need** of that product. This can be pre-existing or can be created as well.
2. In some cases, the prospect needs a **licence or legal capacity to buy** the product, for example, a medical prescription is required to buy the medicine, licence to buy a gun, and only a major can buy alcohol.
3. He should also have the **capability to pay** for the product.
4. He should also have the **ultimate decision-making power** to buy the product.

Figure-know your customer



In this step of prospecting, the salesperson tries to obtain the database of prospective customers through various sources both internal and external to the organization. Such sources can be-

- References given by customers.
- References from sales managers
- Networking
- Obtaining the database from outside agencies that deal in providing such data.

Qualifying or Selecting the Prospects

After collecting the database on prospective customers from various sources mentioned above, the sales person has to find out which of these prospective customers would buy the product so that he can divert his energies only to those and filter the non-productive customers. This he can do by assessing whether-

- The customer needs the product?
- The customer can afford the product?
- The customer listens to the salesperson with interest.

All those prospects that qualify in these questions are the selected prospective customers. These are the customers for whom he will plan a sale. For this, the salesperson will gather all the information about the customers related to their needs, their demographics, their income level and so on. This will help the salespersons to build their presentations according to the specific needs of the customers and also be able to provide solutions to their specific requirements in the form of their products. This means that the salesperson will have to conduct a detailed customer research. The salesperson can obtain the data for an existing customer from past sales records and other sales data available with the company related to that customer. For a new customer, data can be obtained from internet or from data-collecting agencies.

He can also conduct an ‘On the spot’ research when the customer comes to buy a product. ‘On the spot’ research means asking a lot of questions to the customer when he comes to buy a product. This is done to understand a customer’s psychology and behaviour. The main purpose of this research is to gather as much information as possible so as to make the presentation effective.

Converting prospects into actual customers is not an easy task and is time consuming as well. It can be well understood with the help of the figure given below-



If you see the above figure, a salesperson collects the data of 100 persons who may be the possible customers (known as Leads), researches show that out of these 100 leads, only 40 will be the prospects, i.e. they are the ones who would actually be requiring the product. The salesperson should focus on these 40 prospects. Out of these only 5 will end up buying the product.

Exercise: Assignment

1. Try to contact a few (3-4) sales representatives of different products (e.g. medical representative, representative of a publisher, insurance representative etc.) and ask them how they undertake prospecting? Also find out how many prospects that qualify actually become the customers? Identify if there exists any difference in the prospecting based on the different types of products or services.

Assessment

E. Fill in the blanks:

- vii. Selecting the prospects by the salesperson is also called -----.
- viii. A person who might become your future customer is called a -----.
- ix. References obtained by the customers is an ----- source.

F. Multiple Choice

- iii. Which one of them is not a quality of a prospect:
 - i. Capability to pay
 - j. Needs the product
 - k. Can influence the decision-maker
 - l. Legally buy the product
- ii. A qualifying prospect means:
 - i. The prospect who is selected for approach
 - j. The prospect who is not selected for approach
 - k. The prospect who is not relevant for approach
 - l. The prospect who is not sure of buying
- iii. A sales person can collect data about consumers from
 - i. External sources only
 - j. Internal sources only
 - k. Both external and internal sources
 - l. None of the above

C. True or False

- g. Collecting information about customers is called Customisation. (F)
- h. Ultimate decision-making power is a quality of a good prospect. (T)
- i. All the selected prospects become your customers. (F)

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- v. What do you mean by Prospecting?
- vi. List out the various qualities of a Prospect.
- vii. What do you understand by the term qualifying? On what basis are the prospects assessed?
- viii. Discuss the various sources of information used by the salesperson to collect data regarding the prospects.

Part B

Class Activity

- a. Class discussion on Prospecting in the case of toothpaste vs. Prospecting in the case of pharmaceuticals.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|---|-----|----|
| Able to understand the concept of prospecting, qualities of prospects and qualifying prospects. | | |

Session-2

Planning the Presentation (Pre-Approach)-

The next step is to plan the presentation. Based on the information collected during the customer research, the sales person tries to plan his presentation before meeting the customer. It means planning as to how to make a call. It is a mental exercise. Planning of presentation involves:

- Deciding how to approach the buyer?
- Deciding what questions to be asked?
- Deciding how to present features, benefits and advantages of the product that he thinks will satisfy the customer?
- Deciding how to demonstrate the product (incase the product needs demonstration)?

The plan of presentation should be flexible enough to accommodate the situational changes.



It is important to note that the salesperson looks impressive and presentable when he first meets the customer as it leaves a lasting effect on the customer. Therefore, when the salesperson meets the

customer, he should be well-dressed and should meet the customer with a smile and a warm handshake. These welcome gestures are very important to carry the presentation forward.

To understand the needs of the customer, the salesperson needs to ask various questions so as to arrive at a conclusion as to which type of product would be best suited for the customer keeping in view his specific requirements.

For example, A salesperson who wants to sell a washing machine to a customer can frame the following type of questions (incase he wants to sell a washing machine) to make the presentation effective:

- Do you wash your clothes by hand or with the help of a washing machine?
- Are you already having a washing machine?
- Which machine are you having? Automatic or semi-automatic?
- Who uses the washing machine?
- Why do you want to change the machine (Problem Identification)?
- Did you have problem using the machine, like hiked electricity bills, repairing problem, cleanliness of clothes etc.
- Would you like to purchase a fully-automatic machine?
- In case you intend to buy, would you like to go in for easy installment scheme the company is offering?

It is important to note that the questions can be changed or modified by the sales person during the course of the meeting as per the requirements of situation and the enquiries put forth by the customer.

Placing the Presentation (Approach):



Figure- A salesperson giving presentation

The next step relates to the preparation and placement of the presentation by the salesperson to discuss about the product features and its benefits. The purpose is to convince the customer to buy the

product. In case required, he should also demonstrate the product to make the more presentation more effective. If yes, then he has also to prepare for the demonstration of the product as well.

How to make a presentation more effective:

- It should be simple.
- It should be convincing.
- It should be in the language the customer can easily understand.
- It should be made from customer's perspective.
- It should give a solution to the problem being faced by the customer.
- It should be eye-catching and involving.

Demonstration:



Figure- A salesperson demonstrating the working of a vacuum cleaner

It is a part of the presentation. It is done to make the presentation more effective and to convince the customers as it involves showing proofs and examples of how a product can benefit the customer. It can be in the form of visuals such as, charts and graphs, pictures, samples, powerpoint presentations, testimonials and so on. In case of electronics, actual demonstration of the product is considered very effective and is often used by the salespersons as shown in the figure below.

Exercise: Assignment

1. Go to a mall and say that you want to buy a microwave oven. Observe the conversation of the salesperson and also ask for the demonstration of the product. See how the demonstration is done. Then write a report on this of 100-200 words.

Assessment

G. Fill in the blanks:

- i. Planning the presentation is also called -----.
- ii. A presentation can be made more effective with the help of -----.
- iii. Demonstration helps in making ----- effective.

H. Multiple Choice

i. Which one of the following is not a form of demonstration:

- a. A hand-shake
- b. Slides
- c. Figures
- d. Testimonials

ii. A presentation is also called:

- a. Pre-Approach
- b. Approach
- c. Post-Approach
- d. Non-Approach

iii. A presentation in order to be effective should be:

- a. Convincing
- b. Simple
- c. Easy
- d. All of the above

C. True or False

- a. To understand the customer, the salesperson should ask questions.
- b. Demonstration is not a part of Presentation.
- c. The Presentation should not be changed according to the situation.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

1. Why does a salesperson need a presentation?
2. Define Demonstration. List out any three examples of Demonstration.
3. How can you make a Presentation effective?
4. As a salesperson, how would you plan a Presentation?

Part B

Class Activity (Group Activity)

- a. Imagine yourself as a salesperson and make a Presentation on a product of your choice and present it in the class. Put some element of demonstration to make it effective.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|---|-----|----|
| Able to interpret the various aspects of Presentation and Demonstration and their importance in salesmanship. | | |

Session-3

Objections and Handling Objections:



During the Presentation, the customer might show some curiosity or raise certain objections in the form of questions.

The salesperson should immediately give attention to these objections and try to sort them out. Raising of objections or doubts is a positive sign indicating that the customer is showing interest in the presentation/product.

How to handle the objections:

- The salesman should handle the objections very carefully and should do the following:
- He should listen to the customer very carefully and patiently.
- Respect the views of the customers and try to make his point clear.
- Give clarifications for the doubts raised and respond specifically to the objections.
- The salesperson should make sure that the customer is fully satisfied as far as his objections are concerned.

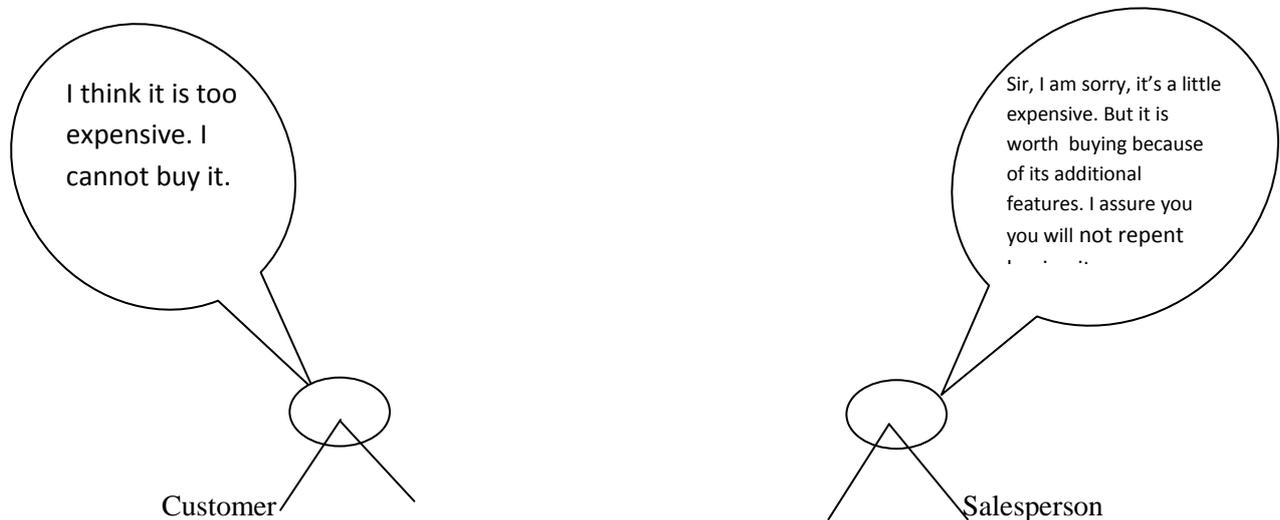


Types of objections:

1. Objections related to high price:

While buying a product if a customer says that “the product does not fall in my budget” or “it is very expensive” ; it indicates that the customer thinks that the cost of the product is too much and he cannot spend so much on buying that product.

- ❖ **Handling the objection:** The salesperson can try to convince the buyer by telling the customer the importance of the product and how valuable would it be for him. If still the customer is not convinced, then he can offer some other alternative which is of lesser value and suits his pocket.



2. Objections related to the Product or Service:

In this case, the customer is of the view that the product will not be able to solve his (customer's) problem. He doubts the capability of the product or service in solving his problem. Even if the salesperson tries to convince him about the capability of the product, the customer is not ready to believe his words.

Handling the objection: Here the salesperson has to assure the customer about the quality, features and performance of the product and will also have to convince him by showing positive reviews of the existing customers or by giving him other proofs.

3. Objections related to Procrastinating (by giving lame excuses):

When the customer is not in a mood to buy a product, he might raise objections by giving lame excuses for not buying the product or for postponing the purchase. For example, he might say, 'I will have to ask my elders before buying' or 'I will come later' or 'I am not having sufficient money to buy the product' or 'I want to survey more before I make my decision'. Here, the main intention of the customer is to delay the purchase.

- ❖ **Handling the Objection:** The salesperson should understand that some people take time to decide and cannot take immediate decision to buy a product. The only way to handle this kind of objection is to ask for a future commitment to buy from the customer. As far as possible, the salesperson should try to fix up a meeting in some future date in order to move the sale forward.

4. Concealed Objections:

Sometimes it so happens that the objection that the customer raises is not the correct one. There is something else that is bothering him. This is the case of hidden or concealed objections. For example, the price of the product may be bothering the customer but he may say that the size of the product is not suitable to him. Such type of cases are a little tricky and the salesperson has to handle these very carefully and tactfully and try to find out the real reason behind not buying.

Handling the Objection: These type of objections can be best handled by asking various questions to the customer and make him talk a lot so that he speaks out the real reason behind not buying. The other way is that the salesperson can straight away ask the customer to tell him the real reason so that he can help him in finding a better solution to his problem.

Exercise: Assignment

1. Assessment

A. Fill in the blanks:

- a. Objections are generally raised in the form of -----.
- b. ----- raised by customers should be handled carefully and patiently.
- c. Objections are generally raised in the form of -----.

B. Multiple Choice Questions:

- i. When an objection is raised by the customer, the salesman should:
 - a. Ignore it
 - b. Listen to it
 - c. Interrupt and continue his presentation
 - d. Listen to it and handle it
- ii. If a buyer says 'I will have to ask my family', this is an example of:
 - a. Objection related to the Product
 - b. Objection related to Procrastination
 - c. Objection related to Price
 - d. Concealed Objection
- iii. If the buyer says "This product is not what I am looking for", then the salesperson should:
 - a. Convince him with the features and benefits of the product
 - b. Give him the option of another alternative product
 - c. Both of the above
 - d. None of the above

C. True or False

- a. Raising of objection by a customer during a call is a good sign.
- b. The salesperson should not pay attention to the objections raised by the customer but focus on his presentation.
- c. When the customer raises an objection related to the ability of the product, it is called objection related to price .

2. Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- a. What do you mean by the term Objection? List out the objections that are generally raised by customers.
- b. How should a salesperson handle the Objections?
- c. Do you think handling objections is important for the salesperson? How can a Concealed Objection be handled?
- d. Explain the Objections related to Price and Product/Services.

Part B

Class Activity

Ask a child to act as a salesperson and another one as a customer. The salesperson is trying to sell a product. Let them have a dialogue in which the customer will raise his objections and the salesperson will try to sort them.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|---|-----|----|
| Understand the importance of Objections and learn the ways to handle the Objections raised by customers | | |

Session-4

Closing the Sale:

After the objections have been dealt with, its time to close the sale or strike a deal. Closing of the sale will depend on the type of product being sold. In case of non-technical products, the sale has to be closed immediately after the presentation or meeting; while for the complex and technical products, the process of closing the sale is lengthy and takes a few calls before finally closing.

a. **In case of non-technical products:** In case of a simple sale (non-durable and less expensive products like daily provisions, clothes, shoes etc.), the salesperson should try to sell the product in the first and the only call or else the sale is lost.

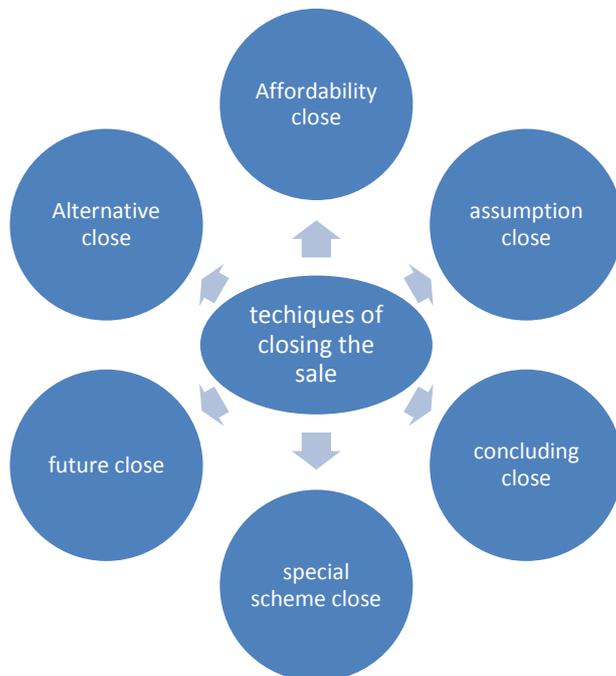
b. **In case of technical products:** But in the case of technical products (products that are costly and high involvement products), the sale may take some time to complete and is not completed in one call or meeting. In that case, the salesperson should try to gain commitment. It can be done in two ways:

i. Fix up another meeting

ii. Ask for a commitment

The basic purpose is to move the sale forward, otherwise it can be lost.

Some of the techniques of closing the sale that are frequently used by the salespersons are discussed below.



Techniques of Closing Sales:

After going through the process of pre-approach, approach and handling the objections, the salesperson reaches the last stage in the sales process, i.e. Closing the Sale. In this stage, he tries to make the sale as soon as possible. For this he has to put an end to the whole sales process by ‘Closing the sale.’ Now let us understand the various ways of closing the sale also known as techniques of closing the sale.

1. **Assumption Close:** In this type of closing technique, the salesperson after meeting the customer assumes that the deal is done and asks the customer:

- ❖ Should I place the order for you?
- ❖ Should I get the product packed for you?

2. **Concluding Close:** In this technique, when the discussion between the salesperson and the customer is over, the salesperson concludes by summarising the benefits and advantages of the product and tries to strike the deal. He does so by saying the following words-

- ❖ Sir, our product is economical, durable with a warranty of two years which no other product is offering.

3. Special scheme Close: If the customer is not giving the order, the salesperson tries to offer certain additional benefits incase the customer places an order right away. He tells the customer-

- ❖ If you place an order right now,I can get you a discount of 20 percent.
- ❖ Incase you decide to buy the music system now, I can get you a pack of CDs of your choice for free.

4. Future Close: This type of close is used when the salesperson is convinced that the customer will buy the product but needs a little time to arrive at a decision. He, then, closes the sale by saying-

- ❖ Sir, I think you need a little time to decide, I shall get back to you in a day or two.
- ❖ You can talk to your family and I shall give you a call tomorrow to confirm.

5. Alternative Close: Where it is becoming difficult for a salesperson to fianalise the deal, he can offer one or two alternatives to the customer.

- ❖ Would you like to go in for white colour or black one?
- ❖ We have an economy pack also in this, incase you are not interested in a bigger pack.

6. Affordability Close: Incase, the deal is not materialising because of customer's inability to pay; this type of close can help the salesperson. He can say-

- ❖ Incase of difficulty, we can arrange Easy Monthly Instalments for you.
- ❖ You can make the down payment now and the rest in two instalments.

The last step in the selling process is –**Follow-up**. If the salesperson wants to make the customer feel satisfied and delighted with the sale, he should fix up a follow-up call with the customer. This is done to ensure that the proper installation has been done and that the customer is comfortable while using the product. This is especially neccessary in case of electronics and technical products such as refrigerators, televisions etc. This will help in the repeat purchases and in turn build up customer loyalty.

Exercise: Assignment

1. Visit a few shops of different product categories in a mall/or a local market and observe the salespersons trying to strike a deal (closing the sale). Take notice of their conversation and the vocabulary they use to convince the customer to buy the product.

Assessment

I. Fill in the blanks:

- a. In case of _____ products, the process of closing the sale is lengthy and takes a few calls before finally closing.
- b. ----- is important for getting repeat sales.
- c. When a salesperson offers an additional discount for closing the sale, this is known as _____ Close.

J. Multiple Choice

i. In case of technical products, if the deal is not closed, the salesperson should:

- a. Fix up another meeting
- b. Ask for a commitment
- c. both of the above
- d. none of the above

ii. Follow-up is necessary as it helps in:

- a. Ensuring repeat sales
- b. For building customer loyalty
- c. For ensuring customer satisfaction
- d. All of the above

iii. In case the salesperson says, ‘Sir, you can take a little time to decide,’ then it is:

- a. Concluding Close
- b. Assumption Close
- c. Future Close
- d. None of the above

C. True or False

- a. Closing the sale is the last step in the selling process.
- b. When the salesperson assumes that the deal is done, it is the case of ‘Concluding Sale.’
- c. There is no need to follow-up the sale.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- a. Name the various techniques available to the salesperson to close the sale. Explain any two.
- b. What do you mean by Follow-up. What does a salesperson do in Follow-up.
- c. Explain the last step in the selling process.
- d. What do you mean by ‘Assumption Close.’ Explain with the help of an example.

Part B

Class Activity

The teacher should act as a tough customer not ready to buy and ask the students to come and convince him/her to buy by using the various closing techniques.

Part C

Performance Standards

The performance standards may include but not limited to:

| Performance standards | Yes | No |
|---|-----|----|
| Understanding that closing a sale is very important for a | | |

| | | |
|---|--|--|
| salesperson and also be able to apply the various closing techniques. | | |
|---|--|--|

UNIT IV: CAREERS IN SELLING

X

| | | | | |
|---|--|---|---|---|
| Unit Code: | UNIT TITLE: CAREERS IN SELLING | | | |
| | Duration: | | | |
| Location: | SESSION1: CHALLENGES IN SELLING CAREER | | | |
| Classroom or Company's premises | Learning Outcome | Knowledge Evaluation | Performance Evaluation | Teaching and Training Method |
| | 1. Career opportunities in sales | 1. To introduce about vast range of career positions in sales career path | 1. Evaluate the significance of various career positions in sales | 1.Introduction of different career positions in sales with current examples |
| | 2. Challenges in Selling career | 2. To discuss various job related difficulties coming before a salesman or sales manager | 2. Justify need for understanding these problems to tackle them skillfully | 2. Discussion of problems with the help of situations and find out solutions from students' perspective |
| | SESSION 2: SKILLS IN SELLING AND THEIR TRAINING | | | |
| 1. Pre-requisite skill set for salesmen | 1. Explain the meaning of People skills, Communication skills, Selling skills, Information and technology skills, Self management skills | 1. Distinguish different types of skills essential to convince customers in selling process 2. Justify the need for their training | Interactive Lecture: Introduction of different skill sets of good salesmen in selling process with their significance Activity: Role play enactment | |
| SESSION 3: ROLES AND RESPONSIBILITIES OF SALESMEN | | | | |
| 1. Methodical classification of various roles of sales persons in selling | 1. Different roles played by a salesman like- Revenue generator, Consultant to customers, Image builder, Relationship builder 2. Activities related with above said roles | 1. Explain the significance of each role played by a salesman and discuss skills associated with it | Interactive Lecture: Explain duties associated with each role- Revenue generator, Consultant to customers, Image builder Relationship builder of the sales man with examples. | |
| Responsibilities of sales | 1. Acknowledge different duties and responsibilities | 1. Substantiate the essential obligations and | Interactive Lecture: Clarification on | |

| | | | | |
|---------------------------------------|------------------------|---|---|--|
| | persons in selling | of salespersons in selling | commitments in the role of good salesman | importance of timely meeting the responsibilities and duties by salesmen and in proper order Activity: Enlist obligations and commitments of salespersons |
| SESSION 4: AFTER SALE SERVICES | | | | |
| | 1. After sale services | 1. Meaning of After sale services 2. Techniques of After sale services 3. Significance of After sale services | 1. To explain the concept of After sale services, its various methods and the importance of After sale services | 1. By lecture method the students are updated about meaning of 'After sale services' techniques of After sale services and significance of After sale services |

(Note: The location would depend upon the topic under discussion, wherein it will be the classroom for the theoretical interactions and the student will be required to visit field/retail outlet or the marketing department of an organization to observe and comprehend the concepts related to salesmanship.)

SESSION1: CHALLENGES IN SELLING CAREER



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Learning Objectives

After reading this unit, the students will be able to:

1. know vast range of career positions in sales career and their significance
2. understand various challenges in selling career
3. recognize different types of skills essential to convince customers
4. justify the need for the training for these skills
5. comprehend various roles of sales persons in selling
6. acknowledge different duties and responsibilities of salespersons
7. find out various methods of After sale service and their importance

1

INTRODUCTION:

The vastness and complexity of industry and commerce has made buying and selling a complicated matter today. The services of salesman are indispensable in marketing, as he facilitates the sale of product or service to a household customer, a manufacturing firm, an intermediary like a distributor or retailer, or to some organization. In fact, selling proposes more career opportunities and vast range of career positions than any other area of marketing. It is a very interesting activity which gives salesmen freedom, an opportunity to interact with different types of people as well as handsome financial

rewards. It is considered to be one of the fastest routes to reach to the top of an organization. A person starting as a salesman can be promoted to Field Sales Manager, Area Sales Manager, Zonal or Regional Sales Manager post. He may scale up to the highest level in selling career, as Vice President-Sales or National Sales Manager, making long term planning for his organization, co-ordinating all functional areas of the organization and controlling their performance to achieve short term as well as long term goals.

This career path with many advancement opportunities is very exciting; but is full of many obstacles and challenges also. A salesman or sales manager representing the firm, producer or retailer faces following job related difficulties in the journey of selling career.

- 1. Competition with low-priced competitors-** Market is full of competitors manufacturing relatively cheaper substitute products and thus the sales person faces a difficult situation to achieve his sales targets. He has to create awareness and liking for his firm's product amongst prospective buyers. How to educate customers to differentiate quality of his product from that of other competitors; how to improve advertising message of the product to deliver more value to the customers; how to convince prospects to make a deal in quality by emphasizing value over price; and how to provide value for money to the customers are the real challenges before him.

Challenge #3: Pricing and Packaging



- 2. To find out more qualified leads** - Another big issue before a sales man is how to identify qualified leads and what new lead sources he can hit into? He has to explore names of prospects through sales records, referrals from a satisfied customer, list of responses to advertisements, cold calling as well as through online lead sources etc. He has to work

extensively to gather information about the specific product needs of the prospect, his present business, manufactured products and the brands he is using currently. The salesman has to know about the location of customer's house or plant, his financial position and credit worthiness etc. This helps him in an easy approach to the prospect and successful presentation, ultimately converting him into a 'buyer'. The salesman also has to find out and decide what method of approaching a customer will be effective and convincing in business.

- 3. Need to win more business proposals-** In these competitive times sales personnel have to chase their daily targets, weekly targets, monthly and annual targets to retain their jobs, as well as to scale up in their career path. They have to achieve a bigger market share for the company in comparison to other rival firms. For this they need to get more and more buyers and sales orders. What is customers' buying behavior and psychology; what technology will shorten the selling process; and what practice can improve customer 'win rate' is another difficulty before the sales personnel.



- 4. Handling longer decision taking time** -In spite of showing keen interest in the products sometimes prospects take longer time to make a 'buying decision', which is called the 'lead pipeline'. Since sale does not take place, so expected cash flow towards firm is slowed down. A salesman has to explore the causes for such situations and has to find out creative solutions to accelerate the lead pipeline flow. It is again a real challenge to create more attractive selling proposition to attract prospects, hold their attention and speed up their buying decisions.
- 5. Planning budget cuts-** A Sales manager while making strategies and achieving targets has to make extensive study on different issues. He explores customers' buying behavior and their purchasing power; what are the products and pricing strategies of rival firms etc. He also has to work upon convenient payment offers and introduce fresh ideas to encourage customers. All this research work requires lot of manpower and money, which is another area of concern for sales managers, who is also planning budget cuts.
- 6. To win Customer loyalty-** Selling process is not over after the receipt of order. A good salesperson by demonstrating care about his customers builds a good, long term relationship

with the customers/ key parties. He has to follow up and ensure that everything went well; the product was delivered on time and without any damage during transit; the customer did not face any problems in installation; he is satisfied with warranty and after sale services or not; his complaints have been handled promptly or not etc. This may increase the customer's preferences and chances of repeat order from the same customer. The word of mouth recommendation for the product and the firm, may also support in increasing business. The companies prefer those salesmen who have customer relationship management skills; because getting new customers costs the firms five times more than the cost involved in retaining existing customers. To develop good customer relationship is another big challenge before salesmen.

- 7. Internet Revolution-** Digital revolution and management of information has increased the capabilities of consumers as they can get detailed information about products, compare them with other products available in the market and place on-line orders within minutes. As traditional selling is being replaced with 'Web marketing' today, the salesmen need to acquire a new set of capabilities and the basic knowledge of Web marketing to undertake this transition. They must know about designing attractive websites and communicating information about the company, its products and services through social media sources to meet the needs of different types of customers. A web marketer can promote the website content in a variety of formats like Email newsletters, Website content, Blog postings or Webinars. Salespeople today are required to have working knowledge of technology to have two way communications with prospects and customers to meet their needs. The knowledge and use of technology has become almost mandatory for salespeople to facilitate expert discussions and understand the targeted markets in great depth.
- 8. To bring the customer's voice back into the company-** For setting the stage for future long-term business, salespeople have to provide customer's feedback to the company. It definitely helps in aligning customer priorities with product development and marketing. Marketers can customize their products and services according to the needs of individual customers and markets as well.
- 9. Training for sales force-** To streamline the sales process a sales manager has to create better system and simplified processes to hit sales targets. It requires proper planning along with a good team of salesmen and support staff. In case of shortage of staff members sales goals can not be achieved so sales manager has to put in more time and investment in training and coaching of the sales force.
- 10. Ethical issues-** Ethics are the set of rules and standards that govern the conduct of a person or a member of a profession. It is a belief system which consists of knowing what is right and what is not. In sales it is very essential as it lends integrity to a salesperson's behavior and maintains company's reputation.
Selling is a profession that has been widely criticized for the unethical dimensions associated with it. Sometimes salespersons, in the process of achieving targets, indulge into unethical

Knowledge Assessment – I

A. State whether the following statements are true or false:

1. Selling proposes more career opportunities than any other area of marketing.
2. A salesman convinces prospects to make an investment in quality by emphasizing value over price.
3. It is smart business tactic of a sales man to commit wrong delivery schedules to a customer needing urgent delivery.
4. A good salesperson by demonstrating care about his customers builds a good, long term relationship with the customers
5. Today traditional selling is being replaced with 'Web marketing'
6. First line sales manager are the top performing salesperson having team player abilities
7. Zonal or Regional Sales Manager post is the highest post in sales and markets as well.
9. To achieve a bigger market share for the company in comparison to other rival firms, firms should increase supply.
10. Sales personnel have to chase their daily targets, weekly targets, monthly and annual targets to retain their jobs and to scale up in their career path.

Answers: (1) True (2) True (3) False (4) True (5) True (6) True (7) False (8) True (9) False (10) True

Skills in Selling and their training-

Salesmen sell a company's products and services to the customers including individuals, businesses and government organizations. While approaching potential customers with the aim of winning new business; salesmen must have certain skills; and if they lack those skills there arises a need for sales training programme. A sales training programme teaches salesmen how to sell company's products and it must be imparted to a salesperson before sending in the field. It should also focus on increasing the motivation and morale of sales person. A salesman requires following skills to be successful in his job-

1. **People skills-**Traditional selling techniques are changing fast now a days. Personal grooming and etiquette are the prerequisite for good salesmanship. Since first impression is very important, a sales person should have a pleasing personality. He should be good at hard skills, i.e. talking and presentation, as well as soft skills of listening with concern. By listening patiently to the customer requirements he may present the product or service favourably in a professional way. This is useful in giving satisfactory answers to the objections and questions of the prospects and making them buy that product.
2. **Communication skills-** The key to building relationship is being responsive to customer's needs. To do that the salesperson needs to be a good communicator. He should have abilities to communicate and convince the prospects. He should be skillful enough to ask questions that uncover problems and needs of the prospects and then should make response to persuade them into buying.
3. **Company information-** In selling goods and services the salesman requires knowledge about the company, its products and services to be able to discuss confidently with his present and prospective buyers.
 - (a) He should be familiar with various product assortments, the number of variants in each product line, their physical characteristics and sizes, particular features, advantages and benefits.
 - (b) He should know the operations and applications of the products along with the level of quality control to convince his buyers how his company's product quality and service is better in comparison to his competitors.
 - (c) Knowledge of pricing policy, cash discounts and credit policies, to negotiate and close the transaction.
 - (d) Knowledge of exchange policy, transportation charges or free shipping facility.
 - (e) Knowledge about the provisions for customer service. It can be pre-sales service, during-sales or post-sales service, depending on the type of product or service offered. He should also be very clear about the warranty or guarantee policy decided by the company.
4. **Market information-** Knowledge about both urban and rural markets is very essential for a successful salesman. He should explore different market segments, existing and prospective buyers, their needs and preferences, their purchasing power as well as their buying behavior while prospecting them for sales.
5. **Information and technology skills-** The Internet has created a selling revolution by putting total purchasing and decision making authority in the hands of prospective buyers. If one company's website does not have what prospects want, another company's website may meet the needs of modern tech savvy customers. Today's sales force is no

longer required to find prospects for products and services rather prospects search sellers online. Since website has become the first presentation it is essential that salespeople today must be fully integrated into web marketing. Good salespeople must know how to identify and connect with prospects from the Internet leads. To beat the competitors' modern salesmen should learn the basics of Web marketing.

6. **Self management skills-** A salesman has to take up so many tasks like gathering market information and customer information; feeding future buying trends back to company, preparing reports, attending team meetings; representing company at trade exhibitions, events and demonstrations etc. He also has to follow general selling practices like taking up number of sales calls per day; handling payments made by customers etc. He requires self management skills to perform his tasks efficiently and to develop confidence.

Knowledge Assessment – II

A. State whether the following statements are true or false:

1. The Internet has created a selling revolution by putting total purchasing and decision making authority in the hands of prospective buyers.
2. A salesman requires no specific skills for winning new business.
3. A salesman has to be skillful enough to ask questions that uncover need and then should make response to persuade prospects into buying.
4. Personal grooming and etiquettes are the prerequisite for good salesmanship
5. Knowledge about the provisions for customer service is related to pre-sales service only depending on the type of product or service offered.
6. Knowledge about the prices, discounts and credit policies is very essential to negotiate and close the transaction
7. A salesman needs hard skills of talking and presentation along with soft skills of listening with concern also.
8. The salesman should be able to explain the volume of trade on which cash discounts are offered to customers as buying incentives.
9. Now a days website of a company has become the first presentation and is crucial for distracting a prospect towards a sale

Answers: (1) True (2) False (3) True (4) True (5) False (6) True (7) True (8) True (9) False

Role of Sales person-

It is generally debated whether a good salesman can make a good sales manager or whether a sales manager should sell. The traditional thought emphasized that field sales manager should basically be a high class salesman. However modern thinking views that selling and managing are two different types of jobs and the more a person becomes a salesman the less he is a good manager. In reality we find that in small organizations even the branch manager is basically a salesman. As the size of the organization grows and more specialization is introduced, the distinction between actual selling job and the managing job gets clearer. Whereas many sales managers are involved in both selling and managing activities; so the question again arises how much of selling activity should be done by the sales manager. It all depends on the type of organization, the type of product and other considerations to determine the roles and responsibilities of sales personnel. In general he is expected to perform as-

1. **Revenue generator for the firm-**Sales people occupy the unique role of revenue producer in their firm and try to increase sales volume to contribute company's profitability. The financial results of an organization depend on the performance of its sales management. Just like management, sales persons also have the pressure of "meeting and beating targets" set for their company. They are constantly reminded of their responsibility to improve profitability by increasing sales and revenue.

2. **Consultant to customer-** Salesperson is in fact a link between the firm and the buyers. His objective is not to fool the customers but to gain their confidence, convince them about the product or service and its superiority over competitors. A salesman serves the employer and his customers as well, so takes care of interests of both the parties by his objection handling and problem solving skills. He listens to the customer, identifies his need, offers alternative solutions, evaluates alternative solutions and continues selling until the buyer takes purchase decision. Buyers also value the information furnished by salesmen who help them in consultative manner.

3. **Image builder-**Salesman has the crucial role of building the image or status or good will of company. It is done by building the company's product image, service image, managerial philosophy, management objectives and policies. He is to establish that how his company is different from others and why it is worth appreciating as the best of all others in the market. He is to sell company's idea, vision, goals, objectives, policies, strategies that go in keeping prospects satisfied and delighted so that they demonstrate others that it is worth to do business with this organization than others. The greatest thing in business is credibility, status and the image of sales organization.

4. **Relationship builder-** The role of salesmen in building successful buyer- seller relationship and maintaining it, is very crucial. Each time a transaction takes place between a buyer and seller, the buyer and seller develop a relationship. Some relationship may be short term transactions taking place only for once, which are called 'market exchange', e.g. purchase of durable furniture or a musical instrument. But other business relationship may involve many transactions and may last for many years, as in case of purchases by business houses or Government organizations. These are called 'functional relationship'. Open and honest communication builds trust between a buyer and seller to

enter in transaction for mutual gain. Thus salesmen help in developing long term business relationships for the benefits of both the parties.

Responsibilities of Sales person-

Following are the main responsibilities of sales personnel-

1. To call on customers:

The foremost duty of every salesman, in general, is to call on existing customers or a new customer. Calling on customer is keeping regular touch with existing customers which is also called as 'keeping accounts alive'. It also means opening 'new accounts' or creating new customers in sales territory. It is the responsibility of a salesman to learn the art of converting a prospect into a customer. These calls are made either at the office of the customer or house of a customer or any other suitable place agreed by them. This helps in increasing customer base, sales and profitability of the company.

2. To maintain and extend sales territory:

A sales territory is a geographical area consisting of number of prospects and customers. A salesman has to work in sales territory where he keeps the existing customers and creates new customers by his skill of persuasion. He is responsible for converting suspects to prospects by clearing all fears and doubts and then converting that prospect into a customer in his territory. A territory may be a city area, district area, or a division area or even a state. As a representative of manufacturing company, or wholesaler or retailer he moves from city to district, district to division or state, to extend his sales territory.

3. To increase sales:

A company generally does not deal in a single product, but has a product line and product range. It is the duty of the salesman to bring those products to the notice of customers, retailers and wholesalers. This results in overall improvement of sales and profits of the company.

4. To build company image:

The greatest thing in business is credibility, status and the image of an organization. A salesman has a crucial role of building the good will of his company. By promoting company's products/services, vision, goals, objectives and policies, he keeps customers informed, satisfied and delighted. He also establishes how his company is different from others and the best of all others in the line.

5. To create product knowledge:

The world of competition and technology brings new ideas, new products, new processes, new services at much cheaper cost every day. The information of these products and services is not reaching to the people who are not connected by information communication network. They do not know about new products, services and their uses. It is the sales force which can bring these products and services into the knowledge of people. In each call they make, they must present these products and services and speak of their superiority, benefits and convenience to create awareness.

6. To guide dealers:

Dealers are the people, who help in successful distribution of goods and services of a firm. Whereas sales people are working for manufacturers, wholesaler and retailers, the dealers also play a big role in selling. Salesmen can help distributors in promotional activities of advertisement and publicity of company's product. They may guide to position the products and services in exhibitions or in window display and counter display in the showrooms of dealers.

7. To provide feedback to the producers:

Sales people collect detailed frank and factual information from buyers about the needs and expectations of a product. They also explore whether buyers expect any innovation in existing products and services from the producers. Salesmen are in fact the spokesmen of 'consumer- the king'. The manufacturers produce products according to market requirements and decide about quality standards, price range and quantity needed. So salesmen are expected to bring the customer's voice back into the company to help with product development and marketing.

8. To train new salesmen:

Every year so many young people join sales line to make their career in various positions. At the same time, the aged and willing sales people who made their career retire. As salesmen in the field of selling, they have a big role in teaching the tricks of the trade and act as role model. It is their responsibility to train and prepare new sales force for the organization.

9. To collect payments tactfully:

Collection of dues is the most difficult job in sales. A Salesman cannot compel the person to pay but he has to develop the ability to drive the customer to pay. He should be skillful enough in collecting dues presently, yet retaining the customer for future. It is because, if he loses one customer by enforcing his right to collect, there is danger of losing other good customers, as a disturbed customer

can spoil the name of salesman and the selling house. Timely collection of payments for his transactions is also a responsibility of a good salesman.

10. To report and participate in Sales Meetings:

Meeting provides a forum for exchange of ideas, techniques, methods, tricks that enhance the company sales as well as his knowledge about various dimensions of his sales career. Salesman is a bridge between the outside world and the organization. He must make timely reporting and participate actively in the sales-meetings. This keeps him updated, increases his confidence and helps in developing his capacity to organize the line of activities in sales field.

11. Integrity of character: It is the prime responsibility of a salesman to possess the qualities of honesty and integrity. He must gain the confidence of the customer and should be loyal to the employer as well.

Knowledge Assessment – III

A. State whether the following statements are true or false:

1. Selling and managing are two different types of jobs as the more a person becomes a salesman the less he is a good manager.
2. Sales people are the revenue producer in their firm and try to increase sales volume to contribute company's profitability
3. 'Keeping accounts alive' means contacting customers personally by a salesman.
4. A Salesman cannot compel the person to pay but he has to develop the ability to impel the customer to pay.
5. The manufacturers produce products according to their own sweet will and liking.

Answers: 1. True, 2. True, 3. False, 4. True, 5. False

Knowledge Assessment – IV

B. Multiple Choice Questions-

1. A sales territory is a -----area consisting of number of prospects and customers
(A) geographical
(B) political
(C) economic
2. A -----keeps salesman updated, increases his confidence and helps in developing his capacity to organize his line of activities in sales field.
(A) presentation
(B) meeting
(C) discussion
3. Salesmen can help distributors in point of purchase promotion like-----in showrooms.and
(A) window display
(B) counter display
(C) both
4. Business relationship that involve many transactions between buyers /sellers and last for many years are called -----
(A) functional relationship
(B) transactional relationships
(C) None of these

Answers: (1) A, (2) B,(3) c,(4) A

After sale services-

After sales service refers to various processes which make sure that customers are satisfied with the products and services of the organization. It means that sold products and services meet or surpass the expectations of the customers. Selling process is not over after the receipt of order. In fact, customers are an asset of every business and a good salesperson must try his level best to satisfy his customers by his services, at the time of sale or even after the sale. By demonstrating 'care about his customers', salesman builds a good relationship with the customers which can bring them back to his organization again. Under after sale service the organization plans a follow up call or a visit by salesman, to ensure that everything went well. It is to check if the product is received on time and without any damage during transit? If such is the case, the salesman should arrange for replacement. The salesman helps customers with instructions and warranty information. Any problem or complaint should be handled promptly to leave customer satisfied.

After Sales Service Techniques-

To keep customer happy, generally the following after sales service techniques are adopted by the organizations-

1. **Regular Contact-** Sales Professionals stay in touch with the customers even after the deal. They call them once in a while to exchange pleasantries.
2. **Support Services-** They give them the necessary support to 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 net without any difficulty. Similarly organizations selling mobile sim cards must ensure the number is activated immediately once the customer submits his necessary documents.
3. **Grievance handling-** They listen to customers' grievances and make them feel comfortable.
 - a. Any product found broken or in a damaged condition is exchanged immediately by the sales professional.
 - b. A modern organization creates a toll free number where the customers can call and discuss their queries or create a section in organization's website where the customers can register their complaints.

- c. Salesmen take feedback of the products and services from the customers. Feedback helps the organization to know the customers better and incorporate the necessary changes for better customer satisfaction.
- d. Salesmen ask the customers to sign Annual Maintenance Contract (AMC) with their organization. AMC is an agreement signed between the organization and the customer where the organization promises to provide after sales services for certain duration at nominal costs.

Why to provide After Sales Service?

After sales service is an essential part of company's sales strategy to satisfy customers with the products and services offered by the organization. It is considered as a part of customer relationship management which helps in creating customer loyalty and retaining them in future. The loyal customers start believing in the brand and get associated with the organization for a longer duration. A satisfied and happy customer may make repeat order. He speaks good about the organization and its products, which brings more individuals and eventually more revenues for the organization. So after sales service plays a pivotal role in strengthening the bond between the organization and customers.

which brings more individuals and eventually more revenues for the organization. After sales service plays a pivotal role in strengthening the bond between the organization and customers as it is easier to retain a loyal customer than to find a new one.

Knowledge Assessment – V

Write answers to Short Questions in five-six sentences-

1. Enlist the range of positions a salesman can achieve in his career.
2. Discuss the responsibilities of Regional Sales Manager.
3. How does a salesman manage to compete with his competitors in the market?
4. Which are different ways to find out prospective buyers in selling?
5. What is meant by 'lead pipeline'?
6. What is the need to provide customer's feedback to the company by a salesman?
7. Discuss various ethical issues involved in selling.
8. How is a salesman thought to be revenue generator for the firm?
9. How are salesmen helpful in building successful buyer- seller relationship and maintaining it?
10. What do you understand by after sales service?
11. Why are good communication skills necessary for a salesman?
12. What is meant by Annual Maintenance Contract?
13. Why do firms offer after sale services to their customers?

Knowledge Assessment – VI

Write answers to Long Questions in ten-twelve sentences-

1. What is the role of a General Manager Sales or National Sales Manager of a company?
2. Discuss various job related difficulties faced by a salesman.
3. Discuss the practices a salesman adopts to win customer loyalty for the company and its products?
4. What is meant by 'web marketing'? What is its significance in sales?
5. Discuss major responsibilities of a good sales man.
6. "Salesman has the crucial role of building the image or good will of the company". Explain.
7. 'Collection of dues is the most difficult job in sales', Do you agree the statement?
8. Discuss various after sales service techniques adopted by the organizations to make their customers happy.
9. After sales services are helpful in creating customer satisfaction and customer loyalty. Explain how?
10. How does a salesman play the role of revenue generator, consultant to customers, image builder and relationship builder for a company?

UNIT NO: V: Soft Skills in selling.

Unit Code: Unit Title: Soft skills in selling and marketing.

| | | | | |
|---------------------------------------|---|--|--|--|
| Location Class Room | | | | |
| <u>SESSION – I SOFT SKILLS</u> | | | | |
| | Learning outcome | Knowledge Evaluations | Performance Evaluation | Teaching and Training method |
| | Soft Skills | | | |
| | (1) Describe Soft and hard skills. | Explain the need of (1) hard skills and soft skills (2) Importance of soft skills in selling/ marketing. | (1) Distinguish between soft skills and hard skills. (2) List three soft skills. | Interactive Lecture. Soft skills Hard skills. Activity: Student is asked to list soft skills. |
| <u>SESSION – II</u> | | | | |
| | Communication Skills | | | |
| | (2) Explain the meaning of Communication skill. | (1) Importance of communication skill in selling and marketing. (2) State the role of oral and written communication. (3) Explain the need to take feedback receiver's response. | (1) Steps to create favorable image. (2) Evaluate effective communication in selling. (3) Justify need in your career success. (4) Explain Need to pay attention to details while putting agreement in writing. | (1) Interactive Lecture on communication skills. (2) Power point presentation. |
| <u>SESSION – III</u> | | | | |

| | | | | |
|---|--|--|--|--|
| | Negotiation Skills | | | |
| Explain the meaning of Negotiation skills. | <p>(1) How communication skills will impact in a business negotiation?</p> <p>(2) Explain why verbal communication is effective in negotiations?</p> <p>(3) How negotiations settle conflicts.</p> | <p>(1) How will emotional control help during negotiations?</p> <p>(2) Justify discussions useful to gather more information.</p> <p>(3) Why an actual negotiations be patience listener?</p> | <p>Interactive Lecturer on negotiations skills.</p> <p>Arrange negotiating meeting between two groups of students.</p> <p>Observer the discussions of negotiating meeting.</p> | |
| <u>SESSION – IV</u> | | | | |
| Grooming and Personal Etiquette | Knowledge Evolution | Performance Evolution | Teaching and training method | |
| State the meaning of personal grooming and etiquettes. | | | | |
| | <p>(1) Why Etiquette is required in business dealing.</p> <p>(2) Familiarize students with dress and grooming in a formal sales meeting.</p> <p>(3) Need for appropriate dress.</p> <p>(4) Introduce students with Etiquette in a formal set up. How to receive a customer in your office?</p> <p>(5) Business</p> | <p>(1) It is necessary to groom our self according to the need of the hour. State appropriate dress for a lady sales person.</p> <p>(2) Would you recommend clothes with large floral prints?</p> <p>(3) Understand e-mail etiquettes telephone manners and overall conduct at the work place.</p> | <p>- Interactive Lecturer on grooming and personal etiquettes.</p> <p>- Introduce activity. Ask students on personal grooming and personal hygiene – demonstration.</p> <p>- Power point presentation.</p> | |

| | | | | |
|--|--|---|--|--|
| | | <p>meetings are not confined to closed door.</p> <p>(6) Type of dress one wears in outdoor business meeting.</p> <p>(7) Etiquette to be maintained if there is a telephone call on your mobile.</p> | <p>(4) Do you invite customer to sit or take seat or say nothing. Its impact on your business meeting?</p> | |
|--|--|---|--|--|

SESSION – V

| | Ethical Behavior | | | |
|--|--|--|--|---|
| | <p>(1) Describe the meaning of ethical behavior.</p> <p>(2) State principles and rules of conduct applied in business.</p> <p>(3) Is it a part of social responsibility of business?</p> | <p>(1) Classify unfair business dealing.</p> <p>(2) Importance of code of conduct and ethics used in business dealing.</p> | <p>Identify unethical activities</p> <p>Analyses ethical behavior to justify importance.</p> <p>Differential between moral values and moral education distinguish between ethics and values.</p> | <p>Interactive Lecturer and discussions.</p> <p>Power point presentation.</p> <p>List the code of conduct developed by certain trade association.</p> |

SESSION –VI

| | | | | |
|----------------------------|---|--|--|---|
| | Influencing Skill. | | | |
| | Describe the meaning of influencing skill. | <ul style="list-style-type: none"> - Explains the relationship between negotiation and persuasion skills. - Distinguish between persuasive skill and influencing skills. | <p>Understand the doctrine of consistence in completing the task.</p> <p>Analysis business objectives to solve business problem.</p> | <p>Interactive Lecturer and discussions.</p> <p>Power point presentation.</p> |
| <u>SESSION -VII</u> | | | | |
| | Emotional Quotient | | | |
| | -Describe the meaning of Emotional Quotient | - State the impact of emotional quotient in or emotional intelligence on your action in business dealing. | - Evaluate your self-awareness soft skill. | <p>Interactive Lectures and discussions.</p> <p>Power point presentation.</p> |

UNIT – V

SOFT SKILLS IN MARKTING AND SELLING

LEARNING OBJECTIVES

After reading this unit the learner would be able to:

- (1) Describe soft and hard skills
- (2) Distinguish between soft and hard skills
- (3) Understand the need of communication skills
- (4) Know the significance of negotiable skill.
- (5) Explain the significance of influencing skill in selling.
- (6) Familiarize students with dress and grooming in a formal business meeting.
- (7) Explain the importance and use of courtesy
- (8) Familiarize manners to be observed in Lunch/Dinners business meetings.
- (9) Appreciate the need and significance of ethical behavior in business dealing.
- (10) Appreciate self management and EQ and job satisfaction.

UNIT – 5 SOFT SKILLS IN MARKETING AND SELLING

Introduction

In today's competitive environment the success or failure of most of the business depends on the efficiency with which marketing operations are handled. In this unit we shall discuss about two skills every company or firm looks for while recruiting or hiring sales personnel. These are known as: **Hard Skills** and **Soft Skills**.

Hard Skills: Specific teachable abilities that can be defined and measured or abilities acquired through learning and practice and are task specific. For example, hard skills include job skills like typing, writing, maths, reading, and accounting, the ability to use software programs, management and leadership skills. These skills can be learned in schools, books, in training centers and engaging tutor. These days' computer knowledge and skills are becoming an essential qualification in to-day's business world. This one can learn while studying in school to enhance computer skills or from any computer training centre. In short, hard skills are tangible and can be measured. For any career choice requires you to know at least some hard skills.



Soft skills: These refer to personal qualities, attitudes, attributes and EQ (Emotional Intelligence Quotients). In those organizations where a sales person has to deal with customers face to face, the personal traits such as language, presentation skill, communication skill, negotiations skills, interpersonal skills and handling objections of prospective customers are essential as these can help in promoting the business. The soft skills are, therefore, important for getting into a sales and marketing jobs. These days' soft skills are increasingly sought out by the employees in addition to standard qualifications. Soft skills are *less tangible* and *harder to quantify*.

To be good at hard skills take IQ (known as your left brain- the logical centre) whereas to be good at soft skills usually takes emotional intelligence EQ (known as your right brain – the emotional centre).



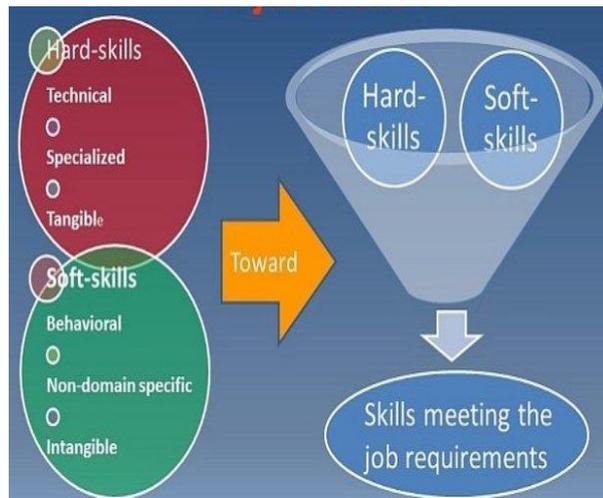
Distinguish between Hard and Soft Skills

HARD SKILLS

- Rules based
- Technological/ Scientific
- Learned in school/training
- **Examples:**
- Maths, Physics, Accounting finance, biology.
- Tangible
- Typing skills can be quantified

SOFT SKILLS

- Experience based.
- People related
- Learned on the job.
- **Examples:**
- Self management, self confidence, stress management, communication and negotiating skills and Interpersonal skills..
- Non-tangible
- Difficult to quantify.



Both sets of skills are important whether you are seeking a new job or promotion as the employer will evaluate you during the interview to determine your suitability. No matter whatever your age, you should always be willing to learn new skills as job descriptions are constantly changing and evolving so justify that you can do too. There is a long list of soft and hard skills. You can select any one of these skills and put them into practice and you will find that you have become a more effective employee as these traits will show on your job.

Assessment:

- (1) Briefly explain the meaning of soft and hard skills.
- (2) Distinguish between hard and soft skills.
- (3) In business dealings soft skills are more important than hard skills. Do you agree? Give answer in two lines.
- (4) Why hard skills are called tangible and soft skills as intangible. Give example of two each.
- (5) Why these two skills are required in marketing and selling. Answer in three lines.

Few important soft skills which are paramount in selling and marketing are mentioned below:

- (1) **Communication skills:** In marketing communication skills has an important role to play. It is through this mode of marketing the firm is able to inform the target customers regarding the nature and type of the product or service, its features, uses, price, benefits and the places at which they would be available in the market. In simple words, communication is sharing information between two

parties. It is effective and complete only when the receiver (a prospective customer/existing customer) understands it in the same sense what the sender (salesman) wished to communicate.

Need and objective:With growing competitors in the market place as well as buyers/customers becoming better informed and more selective or choosing, it has become necessary now that communication of the right kind is made to the right target groups/buyer's market.

The selling or marketing jobs requires that a salesmen should use his communication skills effectively to inform the buyers/customers about the nature and unique benefits of the product/ service which are offered by his/her firm vis-à-vis its competitors. The aim of communication is to influence the customer/consumer behaviors in favour of firm's products/services. For example, in capturing the market of food products such as, Maggie, 2 minutes noodles and Unit Linked Insurance Policies of LIC and other Insurance Companies, Various Mutual Funds Schemes of Banks and investment companies such as Unit Trust of India, Tata Mutual Funds etc. and Group Travelling Schemes for India and for Foreign Tours organized by Tours and Travels Agenciesto mention a few where the communication has to play a pivotal role in influencing target customers and in the promotion of products/services. It is persuasive in nature and a promotion tool which is used by the marketers.

OBJECTIVES

- (a) **Favorable Images:**The objective of communication is to create a favorable image for itself and alsoto motivate the prospective customers to buy firms' products and services.
- (b) **Createsdemand:** A firm always aims to inform the largest market about the firm's products and services especially in early stages of life cycle of a product or service to create their demand.
- (c) **Objective to remind:** It is necessary to keep the product brand name in public's mind and to refresh the memory of target customers – Coca Cola, Pepsi-cola,Cadbury Chocolates, and various LIC Schemes and Mutual Funds Plans etc.
- (d) **Maintains relationship:**With the increase of the competition in the market and need to give customers more importance, sales executives always feel the need of maintaining healthy customer relationship.

(e) **Privileged status:** The consumer being a human being needs to be cared personally by the firm or company. Researches on consumer's behavior show the tendency of the customers too strict to the firm or company which treats them individually. For example, *privileged banking* offered by ICICI bank or Godrej Company after *sales service* to customers. Levis Jeans Company is now able to produce customized Jeans based on individual's measurement.

(f) **Helps in Developing New Market:**

Constant communication with customers/patrons or prospective customers creates a building up effect. For example, a good Travel and Tourism Company by keeping good relationship with customers have found a place in the minds of the people to visit new places both in India and on foreign trips/tours from the same travel agency.

How communication works: The sharing of information between two parties could be oral or in writing, personal or public, using words, figures, symbols, or a communication thereof. Proper communication skills are required for a sales person to use variety of communication media, both written and oral.

Elements in a typical communication:

There are four elements in a typical communication.

- (1) **Source:** The source of communication contributes to the effectiveness of the message.
- (2) **Target:** The communication will be effective if the target of communication is also effective.
- (3) **Message:** The message of communication is of three types – *for information only, for inspiring* or a request for *a quick action*.
- (4) **Media:** The media can either be verbal or non-verbal. A verbal media can be written or oral form or face to face. Letters, e-mails, telephones, mobiles etc. are normally used for the distance media.

The purpose of communications is putting across your message in a simple and short form, which your prospective customers are able to understand and retain. It may be in the form of an advertisement copy or in words or pictures or as a sales story. It is for the firm to decide or choose the medium of communication i.e. whether it would be like written or oral communication.

It should always be remembered that for any form of communication to move forward, it is necessary to take **feedback**. Feedback is the receiver's response to the sender's message. It is possible only if salesperson has necessary communication skills along with sufficient product/service knowledge. As the exchange of information can be helpful in improving the communication process between the parties to the transactions.

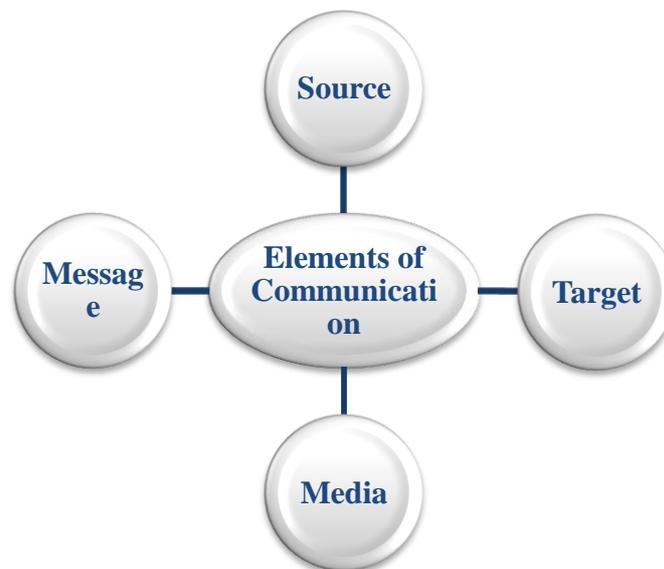


Fig- The Elements of Communication

Assessment

- (1) Communication is to listen more than talk. Do you agree? Answer in one line.
- (2) Facial expression, symbols, body language are examples of what type of communication.
 - Verbal Communication.

- Non-Verbal Communication.
 - Technology Communication
 - Virtual Communication.
- (3) Why is eye contact an important factor in communicating?
- Eye contact creates and individual communicating.
 - Eye contact confirms to the speaker that you are actively listening.
 - Eye contact keeps you focused on the topic of deal.
- (4) State various elements in a typical communication.
- (5) Why feedback is necessary in communication. State two points.
- (6) When communication between two parties is complete.
- (7) State four objectives of communication.
- (8) What is the need for constant communication?
- (2) **Negotiating Skills:** Negotiation is about bargaining to reach a mutually agreeable outcome. In negotiations there are at least two parties or more. It involves movement from both the parties that is from seller to a prospective customers or vice-versa. Both parties to negotiations endeavor should be a win-win out come from both the sides. Thus in negotiations we must somewhere to “move from” and “somewhere” to “move to”.The idea is to arrive some settlement that is acceptable to both the parties.



What is negotiation: Negotiation is a process for resolving conflict between two or more parties where both or all make adjustments to their demands to achieve a mutually acceptable solution and ultimately the deal has to take place. In short a successful negotiation requires the two parties or group to come together and hammer out an agreement that is acceptable for both. In case there are no conflicts between the parties there is no need to negotiations.

Effective Negotiations Skills:

A sales person in order to finalize or settle a deal or reach an agreement that is acceptable to both parties must have effective negotiations skills. We list few negotiation skills which help in business negotiation situations.

(1) **Preparing for a meeting:** Before entering a bargaining meeting, a skilled negotiator should prepare for discussion in the meeting. One should collect information regarding buyer's objectives, attitudes, personality, financial position, expectations, likes and dislikes and priorities. In addition, negotiators should also study the past history of relationship between the two parties to find out the outcome of past negotiations, area of agreement and common goals. With all these information available, it is easy for a negotiator to design a road map or frame work program to proceed further to achieving objectives. Effective negotiator must have the skills to analyze the area of problems to determine the interest of each party in the negotiations, unnecessary delay in problem analysis, identify the issues, the interest of parties, determining good areas of discussions and alternatives to goals will adversely affect the negotiations.

(2) **Discussion:** A brief discussion among the parties provides an opportunity to understand other party's behavior, intentions and objectives. During discussions one can gather more useful information about the views and ideas of opponents. One should be a patience listener to be followed

by positive talking behavior. When discussions are in progress, one can send signals or messages to other parties involved in negotiations to move towards mutually acceptable portion.

(3) **Active listening:** Negotiators have the skills to listen actively to the other party during discussion. It helps to find out the areas for compromise to strike a deal. Unnecessary discussion or opinion or demands cannot be negotiated for a long time. At this stage one party has to decide whether one wants to move out of the discussion or continues with the negotiations.

(4) **Proposing:** At this point of discussion the seller/buyer should send a proposal for final negotiations. When one party initiates a proposal the other party should treat the proposal with respect, seek clarification if required etc. The important rule of bargaining is to put all your terms and conditions as true statements and not as questions. For example, “if the salesmen inform the rate of discount on T.V. or A.C. only available for five days or to say the manager confirms the hotel reservation in two days. I shall process the order”. In bargaining the party should firm up your proposal and become more positive and ready to a final agreement to sell.

(5) **Emotional Control:** It is important that good salesmen have ability to keep their emotions in check during negotiations. At times you can be frustrating but you have to control your emotions during the meeting to avoid unfavorable results. Efforts should be to reach a compromise formula instead of breaking down the communication between the parties.

(6) **Problem solving:** Individuals with negotiations skills have the ability to seek a variety of solutions to problems. One should use negotiating skills in solving the problems i.e. agree to a compromise quickly to end a stalemate and close the deal.

In addition to the above negotiating skills there are also essential skills such as (1) decisions making ability (2) interpersonal skills, and skill of time management etc.

It is, therefore, necessary that a good salesman must possess good negotiable skills to strike a deal.

Assessment

- (1) Persuasion is an essential element of effective negotiation because it helps in:
 - Achieving one’s own interest.
 - Settle issue between two parties.
 - Resolving disputes among people.

- Effective agreements and solutions in the interest of all involved in Business deal.
- (2) The final aim of negotiation is to:
- Reach an agreement.
 - Win at all costs.
 - Implement agreement between two parties.
 - End a business dispute.
- (3) The purpose of negotiation is to focus attention on the need to reach a satisfactory solution by:
- Making proposals
 - Force
 - Settling conclusion.
 - Joint problem solving.
- (4) Negotiation means that both parties to deal accept the agreement between them is:
- Final and binding.
 - Necessary
 - Subject to further dispute
 - Conditional
- (5) Bargaining is the most intense phase of negotiation. Do you agree? Answer in one line.
- (6) Why preparation prior to meeting is an important part of negotiation.
- (7) Do you agree that negotiation is not a debate but a discussion? State your opinion in two lines.
- (3) **Influencing Skill:**

In negotiating skill we have discussed how to reach a mutually satisfactory agreement. Influencing skills encompasses persuading as well as negotiating skills. This skill is equally important in marketing and sales field. Influencing skills will also be tested by the employer in your job interview.

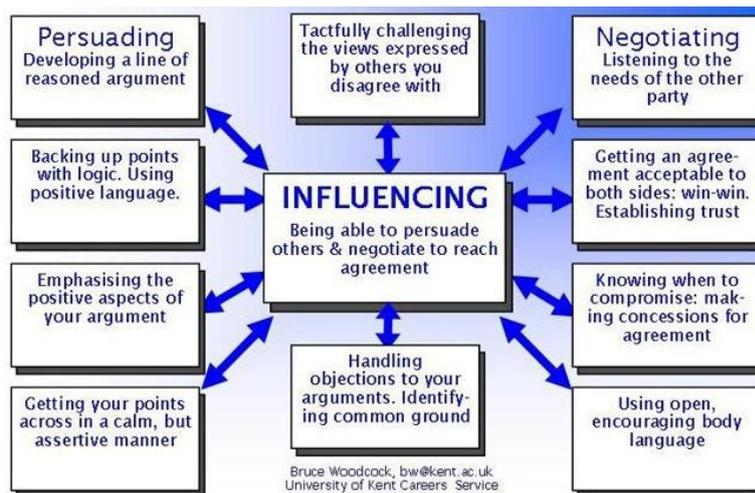
How to work

Influencing skills means pursuing your own interest to the exclusion of others – “**I Win, You Lose**”. You have to influence the other party in such a manner that they do what you want them to do in order to reach a mutually agreeable solution to a deal. It is possible only when a salesman uses a range of approaches and strategies to gain support for his propositions. For example, you can offer concession/ discounts if required or when required to reach an agreement. Put your points across the other party clearly and concisely. Understand the concerns and needs of the party you are dealing with. For example, if a customer is told that an item under the deal is in short supply which will soon run out from the market he is more likely to buy out. Similarly if a customer is told by the seller unless they buy immediately, the price will increase next week. The builders always influence buyers with such tactics. If something is expensive, buyers tend to assume that it must be of high quality in demand: one jewellery shop double the price of its item and were surprised to find that sales increased.

Scarcity of product and services in the market i.e. product or services are more valuable to us when their availability is limited in the market. For example if there is a strike in a wholesale vegetable market. It will adversely affect the prices of the vegetables like such as potatoes or onion or any other vegetable at three or four times more price than these are normally available in the market. Thus, scarcity also determines the values of an item. A skilled sales man can also finalize a deal in such a situation.

Always remember as a sales person you should avoid using two words during negotiations – always and never. It is a part of diplomacy in influencing the other party. Let me give an example, it is often experienced that a buyer has turned down your request to buy an item with 3 years warranty costing Rs.2000/- (found more customers refused) but these customers were happy then to buy the same item with 1 year warranty costing Rs. 500/-. These types of cases we see happening in the market.

In market, business *consistency* and *commitment*, are seen desirable as these are associate with *strength, honesty, stability* and *logic*. A buyer will be influenced with such qualities of a sales person. He will like your way of dealing and to establish long term relationship. Thus, communication skills, presentation skills, persuading skills and negotiating skills are very important components of influencing skills.



REVIEW QUESTIONS

Assessment:

1. State the meaning of Influencing Skills?
2. What are the components of Influencing Skill? Explain one component.
3. Does concession and discounts offered to the customer help to reach a mutually agreeable solution? Illustrate your answer.
4. Scarcity product or service in the market helps in financing a business deal?
5. A buyer will be influenced by business consistency and commitment of the seller. Do you agree? Give your answer in two lines.

(4) **Emotional quotient:** Emotional Quotient is a term used to describe the way we handle our own emotions and those of others and the impact they have on both, ourselves and others. At times our behavior may have been unreasonable when we take decision without approval or support of our boss and supervisor. It may impact the emotions of all. It will be rated not very well.

Your EQ will be considered good if you take into account the proposals and priorities when making presentation regarding the deal. If you are able to anticipate the customer's needs, generating ideas that other finds attractive your emotional intelligence will be appreciated. A good salesperson should be able to influence the thinking of others and inspires them, communicate clearly, listen attentively and able to handling disagreement or confrontations positively, only then he will create a very good impact on the buyers.

A salesman should rate himself/herself on self awareness, self regulations, self management, empathy, social awareness and social skills for handling conflicts and objections with the customers. The object of rating EO is to help a salesman to identify or evaluate area of his/her relative strength and those areas with potential for development. There are few questions which will help a salesman to evaluate his/her scale of EQ for example –communicating clearly and effectively, listening attentively, cooperating with others to achieve goals, handing disagreement and confrontation positively, adjusting rapidly when the situation changes and tackling obstacles and problems rather than complaint about them. In marketing field EQ is considered an important soft skill to influence the other party and in the finalization of the agreement.

Emotional intelligence and job satisfaction are important in the modern work environment. The impact of employees' emotional intelligence on their actions and attitudes towards work will suggest top management to help employees utilize E.I. as a resource for achieving success in the work force.

There is a close relationship between emotional intelligence and job satisfaction. For example, it has been found in many researches that designation, experience and marital status of an employee affect his/her intelligence significantly on job performance.

REVIEW QUESTIONS

Assessment:

1. Described the meaning of emotional quotient?
2. Why EQ is considered an important soft skill in business dealings?

(5) **Personal Grooming and Etiquettes:** It refers to norms and standards of behavior that are socially acceptable. Etiquette is an important factor in determining the success or failure of a business.

It helps a sales person to socialize, communicate and deal with the people in a manner that is polite and appropriate situation ally, professionally and culturally. It is, therefore, essential for building up good business relationship that is important for success and achievement of business goals.

Need:

The etiquette of business is set of written and unwritten rules of conduct that make social interactions run more smoothly. For example, standing up and greetings when a prospective customer or a client enters the room or shaking hands with women in all business situations. The whole idea is to create comfortable environment in any business meeting or sales negotiations or transactions. If parties don't feel a comfortable environment they cannot have fruitful discussions or interaction.

The learning about business etiquettes will help you (a sales person) to be socially competent and appreciated which is the first step towards your business goals. A salesperson should not only be courteous but project a good image of himself and the trust you generate in people who interact with you.

An impressive social behavior also increases opportunities for new business openings, better business relationship, builds confidence and creates goodwill. Business etiquettes are the key to maintain good relationships with clients, customers and fellow colleagues.

Personnel Grooming: One should be appropriately dressed for any business occasion. Women sales executive should carefully choose the dress and be dressed appropriately; men should also take care to wear neat, clean well dressed ironed clothes and a tie. For example - Care should be taken that neither one is overdressed or underdressed. This is applicable both for men and women. For example, women should take care that clothes are not revealing.

The external appearance is very important so prior to a meeting or negotiating a deal we need to familiarize ourselves with acceptable personal behavior. Men should also take care to wear light shirt with matching trousers and dark ties or according to a specific situation. You should be properly dressed from tip to toe.

Accessories should be appropriately matched. Hand bags to be neatly organized in order to avoid spilling things in the presence of customers.

- (1) **Personal hygiene:** Hygiene should be maintained while speaking to customer. Mouth freshener is kept handy when interacting with the party. Hair should be neatly tied or cut, absolutely clean on daily basis. The physical appearance is very important.
- (2) **Courteous behavior** is equally important for a sales executive. A uniform of social codes should be followed by a salesman. It always pays in the long run if your dealings to be

transparent and honest. Should not discriminate between individuals while shaking hands or talking? Always try to maintain eye contact with people while conversing. Always try to confine your conversation to business related talks without disturbance – Cell phone should be put on a vibrating mode.

Today business is not confined within the boundaries of our country. We have to have business dealings with multinationals and other business entities of the world i.e. USA, China, Japan, Middle East countries, Australia, U.K. to mention a few. These days lunch and dinner business meetings are quiet common while dealing with multinationals. A lot of care should be taken about how one conducts oneself at such occasions.

Today, professional looks, corporate manners, appropriate dress and social back grounds have gained lot of importance in the world of business. At times, we find ourselves often confused as to how to behave and interact with the prospective buyers. One should always be well prepared and ready to handle the situation confronted with tactfully to win the business deal successfully.

REVIEW QUESTIONS

Assessment:

- (A) (1) what personal hygiene should be maintained. List two?
- (2) What should be the appropriate dressing for women at a formal meeting with the prospective customers?
- (3) Discriminate behavior toward two prospective customers is considered important or otherwise.
- (B) A customer comes to meet you and enter your office do you,
- (1) Invite him to sit.
- (2) Allow him to take seat
- (3) Say nothing.
- (C) You find hair on your food, you,
- (1) Show the strand of hair to everyone present
- (2) Call the waiter and show your anger

(3) Quickly ask food to be replaced.

(6) Ethical Behavior: The term business ethics refers to the system of moral principles and rules of conduct applied in business. We always talk about the social responsibility of business towards the customers and society. Thus, all sales and marketing activities must be conducted according to the intended customers/ buyers consider desirable.

In simple words, business ethics should be conducted according to certain self recognized moral standards. The most relevant question arising out of business ethics specifically in the field of sales and marketing are:-

- a). should a customer be cheated for his ignorance?
- b). Should a customer be cheated by charging unfair prices for the goods and services?
- c) Should a salesperson cheat buyer/customer by selling goods and services which are not genuine?

The answer to above a, b, and c is 'No'. A sales person or a sales executive is always bound by certain ethical principles and rules of conduct which reflects its responsibility, authority and dignity. In spite of that there are large number people who are in business always cheat, lie, bribe, do not disclose actual profits or evade taxes.

The basic problem is one of moral values and moral education of an individual. Every individual and organization in society should abide by certain moral codes and ethics. Some trade associations have developed their own code of business ethics that is used in business dealings are given as under:

- (1) Fair in your business dealings.
- (2) Ensure that your actions will not produce negative effects in your business relationship either with your customer or prospective customer and competitors.
- (3) Knowingly not harm the other party.
- (4) Reasonable and fair price for the product.
- (5) Do not resort to hoarding, black marketing or profiteering.
- (6) Do not deceive customers by selling sub standard or defective products, under-measurement or by any other undesirable means.

A sales person should understand the need and importance to follow business ethics. If everyone in business follows business ethics, every one of them would be benefited and the image of the business community shall improve in the eyes of public. There are examples when the display of moral

conduct is rewarded or misconduct is punished. Recently the example of NESTLE's multinational highly reputed business entities in the world had come under severe attack for selling harmful food product Maggie. The company has remained under the lens of the government for more than one year and had suffered huge losses running into crores for selling sub standard product, 'Maggie'. The lesson one should learn who are specifically in the field of marketing and selling products or services to follow high moral standards in business ethics. They should not use knowledge, skill and authority unscrupulously.

There are four questions that are called the four ways of ethical behavior for any ethical issue a business faces.

- (1) Is it truth?
- (2) Is it fair to all concerned?
- (3) Will it build goodwill and better relationship?
- (4) Will it be beneficial to all concerned?

Peter Drucker a modern marketing guru has rightly stated, that every individual and organization in society should abide by certain moral codes and that there is no separate ethics in business.

REVIEW QUESTIONS

Assessment:

Multiple choice

1. Business ethics deals primarily with
 - a. social responsibility.
 - b. the pricing of products and services.
 - c. moral obligation.
 - d. being unfair to the competition.
2. Ethics are important because
 - a. suppliers prefer to deal with ethical companies.
 - b. customers prefer to deal with ethical companies.
 - c. employees prefer to deal with ethical companies.
 - d. all of the choices.

ANS: C

ANS: D

3. A worker is most likely to behave ethically and legally when
- a. a manager observes his or her behavior closely.
 - b. the worker has intense morals.
 - c. the consequences of the act are minor.
 - d. the consequences of the act are substantial.

ANS: D

4. Workers will often behave unethically because
- a. they have planned to be unethical.
 - b. they come from dysfunctional families.
 - c. other issues seem more important at the time.
 - d. management pressures them into unethical behavior.

ANS: C

5. Unethical behavior is often triggered by
- a. pressure from higher management to achieve goals.
 - b. an organizational atmosphere that condones such behavior.
 - c. both a & b
 - d. a system of checks and balance.

ANS: C

Short questions?

6. How will you distinguish between values to ethics?
7. Are values closely related to ethics? Explain