

Bureau's
HIGHER SECONDARY (+2)
SALESMANSHIP
(For +2 1st Year Commerce)

(Approved by The Council of Higher Secondary Education, Odisha)

BOARD OF WRITERS

Dr. Ranjit Mishra
Retired Principal
Govt. Women's College, Sundargarh

Dr. Satyabrata Tripathy
Retired Reader in Commerce
Ravenshaw Junior College, Cuttack

Sri Bijay Kumar Dash
Reader in Commerce
IMIT, Jobra, Cuttack

Dr. Banamali Panda
Associate Professor of Commerce
Khallikote University, Berhampur

REVIEWED BY

Prof. A. P. Nayak
Retired Vice-Chairman
CHSE, Odisha



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FOREWORD

The Odisha State Bureau of Textbook Preparation and Production has made a pioneering attempt to publish text books for +2 Commerce stream with an excellent team of teachers in different subjects.

The present book **SALESMANSHIP** is meant for Higher Secondary Commerce students. This book has been written by Dr. R. Mishra, Dr. S. B. Tripathy, Prof. B. K. Dash and Dr. B. Panda and reviewed by Retd. Prof. Ajodhya Prasad Nayak. I would like to record my gratitude to all the writers and the reviewer. The main purpose of the book is to provide a thorough exposure to the students of +2 1st Year Commerce in this subject. The book is prepared according to the syllabus prescribed by the CHSE, Odisha.

I believe that the students and teachers of Commerce Stream shall welcome and appreciate the book. I would also like to welcome constructive suggestions for further improvement of the book.



(Dr. Geetika Patnaik)

Director

The Odisha State Bureau of Textbook
Preparation and Production,
Pustak Bhavan, Bhubaneswar

PREFACE

The Odisha State Bureau of Textbook Preparation and Production, Bhubaneswar, through its Board of Writers and Reviewers is presenting the new edition of the book **SALESMANSHIP** for the first year students of +2 Commerce.

We, the writers, are pleased to commend the readers the new edition of this book which is commensurate with the latest syllabus of CHSE, Odisha. The textbook is prepared to fully cater to the needs of the students both in terms of the course contents as well as the level of knowledge required to excel in the examination. Further, this textbook is thoroughly reviewed by experts to incorporate requirements and standard of the students.

The main features of the book are :

- ◆ Simple language
- ◆ Systematic presentation of the subject matter
- ◆ Latest course contents
- ◆ Meaningful focus on new question pattern of the examination

This book is unique in its presentation because it is simple, systematic and comprehensive. To keep pace with the new examination pattern, sufficient Multiple Choice Questions (MCQ) and other objective questions are provided along with long type questions.

We wish to thank The Odisha State Bureau of Textbook Preparation and Production, Bhubaneswar for their efforts and co-operation in the publication of the book on time.

We cordially welcome any suggestion for improvement in this book.

Board of Writers

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SYLLABUS

FIRST YEAR 4TH ELECTIVE (PAPER-I)

Objectives

- ♦ To enable students to understand the concept, nature, scope, importance of salesmanship;
- ♦ To help the students to know various types of salesman, sales personality, qualities required for a good salesman etc.;
- ♦ To enable students to get product knowledge, learn about buying motive with the process of selling;
- ♦ To acquaint the students with the concept, methods, importance, limitations of recruitment and training along with their methods;
- ♦ To make the students able to understand concept, objective and types of sales promotion and advertising;

Course Inputs

Unit-I Introduction

Salesmanship-Definition, Meaning, Nature, Art or Science or Profession, Importance and Scope of Salesmanship, Salesmen- Type of Salesman, Sales Personality, Quantity of Good Salesman -Physical, Mental, Social and Character Traits, Improving sales personality

Unit-II Knowledge of Product, Customers and Selling Process

Knowledge of Product- Importance, Selling Points, Sources of Product Knowledge, Buying Motive- Meaning and Classification, Distinction Between buying motives and selling points. Types of Customers and How to deal with them, Selling Process : Process, Pre-approach, Approach, Presentation and Demonstration, Overcoming Objection, Closing the Sale.

Unit-III Recruitment, Training and Remuneration of Salesman:

Recruitment, Importance of Sound Recruitment, Sources of recruitment, Selection Procedure, Training Need, Limitation, Methods, Requisite for Effective training, Remuneration Factors affecting Remuneration and Methods of Remuneration

Unit-IV Sales Promotion

Sales Promotion- Objective and Measures, Advertising- meaning, Functions Criticisms, Types of Advertising, Media of Advertising and Advertising Agencies, Role Advertising in Today's World.

MEANING, NATURE AND SCOPE OF SALESMANSHIP

STRUCTURE

- 1.1 Introduction
- 1.2 Meaning and definition of salesmanship
- 1.3 Nature : Art or Science or Profession
- 1.4 Importance and Utility
- 1.5 Scope of Salesmanship
- 1.6 Limitations of Salesmanship
- 1.7 Questions

1.1 INTRODUCTION :

In the primitive era, there was hardly any sale or salesmanship. The needs of the people were limited. They were used to procure their needs by themselves. Gradually, people tried to settle in villages. Cows, buffaloes, sheep etc. were domesticated, agriculture developed to raise the economic living of the people. Ultimately, people became self-sufficient and thought about disposal of the surplus of goods. So the **‘local pedlar’** emerged as the salesman of first order.

With the growth of civilisation a new form of salesman called ‘chapman’ emerged. Chapmen were specialised kind of pedlars who were used to collect items of handicrafts and to sell them to middle and upper class people. Then the concept of ‘shop’ or workshop came. The shopkeepers used to sell their products in the shop. But the selling was confined to small area or locality. Gradually, the need of various products became widespread and the **‘commercial adventures’** emerge. They, through warehouses at different towns, were able to sell their products at far off places.

‘Bagmen’ were just like modern salesmen. Bagman is a salesman who travels on a horse back from one place to another with samples of merchandise in search of prospective customers. Now-a-days the **‘modern salesmen’** travel by buses, cars, trains and planes from one place to another to create and maintain the demand for their goods and services.

The industrial revolution in 18th century brought the concept of mass production, mass distribution or marketing. A wide gap emerged between producers and customers. To reduce this gap the role of salesmanship and publicity gained immense importance.

Sales are the main revenue source of any business and can be regarded as life blood of a business. The very purpose of production or business is to sell. The success of any business depends upon an effective and successful salesmanship. Let us now discuss the meaning of salesman and salesmanship.

1.2 MEANING AND DEFINITION OF SALESMANSHIP :

A salesman is a person who has the skill and ability to convince others about the proposal of goods and services, so that the latter may be induced to purchase the goods and services. His concise effort to induce a prospective buyer results in a successful sale. This skill and ability of a salesman is called salesmanship. Let us take some definitions of salesmanship.

Prof. Stephnson defines salesmanship as “Salesmanship refers to the concise efforts on the part of seller to induce a prospective buyer to purchase something that he latter had not really decided to buy, even if he had thought of it favourably” : it consists of persuading people to buy what you have for sale, in making them want it, in helping to make up their minds.”

According to C.A. Paderson “Salesmanship is the process whereby a seller ascertains and activates the needs or wants of the buyer and satisfies these needs or wants to the mutual continuous advantage of both buyer and the seller.”

National Association of Marketing Teachers of America defined salesmanship as “The ability to persuade people to buy goods and services at a profit to the seller and benefit to the buyers.”

From the above definitions, the meaning of salesmanship is very clear. Salesmanship is nothing but the art of persuading the prospective buyers to buy a firm’s products and services. It is the oral presentation in a conversation with one or more prospects for the purpose of making a sale.

The following features of salesmanship will better explain the meaning of salesmanship.

Features / Characteristics / Essentials of salesmanship

1) Services to producers and consumers :

The salesman takes the goods of the producer and sells it to its consumers. This simple and useful task of salesman provides services both to the producer and the consumers. The salesman acts as a friend, philosopher and guide to the customer in making decisions regarding purchase of

goods. He tries to fulfil the demand of the customers to their best satisfaction. He presents an idea or offering of a proposition for the benefit of customers.

2) Arts of persuasion, not compulsion :

Salesmanship is the art of winning the hearts of consumers to dispose the firm's goods and services. The salesman through his tact, motivates the customers to buy goods and never forces them to buy goods. The salesman has to create a favourable atmosphere in the mind of the buyer by presenting the positive aspects of the product to be sold. It is an inducement to accept something and an attempt to convince. It is an attempt to create an urge or desire with another to have what other has to offer. Thus it is an attempt to sell.

3) No exploitation :

In good salesmanship, there is no scope for exploiting innocent customers. Cheating, fraudulent practices or undue advantages of customers affect the customers adversely. The customers lose their confidence and trust on the salesman as well as on the organisation. The prices charged should be commensurate with the quantity and quality of goods and services. Salesman does not encourage haggling or bargaining.

4) Oral communication :

Salesmanship is a process of direct oral communication between the salesman and the customers. This two-way communication enables the exchange of views and opinions, answers to queries, clarification of doubts and guiding the decision-making of the customers. The clarity and influence of such communication makes the salesman successful in selling. It is a presentation of an idea or offering of a proposition.

5) Educative process :

Through salesmanship the customers get knowledge about the goods and about the marketing of goods. It informs the customers about the new products, the price, utility, special features of the products and their competing products. So, salesmanship educates the customers adequately about the product and enables them to take right decisions. It is a process of ascertaining and activating the want of others.

6) Mutual benefit :

The salesman acts as the link between the seller and buyers. The seller, with the help of salesmanship, maintains and extends the sales and thereby earns a steady income. On the other hand the buyers, being well guided by the salesman, get their desirable goods and derive

adequate satisfaction. Therefore it is an attempt by salesman to arrive at a common point of view with another.

7) Permanent customers relationship :

To maintain the sales, the salesman tries his best to win the confidence and trust of the customers. By regular supply of goods and services to customers to their best satisfaction, the salesman develops a permanent and favourable relationship with the customers. He always considers that the customer is always right.

8) Universal applicability :

The features of salesmanship have universal applicability. The fact lies in making the customers accept you, your ideas and the products with a satisfied mind. Good salesmanship standardises norms for salesmen.

1.3 NATURE OF SALESMANSHIP

Nature of salesmanship explains whether it is an art or science or a profession. It tries to debate whether salesmen are born or made. Let us discuss these various aspects of the nature of salesmanship.

a) Salesmanship is an art.

Art is the act of doing the things in the light of knowledge and skill. Art may be defined as “a branch of learning in which human skill, knowledge, imagination and practice have an important role to play”. It is the internal expression of one’s feeling, talent, ideas and values to accomplish a desired goal. It needs skillful application of knowledge, imagination and practice. The various fields of art are singing, painting, writing, acting etc. Art differentiates the application or implementation of one’s skill for the achievement of better results.

Salesmanship is an art of selling goods or services or ideas. It is the skill and capacity of the salesman to win the trust and confidence of the prospective buyers. It is the art within a salesman which develops him to be a successful salesman. By virtue of this gifted quality the salesman becomes more successful than others. It is the artistic quality of the salesman which enables the salesman to understand the mind of the customers easily. The salesman’s artistic mind reads the choice, taste, preference, style, behaviour of the customers accurately and draws the attention of the prospects to the goods and services favourably. Salesman is an artist who paints mental pictures with a verbal brush.

Though salesmanship is an art, it needs to be improved and up dated by scientific training and experience. The art of selling, if inherent with a salesman, can be taken as an added quality

for successful salesmanship. Salesmanship as an art can be developed to some extent by persistent efforts. Through practice and trials, art can be perfected.

b) Salesmanship is a science.

Science is a systematic body of knowledge. It is well established and universally accepted body of truth and facts. It is well guided by definite set of principles. The laws and processes are well set by research and experiments and are not ordinarily changeable. There are exact sciences like Physics, Chemistry and Botany and also inexact sciences like Psychology, Sociology, Anthropology etc. Unlike exact sciences, the inexact sciences change with changing situations. The inexact sciences come under social sciences. Salesmanship is a social science which changes along with change in civilization.

Salesmanship is a science based on human psychology. It has a body of standardised guidances to deal with the customers. There are also enough guidelines for knowledge against personality, product and prospects.

In spite of so many guiding factors for dealing with potential buyers, there is no guarantee that a particular solution may work successfully as the situation changes. Perfect theoretical knowledge may not successfully work in the case of salesmanship.

But a salesman with perfect knowledge and with a skillful art of persuading customers can easily win the hearts of customers. So, we can say that salesmanship is both an art and science, rather it is more an art than science.

c) Salesmanship is a profession.

Profession can be defined as an occupation which requires a specialised knowledge and skill to practise. Profession is an employment requiring some degree of skill and training, but it is not mechanical by nature. The practices made by doctors, lawyers, etc. are examples of profession. The important characteristics of a profession can be stated below :

- (i) It is a specialised body of knowledge.
 - (ii) It requires a prolonged preparation to acquire such knowledge.
 - (iii) It needs an approved course, award of a degree from a prescribed institute like that of National Institute of Sales and scheduled training.
 - (iv) It has an established code of conduct and ethics.
 - (v) Well-formulated standards are set to be followed by its members.
 - (vi) Service to others is given priority over self-interest.
 - (vii) It is not mechanical and hence no fixed remuneration or reward is set for the job.
-
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The above criteria are adequately found in medical, legal and accounting professions. The doctors, lawyers and chartered accountants acquire specialised course of knowledge and training and practise within the stated code of conduct. In most of the countries salesmen do not undergo such specialised courses of study and training. They are exposed to specialised course of study and training only in some advanced countries.

But the fundamentals of selling namely, his personality, his knowledge of products and markets, his involvement with marketing strategies, has given the salesmen a professional platform. The professional approach to read the mind of customers, assess their needs and to persuade them to buy the goods and services, can bring salesmanship to a profession. In India professionalisation of salesmanship is not yet full-fledged but moving in the right direction to achieve the status very soon. The National Institute of Sales is the pioneer in the field in trying to make salesmanship a profession.

1.4 IMPORTANCE AND UTILITY OF SALESMANSHIP

Salesmanship is a highly specialised job. The role of salesmen, in the modern world of business, trade and commerce, is gaining much importance. It is the art of selling which reduces gap between the manufacturers and the distantly situated ultimate customers. It helps in multiplying the business. The importance of salesmanship can be enumerated below :

(1) Essential part of commerce :

Selling is the most indispensable wing of marketing. It helps the manufacturer to earn revenue by expediting the flow of goods and services and enables the cycle of production and distribution rotate smoothly. It provides link between the producers and consumers through salesmen. The creative salesman not only extends market for existing products but also creates market for the new products.

(2) Services to customers :

A customer gets his desired goods and services from the salesmen. The salesmen also give adequate information about the goods and services and guide the customers to take wise decisions. The customers get product knowledge and other services from the salesmen and derive satisfaction from their spending.

(3) Helps the producers :

The salesmen help the producers by selling their products in the market at the earliest opportunity to earn revenue. The producers multiply their profit when the sales volume is high

and turnover is quicker. No producer can survive without adequate the support or the services of effective salesmen. Manufacturers can know about the demand for goods from salesmen.

(4) Benefits the salesman :

Salesmanship provides adequate experience to salesman. A salesman with experience and skill increases the business of the employer. In return the employer gives more remuneration and promotional benefits to the salesman. So the salesman gains training and pecuniary benefits in this job. Travelling Salesmen get the advantage of visiting a number of places of commercial and industrial importance.

(5) Importance to the state :

Salesmanship helps in increasing sales volume. When the volume of sales increases the state government earns more revenue by way of taxes such as excise, sales tax and income tax. The state government gets easy supply of essential commodities. Salesmanship makes the distribution of goods and services smooth and regular which avoids distribution crisis.

(6) Importance to Nation :

The economic development and growth of a country depends upon the development of industry, trade and commerce. Salesmanship plays a vital role in the development of industry, trade and commerce. Hence salesmanship is regarded a great force in the national economic development. Thus in the modern competitive world, creative salesmanship is of great national importance.

(7) International importance :

The rapid globalisation has raised the importance of salesman in the international market. In a global market, the domestic goods enter the world market and salesmen play a vital role in pushing domestic goods to the markets in different countries of the world.

(8) Creates business :

Salesmen helps the business unit for the survival and growth of their business. They create demand, attract customers, increase sales and profits and promote goodwill. Creative salesmanship helps to survive in a situation of keen competition.

(9) Importance to society :

The increase in sales volume results in increase in business as a whole. This results in enhancement of national income, per capita income, employment opportunities, living standard of the people of the society. This also gives way for rapid industrialisation and cultural exchange between societies.

(10) Market evaluation :

Salesmen helps in obtaining timely feedback on consumer behaviour, marketing decisions and managerial decisions. These information help the organisation to evaluate the marketing efforts and enable them to introduce suitable new strategies without any delay and difficulty. Utility of salesmanship to consumers, producers, salesmen society and the government can be known from its importance discussed above.

1.5 SCOPE OF SALESMANSHIP

In the ancient days, salesmanship was confined to the simple tasks of selling goods and services at the counter or at the local market. But now-a-days the meaning and area of coverage of the term salesmanship has widened significantly. The scope of salesmanship means the coverage of the subject or the wide range of the subject matters. The present scope of salesmanship has multiplied to a great extent. The factors responsible for such wide improvement of the scope of salesmanship can be enumerated as below :

1. Industrial revolution
2. Huge advertisement and publicity
3. Development of science and technology
4. Large scale production
5. Stiff competition
6. Improvement in transportation and communication facilities
7. Remarkable change in taste and fashion of the customers.
8. Growth of distribution and marketing facilities.

Salesmanship has widened its coverage in various aspects. Now it is concerned with sale of all kinds of goods, i.e. industrial goods, agricultural goods and consumers' goods. It also covers the services such as banking, insurance, transportation, teaching, medical, legal and other personal services.

The area of sales may be local, national or international. These may based on demand or on created demand through advertising and publicity. Thus the need for creative and competitive salesmanship has increased.

The coverage of salesmanship has also extended to development of sales personality, product knowledge, and knowledge about the customers. It also covers the policies and

strategies relating to recruitment and training of sales force; motivation, co-ordination and control of the sales force. Presently a great attention is given to sales promotion, remuneration, allocation of sales territory, fixation of sales quota and organisation and management of sales department.

Thus the scope of salesmanship has become very vast and offers wide range of development in future.

1.6 LIMITATIONS OF SALESMANSHIP

To-day's salesmanship is challenging and professional. It is a dynamic power in the field of business which generates revenue in the economy. Consequent to the growth of the scope of salesmanship, the disadvantages or limitations concerning salesmanship are also increasing. Some of the important limitations of salesmanship are discussed below.

1) Expensive :

As the job of salesman is becoming rigorous and professional, the cost involved in salesmanship is increasing. The training, promotion and incentive to sales force requires a lot of spending of money. Hence salesmanship has become an expensive job.

2) Difficult Job :

Salesmanship is very difficult and tiring job. The salesman has to deal with many customers of adverse attitude. He needs a lot of patience, tact and confidence to face such untoward situation.

3) Fraudulent practice :

Fraudulent practices like cheating and misrepresenting are frequently seen in our economy. Loyal, honest and sincere salesmen are not found everywhere. Due to such fraudulent practices the innocent customers are exploited.

4) Misleading advertising :

The success of salesmanship depends heavily on publicity and advertising. When advertising information is exaggerated, misleading, the customers get biased. Sometimes due to the poor and misleading advertising, the selling is affected adversely.

5) Administrative problems :

As the sales force is increasing, the firm has to face challenges in the area of manpower management. These challenges involve a lot of administrative problems.



1.7 QUESTIONS :

A.I. From the given alternatives, choose and write the correct answer along with its serial number against each bit :

- (i) Salesmanship is the
 - a) Art of buying and selling
 - b) Ability to persuade people to buy goods
 - c) Art of advertising and publicity
 - d) Art of exploiting customers
 - (ii) Barter system deals with exchange of
 - a) Goods for goods
 - b) Goods for money
 - c) Goods for services
 - d) Services for services
 - (iii) Salesmanship is a process of
 - a) Direct oral communication
 - b) Exploitation of customers
 - c) Delivering of goods to customers
 - d) Taking care of goods
 - (iv) Scope of salesmanship means
 - a) Area of coverage of salesmanship
 - b) Scope for job as salesman
 - c) Scope for promotion of salesman
 - d) Degree of benefits by customers.
- 2.(a) Express the following in **one** word/term.
- (i) The salesman who comes from sea port and river side towns, who moves from door to door selling costly and specialty articles to middle and upper class customers.
 - (ii) The art of persuading the prospective buyers to buy a firm's products and services.
 - (iii) A person who takes the goods of the producer and sells it to its customers.
 - (iv) The study which is a systematic body of knowledge.
-
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- (b) Answer the following questions in **one** sentence each :
- (i) What do you mean by salesmanship ?
 - (ii) Mention two features of salesmanship.
 - (iii) Mention two characteristics of salesmanship.
 - (iv) Mention two importance of salesmanship.
 - (v) Mention two utilities of salesmanship.
 - (vi) Mention two factors for improvement of scope of salesmanship.
 - (vii) Mention two limitations of salesmanship.
- (c) Correct the underlined portions of the following sentences :
- (i) Chapman was the salesman of first order.
 - (ii) A buyer takes the goods of the producer and sells it to customers.
 - (iii) The manufacturer acts as the link between the seller and buyers.
 - (iv) A good salesmanship there is no scope for exploiting innocent customers.
- (d) Fill in the blanks :
- (i) _____ were specialised kind of pedlars who were used to collect items of handicrafts and to sell them to middle and upper class people.
 - (ii) _____ revolution created a wide gap between producers and consumers.
 - (iii) Salesmanship is a process of direct _____ communication.
 - (iv) Scope of salesmanship means _____.
- B. 3. Answer each of the following questions within **two** sentences.
- (i) What do you mean by salesmanship ?
 - (ii) Define salesmanship.
 - (iii) Explain any two utilities of salesmanship.
 - (iv) How are the salesmen benefited by salesmanship ?
 - (v) State any two limitations of salesmanship.
 - (vi) What do you mean by personal selling ?
 - (vii) What do you understand by creative salesmanship ?
 - (viii) What do you mean by barter system ?
-
-

4. Answer each of the following questions within **six** sentences.
- (i) Explain the features of salesmanship.
 - (ii) State any three merits of salesmanship.
 - (iii) 'Salesmanship is an art of persuasion and not compulsion'. Explain
 - (iv) How does a salesman get benefits of good salesmanship ?
 - (v) Can salesmanship be regarded ?
 - (vi) What are the advantages of salesmanship to a customer ?
 - (vii) Is salesmanship different from selling ?
 - (viii) Write any three features of salesmanship.
 - (ix) Explain salesmanship as a science.
 - (x) Explain salesmanship as an art.

C. Long Type Questions

5. Explain the utilities of salesmanship.
6. Explain the scope of salesmanship.
7. Discuss the essential characteristics of salesmanship.
8. Briefly explain the advantages and disadvantages of salesmanship.
9. Define salesmanship and explain its features.
10. Discuss the new scope of salesmanship with reference to internet application.

ANSWERS

1. (i) d (ii) b (iii) c (iv) d
- 2.(a) (i) Salesman (ii) Salesmanship (iii) Prospect (iv) On line selling
- (c) (i) Persuading (ii) Salesman (iii) Not decided (iv) Increases
- (d) (i) Personal (ii) Profession (iii) Salesman (iv) Oral



TYPES OF SALESMANSHIP AND SALESMEN

STRUCTURE

- 2.1 Introduction
- 2.2 Salesmanship
- 2.3 Types of salesmanship
- 2.4 Salesman
- 2.5 Types of salesmen
- 2.6 Questions

2.1 INTRODUCTION :

In the previous chapter, we have discussed about the meaning, nature and scope of salesmanship. Salesmanship is found to be a very highly skilled job. The success in this job mostly depends on the degree of efficiency actually applied in the practice. Further, the different varieties of jobs require different types of practice of salesmanship. Therefore, it is quite essential to discuss about the types of salesmanship in actual practice.

2.2 SALESMANSHIP :

Salesmanship is the level of skill one has in convincing people to buy or in persuading people to do something. It is the art of winning over the buyer's confidence so that a permanent goodwill may be built in his mind. Salesmanship is one of the skills used in personal selling. It is seller-initiated effort that provides prospective buyers with information and motivates or persuades them to make favourable buying decisions.

2.3 TYPES OF SALESMANSHIP :

Salesmanship can be classified as under :

- (i) Order taking salesmanship
 - (ii) Traditional salesmanship
 - (iii) Modern salesmanship
 - (iv) Creative salesmanship
 - (v) Competitive salesmanship
 - (vi) Counter salesmanship
 - (vii) Travelling salesmanship
-
-

i) Order-taking salesmanship :

In earlier days there was limited production and no competition to sell. The buyer used to take his own decision to buy. The order-taking salesman makes no creative effort but takes the order from buyers for supply of goods.

ii) Traditional salesmanship :

Traditional salesmanship is also an older practice where the seller does not take interest in the quality, price etc. He may quote different prices for same product to different customers. Most of the goods are sold in small general stores.

iii) Modern salesmanship :

Consequent upon industrial revolution, transport and communication facilities improved. Over production of goods brought competition in the market and the role of salesman to maintain and improve sales became significant. Advanced sales policies, advertising policies, market policies supplemented the role of salesman. Therefore, modern salesmanship is much improved skill of salesman.

iv) Creative salesmanship :

Creative salesmanship is the art of educating the public and converting their desire into demand. Such a salesman is also called the pioneer salesman. It kills the consumer's resistance and hesitation and wins their approval. It is the art of creating a sale when there is least willingness to buy and creating the desire to buy, overcoming the buying resistance.

Modern salesmanship is creative in nature. It educates, persuades and creates the desire in the minds of prospects and converts needs into wants. It covers activities that results in searching new market, maintaining and strengthening existing demand.

v) Competitive salesmanship :

Competitive salesmanship is the art of increasing sales under existing conditions. It aims at increasing sales so as to survive in the competitive market. To improve the performance the competitive salesman adopts various tactics such as reducing the selling price, offering discounts, liberalising credit terms, offering better sales service etc. Improvement in sales and disposal of stocks are overemphasized under competitive salesmanship.

The distinctions between creative salesmanship and competitive salesmanship needs to be discussed, which are as follows :

Creative salesmanship	Competitive salesmanship
1. It aims at creating new sales along with maintaining existing sales.	1. It aims at increasing the existing sales.
2. Creative salesmanship emphasizes on satisfaction and service.	2. Competitive salesmanship emphasizes on price appeal and better service to customers.
3. It emphasizes on salesman's vision, conviction and novel ideas which creates, extends and maintains the sales.	3. Only traditional routine approach are followed such as lowering price, liberalising credit terms etc.
4. Creative salesmanship breaks the ice and lays solid foundation for present and future sales.	4. Competitive salesmanship results in quick increase in sales, but subsequently there may be bad debts, collection problems, etc.
5. It is comprehensive, broader and wider in coverage.	5. It is direct, pin-pointed and narrow in its approach.
6. The merits and uses of the product is explained in detail irrespective of time.	6. Immediate sales is given importance and hence time factor is very important.

vi) Counter salesmanship :

Counter means a table in a shop across which goods are delivered to the customers and payments are received there. Counter salesmanship is the act of presenting and delivering goods to the customers in exchange of money or money's worth. The salesman does not move from door to door, but the customers come to him at the counter to buy the goods. So counter salesmanship is neither creative nor competitive in a nature. It is simply a routine device to hand over goods to customers.

vii) Travelling salesmanship :

Travelling salesmanship is outdoor salesmanship. The travelling salesman moves from place to place to locate customers. The job of travelling salesman is very hard as he always moves from head or branch office to the customer's doors in his assigned sales territory. Travelling salesmanship is creative in nature for which travelling salesmen get higher remuneration. The distinctions between counter salesmanship and travelling salesmanship are discussed below :

Counter salesmanship	Travelling salesmanship
1. It is practised at the retail outlet or counter of shop.	1. It is practised outdoors by moving from door to door in search of potential customers.
2. Here the work of salesman is simple and routine type.	2. The work is challenging as the salesman creates desire, converts it into demand and takes order for the goods outside the shop.
3. Remuneration to salesman is comparatively lower and fixed.	3. Remuneration to salesman is relatively higher because of the hard work and creative nature of his job.
4. It is less adaptable to changing situations. Counter salesman usually performs routine type work.	4. A travelling salesman is more adaptable to changing situations. His job is creative and persuasive in nature.
5. A little knowledge of goods and little initiative is needed in this type of salesmanship.	5. High degree of initiative, persistence, and motivation are essential for a successful travelling salesman.
6. Controlling the performance of counter salesman is much easier.	6. Supervising a travelling salesman's job is a very difficult task as he is always away from the employer.

2.4 SALESMAN :

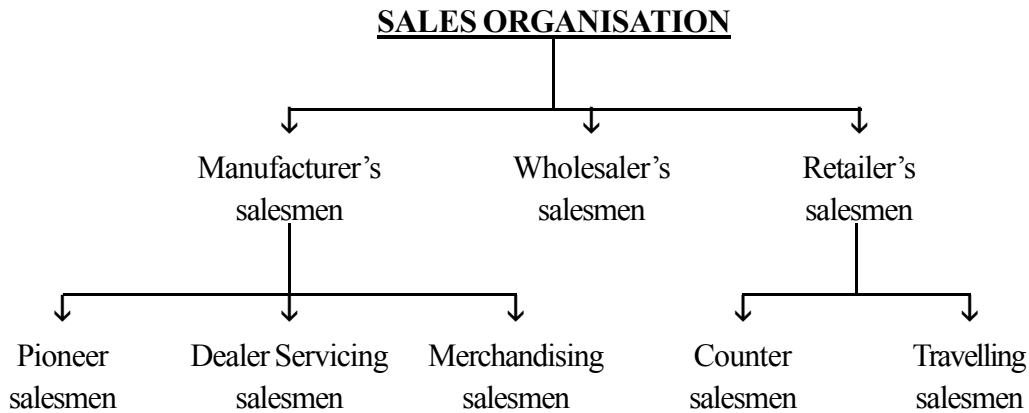
Selling is a challenging, rewarding and a professional job. A person who accepts the job of selling is known as a salesman. Salesman is a person who sells goods or services by virtue of his own competency. He is a very important person in the modern sales force. The salesman plays a very important role between production and consumption. His job is directly or indirectly helpful to manufacturers, wholesalers, retailers and also to the ultimate consumers.

2.5 TYPES OF SALESMEN :

On the basis of organisation and goods and services rendered, the salesmen may be classified into different types as follows :

(A) On the basis of organisation :

Salesmen may be classified according to the organisation they serve, in the following manner :



1. **Manufacturer's Salesman :**

In a manufacturer's organisation, three types of salesmen are found, namely, pioneer salesmen, dealer servicing salesmen and merchandising salesmen.

(i) Pioneer salesmen :

Pioneer salesmen introduce new products of the manufacturer in the market. They convince the distributors, wholesalers, retailers to try the new products or product range. They are creative in nature. They take initiative in selling and create market for the new products with the help of their tactful, imaginative and aggressive efforts. They arrive at new sales areas well before the advertising campaigns.

(ii) Dealer Servicing Salesmen :

The dealer-servicing salesmen collect orders from distributors, wholesalers, retailers and extend services to them. Their main job is to assure that the dealers are kept satisfied with regular supply of goods. They remain in regular touch with the dealers and perform more or less a routine type work. Their main work is rendering service.

(iii) Merchandising salesmen :

Manufacturers employ merchandising salesmen for expansion and promotion of sales. These salesmen collect information regarding changing market conditions and give suggestions to the wholesalers, retailers etc. to promote their sales. They make a regular visits to the dealers and offer guidelines for improving location and layout, credit facilities and other components for sales promotion.

2. **Wholesaler's salesmen :**

Wholesalers are the link between the manufacturers and retailers. Wholesaler's salesmen act as representatives of the wholesalers and frequently attend to the retailers. They convince the

retailer and persuade them to stock the products of the wholesalers. They also guide their wholesalers and supply credit information about retailers and dealers. The vision, tact, honesty and industry of such salesmen pay rich dividend to wholesalers.

3. Retailer's salesmen :

Retailers are middlemen between wholesalers and ultimate consumers. The retailer's salesmen try to sell the retailer's goods to the ultimate consumers. There are two types of retailer's salesmen, such as :

- (i) Indoor or Counter salesmen and
- (ii) Outdoor or Travelling salesmen

(i) Counter salesmen :

Counter salesmen work inside the shop and sell goods to the customers across the counter. They deal with a variety of goods and guide the customers in the selection of goods. They approach the customer promptly and courteously and help them to select goods of their choice. They usually do not argue with customers but tactfully create additional sales by reading the customers' additional needs.

(ii) Travelling salesmen :

Travelling salesmen always move from one place to another in search of potential customers. They are also called outdoor salesmen. They move from door to door to meet the potential customers and cater to their needs. They work under the instructions of their area or branch manager. They are hard-working as they have to withstand extreme climatic conditions and to stay away from their homes. Generally travelling salesmen possess sound health; they know about time and territory management and they are very loyal to their sales organisations. Because of the nature of work, travelling salesmen are paid better remuneration.

(B) On the basis of goods sold :

There are two types of salesmen according to the types of goods sold by them. They are :

- (i) Staple salesmen
- (ii) Specialty salesmen

(i) Staple salesmen :

A staple salesmen is one who deals in necessities of life such as food, clothes, shoes, grocery, stationery etc. Staple goods are needed by consumers for regular consumption and hence the sale of such goods faces keen competition.

Staple salesmen should be very prompt and vigilant to reduce sales resistance. They have to put great deal of effort to retain cordial relationship with the customers. They should have thorough and latest knowledge about the products.

(ii) Specialty salesmen :

A specialty salesman is one who specialises in selling goods such as television sets, refrigerators, computers, cars etc. Specialty goods are non-consumable, durable and not frequently purchased. Specialty salesmen should be creative, hard-working and skillful. They convince the potential buyers about the goods through demonstration and educate them about the techniques of operation. These salesmen are paid better remuneration. New types of goods, new branded goods are usually sold by specialty salesmen.

(C) On the basis of services rendered :

Salesmen render valuable services to the customers. On the basis of services rendered they may be classified into the following five categories :

- (i) Industrial salesmen
- (ii) Service salesmen
- (iii) House to House salesmen
- (iv) Missionary salesmen
- (v) Exporter's salesman

(i) Industrial salesmen :

Industrial salesmen sells machines, tools and equipments to manufacturers, industrial concerns, offices and business houses. They possess high degree of technical knowledge about the operations of their products and are capable of solving the problems of the buyers. They are tactful, persistent, persuasive and professional in their approach. Their job is more challenging and very important for the business. They are usually paid salary along with commission.

(ii) Service salesmen :

Service salesmen sell only services. They do not sell tangible products. The service salesmen specialise in selling insurance, shares and other securities, advertising, travelling, services, computer services, consultancy services, reservation services, courier services, door delivery services etc. Their jobs are increasing due to development in life style of people. Such type of salesmen should be very honest, amicable and prompt in rendering service.

When the customers get prompt and better services from such salesmen, the demand for the services increases and the salesmen are rewarded with good remuneration.

(iii) House to House salesmen :

These salesmen move from door to door and sell cheaper products like utensils, cosmetics, vegetables, toys etc. He can be a peddler carrying pack of goods on his back or he can be a hawker carrying the goods on an animal pulled cart or a hand cart or rickshaw or cycle etc. These salesmen shout or sing slogans to draw the attention of the prospective buyers. They know local language, taste and tradition and are very patient and polite in dealing with the local people.

(iv) Missionary salesmen :

Missionary salesmen are engaged in developing new customers and new sales territories for new products. When the manufacturers or wholesalers want to introduce a new product in an existing market or in a new market, they appoint missionary salesmen. These salesmen are pioneer and promoter of the business and are adequately trained and experienced. They help the dealers to make store displays, train the salesmen of the retailer, wholesalers and also prepare advertisements for retailers.

(v) Exporter's salesmen

Exporter's salesmen sell goods in foreign markets or in foreign countries. They act as an intermediary agent and represent the domestic country and sell qualitative goods outside the country. They are usually familiar with foreign languages and foreign exchange rules and regulations. For their special knowledge and nature of job, they get higher remuneration.



2.6 QUESTIONS :

A.I. From the given alternatives, choose and write the correct answer :

- (i) Missionary salesman's main responsibility is to :
 - a) Take order
 - b) Educate or give information
 - c) Solve customer's problem
 - d) Respond to customer's demand
 - (ii) High technical knowledge and training is necessary for :
 - a) Service salesmen
 - b) Industrial salesmen
 - c) Counter salesmen
 - d) Travelling salesmen
 - (iii) Knowledge of one or two foreign language is necessary in case of :
 - a) Industrial salesmen
 - b) Exporter's salesmen
 - c) Specialty salesmen
 - d) Wholesaler's salesmen
 - (iv) Retailer's salesmen includes :
 - a) Counter salesmen
 - b) Travelling salesmen
 - c) Both (a) and (b)
 - d) Industrial salesmen
 - (v) The salesmen who creates new sales along with maintaining existing sales is known as :
 - a) Creative salesman
 - b) Competitive salesman
 - c) Order taking salesman
 - d) Counter salesman
-
-

- (vi) The salesman appointed by the manufacturer and working for maintaining goodwill of the company is known as :
- a) Counter salesman
 - b) Creative salesman
 - c) Missionary salesman
 - d) Order taking salesman
- 2.(a) Express each of the following in **one** word/term.
- (i) A link between producer and the retailers.
 - (ii) The salesmen who introduce new products in the market.
 - (iii) The salesmen selling machines, tools and equipments to manufacturers.
 - (iv) A place in the shop where money is received and goods are delivered.
- (b) Answer each of the following questions in **one** sentence :
- (i) Who is a travelling salesman ?
 - (ii) Mention the special features of a service salesman.
 - (iii) State the special feature of an industrial salesman.
 - (iv) Who is an exporter's salesman ?
- (c) Correct the underlined portions of the following sentences :
- (i) Indoor salesmen move place to place to locate potential customers.
 - (ii) A missionary salesman is usually appointed by retailer.
 - (iii) A competitive salesman aims at increasing new sales.
 - (iv) A staple salesman is one who deals with services.
- (d) Fill in the blanks :
- (i) _____ salesman aims at creating new sales along with maintaining existing sales.
 - (ii) _____ purchase goods from wholesalers and sell them to the ultimate consumers.
 - (iii) _____ salesmen are employed by manufacturers to help dealers in expanding their sales.
 - (iv) On-line selling is made through _____.
-
-

B. 3. Answer each of the following questions within **two** sentences.

- (i) Who is a counter salesman ?
- (ii) What are the features of a specialty salesman ?
- (iii) Who is house to house salesman ?
- (iv) Who is a competitive salesman ?
- (v) Who may be called a pioneer salesman ?
- (vi) Who is a missionary salesman ?
- (vii) Who is a retailer's salesman ?
- (viii) What is order-taking salesmanship ?
- (ix) State the features of wholesaler's salesman.
- (x) What is indoor salesmanship ?
- (xi) What do you mean by outdoor salesman ?
- (xii) What kind of services is sold by service salesman ?
- (xiii) Classify salesmen on the basis of services rendered.

4. Answer each of the following questions within **six** sentences.

- (i) Explain the essential features of a pioneer salesman.
 - (ii) Explain the job performed by dealer servicing salesmen.
 - (iii) State any three salesmen working for the manufacturer.
 - (iv) Explain the job of wholesaler's salesman.
 - (v) What are the functions of indoor salesmen.
 - (vi) Explain the qualities of specialty salesman.
 - (vii) Explain the essential features of a state salesman.
 - (viii) Who is self-employed salesman ?
-
-

C. Long Type Questions

5. Explain the various types of salesmen.
6. Who is a creative salesman ? Distinguish between a creative salesman and a competitive salesman.
7. Who is a counter salesman ? Distinguish between a counter salesman and a travelling salesman.
8. Compare between order taking and order getting salesman.
9. Compare between missionary salesman and exporter's salesman.
10. Discuss the essential features and qualities required for a successful travelling salesman.

ANSWERS

- A. 1. (i) b (ii) b (iii) b (iv) c (v) a (vi) c
- 2.(a) (i) Wholesaler (ii) Pioneer salesmen (iii) Industrial salesmen (iv) Counter
(c) (i) Outdoor (ii) Manufacturer (iii) Existing (iv) Necessities
(d) (i) Creative salesman (ii) Retailer (iii) Merchandising (iv) Internet



SALES PERSONALITY

STRUCTURE

- 3.1 Fundamentals of salesmanship
- 3.2 Meaning of sales personality
- 3.3 Qualities of a salesman
- 3.4 Improving of the sales personality
- 3.5 Questions

3.1 FUNDAMENTALS OF SALESMANSHIP :

Salesmanship is a challenging profession. The cumulative effect of a multiplicity of factors is responsible for the successful working of this profession. We may term these factors as components or fundamentals of salesmanship. So it is essential that the fundamentals of success of salesmanship should be given due importance. The fundamentals of salesmanship are the three P's namely :

PERSONALITY,
PRODUCT and
PEOPLE.

In other words these three P's explain about :

- (i) Knowledge of self (Personality)
 - (ii) Knowledge of products, and
 - (iii) Knowledge of customers.
-
-

3.2 MEANING OF SALES PERSONALITY :

Personality is the most powerful element to establish good human relations. It is the magnetic force which attracts and influences others. In the field of sales and marketing, it is essential to influence the prospects by the salesman's personality. The success of the salesmen leads to the success of the business organisation.

Sales personality is the aggregate of physical, mental, social and character qualities of a salesman which build up his personal ability to impress his customers. It is the general impression which he creates before others.

According to H. W. Merton "Personality is that personal distinction or dynamic force which is felt by everyone who comes within its radius". The physique and features of a salesman together influence the impressions of customers to a great extent. Sales personality includes all the qualities of a good salesman. These may be expressed as traits, qualities, characteristics, aptitudes, attitudes or activities which build up an effective salesman.

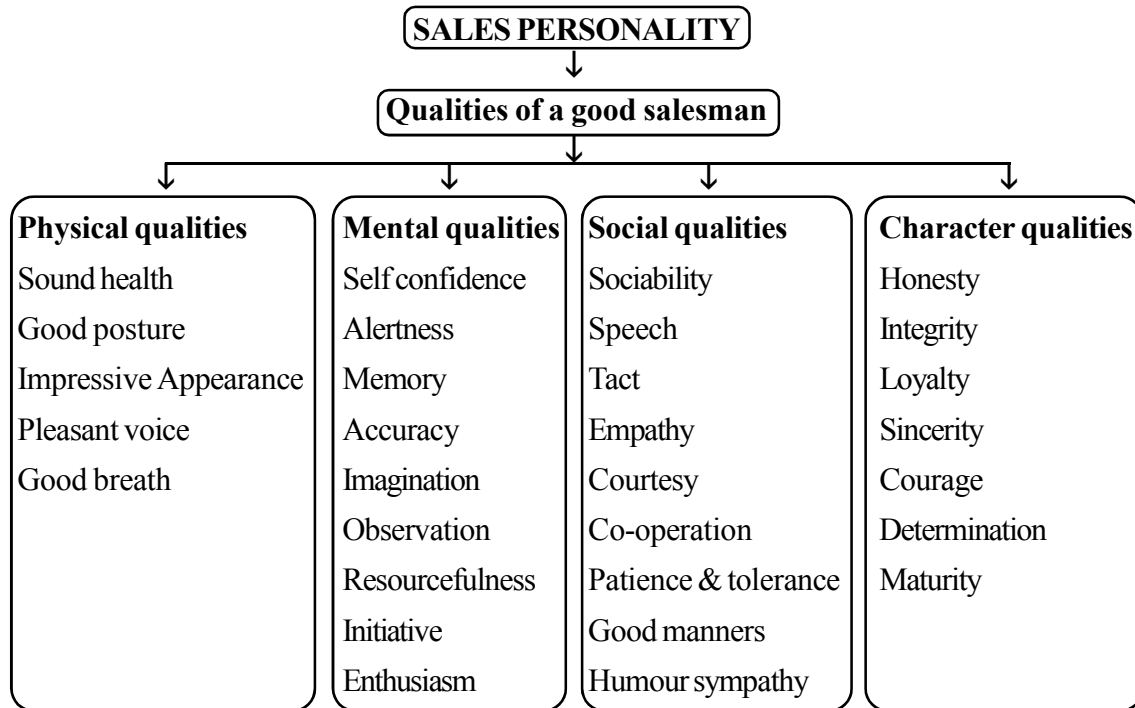
In a business organisation, the importance of sales personality is immense. The success of a salesman depends to a large extent on his ability to impress his customers. The importance of sales personality can be stated below :

- (i) It helps to attract prospective customers.
- (ii) It helps to make and hold friends.
- (iii) It helps to multiply the sphere of sales activity.
- (iv) It enables the salesman to be successful and prosperous.
- (v) It develops the ability to influence others and thereby social prestige is gained.
- (vi) It enables the salesman to adjust with the environment.

3.3 QUALITIES OF A GOOD SALESMAN :

To be a successful salesman, a salesman should have a wide range qualities. The sales personality is developed by acquiring such qualities. These qualities or traits can be categorised under the following four broad heads.

Qualities of a good salesman at a glance :



It is said that “A salesman should have a heart that never hardens, have a touch that never hurts and have a patience that never tires.” To be a successful salesman, one needs to develop the positive qualities or traits and avoid the negative qualities or traits.

Let us now discuss these positive qualities or traits of a good salesman. The qualities as stated above are :

- (I) Physical qualities or traits that get one into service and make highly successful.
- (II) Mental / Psychological qualities or traits that get one into service and make highly successful.
- (III) Social qualities or traits, that make one socially acceptable.
- (IV) Character qualities or traits, that keep one in the service.

I. PHYSICAL QUALITIES :

Physical qualities like sound health, good posture, impressive appearance, pleasant voice are to some extent inherent with the salesman. But these qualities can be improved to

a large extent by appropriate training and care. Sound health, good posture, impressive appearance, pleasant voice, good health are some of the physical qualities. These are discussed below.

(a) Sound Health :

Sound health implies that the salesman should possess full vigor of body and should be free from diseases. The job of salesmanship requires stamina, smartness and endurance, so sound or robust physique of the salesman make the job of salesmanship more effective. Nevertheless, if the salesmen are deficient of adequate physical energy, they can develop these qualities by proper dieting, exercise, rest and periodic medical consultancy. Good physical condition also ensures a proper mental attitude and a good personal appearance to attract customers.

(b) Good Posture :

Posture means the position of body when he stands, sits or moves. When a salesman stands erect with upright and balanced body, he looks confident and elegant. Good posture of salesman not only gives confidence to the salesman himself, but also impresses the customers and the owner. Good posture is an attracting element of personality and hence it is useful for the business and the salesman.

(c) Impressive appearance :

The first impression lasts long. Good appearance of the salesman impresses the customers favourably. It builds confidence of salesman so as to present himself favourably to the prospective customers. Good appearance includes cleanliness, grooming and neat clothing. A good salesman should have a smiling face with clean shaving, hair, and nails well-cut. His dress should be clean and simple and his shoes should be well polished. A good appearance has also a psychological effect on himself.

(d) Pleasant voice :

Voice is the expression of the salesman's feeling. His voice should be clear, fluent, pleasant and forceful so that the customers may like to interact with him. On the other hand, if the salesman's voice is course and not clear, then the customer can not understand him properly. Further, the salesman should be able to express himself in different languages, suitable to the different customers. A fine and well modulated voice becomes very effective in dealing with ladies and educated people.

(e) Good breath :

Good breath implies that the salesman should not have bad odor from defective teeth, swollen gums or stomach disorder. As the salesman comes in contact with the customer, he must have a good breath. If he has slight bad and offensive breath, he should take immediate step to remove such defects. Offensive breath repels the customers and hence oral hygiene is of utmost importance for him.

II. MENTAL / PSYCHOLOGICAL QUALITIES :

Besides physical soundness, the salesman should be mentally sound and sharp. With the help of his mental sharpness, he can accurately understand the customer's needs, their buying motives and successfully close a sale. Dull, absent minded salesmen can not properly understand the customer's buying motives and hence prove unsuccessful in their job. So the mental qualities of a salesman has significant role in the selling process. Self confidence, alertness, memory, accuracy, imagination, observation, resourcefulness, initiative, enthusiasm are some of the important mental qualities. These are discussed below :

(a) Self - confidence :

Self-confidence is the belief in oneself with regard to his knowledge and capabilities which the salesman should possess and cultivate. Adequate knowledge in the job and experience, raises the confidence level and enables the salesman to meet the unusual and abnormal situations with much ease. Due to high confidence level, the salesman is not perturbed by any situations and always well composed to face the customers. He can develop self-confidence through proper training and experience, and by avoiding mannerisms.

(b) Alertness :

Alertness is the quick response of mind which requires the presence of mind as to what to say, how to say, when to say etc. Alertness is the mental power or readiness of mind to take quick and correct decisions. A salesman with an alert mind can serve to the best satisfaction of the customers. Alertness consists of keen power of observation and common sense to take quick decision. It helps him to size-up the customers and to deal with them properly.

(c) Memory :

Memory is another important drive of a salesman. A salesman with a sharp memory can recognise the customers, recall his past interviews and foresee their requirements. A good salesman should keep a record of important points for future references. He can develop exceptional memory by going through such notes during his leisure. By virtue of good memory of the salesman

the gap between salesman and the customers is minimised and better relation between them is developed. It is very closely connected with observation.

(d) Accuracy :

The salesman should be very much accurate in his presentation. He should give up-to-date, reliable and convincing information to the customers because most of the customers believe in such information. If his statements are wrong or misleading, the customers will lose their faith in him. Hence inaccurate statements may lead to loss of sale as well as loss of goodwill. While meeting objections of customers he has to convince them by stating facts and advantages of the products.

(e) Imagination :

Imagination is needed to enable the salesman to see problems through the eyes of the prospects and to devise means for solving them. Salesman's imagination is his mental capability to visualize the problems and attitude of the customers. It makes him to see things in a wider perspectives. It helps to read the minds of the customers and enables the salesman to guide them to take right decisions. Proper imagination enables the salesman to understand the customer's problem correctly and extend useful suggestions to them to make wise decisions. Development of this quality helps him to become customer-minded. A salesman with proper imagination educates the customers.

(f) Observation :

Observation means the keen interest of the salesman to know about things happening around him. This mental quality makes the salesman to observe minutely the changes that are taking place with regard to tastes, preferences, politics, technology, economy etc. The salesman also keenly observes the tastes, preferences etc. of products of rivals. This quality helps the salesman to persuade the customers for a good purchase. Salesman with keen observation immediately spots the important problems of customers, keeps them in mind and applies his knowledge and ability in solving them. He adapts himself to changing conditions.

(g) Resourcefulness :

A resourceful salesman is creative in nature and has sufficient alternatives to solve problems of the customers. He makes various approaches to solve the problems or to remove the resistance of the customers. Adequate knowledge and creative attitude makes the salesman resourceful. Becoming resourceful requires a good foresight and a thorough knowledge of goods, the customers and their buying motives.

(h) Initiative :

Initiative is the instinct or interest of salesman which enables him to work readily without waiting for instructions from any body. The salesman's interest to know the secrets of trade and his creative nature develops initiative within him. By virtue of proper initiative, a salesman works uninterruptedly and can sell more products both to regular and new customers. New salesmen have to be guided by senior salesmen or sales manager, but gradually they must become independent to be successful. He should initiate sales talk rather than waiting for customers to speak.

(i) Enthusiasm :

Salesman's enthusiasm is the inspiration or the zeal or the curiosity to work. It encourages the salesman to work harder in a pleasant manner. The salesman should be prepared to give himself completely to the assigned job.

(j) Cheerfulness :

It is a state of mind. Psychologically people want to associate themselves with cheerful persons, so that they will also be cheerful. A cheerful and happy salesman receives customers in a receptive frame of mind and makes an effective sale.

III. SOCIAL QUALITIES

Salesman as a social animal deals with men and women of the society. So, the salesman's social behaviour has a direct impact on the customers. The social qualities of a salesman includes the courtesy, empathy, tact, cooperation, manners etc. which he has to show in his job. These social traits are discussed below :

(a) Sociability or Ability to meet public :

The salesman should be an extrovert and should have a great liking for people. The quality of readily mixing with others and making friendship with them, irrespective of caste, sex and age, makes the salesman sociable. He becomes the friend, philosopher and guide to his customers and gains a high social adaptability. On the other hand an introvert self centered person can not be a good salesman. A sociable salesman initiates talks, mentions selling points and feels happy in being admist many persons.

(b) Speech :

Speech is a communicating skill. It is the art of expressing oneself. A salesman through his persuasive and pleasant speech, can easily convert a prospective buyer into a purchaser. This

oral communication has a great impact in creating and maintaining sales in a business concern. Speech can be improved and can be made fluent, pleasant and effective through practice. The quality of speech can be further supplemented by developing command over English, Hindi and other regional languages. Faulty speech due to stammering, low pitch etc., may adversely affect sales personality. Salesmanship is said to be an oral communication. The talk of the salesman should be meaningful, logical, interesting and convincing.

(c) Tact or Skill :

Tact is the art of speaking and doing things accurately without hurting others. It is the mental awareness of the salesman to tackle all kinds of situations. Tact helps the salesman to overcome objections and obstacles in sales programmes. A tactful salesman delivers appropriate words and actions in such a manner that the delicate situations are very easily dealt with. Tact or social intelligence is almost wholly acquired.

(d) Empathy

Empathy is the ability to imagine and share the feelings of others. A good salesman should always try to probe into the thoughts and instincts of his customers. On the other hand his failure to understand the feelings of others may give rise to communication gap, difference of opinion and arguments etc. Empathy helps the salesman to be customers minded.

(e) Courtesy

Courtesy means polity and modest behaviour. A good salesman treats the customers with respect and appreciation. Words like 'welcome', 'thank you' and actions like opening the door, offering a chair or a glass of water wins the hearts of customers. A courteous salesman wins the hearts of other and thereby attracts them towards his business unit. This trait is such an intangible asset which costs nothing but pays a lot. Salesman should practise some courtesy rule like not to be late for appointment, be polite to customers or receptionist, never losing his temper etc.

(f) Co-operation

Co-operation is the collective action for mutual benefit. A salesman must co-operate with his fellow salesmen, his superiors, his juniors and the general public. The co-operative attitude develops the spirit of team-work and harmony. Personal differences on the part of salesman adversely affect the interest of the organisation. In order to cooperate, a salesman should be loyal to his organisation, loyal to his customers and loyal to his fellow-workers.

(g) Patience and tolerance

A salesman has to face a large variety of customers with different characters and attitudes. He has to be patient in dealing with such people. He should not lose temper, but he should tolerate any unpleasant remark or situation. A good salesman remains calm and composed and easily tolerates the irritating remarks from others. Therefore patience and tolerance not only develops sales personality but also brings good business to the organisation. The salesman should have a patience that never tires.

(h) Good manners

Good manners are the habits which recognise the salesman as an educated, civilised and cultured person. His polite and good behaviour in talking, walking and sitting constitute good manners. His good and gentle behaviour easily impress customers and builds up a good sales personality. If the salesman is unable to show good manners to customers, then he loses his sales personality and irritates most of the customers, resulting in losing sales. Manners not only make a man but they also mark him out. Mannerisms are bad manners, which must be avoided by salesman.

(i) Humour and sympathy

Humour and sympathy are two important elements of a sales personality. These elements make the atmosphere friendly and minimise tension and seriousness. As the salesman tries to be friendly and sympathetic to the customers, the customers get attracted and reciprocate him with friendly attitude.

IV. CHARACTER QUALITIES

Moral qualities are character qualities. The qualities like honesty, integrity, loyalty, sincerity etc. are character qualities. These qualities add value to the sales personality and bring completeness to sales personality. The character qualities are described below :

(a) Honesty

Honesty means speaking the truth and remaining impartial. The honest salesman should not cheat customers, rather he should be frank and truthful to them. If the salesman tries to exaggerate facts or cheats his customers, or sells duplicate goods, charges more than reasonable prices, the customers lose faith in him. The salesman should believe that 'honesty is the best policy', specially in salesmanship. A salesman should be honest in his dealings and statements

and keep his promise so that permanent goodwill with the customers can be founded. Fruits of honesty are more lasting and more enjoyable.

(b) Integrity

Integrity is the sum of the uprightness of character, moral soundness, good manners, honesty, fulfillment of promises and strength of character. There is no substitute for this quality. A salesman with high integrity creates a good impression upon his employer, fellow salesmen and customers. In selling, integrity includes doing nothing that is against the interest of the customers or the sales organisation.

(c) Loyalty

A good salesman should be loyal to the organisation, and its products, his customers and his fellow workers. Loyalty means the willingness to obey, cooperate and work as per the desire of the organisation, customers and colleagues. The salesman should keep the objectives of his organisation above his personal goals. A loyal salesman works within his framework to be affected adversely. Such moral trait brings a good sales personality to the salesman and develops reliability on the part of the employer.

(d) Sincerity

A sincere salesman tries to present his ideas, product in a genuine and dependable manner. He is very sincere and convincing in performing his job to customers, superiors and also to juniors. He attempts to perform his job without any negligence. Sincerity pays high dividend in the long-run.

(e) Courage

Courage means the guts to face challenging situations. The challenging situations may be a new venture, difficult venture or unpleasant situations. A good salesman must have enough courage to tackle such unpleasant situations.

(f) Determination, Industriousness, persistence and enthusiasm

Determination means the will or firmness to stick to the assigned task. Patience and preserverance are the essential elements of determination. A strongly determined salesman works calmly and patiently and achieves difficult targets successfully. Industriousness means the ability to work hard. It indicates persistent work to achieve a desired goal.

Persistence means to try and try again until one achieves his goal, and enthusiasm means the zeal. A good salesman must have all the above qualities to be a good salesman.

(g) Maturity

Maturity means a balanced social adaptability. A matured salesman is not perplexed by adverse situations. He accepts bad and good situation gracefully. His decisions are not whimsical but quite balanced whereby he can easily avoid unpleasant situations.

3.4 IMPROVING SALES PERSONALITY

A salesman may be born with some good qualities which add to his sales personality. The nature of sales personality depends to some extent on heredity and environment. But the physical, mental, social and character qualities can be made better and the sales personality can be improved to a significant extent. Proper environment and training can improve the sales personality. Some of the ways to improve sales personality are discussed below :

1. Regular exercise and medical checkup can improve health, posture, appearance etc.
2. Parlours can improve appearance, voice and also can remove bad breath.
3. Training and exposure to the job sharpens one's working capabilities.
4. The salesman follows and learns many things from the senior fellow salesmen.
5. The can undertake spoken language courses.
6. Patience and tolerance can be developed within the salesman by working with senior friends and through experience.
7. Self-improvement can be done through self-assessment programmes.
8. Proper supervision and training can also improve good behaviour, honesty and integrity of a salesman. By eliminating or avoiding negative qualities, sales personality can be improved.

On the whole, sales personality can be improved through proper training and regular assessment. Therefore, we can say that most of the salesmen are made rather than born.



3.5 QUESTIONS

A.I. From the given alternatives, choose and write the correct answer along with its serial number against each bit :

- (i) The physical qualities of a salesman are
 - a) Sound health, posture, appearance, self-confidence
 - b) Appearance, posture, voice, sound health
 - c) Posture, memory, tact, honesty
 - d) Loyalty, memory, tact, honesty.
 - (ii) The quality 'courage' means :
 - a) to be honest
 - b) the ability to face adverse situations
 - c) willingness to obey
 - d) showing good manners.
 - (iii) Social qualities include
 - a) Empathy and sympathy
 - b) Self-confidence and cheerfulness
 - c) Accuracy and alertness
 - d) Health and breath
 - (iv) Accuracy is a
 - a) Physical quality
 - b) Mental quality
 - c) Social quality
 - d) Character quality
 - (v) Character qualities include
 - a) Honesty and sincerity
 - b) Humour and sympathy
 - c) Cheerfulness and resourcefulness
 - d) Appearance and posture
-
-

- (vi) The three fundamental precepts for a successful salesman are
- Sales personality, buying motives, knowledge of customers
 - Sales personality, training, knowledge of customers
 - Sales personality, selling points, knowledge of customers
 - Sales personality, knowledge of products and knowledge of people.
- 2.(a) Express each of the following in **one** word/term.
- The position of the body
 - The social trait of a salesman showing good manners
 - It is the ability of the salesman to face adverse situation.
 - It is a social quality required for a good salesman showing his ability to imagine and share another person's feelings and emotions.
- (b) Answer each of the following questions in **one** sentence :
- Name two physical traits, expected from a salesman.
 - What is loyalty ?
 - Name two mental qualities required for a good salesman.
 - Why is posture so important for a salesman ?
 - Name two social qualities, expected from a salesman.
 - What does personality mean ?
 - Name two character qualities expected from a salesman.
 - Why is sound health so important for a salesman ?
- (c) Correct the underlined portions of the following sentences :
- Sound health is a character quality of a salesman.
 - Self-confidence and imagination are physical qualities of a salesman.
 - Honesty and integrity are social qualities of a salesman.
 - Empathy and sympathy are mental qualities of a salesman.
-
-

(d) Fill in the blanks :

- (i) _____ means position of the body.
- (ii) Sales _____ is the ability of the salesman to impress his customers.
- (iii) Sales personality can be improved by working with _____ co-workers.
- (iv) Patience and tolerance are _____ qualities of a salesman.

B. 3. Answer each of the following questions within **two** sentences.

- (i) Name any four physical traits, essential for a salesman.
- (ii) What do you mean by good posture ?
- (iii) Why is sound health necessary for a travelling salesman ?
- (iv) Why is accuracy necessary for a salesman ?
- (v) Name four mental traits that should be possessed by a good salesman.
- (vi) What is tactfulness ?
- (vii) What is reliability ?
- (viii) Why do you understand by empathy ?
- (ix) Name any four important social traits of a salesman.
- (x) How is honesty useful to a salesman ?
- (xi) Name any four important character traits of a salesman.

4. Answer the following questions within **six** sentences each.

- (i) What is 'sales personality' ?
 - (ii) Explain any one physical trait of a salesman.
 - (iii) Mention any three physical traits of a salesman.
 - (iv) Explain any one mental trait of a salesman.
 - (v) Mention any three mental traits of a salesman.
 - (vi) Explain any one social trait of a salesman.
 - (vii) Mention any three social traits of a salesman.
 - (viii) Mention any three character traits of a salesman.
-
-

C. Long Type Questions

5. Answer the following questions :

- (i) What is sales personality ? Why is it essential for a salesman ?
- (ii) What is sales personality ? How can it be improved ?
- (iii) Explain the good qualities required by a good salesman.
- (iv) Explain the physical and mental traits required by a good salesman.
- (v) Explain the social and character traits required by a good salesman.
- (vi) How can sales personality be improved ?

ANSWERS

- A. 1. (i) b (ii) b (iii) a (iv) a (v) a (vi) d
- 2.(a) (i) Posture (ii) Courtesy (iii) Courage (iv) Empathy
- (c) (i) Physical (ii) Mental (iii) Character (iv) Social
- (d) (i) Posture (ii) Personality (iii) Senior (iv) Social

○○○

KNOWLEDGE OF PRODUCT

STRUCTURE

- 4.1 Introduction
- 4.2 What is product knowledge
- 4.3 Types of product knowledge
- 4.4 Importance of product knowledge
- 4.5 Selling points & Talking points
- 4.6 Sources of product knowledge
 - Personal Experience
 - Consulting seniors
 - Libraries
 - Advertisement
 - Manufacturer's Literature & Assistance
- 4.7 Questions

4.1 INTRODUCTION

Successful selling demands that the salesman must possess the following knowledge :

Knowledge of self
Knowledge of selling process
Knowledge of the company
Knowledge of products
Knowledge of customers
Knowledge of competitors
Knowledge of Advertising

These are essentials for a good salesman. In this chapter an attempt has been made to discuss one of these essentials i.e. knowledge of products which aims at bringing out the following points :

- ❖ What is product knowledge ? - its meaning.
- ❖ Why it is necessary ? - its importance.
- ❖ Types of product knowledge required.
- ❖ Selling points / Talking points
- ❖ Methods of acquiring product knowledge or sources of product knowledge.

4.2 WHAT IS PRODUCT KNOWLEDGE ? ITS MEANING :

Product knowledge refers to complete and meticulous knowledge about the product and it covers areas such as – origin and history of the product, physical qualities of the product like size, weight, colour, packing, composition, utilities of the product like range of performance, best way of using and limit, services provided like installation, maintenance, credit facilities, spare parts etc. Thus product knowledge composition is all about product from its conception to commercialisation.

4.3 TYPES OF PRODUCT KNOWLEDGE

The kind of knowledge required by a salesman can broadly be classified under 3 heads :

- (i) Tangible qualities of his goods
- (ii) Intangible qualities and
- (iii) The behaviour of the goods.

Tangible qualities refer to all the physical traits like weight, size, composition etc. which can easily be proved. For example **pure silk, multi grain** flour, **PVC** pipes, **Fast Colour**, Pure wool, are tangible qualities of goods. These are statements of facts and can be proved by physical tests.

Intangible qualities are those qualities which are not physical in nature and thus difficult to prove. Statements like **owner's pride, latest style, fashionable colour, attractive design** etc. are intangible in nature.

The behaviour or uses of the goods consist of its utilities i.e. the range of its performance, its technical advantages and its superiority over those of competitor's etc. For example in case of motor car– the speed, fuel efficiency, ground clearance, breaking ability, versatility etc. consist of its behavioural qualities.

4.4 IMPORTANCE OF PRODUCT KNOWLEDGE :

Product knowledge is important for a salesman for the following reasons :

◆ ***It increases self confidence.***

Product knowledge increases the self confidence of the salesman as it equips him with facts to meet all customer's queries and objections convincingly and it makes selling a pleasant task.

◆ ***It increases sales.***

The salesman with good product knowledge is always in a better position to motivate the customers and thus helps in increasing the sales volume of the firm and also earning of the salesman.

◆ ***It improves Product Image***

Product knowledge helps the salesman present the product in the market in the most effective manner. By highlighting all the features of the product and its comparative advantages over other products, he can paint a clear image of the product in the mind of the customers and thus carves out a special place for the product in the market.

◆ ***It meets competition.***

Adequate product knowledge helps in meeting competition from other salesman and other products. To survive and remain ahead of others the salesman must meet the challenges of this /her competitors. In the modern world of business, competition is considered as the key to success. One must 'perform or perish'. There is no place for the weak and the incompetent. Under such an atmosphere, better product knowledge will help the salesman withstand the rigors of competition.

◆ ***Effective Sales Talk.***

A thorough knowledge of the product will help the salesman in bringing out the advantages of the product to the fore and present before the customers in his sales talks effectively.

◆ ***It helps customers.***

'A satisfied customer is a thousand dollar worth of advertisement'. Hence the primary duty of the salesman is not sale but to satisfy the customer. A good product knowledge on the part of the salesman can help the customer in making the best buying decision and the consequent satisfaction.

In the light of the above discussion we can conclude that product knowledge not only helps the salesman by increasing his self confidence and personal earnings but also brings in equal benefit

for the customer, for the manufacturer and the economy as a whole. More sales leads to more income, more income leads to more expenditure, more expenditure leads to more demand and more production and thus the economic cycle goes on on the path of growth.

4.5 SELLING POINTS / TALKING POINTS.

The term **selling point** refers to an advantage of a product or article which if emphasised is likely to induce the customer for making the purchase. A selling point, when included in the sales talk, is called a **talking point**. The common selling points are low price, discount, special selling terms durability, attractive packing, latest design, time and labour saving, ease of use, comfort etc. Selling points are needed to be used selectively taking into consideration the particular customer and his/her buying motives, the nature of the product etc. In other words, sales talk must not be mere statements of facts but it must be designed in a manner, that will suit the customer and his buying motives. A wealthy customer need not be told about **low price** and **durability** of the product but other points like **latest design, attractive packaging** and **time savings** features bear more significance for him. Therefore, sales talk must be tailor made for the customer.

For most of the product some selling points are same or common. However combination of selling points differ from one class of product to another. To make this point clear an identification of selling points for a few class of goods can be made under.

<u>Class of Goods</u>	<u>Selling Points</u>
<ul style="list-style-type: none"> ◆ <i>Agricultural Goods :</i> Cereals, Pulses, Corn, Poultry Products, Dairy products, Fish and Fish products, Fruits/ Vegetables, Beverages. ◆ <i>Manufactured Consumer Durables :</i> Cars, bikes, Washing machines, Fridges, Computers, Mobile phones, Kitchen implements, Furniture, Garden tools. ◆ <i>Manufactured Consumer Goods :</i> Cosmetics, Toiletries, Stationeries, processed food items. ◆ <i>Manufactured Industrial Goods :</i> Machine tools, Hand tools, equipments, power generators, supplies fabricated parts. 	<p>Freshness, nutrients, Taste, Flavour, Source, Nature of Farming, Processing method, Age of the product.</p> <p>Price, durability, size, weight, comfort, versatility, maintenance, repair resale, value, terms of sales.</p> <p>Freshness, health promoting properties, packing, price, effectiveness, ease of use.</p> <p>Size, dimension, shape, durability, portability, environment, friendliness, repair and maintenance, power consumption, brand, production capacity.</p>

Selling points of some commonly used products may be cited as follows :

Maruti Cars :	Fuel efficiency, Compact design, Wide product range, Wide sales and service net work, Low priced and easy availability of spares, Free driving training, Easy Finance, Servicing at door, Free insurance Euro emission standard.
Horlicks :	Healthy nutrients, Family food for babies, children, young and old people. Improves 5 signs of growth more bone, more muscles, more concentration, more weight, healthier blood.
Energy Saving lamp : (Khaitan Lamp)	Starts at low voltage of 130 V, Life up to 4 years, Cool bright light. Guarantee of one year 27 W CFL is equivalent to 135 W bulb.
Mussli Nutty Crunch :	Goodness of multi grain, High in fibre, Good source of protein Cereal packed with goodness of whole grain like oat, corn, wheat with dry fruits and nuts, Lower cholesterol.

But the list is not exhaustive. In case of time many new brands of products are manufactured by producers and they are citing new selling points through their advertisements.

4.6 SOURCES OF PRODUCT KNOWLEDGE

Product knowledge can be acquired by the salesman by different methods and from different sources. It may be gathered from manufacturers literature and assistance like sales manual, sales bulletins, visit to factories, meetings and conferences etc. or from fellow salesmen, from customers feed back or from own experience or reading of books, journals etc. Some important resources of product knowledge may be mentioned as under :

◆ *Personal Experience*

‘Experience is the best teacher.’ By using the article himself the salesman can gather first hand knowledge of the product and can meet all the queries of the customer about the product. Sometimes by telling the customer that he himself is using the product he can attract customer’s attention. But this should be carefully used by the salesmen as sometimes this may have a negative effect. Moreover this method of gaining knowledge by personal use is not possible for all types of product.

◆ *Consulting Seniors*

The salesman can acquire product knowledge by consulting his senior colleagues. Long experience in the job usually makes a man wiser. Valuable information about the product—its uses, misuses, advantages, disadvantages, technical superiority etc. can be gathered from

experience and sharing of these experiences with the colleagues will very well enhance the product knowledge of a salesman.

◆ ***Libraries / Wikipedia***

Product information can be obtained by referring to books and journals in the libraries. Usually every industry publishes its technical or trade journal where technical details of the product are given. Referring to these journals in public library or Company's own library a salesman can obtain valuable information about the product. Browsing through different web sites he can also have knowledge about the product and customers queries.

◆ ***Advertisement***

Company's advertisement and advertisement of other companies usually bring out the features of the product to the fore and is a good source of product knowledge. A salesman must go through these advertisements and better equip him with the product knowledge so that he can meet the challenges and avail the opportunities as a salesman.

◆ ***Manufacturer's Literature and Assistance***

The manufacturer's literature and assistance constitute a major source of product knowledge. These are discussed below :

○ *Sales manual* prepared and published by the manufacturers contain detail information about their product, procedure to be followed in making out orders, maintaining expense accounts, reports, credit facilities etc. All necessary information which a salesman needs regarding the product, are usually mentioned in the manual and that is why sometimes it is called as the ***Salesman's Bible***.

To supplement the information in the sales manual, manufacturers also provide updated information about their product in form of ***sales bulletin***. These are called ***Salesman's newspaper*** and provide information regarding addition of new product to the product line, any alteration in the old product or dropping of a product from the product line etc.

○ *Sales portfolio* or Sales portfolios prepared by the manufacturers contain instructions for window display and may also include testimonial letters, illustrations of product installations, List of users, features of advertising etc. The difference between sales portfolio and sales manual is that sales portfolio is prepared as a visual aid meant for the customers, whereas sales manual is prepared to educate the salesman about the product in form of a book. From the sales portfolio provided by the manufacture the salesman can have better eye-view of advertising features of the firm.

○ *Sales meetings and conferences* are very often arranged by manufacturers and distributors for facilitating interaction among the sales personnel. Problems relating to product,

price, promotion etc. are usually discussed in such conference and people share their personal experience and problems. Senior executives deliver lectures on important feature of the product and render expert advice to deal with different problems. Participation in such meetings and conferences make the salesman aware about the features of the product so far unknown to him.

Salesmen are often taken on *factory visits* by the manufacturers. On such visits they are exposed to the manufacturing process of the product and other technicalities and as a matter of fact gain first hand knowledge about the raw materials, the process they undergo, the technology used, the quality control measures followed and many other things. When the factories are at far away places and it is not possible to take the salesmen to the factory sites, they are encouraged to visit nearest show rooms, trade fairs and industrial exhibitions organised by the industry.

Motion pictures and visual aids : Prepared by manufacturers on the product for the purpose of educating the salesman and consumers as well, enable the salesmen to learn about the product and its features.

This is an inexpensive and popular method used for imparting product knowledge to the viewers.

Some manufacturers prepare a **schedule of questions (Questionnaire)** relating to product knowledge and selling points and the salesmen are required to answer the questions. The salesman providing the best answer is rewarded by the company. Such competition among the salesmen helps in increasing their product knowledge.

Travelling demonstrators are often engaged by the manufacturers to help the salesman learn how to demonstrate his **wares** or products at the shop counter. As they are expert in this particular field, they render valuable help to the salesman in increasing his knowledge and skill.

Manufacturers sometimes conduct **personal training** classes for the sales force. Such training programmes are intended to train the salesmen in the fundamentals of selling, details of their products and about prospective customers.

Salesmen are allowed to increase their knowledge by admitting themselves in **correspondence courses** conducted by different universities and institutions. Manufacturer usually encourage such activities by salesmen. This not only helps the salesmen in building his career but also helps the manufacturer in increasing sales.

The above are some of the important sources of product knowledge which a good salesman can cultivate to enrich his skill and ability.

4.7 QUESTIONS :

A.1. Choose and write the correct answer from the given alternatives given below :

- (a) Tangible quality of a product refers to
 - (i) Physical qualities
 - (ii) Abstract qualities
 - (iii) Nature of the product
 - (iv) Utility of the product.
 - (b) Selling points when included in sales talk is called
 - (i) produced knowledge
 - (ii) Sales manual
 - (iii) Talking point
 - (iv) Buying motive
 - (c) Product knowledge is necessary for a salesman to inform and educate
 - (i) Retailer
 - (ii) Manufacturer
 - (iii) Wholesaler
 - (iv) Customer
 - (d) Sales Bulletin is also called :
 - (i) Salesman's Bible
 - (ii) Salesman's Newspaper
 - (iii) Salesman Portfolio
 - (iv) Sales Manual
 - (e) Sales Manual is prepared by :
 - (i) Salesman
 - (ii) Government
 - (iii) Manufacturer
 - (iv) Customer
-
-

2.(a) Express each of the following in **one** word/term.

- (i) The advantages inherent in the products
- (ii) The points pointed out by the seller while conversing with customer.
- (iii) Bag supplied by the manufacturers containing samples, testimonials, advertising materials etc.
- (iv) The book containing information about products, procedure to be followed in selling goods, selling reports etc.

(b) Answer each of the following questions in **one** sentence :

- (i) What is meant by sales manual ?
- (ii) What are the contents of sales portfolio ?
- (iii) What does trade journal contain ?
- (iv) State any two selling points of a wading machine.

(c) Correct the underlined portions of the following sentences :

- (i) Refrigerator is a consumer's product.
- (ii) Motor cycle is a staple product.
- (iii) Utility is a very strong selling point of a costly car.

(d) Fill in the blanks :

- (i) Product knowledge increases _____ of the salesman.
- (ii) Product knowledge helps _____ sales.
- (iii) Sales manual is called Salesman's _____.
- (iv) Salesman's portfolio is prepared by _____.
- (v) Selling points are called _____.

B. 3. Answer the following questions within **two** sentences each.

- (i) What is meant by product knowledge ?
 - (ii) What is a sales manual ?
 - (iii) What do you mean by talking point ?
 - (iv) Mention any two sources of product knowledge.
 - (v) Write any two importance of product knowledge.
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-

- (vi) What is salesman's portfolio ?
 - (vii) Write the name of any four consumer durables.
 - (viii) What is a sales bulletin ?
 - (ix) What do you mean by tangible qualities of a product ?
 - (x) State any two selling points of vegetables.
4. Answer the following questions within **six** sentences each :
- (i) Differentiate between sales manual and salesman's portfolio.
 - (ii) Explain any two sources of product knowledge.
 - (iii) Explain any two importances of product knowledge.
 - (iv) Differentiate between tangible and intangible qualities of a product.
 - (v) What should salesman know about the product ?
- C. Long Type Questions :**
5. Answer the following questions :
- (a) Why is product knowledge essential for a salesman ?
 - (b) Discuss the importance of product knowledge for a successful sales talk.
 - (c) Explain in brief the different sources of product knowledge.
 - (d) What facts should a salesman know about a typical product ?
 - (e) What are selling points ? Discuss the selling points with respect to
 - (i) Industrial Goods
 - (ii) Consumer durables
 - (iii) Agricultural goods.

ANSWERS

- A. 1. (a) i (b) iii (c) iv (d) i (e) iii
- 2.(a) (i) Selling points (ii) Sales talk (iii) Sales port folio (iv) Sales manual
- (c) (i) Durable (ii) Consumer's durable (iii) Pride / fashion / vanity
- (d) (i) Self-confidence (ii) increasing (iii) Bible (iv) Manufacturer,
- (v) talking points.



BUYING MOTIVE

STRUCTURE

- 5.1 Buying motive – its meaning & definition
- 5.2 Characteristics of buying motive
- 5.3 Classification of buying motive
- 5.4 Important buying motives
- 5.5 Tracing the buying motives
- 5.6 Difference between buying motives & Selling points
- 5.7 Linking Selling points with buying motives
- 5.8 Questions

There is a saying that ‘sales does not take place in the shop but in the mind of the customer’. It is the customer’s psychology i.e. his mental disposition which influences the sale ultimately. The salesman must understand this. If he can study the customer’s mind, he will be in a better position to clinch the deal. In the previous chapter we have discussed ‘product knowledge’ and came to the conclusion that the salesman must know “what he is going to sell ? i.e. his product”. But this is not enough. He must know why the customer is going to purchase his product ? What are the motives or intentions behind his buying desire ? Thus he must be a good reader of human mind. In this chapter an attempt has been made to study the following :

- * The meaning and classification of buying motive
- * Importance of buying motives
- * How to trace buying motives of customers
- * Difference between buying motives and selling points.

5.1 ‘BUYING MOTIVE’ – ITS MEANING & DEFINITION

The word ‘motive’ means an urge, drive or stimulus which prompts us to react or decide in some or other manner. In lay man’s word, we can say it is the purpose behind doing anything. Thus buying motive is simply the purpose, behind buying any product or service. The word buying motive is defined by some prominent authors as follows :

Prof. W. Stanton defines it as “A motive is a drive or an urge for which individual seeks satisfaction; it becomes a buying motive when the individual seeks satisfaction through purchase of something.”

Prof. D.J. Duncan defines it as “Those influences or considerations which provide the impulse to buy, induce action or determine choice in purchase of goods and services.”

D.J. Durian defines it as “Buying motives are those influences or considerations which help the buyers getting on to satisfaction.”

On an analysis of the above definition we can sum up that buying motive refers to the thought / feelings / emotions / urge/and instincts which arouse in the customer a desire to buy an article. It is a mental process and unique to individual.

5.2 CHARACTERS OF BUYING MOTIVE

The characteristic features of buying motive can be stated as follows :

- ♦ Motives are inner feelings of a person and purely psychological in nature.
- ♦ Every person is unique and buying motives of different persons are different for the the same article.
- ♦ Motives are many and they can not be enumerated at any point of time.
- ♦ One or many motives at the same time influence the buying decision of an individual. As human mind is very complex it is difficult to find out how it works.
- ♦ Buying motives differ in their significance and their importance differ. Some are more important than others. Salesman has to appeal to the appropriate buying motive of prospects.

5.3 CLASSIFICATION OF BUYING MOTIVE

Though buying motives are many and it is not easy to have a detail enumeration of all the motives, we can classify them under some broad groups as follows :

- ♦ Primary and Secondary
 - ♦ Innate and Acquired
 - ♦ Product and Patronage
 - ♦ Rational and Imotional
 - ♦ Physical and Psychological
 - ♦ Positive and Negative
-
-

On the basis of urgency buying motives can be classified as **Primary and Secondary**. Primary motives are more urgent and get priority over others. Hunger, thirst, sex, sleep, health etc. are primary motives, whereas, fashion, vanity, jealousy, praise, comfort, etc. are secondary motives.

On the basis of their origin motives can be classified as **innate and acquired**. Innate motives are inherited and originates biologically, like hunger, thirst, sleep, rest, sex etc. Acquired motives are those which are subsequently learned from the environmental factors. Fashion, style, vanity prestige etc. are acquired motives.

From the point of view of the product, motives can be classified as **product and patronage**. Product motives are those motives which are attached to the product like durability, cost, comfort, fashion, safety etc. The motives which compels a buyer to regularly visit a store or to prefer a particular brand comes under patronage motives. Goodwill of the shop, its location, reputation of the product, behaviour of the sales person etc. are examples of patronage motivators.

Motives based on rationality i.e. reasoning, judgement, conscience, intelligence, thinking etc. are **rational motives**. They are controlled by the 'head'. On the other hand **emotional motives** are related to one's passion, feelings, sentiments etc. Love, compassion, hate, jealousy, affection are examples of emotional motives. They are related to matters of 'heart'.

Motives related to satisfaction of physical needs like thirst, hunger, health, sex are called **physical motives**. These are inherited or inborn, of primary in nature. **Psychological motives** are those motives which deal with mental satisfaction like romance prestige, fashion, style etc. These motives are acquired and secondary in nature.

Motives are said to be **conscious** when the customer is very much aware of his needs. He knows about his requirement and the product which he is going to buy, hence the, important motivators are economy, durability, safety etc. **Dormant** motives are just the opposite of conscious motive. Here the person does not know what exactly he needs. This may be out of his ignorance, belief, cultural back ground, limited exposure etc. Take for example a small city boy goes to London for his studies and comes across the life of comfort and luxury, fashion and glitterities there. Then all the dormant motives like comfort fashion etc. will become conscious motives for him.

Positive motives are those which add to happiness, growth, prosperity, fulfilment etc. Comfort, pride, vanity, fashion etc. encourages a person to buy and enjoy life. On the other hand **negative motives** are discouraging. Motives like fear, economy, utility, health etc. restricts or

dissuade a person for buying. These negative motives compel a person to see the dark side of the things.

5.4 IMPORTANT BUYING MOTIVES

There are a large number of buying motives. It is not possible to provide a detail list of all these motives. A few motives which are very common and important from the salesman's point of view are discussed below :

Pride : Everyone, male or female, young or old, needs recognition and attention from others. We want to show other people around us that we are important, we are special, we are such and such, have such and such. This is an inborn quality of every human being, which is called "pride". People often spend lakhs of rupees not to meet their needs but to show their pride. People buy costly watches, luxury cars, expensive i-phones, designer garments mostly to satisfy their pride. A salesman can appeal to this motive of prospects showing some indication of pride.

Vanity : Though pride and vanity seems to be similar, there is some difference between them. While pride is justified, vanity is not. There is nothing wrong to become proud when you have achieved something special. But vanity is unjustified and is identified with false pride. It is showing something of which one is actually notworthy. Thus it is empty showmanship. Most people usually most women buy expensive products for the sake of vanity and not utility.

Jealousy : Very often people buy things out of jealousy or envy. Women customers are more prone to it. 'Our neighbour has it so we must have it', whether we want it or not. She says "Mr. X's wife rides a swanky car, why not I ? I must ride the same type or a better one." This sort of thinking arises because of jealousy. The salesman can make use of this motive to his/her advantage.

Fear : Everyone is afraid of accident, premature death, disease, disability, loss arising out of fire, flood, earthquake, burglary etc. This element of fear motivates us to buy many things like. life insurance, health insurance, fire fighting equipments, aquaguards, tooth paste, health drinks, so on and so forth. It is an inherent weakness of human being and a powerful motivating factor in the salesman's kit to be used when ever necessary.

Cupidity : Cupidity is the desire to gain an advantage or make profit. All of us, more or less are affected by this desire. Almost all our activities are governed by this motive. If a salesman can convince the customer that he is going to gain from the deal, then his job of selling becomes an easy task.

Love and affection : Love and affection for family, friends, society and country often induce people to buy many things. A father buys sweets and toys for his children, dresses for his wife; a son buys, blankets, shawls, dresses for his parents; a wife buys men's wear, neck tie, wallet for her husband and so on. In all these purchases, love and affection is the dominant motive. Advertising captions like 'Family First', 'Don't leave your family defenceless' or "Be Indian and buy Indian" aims at appealing to this human sense of love and affection. This is a common motive which can be appealed to all-young and old.

Sex and Romance : Male of the species try to attract, the attention of female of the species and vice versa. It is the law of nature. Men try to look attractive and presentable to their women folk; similarly women try to attract the attention of their male counterparts. This is an inherent desire with all of us. Fancy and fashionable dresses, jeweleries, footwears, cosmetics, perfumes, automobiles, bikes and many more things are purchased for this purpose. Young people are more motivated by this factor— sex and romance, than the old people. Salesman should appeal to this motive specially when dealing with youths.

Comfort : Almost all the people want to lead a life of comfort. We want to have and enjoy all the modern amenities like air conditioner, washing machine, dishwasher, refrigerator, modular kitchen, furniture, luxury cars, big bikes, home theatre etc. These articles save labour, time and add pleasure and happiness to one's life. For the sake of comfort, people prefer buying soft cushioned sofa to a wooden chair, a reclining chair to an ordinary straight back one, a high speed luxury SUV to an ordinary car; and many more. In case of well to do people of higher income group comfort and not economy or durability, is the predominant buying motive. Salesman should appeal to this motive while dealing with such people.

Economy : If we would have limited wants or unlimited resources then there would have been no problem of economics. In reality, our wants are unlimited and resources or means to satisfy them are limited. Hence, while buying any product, we think of its cost. Factors like initial investment, operating cost, resale value, repair & maintenance charges, spare parts, period of guarantee etc. affect our buying decision. For a rational judgement, we make a cost and benefit analysis before buying. Salesman dealing with consumer durables like automobiles, air-conditioners, freezers, gysers, bikes etc. must appeal to this motive.

Possession : Sometimes people buy things not to use them but to possess them. To say that I am the owner of this and that, gives a sense of satisfaction. Art objects, antiques, expensive jewels are purchased by paying high prices to satisfy this urge. People buy varieties of assets—

land, buildings, furniture, fixtures, automobiles, i.phones, computers to satisfy their greed for possessing. It is a very strong motive behind every purchase and the salesman needs to address this inherent desire of his customer in appropriate manner.

Fashion : The word ‘fashion’ usually means a popular style or practice, especially in clothing, footwear, accessories, hair dressing makeup, furniture, etc. People follow cine-stars, sports-icons, rock-stars in respect of their clothing, make-up and hair styles. Ladies and young people always want to be fashionable and follow the trend set by glamorous kings and queens of the tinsel world. Fashion is a dominant motive for buying clothing apparels, and jewelleryes which the salesman can not ignore.

Hobbies : A hobby is a regular activity that is done for enjoyment, normally during ones leisure time. There are numerous hobbies like stamp collection, gardening, reading books, music, painting, photography, coin collection etc. People buy many things in pursuit of their hobbies and rich people don’t hesitate to spend a fortune for their hobbies. This is an acquired motive and needs to be taken care of while selling the related products.

Habit : Habit is an acquired behaviour pattern regularly followed until it has become almost involuntary. Sometimes people patronise a particular store, or vendor without any visible reason. This usually happens in case of purchasing grocery items, vegetables, fish and visiting beauty parlours, barbers, restaurants etc. Just for the sake of habit a man may visit a particular tea stall or a green grocer every morning in his locality.

Health : Almost all of us are concerned with our physical and mental health. To remain fit and healthy we do exercises, go to gyms, purchase horlicks, proteinex, nutrislim and other healthy drinks and organic foods, fruits honey etc. Baby foods like Amul, lactogen, sports equipments like bull worker, dumb bell, etc. are sold on this plank. To stay fit enjoy good health and live a longer life, is everyone’s inherent desire. Anything that subscribes to this human desire can be sold like hot-cake in the market. An intelligent salesman must take note of this motive while dealing with the customer.

Convenience : Convenience refers to anything that saves or simplifies work and adds to one’s ease or comfort. People don’t mind buying expensive articles or instruments for the sake of comfort. Fully automated washing machines, micro-wave ovens, mixers, gysers, dishwashers, vacuum cleaners etc. and many more things are purchased for convenience and ultimate comfort. Many things can be sold to the customer by appealing to this motive.

Some authors like Prof. R.S. Davar point out that fear, cupidity and vanity are the three big buying motives.

5.5 TRACING OUT OR RECOGNISING THE BUYING MOTIVES :

As has been discussed, buying motives are many and complex and very difficult to be identified in an objective manner. What about a salesman ? even an expert psychologist will fail in ascertaining the exact motive of a customer. However, a few methods of tracing out the buying motives can be described as follows :

Using Past records and experience :

Learning from experience is perhaps the best way to learn something. A salesman from his past failures and successes can study the customer's mind and can determine the buying motives accurately. Varieties of experience will lead to maturity in judgement and proper handling of the customer. But learning from experience is always a costly and lengthy method.

Listening and Observing People around :

By listening to and keenly observing the people around us, we can learn many things. By giving a patient hearing to the customers, cultivating closeness with them and keenly observing their body language, the salesman can decode the hidden buying motive. People open their hearts when they get closer and feel secured in somebody's hand and to do this salesman must keep his eyes and ears always open towards the customer.

Direct talks with customer :

Like a doctor diagnosing the disease by asking the patient different questions directly, a salesman can find out the buying motive of a customer by directly interacting with him. But this method of tracing out the motive is risky. The salesman must be tactful in eliciting the required information without hurting the ego of the customer.

Sharing ideas with colleagues :

Sharing ideas and experience with other colleagues will enhance the information base of the salesman and will help him study the buyer's motive and identify it. But this is not always possible because of personal differences among them and rivalry.

Using Company's advertisement :

Advertisements are usually prepared by companies after doing lot of market research. Each piece of advertisement is the result of a good deal of talent, treasure and time. After studying the buying motives of customers at large, they are prepared in the most appealing manner. A salesman takes a cue (hint) from this advertising for finding the motive of an individual customer.

5.6 DIFFERENCE BETWEEN BUYING MOTIVES AND SELLING POINTS.

The difference between **buying motive** and **selling points** can be summarised as follows :

- | | |
|--|--|
| 1. Buying motives are the inner urge which induce buyers to purchase goods or services. | 1. Selling points are advantages of a product which the salesman focuses in his sales talk. |
| 2. It is 'customer specific' which differs from customer to customer. | 2. It is 'product specific' which differs from product to product. |
| 3. Product remaining same buying motives differ from customer to customer depending upon his income, likes, dislikes, perception, situation etc. | 3. Selling points remain same for a particular product. |
| 4. It deals with human psychology and can not be studied exactly in an objective manner. | 4. Selling points are more physical in nature and can be presented in an objective manner. |
| 5. It deals with the question as to why people buy. | 5. It deals with the question as to why a product is sold or needed. |
| 6. Buying motives are more important as it is the customer who pulls the shot in a sale. | 6. Products are designed or manufactured keeping in view the matching of selling points with buying motives. |

5.7 LINKING SELLING POINTS WITH BUYING MOTIVES :

From the discussion it can be concluded that the position of a salesman is like that of a match maker. He will have to find the suitable match between the selling points inherent in the product with buying motives of customers to finalise a sale. All selling points cannot be used with all customers. They should be used selectively keeping in view the customer and his buying motives. Let us take the example of a newly designed car having all the following selling points :

1. Latest Technology and Style
 2. Compact design
 3. Fuel efficiency
 4. Better safety standards
 5. Attractive colour
-
-

6. Environment friendly (low emission)
7. Low price
8. Free Insurance
9. Low operational expenses.

The salesman need not elaborate all the selling points to all the buyers. For a status conscious affluent customer, where the buying motive is 'pride' the salesman should emphasise on the designing, styling, colour and uniqueness of the technology of the product but not on fuel efficiency and economy. Similarly when the important motive of the buyer is 'economy', the salesman should emphasize on low price, fuel efficiency, low operating expenses, free insurance to appeal the customer. A salesman's success depends on how accurately and effectively he establishes a link between the selling points with the buying motives.



5.8 QUESTIONS :

No. 1. From the given alternatives choose and write serially the correct answer:

- (a) Behind every purchase there is always a
 - (i) Selling motive (ii) Buying motive
 - (iii) Business (iv) Helping motive
- (b) Motives are:
 - (i) Internal feelings (ii) External feelings
 - (iii) physical feelings (iv) Meta-physical feelings
- (c) A salesman must study the motive of:
 - (i) Manufacturer (iii) Realtor
 - (ii) Vender (iv) Buyer
- (d) Jealousy is a dominant motive in case of:
 - (i) Male customers (ii) Female customers
 - (iii) Elderly customers (iv) Bulk buyers
- (e) While selling insurance policy, a salesman must appeal to the buyers:
 - (i) Motive of Jealousy (ii) Motive of pride
 - (iii) Motive of fashion (iv) Motive of fear

No.2. (a) Correct the following sentences making suitable change in the underlined word/words

- (i) Primary motives are less urgent than secondary motives.
 - (ii) Acquired motives are inherited
 - (iii) Motives related to passion, feelings and sentiment are rational motives.
 - (iv) Habit is an inherited behaviour pattern.
 - (v) The buyer is normally regarded as a complicated person.
- (b) Fill in the blanks with appropriate word.
- (i) Rational motives are related to head in the same way, emotional motives are related to _____.
 - (ii) Buying motives are customer-specific while selling points are _____ specific.
 - (iii) Popular style or practice is known as _____.
-
-

- (iv) For selling stylish apparels the most appropriate buying motive is _____.
- (v) Vanity is _____ pride.
- (c) Express each of the following in **one** word/term.
- (i) Boasting of something which you are not worthy.
 - (ii) Motives related to one's passion, feelings and sentiments.
 - (iii) Activity normally done for enjoyment during one's leisure time.
 - (iv) Motives which add to one's happiness, growth, prosperity, fulfillment etc. are grouped as.
 - (v) Advantages of a product which the salesman focuses in his sales talk are
- (d) Answer the following within **one** sentence each :
- (i) What is buying motive ?
 - (ii) What do you mean by selling points ?
 - (iii) What is a rational motive ?
 - (iv) How is pride different from vanity ?
- (e) Answer the following questions within **two** sentences each:
- (i) What do you mean by emotional motive ?
 - (ii) What is cupidity ?
 - (iii) What is fear motive ?
- No.3 Answer the following questions in **six** sentences each:
- a) What is patronage motive?
 - b) Explain the buying motive 'fear'.
 - c) As a salesman how you will appeal to the buying motive "Love and affection?"
 - d) Explain the characteristics of buying motive.
 - e) What are 'positive' and 'negative' motive ?
 - f) What are 'primary and secondary' motives?
 - g) What do you mean by 'rational' and emotional motives?
-
-

Long Type Questions

5. What is buying motive? Explain the characteristic features of buying motive.
6. What do you mean by selling point? Explain how selling point is different from buying motive.
7. Why knowledge of buying motive is essential for a salesman? Explain any 3 important buying motives.
8. Distinguish between buying motives and 'selling points'. As a salesman how you will link them? Explain:
9. Discuss different methods of tracing out buying motives.
10. Explain the different methods of classification of buying motives.

ANSWERS

No.1. (a) ii (b) i (c) iv (d) ii (e) iv

No.2. a) (i) More (ii) Innate (iii) Emotional (iv) Acquired (v) Complex

b. (i) Heart (ii) Product (iii) Fashion (iv) Fashion (v) False

c. (i) Vanity (ii) Emotional motives (iii) Hobby (iv) positive motive (v) Selling points.



TYPES OF CUSTOMERS

STRUCTURE

- 6.1 Introduction
- 6.2 Methods of Sizing up of Customers
 - 6.2.1 By character analysis
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- 6.3 Classification of customers :
 - 6.3.1 Classification on the basis of sex
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 - 6.3.4 Classification on the basis of purpose
 - 6.3.5 Classification on the basis of number
 - 6.3.6 Classification on the basis of characteristics
- 6.4 Questions

6.1 INTRODUCTION

‘Knowledge of the product’ and ‘knowledge of the buying motives’ are no doubt, two important weapons in the salesman’s armoury to win a sale, but they are not enough. As sales take place in the mind of the customer to win his mind the salesman must have good knowledge about customer, his needs, behavioural traits, urgency, taste, temperaments etc. this is called ‘sizing up’ of the customer or we can say knowledge of the customer. This chapter aims at giving a brief idea about :

- ♦ Different methods of sizing up or identifying the customers and
- ♦ Classification of customers for proper dealing with them.

6.2 METHODS OF SIZING UP OF CUSTOMERS

The different methods of sizing up of the customers can be stated as follows :

- ♦ By character analysis
 - ♦ By using records
-
-

- ♦ By using sales manuals
- ♦ Through other employees of the company and employees of other companies and
- ♦ By experience.

6.2.1 By character analysis :

By analysing the character of the customer the salesman can acquire a lot of knowledge about him. But the important question is how a salesman can analyse the character of his customers? Simply by observing and studying some indications like-his carriage, clothes, expression, conversation and other body language, he can have some idea about them.

Carriage:

Carriage refers to the manner in which the customer walks into the shop. Whether he is in a hurry or in a leisurely mood? Whether he knows what exactly he wants or is in confusion? Whether he has come to buy or has come to while away some time inside? All these questions can be answered by simply observing his carriage. When a customer enters into the shop straight, without hesitation, it means he has come to buy and he knows well what he wants to buy. A hesitant, casual gait may indicate that the person is a mere on-looker, not a shopper and has come to the shop just to while away some time but not to buy.

Clothes :

A man can be identified from his clothes. His tastes, social status, economic and educational conditions can be judged from his dress. But a salesman must take precaution while judging a man from his dress alone. Sometimes millionaires dress in shabby cheap clothes, whereas snobs and cheats dress themselves in expensive suits to hood wink the glibble. However, dress is a good indicator of one's style, fashion and taste. Therefore, it is said that apparel often counts a man.

Expression :

How a person expresses himself / herself by words of mouth or gestures, is an important indicator of his personality. Whether he is talkative or silent type, frank or suspicious, proud or docile, serious or jovial etc. can be inferred from his/her expression.

Conversation :

How one converses or talks-the language, the tone, the contents- every thing will help in judging a persons personality. His education, depth of knowledge, cultural back ground social status, nature etc. can be gauged from his conversation. The salesman should try to adjust himself accordingly with the would be buyer.

Action :

Sometimes action speaks louder than words and helps the salesman in sizing up the customer. A customer's body language how he examines the product, touches it, feels it, his facial expression, gesture etc. reveal his character to some extent. Whether he is snobbish or argumentative or indecisive or nervous can be diagnosed from his action.

6.2.2 By using records :

By using past records of the customer's previous visit or visits a salesman can also size up the customer. From the data of his past purchases, payments, queries of the salesman, he can ascertain his habit, likes and dislikes, credit status, peculiarities consumption pattern etc.

○ By using sales manuals :

The sales manual provided by the company often deals with customer's nature and attitude and acts as a guide for the salesman in recognising customers nature and behaviour.

○ Through other employees of the Company and employees of other Companies :

Interacting with other employees of the company as well as representatives of other companies a salesman can increase his spectrum of knowledge. He can gather knowledge from varieties of experience of his colleagues and friends of his company by maintaining good relationship with them.

6.2.3 Through experience :

Knowledge gathered from experience helps the salesman in sizing up the customers. An experienced salesman can study the customers behaviour more accurately and chalk out his sales campaign accordingly.

6.3 CLASSIFICATION OF CUSTOMERS :

Classification of customers is required to have a better understanding of their specific needs and the best possible way to meet them. The customers can be classified by using a number of bases like sex, age, area, purpose of buying, temperament, number of customers etc. Each class or group of customer needs special treatment from the salesman.

6.3.1 Classification on the basis of sex :

On the basis of sex customers can be classified as men customers and women customers-

Men Customers :

Usually men are quick in decision making, they don't want to waste time in shopping and are hardly bargain hunters. They do give importance to style, fashion and trend etc. but not like their women folk, they are also not fastidious like their women counterparts.

Hence, while dealing with a male customer the salesman should talk precisely. He must emphasize on quality and technical superiority of the product. Indifferent attitude and lack of prompt service usually dissuade them. However, a male customer is easier to be handled than a woman customer.

Women Customers :

Women customers are more important than men because they control three fourth of the worlds wealth and responsible for over half the purchases made. Therefore, an intelligent salesman must be better aware of the peculiarities of women. Women are very difficult to be pleased. They come in group, move from shop to shop, ask so many questions, bargain a lot and are very slow in decision making. They are very proud and want to be treated like queens. They are suspicious and do not easily trust the salesman . They are also very jealous and always try to demonstrate that they are superior to others. Their senses are keener than that of men and they are always serious about style, fashion and trend. As home managers women are always economic. They want to buy good quality goods at lower price and therefore move from shop to shop, bargain hard and consume a lot of time for deciding whether to buy or not.

Keeping in view the peculiarities of women customers, the salesman must deal with them very carefully. He should be courteous and must not hurt their ego. A little bit of flattery may help in winning their trust. The salesman should answer all their queries though they may be vague and allow them to examine the product (touch, feel, smell, fondle). Instead of highlighting about technical details, the salesman should emphasize on the product's economy, style, fashionability and uniqueness in the market. The salesman should allow them time to take their decision without hurry, otherwise they get irritated. Patience, good manners and tactful dealings are highly essential on the part of the salesman to deal with women customers.

6.3.2 Classification on the basis of age :

Our requirements, attitude towards life and society vary with our age. As customers we buy different things at different phases of our lives. Buying motives also are related to age. Therefore, on the basis of age customers can be classified under four categories as:

- (i) Children,
 - (ii) Youngsters,
 - (iii) Middle aged and
 - (iv) Elderly.
-
-

Children :

Children often visit shops to buy things for them and their family like chocolates, books, pens, pencils, crayons, brush, grocery, eatables, medicines etc. They bargain a little and don't argue with the salesman. They need gentle and affectionate treatment. Once their confidence is owned, they become regular customers.

The salesman should not neglect children customers and try to mislead or cheat them. Once they feel cheated and their trust is broken, they never visit the shop again.

Youngsters :

Youngsters are usually impatient and haughty customers. Sometimes they try to irritate the salesman and always want immediate attention. They usually don't care for the price but want product of latest fashion and style. They don't take much time for taking decision and at times are impulsive.

To earn a good clientele the salesman should make them feel important and not argue with them at all. In stead of stressing on price he should give emphasis on look, style, colour and fashion of the product. Friendly treatment, smart talk and a caring attitude on the part of a salesman is required to deal with the young men- the rising suns.

Middle Aged

Customers belonging to this age group are usually experienced, responsible and respectable family heads. They know exactly what they want and always seek parity between quality and price.

A salesman must approach these customers respectfully and frame his sales talk to appeal to the appropriate buying motives like possession, price, vanity, fear etc. Identification of the predominant motive is very very important.

Elderly :

This group constitute the senior citizens, retired and veterans with long and varied experience. They know the value of money better than any other group. They demand respect for their age and experience. They are practical and look for economic, durable and utility product.

The salesman should pay respect to the elderly people, keep his ears open and patiently meet their queries. As these people have a lot of time, they must be explained all the details of the product. Old and infirmed customers must be handled compassionately and respectfully without ridiculing them.

6.3.3 Classification on the basis of area :

On the basis of area\locality they belong to, customers can be classified as urban customers and rural customers.

Urban Customers :

Customers living in urban areas i.e. towns, cities and metropolis are called urban customers. Normally they are educated, cultured and polished in their behaviour. They prefer clean, fashionable and glittering shopping centres to small retail counters. They have a taste for quality, branded and stylish products. For them economy is secondary while taking a buying decision and most of them are slaves of consumerism and a culture of use and throw.

These customers should be provided with detailed technical information about the product. The sales talk must emphasize on quality and fashion of the product. These customers are less argumentative and usually don't like bargaining, hence are easy to handle. Good manners, fluency, cleanliness and smartness on the part of the salesman are sure to win their hearts.

Rural Customers :

Customers from villages living away from cities and towns come under this category. They consist of uneducated, under privileged, simple village folk. Normally these people are straight forward and unpolished in their manners. They are suspicious and bargain a lot. Like urban customers they don't look for fashionable and stylish products. Their main buying motive is economy, durability and profit.

While dealing with the rural customers, the salesman must patiently answer their queries and highlight on durability and economy of the product. The salesman must not look down on them for their rustic behaviour and guide them with good advice.

6.3.4 Classification on the basis of purpose :

On the basis of purpose of buying customers can be classified as:

Customers who buy for manufactures

Customers who buy for resale and

Customers who buy for own consumption.

♦ Customers who buy for manufactures :

These buyers are also called industrial buyers. They buy raw materials, machineries and other industrial inputs which are being used for purpose of production. They also buy office furniture, equipments, fixtures and stationeries for their offices. These customers are expert buyers

and they buy in bulk. They are rational buyers, they know very well what to buy and as businessmen, are very much conscious about price, quality and profit factor. They need dependable source of continuous and timely supplies. They also want good after-sale-service provided by the seller.

While dealing with these industrial buyers the salesman must take into consideration all their needs. As time is important for them he must give an assurance of timely supply of goods at their door. Price, quality and after sale service also carry equal weightage. Honesty, integrity and dependability on the part of the salesman can help nurturing a good and long standing relationship with these customers. As bulk buyers they need special attention in every respect.

♦ ***Customers who buy for resale :***

Customers who buy for resale are called traders- middlemen in the chain of distribution is either wholesalers or retailers. They are expert buyers in their field and buy in large quantities. Their main objective is profit and economy. They are professionals and very well informed about the product and market.

As these buyers buy in bulk to resale them in the market they need timely supplies of quality goods at lower price so that they may be able to make good profit under prevailing market environment. A salesman to achieve his mission must cultivate good rapport with such buyers provide them with true information about the product and its market. The buying motives of economy, price quality and profit must be given utmost importance.

♦ ***Customers who buy for own Consumption :***

These customers are called consumption buyers or consumers. They purchase for their own consumption. Thus, they are the final users of the product. They buy in small quantities from the retailers. They have little knowledge about the product and the prevailing market conditions. They may have product or patronage motive.

While dealing with these customers the salesman should study their requirements and guide them properly by giving suitable suggestions and advice.

6.3.5 Classification on the basis of number :

On the basis of number customers can be classified as individual and group customers.

♦ ***Individual customer***

An individual buyer buys alone and takes his decision himself. He does not come to the shop along with friends relatives who are likely to influence his judgement. He may be male or

female, rural or urban, young or old, rational or emotional, suspicious or social that is to be found out by the salesman and may be dealt with accordingly.

Here the salesman is required to convince and satisfy one individual only. Hence after studying him he will have to use the best suitable tool from his kit to win him.

♦ ***Group Customer***

Group customers or shoppers are those who go for shopping along with friends and relatives. A girl may go for shopping along with her mother, sister or father or her friend. A boy may go accompanied by his friends for buying a pair of dresses and so on. Under such circumstances, the group influences the buying decision. Especially it is the group leader's decision that is very much important.

The salesman while dealing with a group must take proper care of all the members of the group, but identify the real buyer and the most influential member of the group. If the salesman can satisfy the group leader, then the job of satisfying the buyer becomes easier. However the salesman must not antagonise any member of the group.

6.3.6 Classification on the basis of characteristics :

The behavioural traits of the customers are different. Some are argumentative, some are suspicious, some are impatient, some are talkative while others are silent. The salesman will have to deal with all these people and therefore must know their peculiarities so that he can design his sales talk to suit their needs. On the basis of behaviour or temperament, customers can be classified into many groups as follows :

Argumentative Customers :

This class of customers always find fault with others and dispute everything the salesman says. They are unreasonable illogical, quarrelsome and don't listen to others. They are aggressive in their dealings and try to test the patience of others. They always like to compare about the quality, price, service of other stores without any truth in it.

No doubt, it is very difficult to deal with this type of customers. The salesman should not lose temper at any time and must avoid argument. It is always better to lose an argument than to lose a sale. The salesman should try to convince such customers with facts and logical replies without any sign of irritation. Proof should be given in support his approach.

Silent Customer :

The silent type customers do not like to talk. They are very meek and mild and use silence as a weapon. Sometimes these customers are very much confident and know their requirements and the product very well but prefer silence to talk because of their nature.

It is very difficult to deal with this type of customer as it is not possible to know what is going in their mind. The salesman should try to make them talk and study their response intelligently and calmly. Gentle behavior, tactful dealings and patience on the part of the salesman will help in breaking silence and winning the game.

Talkative Customer :

These customers are just apposite of the silent type. They are extroverts, love talking and don't allow others to talk. They are time killers, ask many irrelevant and unnecessary questions. They know little but pretend to know everything.

The salesman should give a patient and careful hearing to these people and at the opportune moment draw their attention towards the sale. He must not give them detail description of the product as they are very poor listeners. A little bit of flattery may help the salesman in fulfilling his purpose.

Suspicious Customer :

This type of customer always suspects that the salesman is trying to cheat or trap him. He does not believe him or in his talks and tries to break himself free of the deal. He likes to ask many questions and find out the truth. This type of customers are very difficult to be convinced and satisfied.

A salesman while dealing with a suspicious customer must not lose his temper but must try to clear all his doubts by presenting the facts confidently and clearly. If possible he should provide the proof or offer him guarantee of refund, buy back, replacement etc. Proof of deal with other customers, dealers price list, vouchers, agreements etc. may be presented before him to win his confidence.

Friendly Customer :

Such type of customers is jovial in nature and extend his hand of friendship to anybody and every body. They have an optimistic attitude and can create friends very easily. They trust the salesman and always lead the conversation.

It is easy to deal with such type of customers as they don't argue and bargain. They believe the salesman and accept his advice without suspicion. However, the salesman should not think that he can be fooled easily. The salesman should present the facts clearly and truthfully to such type of customer and help him in decision making and never try to cheat him.

Shy customers :

These customers are nervous. They take quick and jerky decisions. Due to lack of self-confidence they are not assertive. They don't argue or bargain with the salesman and talk very

little. Openly they don't show their displeasure or criticise others. But once displeased or dissatisfied, they don't visit the shop again.

The salesman must deal with such type of customers carefully. A concerned and friendly attitude will help him win the customer's heart. The salesman must not make elaborate discussion about the product or show him a large number of products to confuse him. The sales talk should be very precise.

Impatient Customers :

This type of customers needs immediate attention and hates delay or little negligence on the part of salesman. As buyers they are impulsive, jerky and take very quick decision. They don't bother for price and don't bargain. They want that the salesmen should attend them immediately, waste no time and be very precise.

The best way to deal with such type of customer is to attend him as quickly as possible even at the cost of inconvenience to others and dispose him off before his patience runs out. No detail discussion of the product or its utility is necessary.

Sarcastic customers :

This type of customer is offensive in nature. They use derogatory humiliating and sometimes vulgar words deliberately to offend other's sentiment. They think themselves very witty and know-all.

The salesman while dealing with such customers must maintain his cool in spite of the provocation. Argument and confrontation should be avoided at any cost. Instead of getting serious or angry, he must face the situation calmly with a smiling face to fetch good dividend.

Ill-mannered Customers:

Some people are ill-mannered and rude. Bad company, bad habits and poor education may be the underlying cause, of such behaviour. They don't mind hurting other's sentiment and use abusive language.

The salesman while dealing with this type of customers must apply restraint. As he can not cure them the best policy for him is to endure their behaviour. In stead of trying to teach them a lesson or using the policy of tit for tat, he should use his tact.

Handicapped a physically challenged customer :

Customers suffering from certain physical/mental disability like blindness, deafness, dumbness or orthopaedical problems or Downs syndrome are very sensitive. They don't want sympathy but like to be treated equally with others.

The salesman must give such customers special attention and care. He must adjust himself to their deficiencies and make them comfortable at the counter. It is his moral as well as professional duty to help them get the best possible deal.

Conceited Customers :

These customers are snobbish and have very large ego. They think themselves superior to others and deserve special treatment. They love showmanship. They buy things to show their superiority over others. They don't mind for the price and don't bargain.

This type of customers are very easy to be handled. The best medicine to win them over is a hefty dose of flattery. Flattery makes them happy and elated. Then they can be coaxed easily to buy the product.

Procastinating Customers :

These customers can not make up their mind whether to buy or not. They go on postponing their purchase. This may be unintentional or deliberate.

Firmness on the part of the salesman, special inducement and use of fear motive is likely to yield the desired results. However wilful procastinators are very difficult customers and are hard nuts to crack.

Untruthful Customers :

These customers do not hesitate to lie and by doing so, want to gain some undue advantage. They lie about the price and quality of the product available in the other store and sometimes threaten the salesman that unless he agreed to their terms they will buy from other store. They fail to understand that the salesman knows better than them.

The salesman must deal with these customers firmly but must not offend them. To deal with their falsehood, he must have detailed knowledge about the price, and quality of products of other competitors in the market.

Something for nothing type customers :

These customers are hard bargainers. They buy things not because they need them but because they are cheap, available at discounted or concessional price. End of season sales, auction sales, factory outlets are their favourite hunting ground, cupidity is their main buying motive.

This type of customers must be explained about the benefits they are going to get from the deal as well as its terms and conditions. They should be convinced that they are getting more than what they pay for.

From the discussion, we can say that different types of customer need different types of approaches, treatment and methods of persuasion.



6.4 QUESTIONS :

No. 1. From the given alternatives choose the right answer.

- a) A person who buys for his own consumption is called.
 - (i) Individual buyer (ii) Resale buyer
 - (iii) Consumption buyer (iv) Group buyer
- b) Conceited buyers have very high opinion about
 - (i) Salesman (ii) Others
 - (iii) Themselves (iv) Manufacturer
- c) A buyer who did not believe in the words of the salesman is called
 - (i) Argumentative (ii) Suspicious
 - (iii) friendly (iv) Nervous
- d) Buying motives differ from
 - (i) Salesman to salesman (ii) Person to person
 - (iii) Manufacturer to manufacturer (iv) Company to company
- e) Jealousy is considered as a dominant buying motive for
 - (i) Men customer (ii) Women customer
 - (iii) Children customer (iv) Elderly customer.

No.2 (a) Express the following in **one** word/term each :

- (i) Customers living in urban areas.
 - (ii) The manners in which the customer walks into the shop
 - (iii) The customer who buys goods for the purpose of manufacturing
 - (iv) The customers who always find fault with others and dispute every thing the salesman says.
 - (v) The type of customers who don't like to talk.
- b) Answer the following in **one** sentence each :
- (i) who is a sarcastic customer ?
 - (ii) State any one feature of impatient customer.
-
-

- (iii) Mention any one feature of impulsive customer.
- (iv) Who is an undecided customer ?
- (c) Fill up the gap in the following sentence :
 - (i) Sole agents, wholesalers or retailers are known as ____ buyer.
 - (ii) Customers purchasing for manufacturing are ____ buyers.
 - (iii) Customer who do not like fashionable products are ____ customers.
- (d) Correct the underlined portion of the following sentences:
 - (i) Youngsters are smart but patient customers.
 - (ii) Argumentative customers are reasonable in their approach.
 - (iii) Shy type of customers is late in taking decision.

No. 3. Answer the following within **two** sentences each:

- (a) What are the features of urban buyers?
- (b) What is meant by carriage in respect to customers?
- (c) What is meant 'sizing-up' of customers?
- (d) Who are physically challenged customers?
- (e) What do you mean by pompous customer?
- (f) What are the features of group shoppers?
- (g) What are the features of women customer? (any two)
- (h) How to deal with an ill mannered customer?
- (i) Who is an impulsive buyer?
- (j) How do you deal with a shy type customer?

No. 4. Answer the following within **six** sentences each:

- a) State the features of male customers.
 - b) How will you deal with an argumentative customer?
 - c) How do you deal with group shoppers?
 - d) How will you deal with an urban customer?
 - e) What are the difference between men and women customers?
 - f) Explain the differences between urban and rural customer.
 - g) How will you study the behaviour of a customer from his conversation?
 - h) Comment on "Customer is always right".
 - i) "Women customers like to be treated as queens" - explain.
-
-

Long Type Questions

1. How does salesman deal with ladies as buyers ? Bring out their peculiarities.
2. Classify customers according to their purpose of buying and explain the ways and mean of handling them. (any three).
3. How will you deal with the following types of customers : (any three)
i) Talkative b) Argumentative c) Suspicious d) Conceited (any three).
4. How will you deal with the following types of customers: (any three).
(i) Customer with a girl friend.
(ii) Customer with a complaint.
(iii) Expert customer.
(iv) Nervous customer.
5. What do you mean by sizing up of customers? Explain.

ANSWERS

1. a (iii) b (ii) c (ii) d (ii) e (ii)
2. (a) (i) Urban customers
(ii) Carriage
(iii) Manufacturer buyer
(iv) Argumentative customer (v) Silent.
(b) (i) Customers who make silly, offensive and meaningless statement are sarcastic customers.
(ii) He does not have patience to examine the goods, its prices because time is very valuation to him.
(iii) Impulsive customer shows signs of impatience or at times loss of temper.
(iv) An undecided customer cannot make up his mind easily.
(c) (i) resale (ii) industrial (iii) rural or old.
(d) (i) impatient (ii) unreasonable (iii) quick.



SELLING PROCESS

[Psychology in selling & AIDA Process]

STRUCTURE

- 7.1 Introduction
- 7.2 Selling process from buyer point of view :
 - Psychology in selling
 - Stages in selling process
 - 7.2.1 Selling process from sellers point of view
- 7.3 Prospecting
 - Importance of prospecting
 - Essentials of good prospecting
 - Methods of prospecting
- 7.4 Pre-approach
 - Objectives of pre approach
- 7.5 Questions

7.1 INTRODUCTION

Knowledge of the product, knowledge of customers and their buying motives are no doubt, important for successful selling, but the salesman must remember that the entire buying process is a mind game. Understanding the sequence of actions and reactions that take place in the mind of the customer before making the final decision to buy, is still more important which the salesman cannot afford to ignore. He must know well the intricacies of the mind game or the psychological process behind buying. The ultimate objective of a salesman is to make the buyer buy. To achieve this objective the salesman must take a series of logical steps like inform, stimulate, persuade convince and move the buyer to act. All these activities undertaken by the salesman are called selling process from buyers point of view.

Selling and buying are just like two sides of a coin- one side is represented by the sellers and the other side by buyers. One cannot stand without the other. Therefore, 'Selling process' can be viewed from two different angles-one from the buyers and other from the sellers angles. Below we have discussed selling process from buyers point of view.

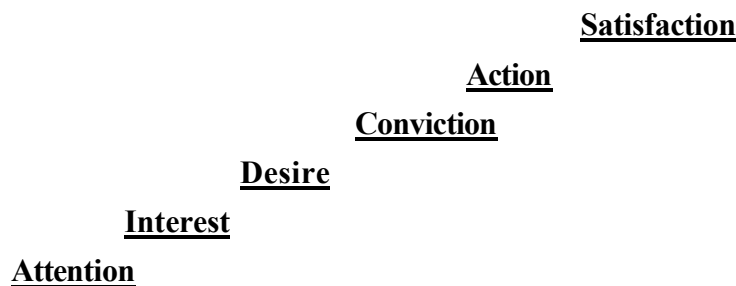
7.2 SELLING PROCESS FROM THE BUYERS POINT OF VIEW

Psychology in selling : selling as a mental process— Goods are sold in the market not because salesman sell them, but because the buyer buys them. Thus buying is the cause and selling is the 'effect' and not the vice versa. Buyer is the epicenter of all selling activities. His needs, wants, likes, dislikes, ability, interest etc. prevail over the market and he pulls the final shot in any selling contract. The role of a salesman is just like that of a facilitator who assist the buyer in his buying. Customer or the buyer being the KING, his desire, likes and dislikes rule supreme, and it is the salesman's duty to attend to all his whims and fancies. Therefore, it can be said that selling is simply a buying process and everything revolves round the buyer.

Psychology of the buyer is the most important factor in any selling effort. His interest, wants, satisfaction-all are subject matters of psychology. It is the buyers mind that takes the final decision whether to buy or not ? After knowing about the product's features, advantages and benefits to be derived from product, from the salesman, the buyer's mind moves through a sequence of psychological activities to reach the final decision. Therefore, it has been said that 'sales takes place in the mind of the customer, not in the shop. It is a mental process rather than a physical process. Therefore sales effort must be designed and directed at influencing the customer's mind, then only it can become successful.

Stages in selling process :

The mental process of selling involves certain stages. These stages are in a logical sequence starting from identification of the need to its actual satisfaction. A pictorial presentation of the stages can be made as follows :



This process is known as AIDCA process, where 'A' stands for attention, 'I' for interest, 'D' for Desire, 'C' for Conviction and 'A' for Action. The mind of the customer moves from one stage to another in a sequential order to arrive at the buying decision.

The salesman must frame or organise his sales talk in such a manner that he draws the attention of the prospect, develops his interest in product, creates a desire to have the product convince him that the product will fulfil the need and finally make the prospect buy the product. Thus the sales presentation must match the mental process of the prospect.

Attention :

Drawing attention is the 1st stage in the selling process. The prospective buyer must be made aware of the existence of the product. What the salesman is offering must come to the notice of the prospect first. There are different techniques used for drawing attention of the would be buyers like advertising, window displays, allowing the prospect to hold and handle the product, providing complementary samples, giving the names of other celebrity users etc.

Interest :

The second logical stage in the, selling process is creating prospect's interest in the product. The salesman can arouse the interest of the prospect by telling him the important features of the product, its utility and uniqueness. Demonstration of the product is considered to be a very effective method of awakening customer's interest. The salesman while talking with the prospect can also identify his buying motives and can make an appeal to them for increasing the customers interest in the product. Customers should be encouraged to ask questions clarify their doubts, if any.

Desire :

Arousal of the desire to possess or enjoy the product follows the arousal of interest. Once interest in the product is created the salesman, by highlighting the important selling points of the product, must convince the prospect that the product is worth possessing or is a desirable thing. For this purpose he must clear all the doubts of the customer and prepare the customers mind longing for the product.

Conviction :

At this stage the customer is convinced that what the salesman is offering are going to satisfy his wants and he must have it or possess it. This stage is achieved when all the confusion,

doubts and objections in his mind relating to the product are cleared. By providing guarantees warranties, buying back promises the salesman can also win the confidence of the buyer and help him in reaching the conviction stage.

Action :

The final stage in the selling process is securing action, which means help making an would be buyer, the real buyer. For this purpose the salesman again has to emphasise on the product's utility, comparative advantages, after sale services like door delivery, repairs etc. and keep the customer obsessed with the idea of having the product and hasten the final deal.

7.2.1 Selling process from the Seller's point of view :

From the sellers point of view selling process mainly involve six stages.

1. Prospecting
2. Pre-approach
3. Approach
4. Presentation & Demonstration
5. Meeting of objections
6. Closing of sale

7.3 PROSPECTING

In marketing terminology the word prospect refers to a person or unit that has the potential to buy a product or service offered by the salesman. Prospecting is the method of finding out potential buyers or would-be customers. It is the first step in the selling process and involves searching and identifying the probable buyers. We call a probable prospect a prospect when the following conditions are satisfied:

- I. The probable prospect has a need for the product or service offered.
- II. The probable prospect has the ability to buy the product or service.

○ **Importance of Prospecting :**

As a geologist prospects for oil, gas or minerals under the earth's crust a salesman must prospect for potential buyers in the market. Prospecting is considered as key to success in both the cases. In a competitive market the salesman can not sit and wait for the customers, he must find them out and make them come to his shop. The significance of effective prospecting can be well understood from the following points:

The objective of every business house is to increase sales. For increasing sales the number of buyers must increase. To increase number of buyers the salesman must tag in more prospects. More prospects and more buyers help the business to grow and salesman to prosper.

In course of business, every business house lose some customers, how hard they may try to retain them all. To replace such loss of customers in due course, the salesman must always be in search of new prospects. For maintaining and extending the demand for the firm's product, continuous prospecting is essential.

Change in business environment like demography-income- purchasing power, consumption pattern-technology Government policies cultural values etc. affect the consumer's behaviour and his buying decision. Continuous prospecting helps the business keep itself abreast of the changes in environmental factors. If the business cannot adapt itself to the changing environment then it will meet with decay and demise.

An effective and efficient prospecting plan helps in better sales management. It increases the salesman's efficiency by instilling a sense of orderliness and timeliness in his sales effort.

Regular and continuous prospecting keeps alive the image of the product and the firm in the market. This provides the firm and the salesman with a leverage to increase their market share.

○ Essentials of good prospecting :

All prospects do not become buyers. Some prospects appears to be promising but they fail to become buyers. They are called **China eggs**; which look attractive but do not hatch. Similarly, some prospectus are called **Cold Turkeys** they look unpromising but turn out to be real buyers with or little effort. While prospecting a salesman must keep in mind some essential features of a good prospect. They are mentioned as follows :

1. The prospect must have a need which can be converted into **want** and the want ultimately into **purchase**.
 2. The prospect must have the purchasing power i.e. ability to pay. A need without ability to pay becomes meaningless.
 3. Ability to pay is not enough, it must be backed by willingness to pay. A man may have enough money but if he is not willing to part with it for the product then it is not effective want.
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4. The prospect must have the authority to buy the product or service. Any one cannot buy a gun or revolver. It requires a licence. Similarly medicines cannot be bought from the counter without a physicians prescription. In case of organisations, only a designated official is authorised to buy, not everyone.
5. A good prospect must be approachable or can be contacted easily. People who are in high positions like the Chief Executive Officers, Chairman, Secretaries, Ministers are normally not easily approachable. However they can be contacted through their PAs, friends and relatives.
6. A prospect must be lucrative, in the sense that he has a large following and need a large quantity of the product so that bagging him will be highly beneficial to the firm.

○ **Methods of Prospecting :**

Different methods are used for the purpose of prospecting. Keeping in view the type of product, the type of customers and other environmental factors the salesman will have to choose a particular method or combination of different methods. The following are some of the important methods of prospecting :

Endless Chain or Family Tree Method :

Under this method the salesman collects names and addresses of friends and relatives of satisfied customers and interviews them to find out good prospects. A satisfied customer normally don't hesitate to recommend the names and addresses of his near and dear ones. This method is mostly suitable in case of insurance, banking and mutual fund business.

Centre of Influence Method :

In this method the salesman has to find out the most influential person of the locality and establishes contact with him. Capitalising on his recommendation and association he can find out his prospects. Ministers, MPs, MLAs, Doctors, Lawyers, Priests, Teachers and social workers usually enjoy a social clout and can be used as good sources of information of future buyers.

Canvassing :

This method is also known as 'Cold Turkey', 'Survey' or 'New Account' method. Here the salesman prepares a list of individual without knowing anything about them and make a door to door canvassing about the product/Service he has to offer. Though this method is just like wandering in a wild land and involves much wastage of salesman's time, still it can be affectively used in consumer and industrial goods.

Spotters Method :

Under this method junior salesmen are engaged to spot or locate prospects in a particular locality. These spotters move from house to house in the locality just to spot prospects and report to the senior salesman. The senior salesman finally takes over and carries out the second stage of prospecting work. This method is suitable for consumer durables like Air-Conditioners, Vacuum Cleaners, TVs, Washing Machines, bikes, cars etc.

Direct Mail and Telephone Method :

The past and present users of the product are contacted by direct mail. Sales letters along with advertising materials are sent to them depicting new line of products and their advantages. Customers can also be contacted over telephone. Messages can also be sent to them via e-mail or Short Media Services (SMS). However for this purpose the salesman has to prepare a mailing list and up-date it from time to time. This method of prospecting saves a lot of time and can be profitably used in cities and where the consumers are literate.

Public Exhibitions and Demonstrations :

Public exhibitions of products and their demonstration, is a very popular method of, prospecting. Trade promotion authorities, manufacturer's associations, industrial houses, Chamber of Commerce, sometimes sponsor exhibitions at national and international levels. As visitors throng in large numbers out of curiosity and visit the well arranged pavilions, manned by experienced sales personnels, their name, address, e_mail ID, telephone numbers are collected and search for potential buyers is being made from the large crowd. Later, short listed persons are contacted at their homes or offices, at convenient time by the salesman.

'Bird Dog' Method :

This method is similar to spotters method. But under this method instead of sending junior salesmen to different houses of a locality, primary information is obtained from people like meter readers, news paper boys, gas- boys, watchmen, liftmen etc. as these people regularly visit different households in the locality and know many people and their needs. Information collected under this method are authentic and can be used by the salesman for the purpose of prospecting.

Advertisement and Advertising Agencies :

Advertisements made by the companies help the salesman in finding their prospects. Through advertisement information about the product-its utility, advantages etc. reach people at their home and they reach the salesmen before salesmen reach them. Advertising agencies or advertising department also help in search of prospect by providing the salesman a list of the leads or suspects.

Personal Observation Method :

An experienced and alert salesman can find prospects anywhere. It may be at work place or market place or social gathering or religious gathering – no matter. But for this purpose, he has to be careful and observant.

Leads from Sales Manager :

The sales manager can give valuable inputs to the salesman in finding good prospects. As the sales manager maintains contact with other departments and other sales organisations, he is in a better position to provide hints of new prospects, new locality etc.

The different methods of prospecting listed and discussed above are not exhaustive but only indicative. The salesman can use many other methods like collecting information from news papers, telephone directory, seminars journals and many other things which he can use for prospecting.

7.4 PRE-APPROACH :

After collecting names and address of the prospects the salesman is required to meet the prospects and collect detail information about them. Information like their needs, ability and willingness to buy, their authority, accessibility etc. are essential to know whether they are ideal prospects or not. This process of gathering information and planning the sales interview is called pre-approach. It is the second step in selling process.

Thus pre-approach involves two tasks :

- (i) Collecting detail information about the prospects; and
- (ii) Planning interview with the prospectus.

Objectives of Pre-approach :

The main objectives of pre-approach can be stated as follows :

To obtain additional Information :

Pre approach helps the salesman in gathering more and more information about the customer. Going through different sources like internet, newspapers, trade journals, telephone directories, chamber of commerce, satisfied customers etc. the salesman can have necessary information that will help him in dealing with the likely customers.

To design an effective approach strategy :

Before actual meeting with the prospect the salesman must plan it well. All individuals are unique and are to be approached differently. Some may like direct approach while others like an

indirect one. While some like the meeting in the morning others like it in the evening. Some are busy executives having very little time to spare, while others are retired people having plenty of time to share. Keeping in view the differences among the prospects, the sales approach must be planned and designed effectively.

To enrich planning information :

Pre-approach provides vital inputs for successful planning of the sales meet (approach) and the sales talk. Idea regarding the customer's **likes** and **dislikes**, buying motives etc. will help the salesman tailor making his sales plan and sales talk.

To avoid serious errors :

Advance knowledge of the peculiarities of the prospects will help the salesman avoid mistakes, misunderstanding and other errors at the approach stage and create a good impression in the mind of the customers.

Build Confidence :

Knowledge builds confidence and confidence is the key to success. An uncertain, hesitant, fearful salesman is more likely to make wrong moves which may spoil the sales meet altogether, while a confident salesman is less likely to do this.

To speed up mental process :

Another objective of pre approach is to speed up the mental process of buying. A pre-planned sales approach, with clear-cut objectives, is sure to guide the prospect in the right direction without unnecessary confusion and delay. The sales talk is planned to match the prospect's mental process, decision making becomes quicker.

Conserve energy and time :

In absence of pre-approach stage the salesman will have to follow the technique of 'Trial and Error' or 'Hit or Miss'. The trial and error method is always time-consuming and unscientific in nature. As such proper pre approach saves a lot of time and energy of the salesman and moreover it is scientific in nature.



7.5 QUESTIONS :

No.1 (A) Choose and write the correct answer from the alternatives given below :

- (a) A prospect is a :
 - (i) Suspect
 - (ii) Potential buyer
 - (iii) Buyer
 - (iv) Customer
- (b) Prospecting must be done :
 - (i) Regularly
 - (ii) Occasionally
 - (iii) Irregularly
 - (iv) Periodically
- (c) Selling, in fact, is a
 - (i) Physical process
 - (ii) Mental process
 - (iii) Natural process
 - (iv) Buying process
- (d) The psychological point when the prospect makes his final decision to buy is :
 - (i) Satisfaction point
 - (ii) Break-even point
 - (iii) Reaction point
 - (iv) Favourable point
- (e) In the selling process the seller acts as
 - (i) Spectator
 - (ii) Arbitrator
 - (iii) Observer
 - (iv) Facilitator

No.2 (a) Express the following in **one** word/term each :

- (i) A person who is likely to be a buyer.
 - (ii) Searching and identifying the probable buyers.
 - (iii) The method of collecting detail information about prospects like their needs, ability, willingness etc.
 - (iv) The method through which primary information is obtained from people like meter-readers, gas-boys, watchmen, etc.
 - (v) The method through which names and addresses of friends and relatives of a satisfied customers are collected.
- b) Answer the following in **one** sentence each :
- (i) What is 'Cold Turkey' method of prospecting ?
 - (ii) When can a probable prospect be said to be a prospect ?
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- (iii) Which method of prospecting is more suitable for products of consumer durables like air-conditioners, vacuum cleaners, TVs, Washing machines etc.
- (iv) What are the two tasks involved in pre-approach ?
- (c) Correct the underlined portion of the following sentences :
 - (i) In selling process the job of the seller is like that of a supervisor.
 - (ii) Sales takes place in the shop of the buyer.
 - (iii) The seller is always right.
 - (iv) Pre-approach is collection of names and addresses of the potential buyers.
 - (v) The objective of approach is to convert attention to action.
- (c) Fill up the gap in the following sentence :
 - (i) A _____ is a potential buyer.
 - (ii) Bird Dog method is a method of _____.
 - (iii) Selling process in effect is a _____ process.
 - (iv) 'Need' and _____ are the two ends on either side of the psychological process of selling.
 - (v) The mental stages of selling starts from attention and ends in _____.

No. 3. Answer the following within **two** sentences each :

- (a) What is meant by pre-approach ?
- (b) Who is a prospect ?
- (c) What is meant by prospecting ?
- (d) What is reaction point ?
- (e) Why is planning of sales talk necessary ?

No. 4. Answer the following within **six** sentences each :

- a) What are the objectives of pre-approach ?
 - b) What is Spotters method ?
 - c) What are 'Family Tree' and 'Centre of Influence' ?
 - d) What are the essential features of a good prospect ?
 - e) Why is prospecting important ?
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Long Type Questions :

5. What is selling process ? Name the different stages in selling process from sellers and buyers point of view.
6. What is prospecting ? Discuss different methods of prospecting.
7. What do you mean by pre-approach ? Explain the objectives of pre-approach.
8. Why is psychology important in selling process ? Explain the AIDCA process of selling.
9. What is prospecting ? Explain the importance of prospecting.
10. Distinguish between prospecting and pre-approach.

ANSWERS

1. a (ii); b (i); c (iv); d (i); e (iv)
2. (a) (i) Prospect; (ii) prospecting; (iii) Pre-approach; (iv) Bird Dog;
(v) Family Tree/ Endless-Chain.
(b) (i) Salesman preparing a list and moving from door to door for canvassing a product or service.
(ii) When he has a need for the product and ability to buy it.
(iii) Spotters method is more suitable.
(iv) Collecting detail information about prospects and planning interview with them.
(c) (i) facilitator; (ii) mind; (iii) buyer; (iv) prospecting, (v) action/satisfaction.
(d) (i) prospect; (ii) prospecting; (iii) buying; (iv) satisfaction, (v) action.



THE APPROACH, PRESENTATION AND DEMONSTRATION

STRUCTURE

- 8.1 Introduction : The Approach, Presentation & Demonstration
- 8.2 Approach :
 - Approach by Travelling salesman
 - Methods of Gaining Interview
 - Different Methods of Approach
 - Approach in Retail Salesmanship
 - Problems in Retail-Selling
- 8.3 Presentation
 - Essential of Good Presentation
- 8.4 Demonstration
 - Significance of Demonstration
 - Essentials of Good Demonstration
- 8.5 Questions

8.1 INTRODUCTION : The Approach, Presentation and Demonstration

After prospecting and pre-approach, the third and fourth stages of selling process are Approach, Presentation and Demonstration. In this chapter an attempt has been made to present these two steps of selling process in a precise manner for the purpose of brevity and easy reading.

8.2 APPROACH :

In pre-approach the salesman plans to meet with the prospects and approach is the culmination/ realisation of that plan or actual meeting with the prospects. Face to face meeting or interview with the prospect for the first time or the initial handshake is thus called **approach**. It is

very important because the first impression created always has a lasting impact. It can make or mar the deal.

The important objectives of an effective approach are :

- (i) To create favourable impression in the prospects mind and thereby gain his attention.
- (ii) To amplify knowledge about the prospect so as to have better insight into his likes, dislikes and motives.
- (iii) To draw the prospect's attention towards the sales proposition and arouse his interest.

Like a horse knowing the jockey and the jockey knowing the horse from the initial grip on the saddle, a salesmen can know the prospect and the prospect can know the salesman from the first sales interview. They may develop liking or disliking depending on the effectiveness of the approach.

The problem of approach can be discussed under two broad divisions. They are :

- (A) Approach by **travelling salesmen** and those selling to middlemen.
- (B) Approach by **retail salesman/counter salesman**.

The division is necessary because different methods are adopted by the travelling and retail salesmen for the purpose.

(A) Approach by travelling salesmen

Travelling salesmen normally deal with middlemen, those who make bulk transactions and are expert buyers. As they are busy and influential businessmen, gaining an appointment/interview with them is always difficult. Different methods are being used for gaining an interview with such type of prospects, a short description of which is given below :

Methods of gaining interview :

Prior to gaining an interview with the prospects, the salesman must have well planned his salestalk. Different methods of gaining interview are :

- 1. Personal call without introduction.
 - 2. Sending in the business card.
 - 3. Writing for an interview.
 - 4. Personal call with introduction
 - 5. Use of 'Premiums' or 'Door Openers'
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6. Appointment over telephone
7. Use of Sales Letter

1. Personal call without introduction :

This is a simple and direct method. Under this method the salesman approaches the prospect directly without giving any introduction. He can start straight by giving his name, address and purpose of the visit. To arouse the curiosity of the prospect the salesman may also mention the immediate and mutual benefits of the product and service offered. Sometimes the salesman may call on the prospect by just mentioning “I want to show you the latest model” or “I will not take much of your time” or “I want your advice on the product” etc. Sometimes a little bit of flattery may be used for the purpose.

2. Sending in the business card.

This is a very common method used by the salesmen. Business card containing the name, address, company's name, photograph of the salesman, contact numbers and other details is sent to the prospect in advance for the purpose of granting interview. Sometimes the attractive appearance of the card, some times the company's name and reputation help the salesman drawing prospect's attention and permission for interview. Very often salesman presents the card at the time of interview in stead of sending them in advance.

3. Writing for an interview :

Sometimes salesmen prefer to write a letter in advance to the prospect for getting an appointment. In such case the job of the salesman becomes easier as the prospect knows in advance regarding the salesman's visit, its time and purpose as well. However, the salesman must carefully chose the time of the visit and strictly follow it.

4. Personal call with introduction :

Under this method of salesman approaches the prospect with a letter of introduction from a common friend or relative of the prospect. Here the salesman is not required to self introduce him, as the letter contains everything. When this method is followed the prospect is less likely to ignore the salesman because of the reference.

5. Use of 'Premium' or 'Door openers' :

'Premiums' or 'Door openers' are nothing but small gifts like pens, torch lights, wallets, key chains, address notebooks, diaries, calenders etc. given to the prospect for gaining an interview. These small gifts keep the prospect curious and obliged and make it smooth for the salesman to have a meeting with the prospect.

6. Appointment over Telephone :

An appointment with the prospect may be made over phone but usually this method is not much rewarding as others. However when there are large number of prospects spread over a wide geographical area, this method may be used cautiously and patiently.

7. Use of Sales Letter :

Under this method the company writes a letter in advance to the prospect describing about the product and its utility. This sales letter is usually drafted by experts conveying a clear message in precise terms and signed by an high official of the company. Carefully drafted sales letters are more likely to create curiosity in the prospect and serve as good door openers.

Features of an ideal approach :

An approach to become effective must have the following features. These features are also called as 'principles of good approach' :

Making suitable appointment :

Taking into consideration the prospects availability and engagements, the salesman must fix the time of the appointment. The time may be definite or 'elastic'.

Timing of the approach

There is a saying “hit the iron when it is hot”, which mean doing the right thing at the right time. The salesman must approach the prospect at the right time. For example a salesman for ACs, fans, air coolers must approach the prospect just before the summer. Similarly a salesman for study materials or educational instruments must approach the prospects just before the academic session of schools or colleges.

Using of Business Card

The salesman must use business card which serve as his identity card at the time of approach. To draw prospect's attention small gifts also may be given to the prospects along with the card.

Looking attractive

A well dressed, good looking salesman always creates a favourable impression in the mind of the prospect. Before presenting the product the salesman must make him presentable.

Avoiding early dismissal

While approaching a prospect the salesman must be confident and optimistic. Some salesmen suffer from an early dismissal phobia which is like losing the battle before it starts. Good planning

of the salestalk, better knowledge of the product and buying motives of the customers, will help the salesman in tiding over such fear.

Tender no apology

Under no circumstances the salesman be apologetic in his approach. The salesman must convince the prospect that he is not wasting his time, rather whatever he is doing is going to benefit them both i.e. 'You gain, I also gain'.

Winning buyers undivided attention

The salesman must see that the whole attention of the prospect is on him and his sales proposition. For this purpose he may show the prospect the model product, make a little demonstration of the thing or show him some visuals which is sure to win his interest and attention.

Focusing the attention

After winning the prospect's undivided attention the salesman must try to focus it on the salestalk and the sales proposition. This can be done by demonstrating the product and its special features. For example the salesman of vacuum cleaner may demonstrate how to clear the cobwebs from the nook and corner of the prospect's house and win his fascination.

Removing sales tension

Sometimes prospect becomes tense while the salesman approaches him and presents his salestalk. In his mind he prepares himself that he is not going to buy. In such condition the salesman shall convince the prospect that he has not come to sell but just to show him the product and seek his opinion about it. This is sure to help in removing tension from the prospect's mind.

Calling-Back again

Failure to convince the customer at the first attempt must not dishearten the salesman. 'Failure' is said to be the only way to success. A 'second' or may be a third time approach is sure to bring out the desired result and a happy ending.

Different Methods of Approach

Different methods or types of approach are there. Like a mechanic use different tools for different works, the salesman shall use different methods of approach for different prospects keeping in view their suitability. Therefore, the salesman must have knowledge about the pros and cons of each method of approach. Following are the different methods of approach usually followed by salesmen :

Introductory Approach

Under this method the salesman greets the prospect with a charming smile and introduces himself/herself saying his/her name and the name of the company he/she represents. Good morning 'good day' 'namaskar' or handshake may also be used as curtsey gestures. This is a very common method of approach. But when the company is a new one and not known to the prospect, this method may not evoke desired interest in the prospect.

Product Approach

Under this method the salesman directly hands over the sample product to the prospect so that the prospect can see it, touch it, feel it, smell it, fondle it and hear it for himself. For this method to be successful, the product must be new, attractive eye catching and popular and thus can say for itself.

Benefit Approach

When a salesman introduces himself by saying the prospect "Would" You like to cut down your electricity expenses by 20%? or cut down your fuel expenses by 15%? Certainly it will invoke an interest because most people are bugged by such problems. Thus by directly stating the benefit of the product the salesman sometimes arrests the prospects attention.

Curiosity Approach

Man is a curious animal. If someone knocks at the door and says "I will solve your business problem if you will give me five minutes of your time" no one can ignore such offer simply because of curiosity. A salesman can use this approach to his benefit. But it is a tricky method and may not bear any fruit.

Shock Approach

People are afraid of many things like old age, disease, death, accident, theft etc. A salesman selling life or health insurance fire fighting equipments or mosquito repellants can effectively use this fear factor to his advantage for gaining an interview. By reminding the prospect to think something which he does not want to think or avoid thinking, the salesman can deliver him a shock and gain an entry into the prospect's' territory.

Showmanship Approach

Showmanship approach refers to presentation of the product before the prospect in a dramatised manner. or entertaining sequence. But some prospects dislike it and reject it out right considering it as a trick. This technique however may work with village folk and women prospects.

Question Approach

Under this method the salesman approaches the prospect with a poser. For example a salesman selling LED light may start with a question to the prospect-How much you pay for your electricity? or salesman selling water purifier may start with "Where from do you get your water supplies? Such questions dealing with the prospects problem work as door openers and help the salesman gaining the entry ticket.

Complement Approach

Complements are little courtesies that keep the wheel of our social life lubricated. Praising somebody for his achievements or appreciating someone's work or opinion for its uniqueness are considered good behaviour. But praising or appreciating some one who doesn't deserve it is flattery or 'sycophancy' and considered as poor ethics. A salesman through appropriate complements to the prospect can gain an interview because everyone likes to be complemented.

Premium Approach

Sometimes giving small gifts or 'premium' like pens, wallets, card holders, diaries etc to the prospect can do wonders/magic Such presents lift up the prospects mood and get him ready to sit and listen to the salesman.

Survey Approach

When the salesman has collected detail information about the prospect by conducting survey, it becomes easier for him to approach the prospect. Knowledge of his needs, likes, dislikes, interest etc. help him in engaging the prospect in a fruitful manner.

All the different approaches discussed above only provide the salesman an idea about them. However he can devise his own ways and instead of using a single approach can make use of a combination of approaches which he thinks fit for the purpose. Experience and ingenuity can help him in this regard.

B. Approach in Retail salesmanship

The working environment of the retail salesman is completely different from that of the travelling salesman. A retail salesman works indoor, does not move outside to find out customers, where as a travelling salesman works outdoor and moves from place to place for prospecting. Prospecting and pre-approach are not required for the retail salesman, he starts with the approach stage as prospects suo motto come to the counter. But for the travelling salesman prospecting and preapproach stages are essential. Again a travelling salesman meets the prospect alone at his

office or residence. In other words he has to perform 'solo' at another place whereas a retail salesman, works along with companions/ supervisors at his own place, thus perform in 'group' and is in an advantageous position. In spite of all the comparative advantages a retail salesman has to follow certain steps cautiously for success.

Steps in Retail selling

The following standard steps should be followed by the retail salesman at the approach stage.

Attracting the hesitant customer

Shy and nervous customers usually hesitate to enter into a shop. A shop crowded with customers and empty without customer as well, make them nervous and they feel hesitant to enter into the shop. In such cases the salesman shall come to their help. He should call them inside and with polite talk boost their confidence. Attractive window displays, eye-catching visuals normally attract customers to a shop even passers by stop by the shop to have a look.

Welcoming customers with a smile

The retail salesman must welcome the customer with a friendly smile in his face. A smile costs very little but pays handsomely. It can act as a 'charm' and win one's heart in a bloodless coup. Why salesman alone? anybody can use it to his advantage and succeed.

Greeting the customer

Greeting in a sweet voice, in one's mother tongue adds to the mesmerising effect of smiling. A retail salesman, must greet the customer with 'namaste' 'namaskar' or 'Good morning' or 'Good day' with a fitting gesture.

Offering Seat

After greeting, the customer should be offered a seat if sitting arrangement is available inside the shop. However, the salesman must see that old, infirmed and handicapped customers are made comfortable any how. This small gesture on the part of the salesman is sure to win their heart.

Willingness to serve

The job of the salesman is to, serve the customer. 'Customer is King' should be the philosophy of every salesman. In words, in action, in manner and in behaviour the salesman must reflect this attitude of service to the customer. After making the customer comfortable the salesman must ask him "How can I help you?" or 'May I help you Sir?' in a polite manner so the customer can feel that actually the salesman wants to help him not trap him.

Avoid too many questions

A salesman is required to ask the prospect some questions to know what is his exact need. But asking too many questions like an investigator is neither desirable nor wise. It annoys the prospect and tarnish the salesman's image. A salesman who asks many questions is considered as a lazy order-taker.

Following F.A.B. policy

FAB stands to, product's features, advantage and benefits. A salesman's salestalk must contain all the FABs so that the prospect shall have an all round idea of the product. This will help him in taking better decision.

Welcoming objections and questions

The retail salesman shall always welcome queries and objections from the prospects and under no circumstance avoid them. Normally when some one is interested in something he wants to know more about it and asks questions. When a prospect asks many questions it indicates that he is interested in buying the product.

Problems in retail selling

A retail salesman job is no doubt easier than that of a travelling salesman but it does not mean that it is without problems. Some problems faced by him in day to day business may be stated as follows.

Problems of substitution

When certain product, asked by the prospect is out of stock the salesman may offer him to go for a substitute. In such case the salesman has to convince the prospect that the substitute is reliable and meet all his requirements and even superior to the product asked for, in many respects. For this purpose the salesman has to win the confidence of the prospect.

Problem of lookers

Many people visit shops without any intention to buy. they are not real prospects but are mere lookers. However, the salesman should not completely ignore them rather listen to them patiently and meet their queries. It must be kept in mind that if they don't buy today they will come to buy tomorrow. Selling the 'name' of the firm is important for long term success.

Problems of selling over phone

Busy customers prefer to contact salesman over phone for products which they may need urgently. Under such circumstance the salesman has no chance of presenting the product physically

and appeal to the customer's all five senses, sight, hear, touch, smell and taste. Therefore the salesman must have sufficient product knowledge to give a clear picture of the product over phone. He must listen to the customer carefully. Customer known to the salesman or popular branded products can be easily dealt with phone.

Problem of entry of second customer

Problem of dealing with more than one customer is common in retail selling. When the salesman is dealing with one customer the entry of second or 3rd customer creates some difficulty. The salesman if alone in the shop has to attend all the customers simultaneously or ask the newly arrived customer politely to wait for a few minutes after greeting.

8.3 PRESENTATION

After approach the next logical step in selling process is presentation. It means display and decoration of articles or products in the shop to arrest the attention and interest of the prospect. Effective presentation of the product in the shop counter makes the salesman's task easier in arousing prospect's interest. Most of the people enter a shop to have a look at the attractive display and decoration of products and fall in love with the product and become real buyers. Some people don't know what actually they need? Presentation helps them in reminding their requirements and interest in the product.

Essentials of a good presentation

A good presentation must have the following features :

Promptness

The salesman must promptly present the product before the salesman, Promptness in presentation indicates his readiness and willingness to serve, which in turn creates a favourable impression in the mind of the customer. The salesman must know the exact location of the product and other details, so that he can present the product promptly and effectively.

Clarity

The presentation should be clear enough to give all the required information to the prospect about the product-like its features, benefits, advantages, price, quality durability etc. The prospect may be allowed to touch, taste, handle and fondle the article wherever it is possible. Such experience by the prospect increases his curiosity and interest.

Proper quality and quantity

While presenting the goods to the prospect the salesman must see that it is of proper quality and quantity. When a prospect asks for a particular brand only if the particular brand is

not available, the salesman may offer a substitute with prior approval of the prospect. In stead of showing the customer very high or very low quality product, the salesman shall always starts with a medium quality product and easily ascertain the customer's requirement.

Demonstation and Dramatisation

Demonstration of the product adds, to the effect of presentation. It heightens the prospects interest in the product because it is more convincing than ordinary sales talk. Again a little dose of dramatisation of the demonstration magnifies its effect further. A prospect's senses are held captive for sometime and his urge to possess the article increases.

Appealing to senses

The presentation must aim at appealing to one or more of the five senses of the prospect. When more senses are appealed, the presentation becomes more effective. Viewing with hearing is more effective than simple hearing or simple viewing. Therefore, appeal should be made through as many senses as possible. For food products an apeal may be made to four senses– taste, smell, sight and touch. In case of wearing aparels appeal can only be made to two senses such as– view and touch.

Suggesting Tests :

To prove his claims about the product the salesman may suggest different tests which ca be easily carried on by the prospect. Purity of wool can be tested by burning it. Softness of leather shoe can be tested by bending and twisting it. Water proofness of a watch can be proved by puting it inside a glass of water so on and so forth. Such tests add to the prospect's confidence in the salesman as well as the product.

Handling the goods :

Whenever practicable the salesman may allow the prospect to handle the goods himself. Automobile dealers allow the customers to have test rides. Jewellers allow the customer to wear and see how the jewellery looks and fits to his/her person. Such gestures by the salesman puts positive impact on the prospect and his desire to possess the article is intensified.

8.4 DEMONSTRATION :

While presentation deals with showing of the product to the prospect, demonstration deals with showing the product with proof and illustration as to how the product benefits the prospect. While demonstrating the salesman makes a real show of the product, its operations, functions, its utility and advantages. Demonstration is a very powerful technique used by salesman to lure prospects and make them real buyers.

Significance of Demonstration

The significance of demonstration can be gauged and judged from the following points :

It wipes out differences :

Demonstration of the product always has a stronger impact on the prospect than mere oral and written description. Many people don't believe in mere words. For them 'only seeing is believing'. Demonstration, by wiping off the smoke-screen between reel and real, can win the prospects' trust and confidence.

Opportunity to prove :

Demonstration provides the salesman an opportunity to prove himself before the prospect that whatever he says about the product is true and can be verified.

Reduction in sales talk :

As everything about the product is demonstrated before the prospect, the salesman need not elaborate his sales talk. Action speaks better than words.

Facilitates Comparison :

For making any decision, comparison is essential. While purchasing any product the customer always makes a comparison of the product with other products. Demonstration facilitates comparison and the customer can find for himself which product is superior or inferior and decision making becomes easier for him.

It strengthens sales talk :

Sales talk coupled with demonstration becomes more potent and effective. It appeals to multiple senses of the prospect and thus the appeal becomes stronger.

Essentials of good demonstration :

Demonstration to become effective must have the following essential features :

(i) The foremost requirement of a good demonstration is **clarity**. It is always preferable to use the language of the prospect. Jargons, ambiguous & technical words must be avoided and everything be mentioned in simple terms and manner. If the size of product is a large and bulky one which cannot be demonstrated at the counter, a prototype of the product may be demonstrated. Audio-visual and virtual techniques may be used for demonstration.

(ii) Demonstration should be **complete** in the sense that all the advantages benefits and comparative features of the product should be brought to the fore clearly so as to create a strong interest in the customer's mind to possess the product.

(iii) Demonstration by highlighting all the product's features practically through conduct of 'test-runs', must imbibe a sense, of **confidence and security** in the prospects mind. Salesman can win the trust and confidence of the prospect by showing him, testimonials providing guarantee of performance.

(iv) An effective demonstration must allow the prospect to **handle** the product for himself. A salesman selling bikes may allow his prospect to have a 'test ride' of the bike of his choice. This builds confidence as well as hike the interest of the prospect.

(v) **Common tests** like burning, twisting, bending, breaking, etc. performed while demonstrating, increases the effect of demonstration. For instance while demonstrating unbreakable kitchen ware, the salesman may throw some plates and prove that really they don't break. Such a display makes the prospect enthusiastic.

(vi) While demonstrating, a salesman shall praise his own products but shall not speak ill of other competitor's products. However he may highlight the comparative advantages of his product without naming the competitors. It is against business ethics and it may have negative impact on the prospect.

Forms of Demonstration :

Demonstration may take any of the two forms i.e.

- (1) Demonstration in use of the product. This is usually followed in mechanical and electrical goods.
- (2) Demonstration of the specific features of products where salient features of products are demonstrated.



8.5 QUESTIONS :

No.1 (A) Choose and write the correct answer from the alternatives given below :

- (a) The nature of approach depends on the type of :
 - (i) Salesman
 - (ii) Organisation
 - (iii) Prospect
 - (iv) Consumer
- (b) Proper presentation creates interest of the customer in the
 - (i) Salesman
 - (ii) Product
 - (iii) Process
 - (iv) Buyer
- (c) It is smile that multiplies and sorrow that
 - (i) Subtracts
 - (ii) Divides
 - (iii) Adds
 - (iv) Magnifies
- (d) Presentation must be followed by
 - (i) Pre-approach
 - (ii) Approach
 - (iii) Demonstration
 - (iv) Greeting
- (e) A salesman must start with showing
 - (i) Cheap quality product
 - (ii) Medium quality product
 - (iii) Branded product
 - (iv) Best quality product
- (f) The stage which can make or map a deal is :
 - (i) Approach
 - (ii) Presentation
 - (iii) Prospecting
 - (iv) Pre-approach

No.2 (a) Correct the underlined portion of the following sentences :

- (i) Presentation aims at showing with proof and illustration as to how the product benefits the prospect.
 - (ii) A retail salesman moves from place to place.
 - (iii) Demonstration means meeting of the salesman with the prospect in person.
 - (iv) The salesman must start with showing the best quality product to the prospect.
 - (v) Demonstration reduces the chance of selling successfully.
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- (b) Fill up the gap in the following sentence :
- (i) An appeal through _____ is more effective than an appeal through audity.
 - (ii) Action speaks _____ than words.
 - (iii) Presentation must be followed by _____.
 - (iv) In absence of demonstration the sales talk is like a _____ cassette.
 - (v) It is smile that multiplies and sorrow that _____.
- (c) Express the following in **one** word/term each :
- (i) Salesman who moves from place to place.
 - (ii) The stage in which the salesman meets the prospects face to face.
 - (iii) The identity card of the salesman used while approaching a prospect.
 - (iv) The method of approach where element of fear is emphasized by salesman.
 - (v) A letter drafted by experts conveying message of product in precise terms and signed by a higher executive of the company.
- (d) Answer the following in **one** sentence each :
- (i) What is demonstration ?
 - (ii) Who is a retail salesman ?
 - (iii) What do you mean by approach ?
 - (iv) What do you mean by appealing to senses ?
 - (v) What is 'presentation' in salesmanship ?
- No. 3. Answer the following within **two** sentences each :
- (a) As a retail salesman, how you will greet the customer ?
 - (b) What is F.A.B. policy ?
 - (c) How does demonstration help in reducing sales talk ?
 - (d) What is the problem of simultaneous serving ?
 - (e) Why is pre-approach not necessary in case of retail salesman ?
- No. 4. Answer the following within **six** sentences each :
- (a) What do you mean by appealing to human senses ?
 - (b) Distinguish between 'product approach' and 'benefit approach'.
 - (c) What are the objectives of approach ?
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- (d) What are the significance of demonstration ?
- (e) What are the differences between presentation and demonstration ?
- (f) Point out the features of an ideal approach.

Long Type Questions :

- 5. What is presentation ? Explain the essentials of good presentationn.
- 6. What is approach ? What are the salient features of an effective approach ?
- 7. What are the problems of reatil selling ? How can a salesman overcome them ?
- 8. What is demonstration ? Explain the significance of demonstration.
- 9. What do you mean by approach ? Explain different methods of approach.

ANSWERS

- 1. (a) iii; (b) ii; (c) i; (d) ii; (e) iii, (f) i.
- 2. (a) (i) Demonstration; (ii) Travelling; (iii) Approach; (iv) Medium; (v) Increases.
(b) (i) Sight, (ii) Louder, (iii) Demonstration, (iv) Recorded (iv) Subtract
(c) (i) Travelling Salesman; (ii) Approach; (iii) Business Card; (iv) Shock approach,
(v) Business Letter.



OVERCOMING OBJECTIONS AND CLOSING THE SALE

STRUCTURE

- 9.1 Introduction
- 9.2 Types of objections
- 9.3 Reasons of objections
- 9.4 Handling objections
- 9.5 Method of Handling and Overcoming objections
- 9.6 Some specific objections and methods of overcoming them
- 9.7 Closing the sale
 - Trial close
 - Features of Successful closing
 - Method of closing
- 9.8 Additional Selling
- 9.9 After sales services
- 9.10 Questions

9.1 INTRODUCTION

All the stages of selling process discussed in the previous chapters aim at ‘drawing attention and ‘arousing interest’ of the prospect in the subject matter of sale i.e. the product or service offered by the salesman. But once the prospect got interested in the product he will want to know more and more about it. Doubts and objections are sure to crop up in his mind. Now it is the duty of the salesman to clear all his doubts and meet all his objections to the satisfaction of the prospect. This part of the salesmen’s job is important because, if he cannot satisfy the customer at this stage, all his labour will go wasted. It is an acid test of all his knowledge, skill training and experience. In the mental process this is the point of reaction from where action begins. If the reaction is positive (i.e. the prospect is convinced) then the action will also be positive (prospect decides to buy) otherwise everything will go in vain.

9.2 TYPES OF OBJECTIONS

All the objection raised by prospects can be categorised under two heads :

- (i) Real objections
- (ii) Fake objections or Excuse

Real objections are practical or logical objections raised by the prospect at the end of presentation and demonstration or the sales talk. Objections like ‘high price’ ‘poor quality’ ‘stringent terms’ ‘Low discount’ come under this category. These are real feelings of the prospect. Such questions are sincere, without any hidden or concealed intention. The prospect is really interested in the product and his objections are real and rational.

Fake objections are mere excuses raised by the prospect early in the selling process, may be in the middle of the sales talk or before that. They are raised because the prospect either does not want to buy or ‘postpones buying. At times they are simply meant to harass the salesman or test his knowledge or patience. Objections like ‘I will look around first,’ ‘I will buy latter’. I will consult with my wife’ etc. come under this category. These objections are difficult to handle here the prospect wants to conceal something and make lame excuses to get rid of the salesman.

9.3 REASONS OF OBJECTIONS

There are plenty of reasons for raising objections. It is not possible to enlist them all. However, a few of them may be mentioned as follows:

- (i) Some prospects raise objection as they are not convinced by the salesman’s sales talk.
 - (ii) Some raise objections to test the salesman's knowledge and patience, some times even to humiliate him.
 - (iii) As pressure is put on the pocket, people object. The more the pressure the more the objections. ‘High price’ is a common objection with the prospects
 - (iv) When the prospect thinks that cost is more than the benefits, he raises objection.
 - (v) When the prospect feels that the salesman is putting undue pressure, he wants to avoid him and raise objections.
 - (vi) Some prospects, by nature are averse to new products, and salesman and raise objections for objection sake.
 - (vii) Some prospects raise objections merely because they don’t want to buy or want to postpone buying. Objections are used as alibis.
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(viii) Some prospects like retailers raise objection that there is no demand for the product with an intention to get some undue concession.

9.4 HANDLING OBJECTIONS

A salesman should always welcome objections. They are considered as a good sign associated with success. It can be considered as a parameter to study the prospect's interest in the product. Objections give the salesman an opportunity to clarify his sales talk which the salesman must not miss or misutilise. Some times it is very difficult to handle objections and it demands high degree of professionalism on the part of the salesman. While handling objections, the salesman must take into consideration the following points:

Listening Attentively

The most important duty of the salesman relating to handling objections, is to listen the prospect's objections attentively and carefully. He must not interrupt in the middle. For him the golden rule is "First listen, then comply". People usually hate interruption. Interruption will only lead to more objections. The salesman, therefore, should listen and understand clearly what the prospect has to say.

Cushioning the jolt

To calm down the prospect, the salesman must act like a shock-absorber. By saying "anybody in your position would have the same opinion or objections" or "Mr. X you are very right in raising the objections and I would have also done so, if I were in your position". These passifying words, act as a cushion and take out the sting from the objection.

Anticipating and Preventing objections

The salesman should remember that prevention is always better than cure. He must anticipate in advance, objections, most likely to be raised by prospects and prepare the sales talk accordingly. A well planned and well delivered sales talk followed by an expert demonstration reduces the number of objections to a great extent. Moreover the salesman must not say or do such things which is likely to provoke the prospect to raise objections. Statements like "You cannot challenge our claims" or "You know very little" are offensive as well as provocative, which must be avoided.

Considering objections as opportunities

Objections provide an window to the prospects mind through which the salesman can see and have a better understanding of the prospect. It provides an opportunity to clear the doubts and rectify one's mistake and try not to repeat them in future.

9.5 METHODS OF HANDLING AND OVERCOMING OBJECTIONS

In spite of all possible efforts by the salesman to prevent objections, they are sure to crop up. However, their number may be less. These objections are to be handled by the salesman in an appropriate manner. There are different methods used by salesman to handle them, of which a few are worth mentioning here.

Direct Denial Method

Under this method the salesman directly contradicts the prospects objection. That is why this method is also called as contradiction or ‘head on’ method. Though it is an offensive approach and likely to hurt the prospect, it can be used gainfully under certain circumstances where no other way is there. For example “The garment is made of synthetic fibre and not of cotton” Objected the customer. To this objection the salesman can reply, “Sir, it is 100% cotton and you can carry any type of test.”

Indirect Denial Method

This method prescribes the ‘denial’ mode but to be used tactfully in an indirect manner. The salesman instead of directly contradicting or denying to the prospect’s objection tries to convince him and negate his views in a pleasant way. For example a prospect may say “HCL Lap tops are cheaper than your ‘Dele’ pieces”. To this salesman can say “I agree with you, but ‘Dele’ is known for its world class performance and service.

Reverse position method

This method is also called ‘question’ or ‘why’ method. Here instead of clarifying immediately the doubt of the prospect, the salesman asks him some questions about his objection. For example when a prospect objects “The sweater is made of acrylic and not of wool”, salesman may ask “Sir, why do you think so?” This technique helps the salesman in knowing more about the objections and thus clarify the specific points raised by the prospect.

Boomerang method

Under this method the salesman converts the objections into benefits. ‘Disadvantages’ quoted by the prospect are turned into ‘advantages’. For example when a customer objects “The price is too high” the salesman may say “Sir, that is exactly the reason why wealthy people like you should buy it” Then he will say about the superior quality, brand, service etc.

Superior point method

Under this method the salesman frankly admits to the objections of the prospect but counter balances them by highlighting the superior points. For example when a prospect complains”

“The product is of poor quality” the salesman may say” Sir, that is why it is very cheap, otherwise the price would have been very high”. Thus a superior point, pointed out by the salesman compensates for the disadvantage. That is why, this method is also called as ‘Counterbalance’ or ‘Compensation’ method.

Third party Certificate

Third party certificates or reference of a satisfied customer can be used to meet objections relating to quality, performance or service of the product. However for the purpose, prior approval of such customer (satisfied) must be obtained.

Pass-up method

When the objections raised by the prospect are trivial or simply lame excuses, the salesman may pass-up them without replying. He can avoid a reply trickily with a smiling face and diverting the prospect otherwise. However this technique is not always desirable and may have a negative impact.

9.6 SOME SPECIFIC OBJECTIONS AND THE METHOD OF OVERCOMING THEM.

More the number of customers a salesman deals with, more the number of objections he comes across. Some may complain about the product while others may complain about the price and a third may even complain about the terms of delivery and so on. Their nature, content and depth are different. However, some common objections and how a salesman is likely to meet them may be discussed as follows :

Objections relating to price :

‘Price of the product is too high’, ‘I can not pay so much for it’. ‘Other shops are relating the product of a lower price’ – are usually the common objections raised by customers about price of the product. In such case the salesman may justify the price of the product by telling its superior points or offering a substitute at a lower price or offering for payments in instalments or offering some discount. He can adopt any method of his choice befitting to the situation. Emphasis be given on quality and durability.

Objections relating to quality :

Some customers raise objections relating to the quality of the product, their design, colour, packing, size etc. In such cases the salesman must prove the superiority of his product by showing, its comparative advantages over competitor’s product. If possible, he can demonstrate some

tests as proof. He should show the testimonials from satisfied customers or Laboratory test report, if any. All efforts should be made to clarify the doubts of the customer and bring into fore the superior quality of the product.

Objections relating to services :

Very often customers complain about the services offered by the salesman. Common objections in this context are poor repair and maintenance facility, poor delivery services, callous attitude of staffs etc. The salesman while meeting such objections must make the customer clear about the service facilities provided by his organisation. The net work of service centres, check-up camps, expert repairs and maintenance service available to the customer at his door step etc. must be emphasized to increase customer's level of confidence.

Objections relating to the company :

Sometimes retailers and other bulk buyers complain regarding the business policy followed by the company. In such case the salesman shall try to convince the buyers how his company's policies are aimed at benefiting the buyers. How it is collaborating with other companies and research laboratories to improve its product and better up its market share as well as financial standing. If possible the customer should be provided with proofs and testimonials.

Objections relating to time :

'I am not interested now', 'I am waiting for the latest model', 'I am to consult my wife and come tomorrow' – these are the common objections raised by customers when they want to defer the purchase. These may be fake excuses or alibis. The salesman must try to meet these objections skillfully. In fusing a sense of fear that the price of the product will rise steeply and the product will not be available in the market or telling the customer that such opportunity will never come again in a life, and emphasizing the value of time induces him to buy then and there.

9.7 CLOSING THE SALE

Closing is the last stage of the selling process. All the preceding stages of the sales process- prospecting, pre-approach, approach presentation, demonstration and meeting objections are aimed at a happy 'closing which means getting an affirmative reply from the prospects to buy. When the prospect gives the final nod or say 'Yes' to buy the product, the sale is said to be 'closed'. It is a win-win situation. The buyer as well as the salesman gain from it. How quickly and efficiently a salesman reaches this final stage is a measure of his efficiency. Each successful closing adds to the income of the salesman, increases his self confidence and motivates him to scale higher and higher height in his career.

Trial Close

Trial close is not final close. It is a testing technique used by salesmen to know whether the prospect is on his way to say 'Yes' to his proposal or not. It is simply carried out by asking the prospect a question or few questions during the sales talk from which the salesman can get the desired 'buying signal'. For instance showing two rice cookers models to a prospect the salesman may ask the prospect "Mr 'X' I think you like the 2nd model. Am I correct? If the prospect's answer to the question is in affirmative, then it is considered as a positive buying signal and the salesman may prepare for the final close. A few positive buying signals may be explained as follows :

Examine the product

At the time of presentation or demonstration while the prospect is engaged in examining the product the salesman may ask, "Mr prospect, what is your opinion about the product? or How do you like the product ?" If the answer to these questions are 'Yes' then it is considered a good buying signal.

Ask another person's opinion

When after examining the product the prospect seeks a third party's opinion who may be his friend, relative or colleague and get a positive signal, then the salesman shall consider it as a good sign.

Ask Questions

When the prospect asks questions like 'When can you deliver the product?' Whether you accept credit card or not? How you are going to deliver it at my home? Then they are treated as favourable buying signals.

Becomes friendly

Normally when a prospect makes up the decision to buy, he gets relaxed and his behaviour changes. He becomes friendly with the salesmen. This change in behaviour is an indicator of positive buying signal.

Understanding the buying signals will help the salesman in an early closing of the sale.

Features of successful closing :

The requisites of a successful closing may be briefly explained as follows :

Positive Attitude :

From the beginning of the sales process the salesman must maintain a positive attitude. He must maintain his calmness through out and handle the situation deftly. Irritation or haughtiness on his part at any stage is sure to spoil the game. Knowledge of the product, customer and high degree of professionalism on his part, will help the salesman developing the right attitude.

Holding Attention :

The sales talk, the presentation and demonstration of the product must be made in such a manner that the prospect's undivided attention is captured and focused on the product. Like a snake charmer holding the attention of his snakes through his 'pipe', 'drum' and his body movements, the salesman must hold the attention of the prospect through his sales talk, presentation and demonstration etc.

Allowing questions :

Communication is a two way process. While taking the lead, the salesman must allow the prospect to tell his mind. He must be encouraged to ask questions without hesitation. All his doubts should be cleared immediately in a satisfactory manner.

Let the Prospect Decide :

At no stage in the selling process the prospect should feel that the salesman is forcing the sale on him. The salesman must not use any hand twisting or pressure technique. The prospect must be allowed to take his own decision and it is the duty of the salesman to assist him, and not impose on him.

Hit at the right time :

The salesman must be in waiting for the opportune moment to strike and close the sale. The opportune moment or the right moment is a psychological moment when the prospect is most vulnerable to decide in favour of buying. Experience, observation and above all the sixth sense of the salesman will guide him to find out that moment.

Reserve Surprise Selling points :

Some important selling points may be kept reserved as weapon of the last resort and can be used when the prospect's decision hangs in balance. These selling points are called 'premium points' or 'surprise points' and are to be used by the salesman when he feels the prospect is hovering in a narrow stretch between 'yes' and 'No'.

Avoid interruption :

Salesman must avoid any kind of interruption during his engagement with the prospect. This will divert the prospect's attention and hamper smooth and early closing. Intervention by a third party or entry of another customer or customers are beyond the control of salesman. However, the salesman must try his best to give and get undivided attention to and from the prospect.

Methods of Closing :

Sometimes in spite of all possible effort by the salesman the sales process may not come to a natural close. In such a case the salesman, like a doctor, must administer some stimulant to induce a 'close'. Some such stimulating techniques used by the salesman are discussed below :

Getting a series of positive answers :

Under this method the salesman asks the prospect a series of questions in such a manner that the prospect gives 'yes' answer to all. These questions are usually related to the products quality, durability, utility, suitability, etc. The questions are intelligently planned and asked to extract an affirmative reply to the final question of purchase. The prospect utters an 'yes' in his own mouth to the question whether he needs the product. This method can be applied to prospects who eagerly participate in the sales talk and are frank in their nature.

Erecting barriers :

When the prospect is an introvert and speaks very little, in that case the method of 'erecting barrier' can be used successfully. In this case the salesman may use a little bit of flattery and praises the memory, vision, Judgement and foresight of the prospect. By doing so, he creates a psychological barrier in his mind and the prospect is squeezed to say 'yes'. A remark like "Sir to a personality of your calibre, I need not stress much" may do the trick.

Narrowing the choice :

While presenting the products the salesman can observe the prospect's interest and help him in narrowing down his choice and thus facilitates a quick decision. This technique is also called as 'opinion elimination' technique as opinions of the prospect are narrowed by the process of elimination or choice limitation.

Asking direct and indirect questions :

By asking questions directly or indirectly to the prospect a salesman may close the process. Because of the apprehension of being refused, salesmen avoids direct questioning like "Mr Prospect, are you going to purchase or not ?" But a question may be asked in a suggestive manner like "Mr. Prospect, would you like three or four of these ?" or 'How many I shall pack for you ?'

Offering inducements :

Inducements like 'off-season discount', 'festival discount', 'free installation' may be used to bring a close to the sales process. Offer like "If you are going to purchase within this week, no installation charge will be required" sometimes work wonderfully well.

Summarising the selling points :

To remind the prospect, the salesman may sum up the selling points and put them before him in an informal manner. This is very likely to influence the undecided prospect and he may decide to buy.

Assumptive close :

Under this method the salesman assumes that the prospect has already decided to buy, hence, will ask the prospect- “Mr. Prospect, I am sending the packet to your home”. If the prospect keeps silent it means he has agreed to buy and the sales process is closed. The assumptive close is possible only when the salesman has the trust and confidence of the customer.

Suggestive close :

A salesman may use suggestions close of a sale. He may say, “Sir, if you will bring your wife who will operate /use it I can explain to her a few important points right now” or “This tie will properly match with your suit”. Such suggestion sometimes induce the prospect to come to a conclusion and buy.

Minor points close :

Under this technique, the salesman first, makes the prospect agree on minor points like colour, size, brand, payment system, delivery date etc. and skillfully leads to the big question— Whether to buy ?’ Once the minor points are cleared, the major issue or the final decision to buy now seems to be a possible proposition for the prospect.

‘Standing Room Only’ close :

This technique is also known as ‘SRO’ technique. It aims at appealing to two, important buying motives : ‘Profit’ and ‘Fear’. Here the salesman issues a warning like “If you will lose the opportunity it is lost for ever and you will repent”. To appeal to the profit motive, the salesman may say, “During the coming budget there is a proposal for hefty increase in the price of the product”. Such statements of the salesman is sure to have a positive impact on the prospect and speed up a ‘close’.

Negotiation close :

The salesman may close the sale by an amicable negotiation. It depends on his negotiating skill, professional touch and above all a ‘positive attitude’. The prospect and the salesman will close the deal with a ‘you gain and I gain’ note at the negotiating table.

9.8 ADDITIONAL SELLING :

A customer buying a motor car is sure to buy some accessories like— floor mats, stereo, cover, luggage carrier, step in cover etc. A car salesman stands in a favourable situation to sell all

these things to the buyer. These are called additional selling. Like a salesman of car, all other salesmen can also make such additional sales. A man purchasing a pair of shoes can be induced to buy socks, polish, brush etc. Even he can be offered to buy other goods like leather belts, wallets etc. A wise salesman shall not miss this opportunity.

9.9 AFTER SALES SERVICES

After sales service is an important factor in every sale. It adds to the goodwill of the firm and keep the customers satisfied and connected. After closing the sale, the salesman must not make the customer feel neglected or lost. Some care and attention must be given to him as a 'buyer' as was given to him as a 'prospect'.

After sale normally two types of services are provided by the salesman to the customer. They are (i) the follow through and (ii) after-sale services.

In case of consumer durables, the follow-through service is provided by the salesman. For instance after selling a FAX machine, the salesman may call on the customer and see how it is operating. He may give some suggestions to the operators regarding the use and operation of the machine.

Some manufacturers provide free service for a certain period, may be 6 months or one year, to the customer after sale. Expensive and durable products like motor cars, bikes, home theatres, air conditioners, fridges etc. normally require such services to push their sales and popularise them. In such cases the salesman must make the customer aware of such facility. Where free repair or repair at nominal charges is provided the customer must be told about that. In case of defective product, the salesman must listen to the customer's complaint patiently and if possible replace it with a new one.

Though after-sales service is a burden on the manufacturers and involve lot of money and man-power, they shall be considered as good and wise investment in the long run. They help build the manufacturer a well-founded customer base. It is one of the reasons why the Japanese automobiles are dominating the world market today or the Tata Motors are so popular in South East Asian countries.



9.10 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) Excuses are called
- | | |
|-----------------------|-------------------------|
| (i) Real objections | (ii) Simple objections |
| (iii) Fake objections | (iv) Complex objections |
- (b) A good salesman considers objections as :
- | | |
|---------------------|------------------|
| (i) Mistakes | (ii) Nuisance |
| (iii) Opportunities | (iv) Undesirable |
- (c) The best style of negotiation is :
- | | |
|---------------------|-----------------------|
| (i) Yes win I lose | (ii) I win you lose |
| (iii) You win I win | (iv) You lose I lose. |
- (d) Strike the iron when it is
- | | |
|-----------|----------------|
| (i) warm | (ii) cold |
| (iii) hot | (iv) Luke-worm |
- (e) Small 'premiums' are intended to appeal the buying motive
- | | |
|--------------|----------------|
| (i) Fear | (ii) Curiosity |
| (iii) Vanity | (iv) Pride |

No.2 (a) Correct the underlined portion of the following sentences :

- (i) Prevention is always better than anticipation.
- (ii) By offering small gifts a salesman appeal to prospect's buying motive of fear.
- (iii) Real objections are mere excuse.
- (iv) Objections should be considered as mistakes.
- (v) A trial close is aimed at searching for a negative buying signal.
- (b) Fill up the gap in the following sentences :
- (i) 'Excuses' are called _____ objections.
- (ii) Boomerang method turns disadvantages into _____.
-
-

- (iii) A 'superior point' pointed by the salesman _____ for the disadvantages.
 - (iv) Objections provide the salesman an _____ to clarify the sales talk.
 - (v) A salesman must _____ objections in advance.
- (c) Express the following in **one** word/term each :
- (i) The testing technique used by salesman in closing a sale
 - (ii) Objections which are not genuine.
 - (iii) The techniques of close appealing to fear and profit buying motive.
 - (iv) The method of counter balancing the objections of the prospect.
 - (v) A signal indicating the willingness of the prospect to buy.
- (d) Answer the following in **one** sentence each :
- (i) What is 'Erecting barrier method' ?
 - (ii) What are fake objections ?
 - (iii) What is a premium ?
 - (iv) What is a trial close ?
 - (v) Why are objections treated as opportunities ?
 - (vi) What is meant by assumptive close ?
- No. 3. Answer the following within **two** sentences each :
- (a) What is superior point method ?
 - (b) Why should the salesman anticipate objections ?
 - (c) What is boomerang method ?
 - (d) Why is 'closing' important ?
 - (e) Why should salesman avoid interruption ?
 - (f) Explain the importance of after sale services.
- No. 4. Answer the following within **six** sentences each :
- (a) What is a trial close ?
 - (b) What is additional selling ?
 - (c) Why 'after sales service' is required ?
 - (d) What do you mean by 'hit at the right time' ?
 - (e) What is 'Standing Room Only' close ?
-
-

Long Type Questions :

5. Why are objections raised ?
6. Explain the steps of handling objections.
7. Discuss in brief, the main methods of over coming objections.
8. Explain the features of successful closing.
9. Explain in brief the different methods of closing.
10. Write notes on :
 - (i) After-sale service
 - (ii) Erecting barriers.

ANSWERS

1. (a) ii; (b) iii; (c) iii; (d) i; (e) iii
2. (a) (i) Cure; (ii) Curiosity; (iii) Fake; (iv) Opportunity; (v) Positive
(b) (i) Fake, (ii) Advantages, (iii) Counter balance/Compensate,
(iv) opportunity (iv) Anticipate
(c) (i) Trial close; (ii) Excuses/ fake objectives; (iii) SRO; (iv) Superior point;
(v) Buying signal.



RECRUITMENT AND SELECTION OF SALESMEN

STRUCTURE

- 10.1 Introduction
- 10.2 Recruitment
- 10.3 Importance of Sound Recruitment
- 10.4 Sources of Recruitment
- 10.5 Steps in Recruitment
- 10.6 Selection
- 10.7 Importance of Sound Selection
- 10.8 Selection Procedure
- 10.9 Questions

10.1 INTRODUCTION

The different types of salesmen discussed earlier; are appointed by the Sales Manager, who is the head of a sales organisation. Sales organisation means the machinery brought into existence with a view to effecting sales smoothly. It takes up the functions of distribution of goods through different departments and salesmen. Sales are the main sources of earning profit for any business organisation. Sufficient number of effective and efficient salesman is, therefore, imperative to achieve such main objective. The main function of a sales manager is to recruit and select salesmen, impart them proper training, provide them proper motivation and giving them reasonable remuneration depending upon their ability and efficiency. In this chapter, we shall discuss about recruitment and selection of salesmen.

10.2 RECRUITMENT

Recruitment is the process of tracing the right source of prospective candidates and encouraging them to apply for the vacancies. This is in fact, a search of possible sources available to select the desired personnel. This process involves the advertisement, contact with different agencies, visit to educational/ technical institutions etc.

The process of recruitment is a regular feature in business organisations. Vacancies emerge due to retirement, resignation, death and promotion of the employees which require immediate appointment. Similarly, the expansion, modernisation and diversification of business activities need more sales personnel. In fact, it is the aim of each and every organisation to have competent salesmen who are more intelligent, dashing and dedicated than the existing ones.

10.3 IMPORTANCE OF SOUND RECRUITMENT

Salesmen constitute the base of the business activities. The prosperity of the business largely depends on the credibility of the salesman. Their efficiency, effectiveness and dedication determine the success of the business. In this competitive world, getting the right person for the right job is a difficult proposition. A defective recruitment policy may lead to high turnover of salesmen, low sales volume, less profit and dissatisfied customer. A small flaw in the process of recruitment and selection may lead to a great loss to the organisation. Therefore, recruitment and selection of salesmen require much attention from the sales executives.

Sound recruitment policy is very much essential for the following reasons :

1. To increase the sales in order to multiply the income of the organisation.
2. To develop better liaison with customers.
3. To make the salesmen conscious of their responsibilities.
4. To bring better understanding between the members of the organisation and to make the jobs of sales manager smooth and effective.
5. To improve the image of the organisation as well as to help the organisation to face the competitors effectively.
6. To enhance the confidence of the salesmen to do their job more effectively / efficiently.
7. To build up a stable working force and eventually reducing advertising expenses for fresh appointment.

10.4 SOURCES OF RECRUITMENT

The sources of recruitment of salesmen are manifold. Broadly, they are of two categories—internal sources and external sources.

Internal sources :

This source of recruitment is meant for selecting salesmen from inside the organisation than looking to outside. Perhaps, this is the safest and most economical avenue for recruiting salesmen. Such internal recruitment may be made by :

1. **Transfer** : Transfer involves shifting of an employee from one job to another. Sometimes, some employees of non-selling departments may prefer selling as their career or even within the selling department some employees may have the liking for specific part of selling activities. Thus such employees can be shifted to the respective jobs according to their liking.

2. **Promotion** : Promotion is an element of motivation for the employees. Many companies follow this practice of filling higher jobs from lower posts. This step opens scope for further promotion. In fact, this will induce other employees to work with all devotion in anticipation of promotion.

3. **Reemployment** : Some organisations prefer the help of former employees under some special situations because of their expertise knowledge and sound track record. This option, however, depends on the way they honour the organisation's request. This practice is advantageous for the organisation since it is not associated with any cost of selection and training.

Advantages : The following advantages are derived from internal sources of recruitment.

1. *Better performance* : The employer has the good acquaintance with the employees since they are the existing ones. When they will be posted in the new jobs the employers can monitor their work easily as they know their character and capabilities well. Similarly, when the existing employees are posted to the new assignments, they can discharge it effectively since they know their superiors well and also the organisation's policies and practices.

2. *Minimisation of Training Period* : The existing employees know the practices and principles of the organisation well because of their long association with the organisation. When they are posted to new jobs they can accomplish them easily with minimum counselling.

3. *Develop belongingness* : When an existing employee is posted to a better or new jobs, it imparts a message to other employees about organisations preference for existing employees. This may motivate the other employees to work more sincerely and seriously thinking that the organisation belongs to them.

4. *Economy* : This form of recruitment involves less amount of cost and time. This is because the selection and training cost is comparatively negligible since the recruits are the old employees of the organisation. Similarly, the existing employees who have been posted to new jobs can adjust themselves with the new situation easily since they are the old employees of the organisation.

5. *Incentive* : Recruitment from within acts as an incentive since promotion to higher position inspires the younger and intelligent members of the staff to aspire to still higher position by working hard.

Disadvantages :

The following are the disadvantages of internal sources of recruitment :

1. *Restricts fresh talent* : When vacancies are filled-up through existing employees either through promotion or posting, the scope for fresh talent from outside is reduced. This may affect efficiency of the organisation.

2. *Spread defective culture* : The recruitment of existing employees to the vacant posts regularly may develop a feeling amongst employees that the promotion or recruitment to vacant post is their matter of right. Further, this may make them lethargic since they are assured of promotion. Moreover, the sales manager may face great resistance when they opt for any fresh recruitment.

3. *Limited scope for recruitment* : As regards the number of competent, prospective candidates are concerned, the internal sources are highly deficient in comparison to external sources. Selecting salesmen only from this restrictive sources may not help the organisation to pursue its activities more effectively and efficiently.

4. *Develop discontentment* : Since promotions are made on selected basis, those who are deprived of getting promotion may feel dejected and frustrated. This may create discontentment and jealousy amongst employees.

External Sources :

The enterprise prefers outside sources to recruit salesman when the present employees fail to comply with the specification of the job the organisation requires to fill up. These recruits are completely outsiders who have no previous connection with the organisation. The sources are :

1. *Advertisement* : Advertisements are the common practice in the recruitment process. They are the invitations given in news papers, radios, television etc. for recruitment. In open advertisements, nature of the business, specification of the job etc. are given. While in blind advertisements excepting post-box number other information are not disclosed. It is necessary that advertisement copy should be drafted carefully to avoid any application from non-deserving candidates.

2. *Employment Agencies* : Apart from Employment Exchanges of Government, private institutions have set up different agencies throughout the country to provide services to both

employer and employment seekers. The interested candidates get themselves registered with these agencies by furnishing their bio-data. These agencies, in turn cater to the employers' according to the sales personnel they prefer.

3. *Educational Institutions* : Now days schools and colleges are imparting suitable courses of training on all the fundamentals of salesmanship. It is expected that the students of these institutions can be easily inducted to the jobs of salesmanship. In view of this, recruitment from educational institutions is a well established practice of thousand business and other organisations. Even some business concerns are sending their representatives to different educational and technical institutions to pick-up preferred candidates by conducting campus interviews.

4. *Recommendations* : Applicants introduced by present employees or business friends are an important source of recruitment. Indeed many employers prefer to take such persons because some thing about their back ground is known and the present employees bear a moral responsibility for their success.

5. *Unsolicited Applications* : Many qualified candidates apply for employment to reputed companies on their own initiative. They serve as a good source of recruitment. The employer keeps such list of candidates with care and calls them for interview whenever the need arises.

6. *Consultancy firms / Wholesalers, Retailers* : These bodies are very much aware of the requirement of sales personnel in different sales organisations. Normally, they keep a record of job seekers in detail as regards their qualification, experience, suitability for various jobs. So they recommend their names at the time of requirement of different business concerns.

7. *Casual callers* : Some times, business people are forced to appoint salesmen on temporary basis to tide over the requirements during busy seasons. These persons are known as casual callers. Later these personnel may be made permanent when their credibility is realised by the organisation.

Advantages :

The following are some of the important advantages of recruitment through external sources :

1. *Provides wide choice* : The external sources provide options in varieties. This enables the business concerns to choose the salesmen most appropriate to their requirements.

2. *Encourages competitive atmosphere* : As the new recruits are fresh to the organisation, it is obvious that they will try their best to ensure the safety of their jobs. On the other side, the present employees may take the appointment of freshers as challenge to their jobs. In this way a competitive atmosphere may emerge in the organisation which may bring benefits in varieties for the organisation.

3. *Better use of technology* : Technology is changing fast. A business concern can take full advantage of it, if it is equipped with the requisite talent well. External sources can meet such requirements easily than the internal sources as the former is capable of providing candidates with varied and board talent and skill.

4. *Improves the quality of talent* : As business concerns avail sales personnel regularly from out side, it encourages them to improve their quality of skill in order to present their claims for the jobs more convincingly.

Disadvantages : The following are the disadvantages of external sources of recruitment :

1. *Expensive* : The process of recruitment of this source is associated with several steps such as advertisement, tests, interviews etc. which will require much time and money. Thus in comparison to interal sources , it is too expensive.

2. *Wastages of time* : Unlike internal sources, the personnel can not be appointed immediately from external sources since it requires a lengthy passage. More over, after appointment, a sales personnel can not work with full vigour until he is well acquainted with the surroundings of the organisation.

3. *Disruption* : The appointment of sales personnel, particularly to higher posts may bring sudden change in the atmosphere of the organisation. The existing employees may take their own time to adjust themselves with the new conditions which may slow down the normal course of work for some time.

4. *Rivalry* : Some times one firm attracts the employees of the other firm, which is a competitor of it, by offering attractive packages. This makes the relationship between the two firms critical and may prevent the two organisations to function smoothly.

10.5 STEPS IN RECRUITMENT :

Recruitment is a positive process of searching for prospective candidates. Its objective is to create a large pool of applicants for the jobs in the organisation. Its process is based on some sound principles. The steps are :

1. Job Analysis :

This is the first step in the process of recruitment. This step involves, an in-depth study of the job as regards the task required, activities to be performed, duties, responsibilities and the conditions under which a salesman will work. The study also elaborates the equipments which the salesmen will use and the difficulties he will face during the course of the work. Proper knowledge of all such, enables the sales manager to choose the most suitable one for the job.

2. Personal Analysis :

This analysis enumerates the qualification and qualities which a salesman must possess to do his job more satisfactorily. Such qualifications and qualities include :

- a. Physical qualities : Age, height, health condition, appearance etc.
- b. Mental qualities : Alertness, initiative, memory, precision, self confidence, creativity, cheerfulness etc.
- c. Social qualities : Courteous, better communication abilities, helpful and co-operative attitude, sincerity, loyalty, tactfully dealing with the people etc.
- d. Personality : Ability to convince and impress the people he comes across.

3. Searching the sources of recruitment :

This is the third step where efforts are made by the sales manager to trace the most suitable sources and to pick-up the most preferred ones. Normally, the sources are two fold-internal and external about which mention has already been made.

4. Scientific selection :

As the salesmen are at the forefront of the organisation, their activities reflect the image as well as financial credibility of the organisation. In view of this, the procedure of selection must be determined with much care to pick-up the most suitable ones.

5. Despatch of appointment letter :

Once the candidates are being selected, appointment letters are sent for their early joining. Generally, the letter contains about the nature of assignment, duties, terms and conditions and remuneration package etc.

10.6 SELECTION :

Selection is a process of finding-out the most deserving ones from the list prepared while recruiting. In fact, it is an act of rejecting the misfits and tracing the suitables from large number of

applicants. Suitable candidates are selected through tests and interviews on the basis of job specification.

10.7 IMPORTANCE OF SOUND SELECTION

Sound selection of employees is an important task of each and every organisation to reap several benefits as mentioned below :

a. Enhance income : A good salesman makes the customer convinced about the utility of the product and the image of the organisation which increases the sales, and in turn the income of the organisation.

b. Check the turnover of salesman : A good strategy adopted for the selection of salesman helps the organisation to put the right person at the right place. This gives much satisfaction to salesman for their jobs, which checks labour turnover.

c. Ensures the benefit of advertisement : The advertisement of the organisation creates the desire in the minds of the customer for the products. The salesman through his artmanship converts that desire into want and makes sales. Thus, he ensures the benefits of advertisement expenditure.

d. Improves employer and employee relationship : An efficient and sincere salesman performs well to the satisfaction of his employer. This increases the profit of the organisation. The employer reciprocates it by rewarding the employees with several financial benefits which makes their relationship close and comfortable.

e. Reduces the worries of the administration : An effective selection policy puts the right person at the right post which checks the labour turnover and improves the performance of the organisation. Customer gets satisfaction because of the artmanship or skill of the salesman. Moreover, the salesman handles most of the critical issues of the organisation effectively which reduces the worries of the management.

DISTINCTIONS BETWEEN RECRUITMENT AND SELECTION

The two terms recruitment and selections seem to be an interchangeable terms. But in practice they differ from each other. The distinctions between them are given below :

1. Recruitment is the process of the tracing of suitable candidates for the jobs of the organisation and inducing them to apply for the vacancy.

Selection is the process of picking-up the applicants who are the best to the specification or job of the organisation.

2. Recruitment is the positive act which is involved in tracing as many prospective candidates as it can assemble for the jobs of the organisation.

Selection, on the other side, is the negative act which is involved in rejecting the misfits and choosing only the competent ones suitable to the jobs specification.

3. In the process of appointment of salesmen recruitments comes first. This includes largely the preparation of a list of prospective candidates suitable to the jobs of the organisation.

The finalisation of the list of candidates for the jobs specification under the process of selection comes at the end of the appointment process.

4. The process of recruitments is not identical with different organisations. It is generally constituted according to their convenience, cost and necessity. However, some uniformity is observed in the selection process of different organisations.

5. The process of recruitment is simple as the candidate have to fill up the prescribed forms and deposit fees with the employer. The selection process is complex and time consuming since the candidates have to pass through different stages of screening before being selected for the job.

10.8 SELECTION PROCEDURE

Selection procedure comprises of different stages to be followed to find-out the right person for the right job. A minor mistake in the process may harm the organisation a lot. Much attention, therefore, must be paid for its proper enforcement. From organisation to organisation, the procedure differs. However, the following are some of the common procedure adopted for proper selection of salesman :

1. Preliminary Interview : The purpose of preliminary interview is to eliminate the unsuitables. It is generally brief and may take place across the counter in the organisation's employment office. It may consist of a short exchange of information with respect to organisation's interest in hiring the enquiring candidates. It helps to determine whether it is worthwhile for the candidate to fill up the application form or not. It saves the expenses of processing unsuitable candidates and helps the candidates to avoid the trouble of passing through long procedure.

2. Application blank : Candidates who succeed through the preliminary interview are allowed to fill-up the application forms in order to furnish the required information about them. Application forms are designed in different formats for different jobs. However, they are simple, brief and include such information which are relevant for the jobs specification. Normally, an application form contains information regarding :

(a) Personal History like name, date of birth, sex, marital status, nationality etc. of the candidate; (b) Educational qualifications, (c) Job experience; (x) Reference etc.

This hand written application serves as a permanent record about the candidate's bio-data. It helps to determine the tentative reference regarding candidates suitability. It also provides the basis for framing questions to be asked in the interview. Proper scrutiny of applications is made to select candidates for tests.

3. Selection Tests : Tests are an important segment of selection process. They are used to assess the skill and abilities of candidates as required for the efficient performance of the job. Different tests as in practice for screening the candidates, are given below :

a) Intelligence Tests : This test indicates the ability to understand instructions and to exercise judgement by the candidates. They measure the alertness and creativity of the applicant.

b. Aptitude Tests : It measures the candidate's capacity and bent of mind to acquire necessary skill to do the job efficiently.

c. Proficiency Tests : These tests indicate the skills and abilities the candidate has already acquired.

d. Interest Tests : The aim of this test is to identify the areas in which the candidates show special concern, fascination and involvement. In fact, it helps the individuals in selecting occupations according to their interest.

e. Personality Tests : These tests probe individual's value system, relative moods, emotional maturity, courage, initiative etc.

4. Employment Interview : This form of interview is used widely to select the employees. It is more thorough and comprehensive in nature, where the employer directly talks with the candidate. The objectives of this interview are :

(a) to check the information already obtained; (b) to seek more information about the candidates; (c) to test the qualities of the candidate, and (d) to inform the candidate about the job and organisation.

5. Checking Reference : Candidates usually refer in their application about the names of the person to whom enquiries as to his educational back ground, experience, abilities, character etc. can be addressed. The references may be the previous employer, head of the institution, respectable persons etc. Checking the reference may help to point out any discrepancy regarding the candidate's previous employment, past salary, reasons for leaving the job etc. If possible the

referees may be persuaded to give opinion frankly by giving an assurance that all information supplied by them will be treated as strictly confidential.

6. Physical Examination : Physical or medical examination is necessary to ascertain the candidate's physical fitness for the job. Some organisations accept medical certificate obtained by the candidate from a qualified medical practitioner. Others require that the candidate should pass through the fitness test conducted by an expert appointment by the organisation. The objective of medical examination is three fold : (i) to ascertain the candidates' physical capabilities to meet the job requirements, (ii) to ensure that the candidate is not suffering from any communicable diseases; and finally (iii) to save the organisation from any unwarranted claims under the 'Workmen's Compensation Act'.

7. Final Selection and Issue of Appointment letter : After passing successfully through all the steps of screening, the candidate is finally selected. A list of successful candidates is prepared. Appointment letters are issued to them as an order to join the post immediately for which they have been selected. The appointment letter contains all the terms and conditions of employment and also their duties, responsibilities to avoid any confusion in future. It also contains the remuneration package which the applicant will get.



10.9 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) Re-employment means :
 - (i) giving employment to former employee.
 - (ii) shifting an employee from one job to another.
 - (iii) giving employment on the basis of selection.
 - (iv) transferring the employee to his old post.
 - (b) Unsolicited applicants are :
 - (i) applicants who apply for the post of their own
 - (ii) applicants who apply for the post through employment exchange.
 - (iii) applicants whose names are recommended by existing employees.
 - (iv) applicants who apply for the post because of advertisement.
 - (c) The first step in the process of recruitment is :
 - (i) Personal Analysis
 - (ii) Job Analysis
 - (iii) Source Analysis
 - (iv) Financial Analysis
 - (d) Blind advertisement reveals only :
 - (i) Post box number
 - (ii) Job specification
 - (iii) Name of the company
 - (iv) Address of the company
 - (e) Recruitment is an act of :
 - (i) tracing the sources of applicants
 - (ii) finding the suitable applicants
 - (iii) issuing the appointment letter to the applicant
 - (iv) rejecting the application of the applicant
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- (f) Selection of salesmen is a :
 - (i) Positive process
 - (ii) Negative process
 - (iii) Multiple process
 - (iv) Common process
 - (g) Application blank is :
 - (i) a preliminary application for the job
 - (ii) a final application for the job
 - (iii) an application for the financial assistance
 - (iv) an application for leave
 - (h) Aptitude Test measures candidates :
 - (i) ability to acquire skill
 - (ii) ability to understand different issues.
 - (iii) ability to communicate
 - (iv) ability to analyse different situations.
 - (i) Preliminary interview screen-outs :
 - (i) Aged candidates
 - (ii) Disabled candidates
 - (iii) fresh candidates
 - (iv) unsuitable candidates
 - (j) One of the internal sources of recruitment is :
 - (i) employment exchange
 - (ii) transfer
 - (iii) unsolicited applicants
 - (iv) recommendations.
- 2.(a) Express each of the following in one word/term.
- (i) The process used to choose the suitable candidates for the job.
 - (ii) The source of recruitment used to appoint salesman on temporary basis to tide over short term deficiencies.
 - (iii) The procedure adopted to determine the tasks of a job.
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- (b) Answer the following questions within **one** sentence each :
- (i) What is interest test ?
 - (ii) State any two internal sources of recruitment.
 - (iii) Name any two tests measuring the skill and abilities of the salesmen.
 - (iv) What is personal analysis ?
- (c) Fill in the blanks :
- (i) The person who applies for the post on his own is called _____.
 - (ii) Selection is a process of _____ the misfits.
 - (iii) Recruitment is a _____ act.
- (d) Correct the underlined portion of the following sentences. :
- (i) The person whose name is mentioned in the applicants form for enquiry is called consultant.
 - (ii) Closed advertisement carry only post box number.
 - (iii) Recruitment and selection are identical to each other.
3. Answer the following questions within **two** sentences each :
- (a) What is recruitment ?
 - (b) State any four external sources of recruitment.
 - (c) What is selection ?
 - (d) What is aptitude test ?
 - (e) Why are medical examinations conducted ?
 - (f) State any four internal sources of recruitment.
 - (g) What is meant by unsolicited applicants ?
 - (h) Why internal sources of recruitment are economical ?
 - (i) How is transfer an internal source ?
 - (j) What is re-employment ?
 - (k) State any two features of job analysis.
 - (l) What is an employment exchange ?
 - (m) What is the significance of recommendation as an external source ?
4. Answer the following questions within **six** sentences each :
- (a) What purpose does preliminary interview serve ?
 - (b) Cite any two reasons which make the external sources of recruitment better than that of internal source.
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- (c) What is application blank ?
- (d) Why is reference enquired at the time of appointment ?
- (e) What is personal analysis ?
- (f) State any three short comings of external sources of recruitment.
- (g) Explain any two sources of recruitment under external category.

Long type Questions

- 5. Describe the steps involved in the selection of a salesmen in a trading concern.
- 6. What are external sources of recruitment ? Discuss its advantages and disadvantages.
- 7. Are recruitment and selection complementary to each other ? Show the distinctions between the two.
- 8. Show a comparative study between external sources and internal sources of recruitment. Which one do you prefer ? Justify your preference by citing reasons.
- 9. Discuss the importance of recruitment and selection. In your opinion which one is more important and why ?
- 10. Write notes on :
 - a. Job Analysis
 - b. Advertisement as a source
 - c. Casual callers
 - d. Employment Interview.

ANSWERS

- 1 (a) i, (b) i, (c) ii (d) i (e) i, (f) ii, (g) ii, (h) i, (i) iv, (j) ii.
- 2. (a) (i) selection, (ii) casual callers, (iii) Job analysis
(c) (i) unsolicited applicant, (ii) rejecting (iii) Positive
(d) (i) referee, (ii) Blind, (iii) Opposite.

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TRAINING OF SALESMEN

STRUCTURE

- 11.1 Introduction
 - 11.1.1 Meaning
 - 11.1.2 Definition
- 11.2 Objectives and subject matter of training
- 11.3 Need and Importance of Training
- 11.4 Limitations or disadvantages of Training
- 11.5 Methods of Training :
 - 11.5.1 On the Job Training
 - 11.5.2 Off the Job Training
- 11.6 Methods of Instruction
- 11.7 Requisite for Effective Training
- 11.8 Questions

11.1 INTRODUCTION

It is believed that sales people learn the necessary skills on the job. This is incorrect because training builds a reference framework within which learning can occur. This provides the opportunity to practise skill with feed back. Ultimately, training helps to identify the strength and weakness of the performance of the salesman. Training succeeds only when the salesman admits his problems and takes adequate measures to rectify them.

11.1.1. Meaning :

Training is an organised process of acquiring the knowledge, skill and attitude for people for doing a particular job. It is a learning process. Its aim is to improve the employees current job performance. It is a continuous process which does not stop anywhere. It is a stepping stone in the career of salesman. It is a systematic stimulus or methodical support to the development of the inborn qualities and potentialities.

11.1.2. Definition :

According to Edwin. B. Philoppo “Training is the act of increasing the knowledge, skill and abilities of employees for doing a particular job.”

According to Michael Jucious, “The term training is used to indicate the process by which the aptitude, skill and abilities of the employees to perform specific jobs are increased.”

Thus training is a planned effort to facilitate employees’ learning of job related behaviour in order to improve their performance. It is a deliberate and systematic planning to enable salesmen to perform their task in the most efficient manner and importance.

11.2 OBJECTIVES :

The theme of training is to magnify the outlook of the trainee by increasing their knowledge, improving their productivity by elevating their skill and to make them more disciplined by moulding their attitude. To bring these transformation in the trainee, the training is associated with the following objectives :

1. To enlighten the salesman’s knowledge about the product, its processing, composition, quality and substitute, if any.
2. To teach the salesman about customer, competitors, principles of selling.
3. To acquaint the salesmen about firms’ history, policies, plans for various issues like provision of credit, distribution etc.
4. To make the salesman aware about government policies, rules and regulations relating to the marketing the products and its proper handling.
5. To facilitate the salesmen to learn new technology and practices to improve their skill to face challenges.
6. To mould the attitude of the salesmen towards their colleagues, supervisors and the organisations and also make them conscious about their responsibilities, create their interest towards their jobs and organisation as a whole.

Subject matter of Sales training :

The objectives of the training determines the contents of the training programme. Any omission and extra inclusion may jeopardise the very purpose of training programme. Therefore, much care should be attached to the selection of appropriate subject matter of the programme to enlighten the salesman, particularly on three important aspects i.e. organisation, product and their duties and responsibilities.

1. Organisation includes – (i) its structure, (ii) channels of distribution, (iii) terms of sale, (iv) credit policies and (v) collection of dues.
2. Product relates to – (i) its basic information, (ii) its history and its manufacturing process, (iii) its method of packing and transportation.
3. Duties and responsibilities of salesman about, (i) their duties regarding different aspects of the organisation, (ii) the way to identify the customer, (iii) the manner to approach the customer (iv) the art of motivating the customers, (v) the confidence to clarify the doubts and objections of the customer and (vi) finally the knowledge about the preparation of bills and accounts.

11.3 NEED AND IMPORTANCE OF TRAINING :

The need of training arises for the following reasons :

1. Training delivers the basics of salesmanship which helps the salesman to buildup a strong base to flourish in future.
 2. Training imparts knowledge, skill to the salesman about the product, the people and procedure to deal with the customers in order to overcome their objections and complaints. Similarly, it helps to bring a satisfactory end to transactions. This improves his performance and increases the sales volume and profit.
 3. Training helps the salesman to acquaint himself with the structure, culture, rules, policies etc. of the firm. Knowledge of these information makes easier for the salesmen to settle in the new environment of the firm quickly and easily. This reduces supervision cost.
 4. Today, technology is changing fast. One has to keep pace with such changes to make himself effective. Training imparts the knowledge of new technology, and new skill in multiple forms. This equips the salesman well to face all challenges of technology.
 5. Training acquaints the salesman with government policies, rules and regulations. This saves the salesmen to be involved in any unfair activities. It enables the sales manager to select the right type of salesmen for promotion. It also provides flexibility to the salesman in working in different areas.
 6. Training identifies the individual requirements of each salesman like knowledge about the job, skill required to perform it etc. Accordingly, it delivers the support to make them fit enough to do their job effectively.
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7. Training prepares the people to hold higher position by pre-identifying them and increasing their skill to perform such jobs when the opportunity arises.
8. Training enables a salesman to increase his knowledge about different jobs being performed in different functional areas of the organisation. Whenever he is asked to move to different jobs to perform, he does not face any problem because of such training background. It motivates salesmen to be properly rewarded.
9. Training brings efficiency into the organisation which inflates the earnings of both the organisation and the salesman. Ultimately, it fosters the employer and employees relationships and checks any possibility of labour turnover and absenteeism. Trained salesmen are well versed with the mechanism of different equipments.
10. During the process of training the persons who are unsuitable and inefficient for the jobs are identified and also are removed. This saves both time and money of the organisation in giving unnecessary training to these undeserves. Therefore, it can be concluded that investment in training of salesman is not a waste.

11.4 Limitations or disadvantages :

Each element has two sides better and worst. Training is not an exception. Though training is essential, yet it has certain shortcomings.

1. Expensive : Training provisions are associated with several elements like training personnels' fees, equipment, accommodation, trainees' expenses etc. which requires a huge expenditure. Small organisations can not afford it.

2. Possibility of learning the organisations : Sometimes after undergoing training, some trainees leave the organisation without permission and it becomes more agony when they join the competitor's firm. This leads to loss of money and time and creation of hurdles for future.

3. No guarantee of result : Training departs skill and knowledge but its utility depends on the way the salesman accepts and utilities it. This is because all the salesmen are not uniform in their ability, temperament, attitude etc. Therefore, desired result can not be achieved simply by organising training programmes.

4. Dislocates the normal course of work : When training is in progress parallel to routine work, the usual course of work of the organisation is disrupted. The salesman has to leave his job to attend the training programme. This brings a lot of problem for the organisation like non-completion of schedule assignments in time, deferment of different decisions etc.

11.5 METHODS OF TRAINING :

Selection of appropriate method of training is essential to have quality salesman. Keeping objectives of the organisation in view, several factors like nature of product, nature of work, financial capacity, candidates' ability etc. should be considered to decide about the most suitable method of training.

Following are the different methods of training which may be broadly divided into two :
(a) 'on the job' training and (b) 'off the job' training.

11.5.1. 'On the job' training : As the name indicates training is given under this system when both the trainer and the trainee are at the job. In fact, it is a process of learning by doing. The different methods adopted under this training are :

1. *Coaching* : In this method the senior or superior plays the role of the guide or instructor of the trainee. He gives guidance and instruction about the job. He demonstrates the task of operation and answer the queries of the trainee. The trainee, on the other side, observes the senior carefully to learn the necessary skills of salesmanship and puts different questions about different problems he comes across.

2. *Attachment / Understudy* : When the salesman is promoted to next higher post, he is given training in the job to which he is to be appointed. Here he is in attached with the senior and is called understudy. He is given adequate freedom to take decisions without any penalty for mistake. The senior routes much of the work through him, discusses problems with him and allows him to participate on crucial issues as far as possible.

3. *Position Rotation* : In this method salesmen are trained by rotating them through a series of related jobs or positions. The trainee learns different jobs within the work unit or department. This enhances the knowledge of salesman relating to product, credit policy, marketing strategy, public relation etc.

4. *Special project* : Under this method the salesman is given a project closely related to his job. He is allowed full authority to complete the job of his own. The salesman in this process acquires additional practical knowledge and builds up more self confidence.

Benefits of 'on the job' training :

1. *Inexpensive* : As the training is given at the work place, no separate structure or trainer/instructor is required and hence the expenses associated with this form of training is negligible.

2. *Quality Training* : The salesman gets coaching from his own seniors who are well experienced and knowledgeable about the area with which he is associated. More over, the guidance and instructions the salesman receives from them is more practical than theoretical. In addition, by rotating the salesman between the related jobs, the salesman gets opportunity to broaden his knowledge and outlook.

3. *Builds up confidence* : By getting regular guidance from the seniors as well as getting the privilege of completing the related projects independently, self confidence of the trainee increases. This prepares him to shoulder more and more responsibilities in future.

4. *Better co-ordination* : Regular touch between the senior and trainee who is a subordinate of him, develops an informal relationship between them. In addition, a sense of obligation which arises in the minds of the trainee towards his senior develops better coordination and cohesion in their process of different activities.

Defects :

1. In this method the senior plays the lead role in the process of training. But due to burden of work and shortage of time, he may fail to deliver quality training to the trainee.

2. Under this method, the training and the normal job works are being done simultaneously. But in practice the job gets more weightage than training. In view of this such training does not get much attention from both the trainer and the trainee which it deserves.

3. This method does not have any schedule programme neither to hold the training systematically nor any provision for outsourcing the knowledge. As a result, this method of training remains dormant and lacks any scope for refinement or improvement.

4. Though this method of training is termed as inexpensive, but a minute scrutiny indicates a different story. If a rough estimation of time devoted by both the trainer and the trainee and the cost of disruptions of their course of work due to training will be taken into account, certainly an impressive figure of expense will emerge for holding this form of training.

11.5.2 ‘Off the Job’ Training :

This process of training is distinct in the sense that separate provision, other than the work place, is used to conduct the training programme. More over, persons with distinct knowledge of different disciplines from outside are pressed into this form of training programme. The different methods adopted for this type of training are :

1. Special course and lectures : Organisations normally sponsor the salesmen or trainees to attend special courses. The trainees are given classroom instructions through lecturers and audiovisual aids. The subjects they are being taught includes concepts, principles and techniques relating to different areas such as marketing, accounting, finance etc. Here the trainees feel better state of mind to learn and assimilate knowledge as they are away from the pressure of daily routine work.

2. Conference and Seminars : A conference provides a common platform for intensive group discussion and allows the participants to look at the problems from different angles. The participants may prepare and present papers which are discussed. This method helps to reduce the dogmatism and promote an attitude of responsiveness to change. This method is ideal for analysing problems.

3. Role Playing : In this method, the trainees are informed about the situation which will be dramatised and the role they are expected to play. The situation is artificially created and they are asked to play the role. Normally, they act out of the given roles as they would be playing in the real life. This helps the trainees to learn different arts to deal under different situations.

4. Brain Storming : In this method, a problem is presented before the trainees and they are encouraged to offer ideas or suggestions to solve it. No criticism or suggestion is there at the moment. Each trainee is allowed to participate as many times as he can. Finally, all the ideas/suggestions are critically analysed and a suitable solution is found out. The objective of this method is to improve innovative and creative attitude of the trainee.

Benefits of 'off the job' training :

1. Training programme does not affect the actual course of work as it is given at a different place where provisions are created specially for the purpose of training.

2. Training is being given by the persons who are experts in different areas of discipline. This augments the knowledge base and outlook of the trainees.

3. Seniors are relieved from the training work. This facilitates them to concentrate more on some important issues of the organisation.

4. Trainees are benefited under this method because their routine work is not going to interfere with their training course. This helps them to concentrate more on their training programme.

Defects :

1. Under this method, the working conditions which are created artificially to give training, may not be the same as actual. The knowledge which the trainee gets through this method is more theory-oriented than practical.

2. To provide this form of training, a separate structure is created to accommodate the training facilities. Experts from outside are requisitioned to give training. Moreover, the trainee remains absent from his job during the training period. In view of the above factors, this form of training becomes too expensive.

11.6 METHODS OF INSTRUCTION :

The following indicates the different forms of instructions normally followed during the course of training to salesmen :

a. Classroom method : It is just like the classroom teaching where the teacher and students are involved. Here the instructor or teacher speaks and salesmen as students listen to him take notes, ask questions, get their doubts cleared and in this way they learn. This method is followed to deliver the fundamental concepts of salesmanship, sales management, advertising etc. This method however, lacks practical knowledge.

b. Council chamber method : In this method, the training is given to salesmen in a council chamber where both trainees and instructors assemble. The topic of discussion is related to sales. One after another the trainees are asked to come to the dais to present his view on the issues asked instantly (extemper). At the end, the instructor sums up the discussion by explaining the points for and against of the subject / topic. This helps the trainee for self assessment and improving their knowledge base.

c. Laboratory method : This method follows the same procedure as a science laboratory functions in a college. The demonstrator outlines the conduct of the experiments and the students do the experiment of their own in line of the instruction and submit the report. Similarly, the instructor explains the way to study the features of the product and trace out its selling points. The trainees analyse the features of the product assigned to them, compare them with those of the competitor's, read the sales literature, note down the important points and then prepare the reports of their own and submit them to the instructor for correction.

11.7 REQUISITES FOR THE EFFECTIVE TRAINING :

Training to be effective, must possess some requisites or essential features. The following factors should be viewed minutely to make the training programme successful and effective :

1. The objective and scope of training programme should be decided in advance with a clear understanding.
2. The programme schedule of training should be planned carefully after considering important issues like time, availability of training personnel, expenses etc.
3. The selection of trainees should be monitored carefully to ensure that there is no undeserving trainee. Because this will lead to loss of time and money.
4. The drafting of the training course should be finalised in such a way that both theoretical and practical aspects are being emphasized as per the requirements of the organisations. It should be done in advance with the help of experts.
5. The atmosphere of the training programme should be made conducive and ample scope should be there for free interaction between the trainer and trainees.
6. The funding provision for training programme should be sufficient. No room of deficiency should be there or else it may spoil the training quality.
7. As a matter of incentive, the topper of the training programme should be recognised and rewarded. Again ample facilities should be provided for trainees to get their doubts cleared directly from the instructor.
8. There should be continuous monitoring of the training programme. Whenever, there is any need for adjustments, these should be done immediately.
9. Finally, regular and constructive feed back should be provided to the trainees to enable them to reap the maximum benefits out of the training programme.



11.8 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) Training is a :
 - (i) isolated process
 - (ii) occasional process
 - (iii) continuous process
 - (iv) single process
 - (b) 'On the job' training includes :
 - (i) Role playing
 - (ii) Brain storming
 - (iii) Coaching
 - (iv) Lecturers.
 - (c) Position rotation means where :
 - (i) replacing of salesman by another salesman
 - (ii) a salesman moves through related jobs
 - (iii) a salesman is promoted to next higher post
 - (iv) a salesman is transferred to a new post.
 - (d) A form of training which dislocates the normal course of work is called :
 - (i) Brain storming
 - (ii) 'On the job' training
 - (iii) Lecturers
 - (iv) 'Off the job' training
 - (e) The method of training where instant questions are asked to the trainee, is :
 - (i) classroom method
 - (ii) council chamber method
 - (iii) Laboratory method
 - (iv) Brain storming
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- (f) One of the defects of 'on the job' training is :
 - (i) non-involvement of the senior
 - (ii) expensive
 - (iii) time consuming
 - (iv) disruption of work.
 - (g) 'On the job' training is more :
 - (i) theoretical
 - (ii) innovative
 - (iii) practical
 - (iv) theoretical and practical
 - (h) Attachment method of training is applicable when the salesman is :
 - (i) transferred to related job
 - (ii) promoted to next post
 - (iii) relieved from the job
 - (iv) joined at a new job.
 - (i) One of the defects of the 'off the job' training is :
 - (i) expensive
 - (ii) disruption of work
 - (iii) non-involvement of the senior
 - (iv) non-scheduled programme
 - (j) The training programme where the trainee learns through dramatised process is called :
 - (i) Brain storming
 - (ii) Seminar
 - (iii) Lectures
 - (iv) Role playing
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2.(a) Answer each of the following questions in **one** word/term

- (i) Name the form of training which is conducted within the organisation.
- (ii) In which method of training, the process of training is dramatised ?
- (iii) Which method of training allows the salesman to move from one job to another to gain knowledge ?
- (iv) Name the method of training where the trainee participates in the discussion to gain knowledge.

(b) Answer the following questions within **one** sentence each :

- (i) What is training ?
- (ii) Why is the senior relieved from the training process under 'off the job' training ?
- (iii) What is 'on the job' training ?
- (iv) Name any one benefit the salesman gains from coaching.

(c) Fill in the blanks :

- (i) _____ method of training does not have any schedule programme.
- (ii) _____ method is similar to the practical classes conducted for science students in different colleges.
- (iii) In 'on the job' training the salesman gets training from his _____.
- (iv) _____ method of training allows the salesmen to submit their articles for discussion.

(d) Correct the underlined portion of the following sentences. :

- (i) 'On the job' training is expensive.
- (ii) The decision of training programme should be made in future.
- (iii) Training is a temporary process.

3. Answer the following questions in not more than **two** sentences each :

- (a) Define the term training.
 - (b) Why is training expensive ?
 - (c) What is position rotation ?
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- (d) Why funding provision has an impact on the quality of training ?
 - (e) State the reasons for which the salesman should keep direct touch with the instructor.
 - (f) Why the undeserving candidates should be removed during the course of training ?
 - (g) Why the training programme should be drafted in advance ?
 - (h) State any two merits of training.
 - (i) What are the prime objectives of training ?
 - (j) Why there is no guarantee of result of conducting training for the salesman ?
 - (k) Explain any two limitations of training.
 - (l) Continuous monitoring of training programme is essential. Why ?
 - (m) Why training is a continuous process ?
 - (n) Why the salesman should be acquainted with government policies, rules etc.?
4. Answer the following questions within **six** sentences each :
- (a) How does training improve the performance of the salesman ?
 - (b) Explain the process of brain storming as a training method.
 - (c) Explain any two important factors essential for effective training.
 - (d) How is council chamber method followed to train the salesman ?
 - (e) Explain any two reasons in support of the necessity of training to salesman.
 - (f) State any two basic differences between 'on the job' training and 'off the job' training.
 - (g) What benefits the salesman as trainee can enjoy by keeping direct touch with the instructor ?
 - (h) Why is class room method criticised ?

Long questions :

- 5. Define the term training. Discuss its importance to sales organisation.
 - 6. What is 'on the job' training ? Discuss different methods followed under this form of training. Also state in brief the merits and demerits of 'on the job' training.
 - 7. Make a comparative study between the 'on the job' training and 'off the job' training. Which form of training do you prefer ? Why ?
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8. What do you mean by training ? Discuss different factors to be considered to make the training programme more effective.
9. “Even though training is essential, it is associated with certain limitations”. Explain. Also discuss in brief different methods of training instructions.
10. Write short notes on :
 - a. Under study
 - b. Role play
 - c. Laboratory method
 - d. Council Chamber method.

ANSWERS

1. (a) iii (b) iii (c) ii (d) ii (e) ii, (f) iv, (g) ii, (h), ii, (i) i, (j) iv.
2. (a) (i) ‘on the job’, (ii) Role play, (iii) position rotation, (iv) conference
(c) (i) ‘on the job’, (ii) laboratory, (iii) senior (iv) conference
(d) (i) inexpensive, (ii) advance, (iii) continuous

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REMUNERATION OF SALESMEN

STRUCTURE

- 12.1 Meaning
- 12.2 Requisites of a sound remuneration plan
- 12.3 Methods of Remuneration
- 12.4 Other Incentive Schemes
- 12.5 Questions

Remuneration is a crucial element in each and every organisation. Its proper determination in relation to employees's expectation is a complex job. Fixation of remuneration is a double edged action. It may motivate or demoralise the employees. The issue of remuneration never ends. It continues to change with the changes in the circumstances.

12.1 MEANING :

Remuneration is the consideration for the services rendered by the employees. The composition of the remuneration includes salary or wages, allowances, incentives and perquisites. The amount of salary or wages does not vary frequently while incentives and perquisites change due to the changes in the conditions. Remuneration is considered as the livelihood for employees while it is an element of labour cost for the employer.

Factors affecting remuneration plan :

Drawing a useful remuneration plan satisfying both the employees and the employer, is a difficult proposition. On the other side a sound remuneration plan is very much warranted for smooth functioning of the organisation. Following are some of the factors which may be viewed to frame a suitable remuneration plan :

a. Nature of the product : Different products require different approaches to sell them. In case of technical products, apart from sound technical knowledge, the ability to present the product and at the same time to convince the customer, requires much competency. This is not the case when a salesman sells staple product like food, clothing, stationery etc. Therefore, the salary amount of the former category of salesman should be more than that of the later.

b. Nature of the job : When the job is risky like selling of costly items, i.e. gold ornaments or where the competition is keen, the salesman gets better salary than the salesmen who are engaged in non-risky or ordinary jobs.

c. Financial ability : Small firms appoints salesmen only on commission basis and pays commission at a particular percentage of sales they have achieved. This is because of the poor financial ability. On the other side, big firms appoint salesmen on regular basis and pay them salary, allowances and perquisites etc. because of their sound financial condition.

d. Cost of living : Due to the hike in the price rate, the cost of living is changing. Remuneration structure should therefore match with such changes. Now days, companies are allowing dearness allowances, city allowances etc. in addition to salary to keep remuneration amount at par with the cost of living.

e. Nature of the place : Salesmen in urban areas are getting better remuneration than the salesmen of the rural areas. This is because the standard of living cost in urban areas is higher than it the rural areas.

f. Demand and supply factor : Demand and supply of labour force also determines the remuneration amount. If demand is more than supply wage rates will be higher and vice versa.

g. Profitability of the product : The product which earns a higher rate of profit, the salesmen of such products get better amount of remuneration than the salesman who are dealing with products with low margin rate.

h. Class of salesman : The salesman who has long experience and bears a good track record, draws better rate of remuneration than his colleagues even though they are of same age and hold the same position.

12.2 REQUISITES OF A SOUND REMUNERATION PLAN

Sound remuneration plan is a relative term. The remuneration plan which is suitable for employees may not be acceptable for employer and vice versa. Therefore, proper balance should be made between the interests of the two sides, employer and employee, in order to draw a suitable remuneration plan acceptable to both sides.

Following are some of the factors to be considered to frame a sound remuneration plan :

1. Flexibility : Changes are inevitable. It cannot be prevented. Therefore, the structure of remuneration plan should be so designed that it is capable of accommodating all the changes like fluctuation in economic conditions, changes in the seasonal factors and products etc., easily. In fact, it should be suitable for both favourable and unfavourable conditions.

2. *Impartiality* : The structure of the remuneration plan should be such that it gives justice to both the organisation and the employees. It should not be twisted in favour of any body. Partiality spoils the credibility of the remuneration plan as well as hampers the morale of the employees. Moreover, if alteration of plan is necessary, it should be made with the consent of everybody associated in it. This will avoid confusion and discontentment.

3. *Simplicity* : The remuneration plan should be simple to understand and easy to calculate. A salesman with ordinary prudence can calculate his remuneration easily. This will develop confidence of the employees towards the plan.

4. *Motivation* : The remuneration plan should be so designed that efficient and hard-working salesmen get due recognition and reward like better salary or extra allowances etc. This will give them job satisfaction and inclination to improve their performance further. For others, such instances will encourage them to work hard in order to reach the desired state of performance to gain reward.

Besides the above, other motivating elements which should be incorporated in the remuneration structure are consistency with cost of living, at par with the pay structure of competitive firm, reduction of wide gap in the salary structure of the firm etc.

5. *Stability* : Frequent changes in the plan may hamper the credibility of the firm. Salesmen may lose confidence in the plan. It will put the organisation into a state of uncertainty. Therefore, frequent changes should be avoided as far as possible. If at all the changes are necessary, it should be done rationally with the consent of everybody associated with the plan.

12.3 METHODS OF REMUNERATION

The remuneration of the salesman is not uniform. Sometimes he gets only salary or commission, or salary with commission or salary with commission and expenses. Therefore, for deciding the remuneration of the salesman, appropriate method should be selected.

Following are different methods of remuneration generally followed in different organisations :

A. Straight Salary Method :

This method of remuneration is usually common and followed by many organisations. This method has the following four distinct features :

- (1) A fixed amount of salary is given to the salesman in the beginning of the service.
 - (2) The basis used to calculate the remuneration is not output, rather time spent by the salesman at the working place.
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(3) A periodic increment is given to the salesman as a reward for the use of his experience which he has gathered over the years. Sometimes additional amount of remuneration is given for the exceptional efficiency shown by the salesman.

(4) When the salesman is allowed to travel to different places in connection with the sales, daily allowance and travelling expenses are also given in addition to the above payments.

Advantages :

Straight salary method of remuneration has the following merits or advantages.

1. *Simplicity* : This method is too simple to understand and easy for application for both the salesman and the management. The salesman can know his salary in advance easily so also the management will be aware about the total amount of remuneration bill after the end of a particular period. This will facilitate the disbursement of the salary as the manager can keep the said amount ready in advance for payment.

2. *Stability* : This is another advantage for both the salesman and the organisation. This is because the remuneration is calculated on the basis of the time spent by the salesman rather than the volume of sales. As a result, the amount of remuneration of each salesman as well as total remuneration bill of the organisation remains fixed in each month irrespective of the sales volume.

3. *Regularity of income* : Under this method, the amount of remuneration is assured for each salesman after the end of each month. This enhances the morale of the salesman and allows him to concentrate more on his job than towards financial worries.

4. *Incentive* : By allowing annual increment, dearness allowance and additional increment in special cases over and above usual salary, this method keeps the hopes of the salesman alive for a better future. This encourages them to improve their quality of performance.

5. *No rivalry* : Under this method, the financial reward to each salesman is almost identical. Therefore, the possibility of jealousy, rivalry and in-fighting amongst them may be almost absent, rather it develops an attitude of co-operation and co-ordination amongst them to perform different jobs more effectively.

6. Lastly, as the method is linked with the time, punctuality and sincerity of the salesmen may improve to have better recommendation from their seniors for future promotion. In addition, absenteeism may decline to avoid any financial penalty.

Disadvantages :

This method has the following demerits or disadvantages :

1. *Problem of Salary fixation* : The fixation of salary by the management at the time of appointment of the salesman becomes difficult. The actual ability and performance standard of the salesman was totally unknown to the management.

2. *No recognition of efficiency* : As time is the prime factor to finalise the salary amount under this method, no option is there to assess the efficiency or inefficiency of the salesman. As a result the efficient ones either lose their interest in the job or prefer to leave the organisation.

3. When the firm is giving only a fixed amount of salary per annum by following this method, the experienced and ambitious salesmen may prefer the firms which are giving commission and other benefits along with the salary. This may create the problem of labour instability in the organisation.

4. Reward does not co-related with result. Under this method, the organisation continues to pay the same amount of salary even through volume of sales is declining. This is highly uncalled for and goes against the concept of common prudence.

5. Finally, as discussed above, the organisation continues even though inefficient salesmen are there and sales volumes are declining. Under this form of payment, one can not foresee a better future for the organisation.

B. Straight Commission Method :

As the name indicates the salesman gets commission on the basis of volume of sales he has made. Time is not the criteria to decide the remuneration of the salesman as seen in the earlier method.

The method has several features : Firstly, the commission is calculated as a percentage of the sales amount what the salesman has achieved. Secondly, it is incentive oriented –more is the sales volume of the salesman, more is his commission. Thirdly, apart from the volume of sales, other bases are used to calculate the amount of commission. The bases are (a) number of orders received from a territory (b) number of orders received from consumers approached earlier by the salesman and (c) number of new businesses introduced by the salesman. Fourthly, the commission rate may be fixed or sliding (where higher rate is fixed for higher sales volume). Finally, there is no provision of minimum guaranteed salary.

Advantages : Straight commission method has the following advantages :

1. This method is simple to understand and easy to calculate. By multiplying the agreed percentage with the amount of sales achieved, the commission can be calculated easily.
2. It is incentive oriented because the salesman who achieves the maximum sales, gets the maximum amount of commission.
3. It attracts more and more salesmen from outside the organisation as well as induces the existing ones to be more efficient to get better remuneration, as under this method rewards are well connected with result.
4. This method correlates the expenditure (salary) with the income (sales volume) of an organisation. This is because the commission is paid on the basis of the sales volume achieved. This does not put the organisation into any state of financial imbalance.
5. Unlike the salary method, this method induces the salesman to be more serious and involved in selling activities, because rewards are well linked with result. This improves the general level of efficiency of the organisation.

Disadvantages : This method has the following demerits or disadvantages :

1. Sometimes in a mood to inflate the earning, the salesman allow credit to undeserving customers. In the end such customers become bad debtors which puts the salesman as well as the organisation at a loss.
2. Sales are exposed to several factors. Sometimes in spite of the best initiative, the salesman fails to increase the sales because of several reasons. In this case the salesman is penalised even though he is not at fault.
3. This method makes the salesman more self centered than loyal to the organisation. Always his personal performance takes lead in determining his income rather than the results of the organisation. This spoils the feeling of the belongingness of the salesman towards the organisation.
4. In a rush to multiply the earning, sometimes the salesmen prefer wholesalers, retailers and big business houses to collect the orders rather than selling the product to the local customers. Thus it deprives the customers of ordinary type the privilege of getting the products of their choice.

Difference between straight salary method and straight commission method :

Following are the distinctions between the straight salary method and straight commission method :

1. Under salary method, remuneration is given on the basis of time spent by the salesman at his job, while remuneration under commission method is given as a percentage of sales amount achieved by the salesman.
2. The amount of remuneration is fixed under salary method, but it is fluctuating with the change in the amount of sales under commission method.
3. Extra amount such as annual increment, allowances like house rent allowance, dearness allowance, travelling allowance, medical allowance etc. are given in addition to salary under salary method, but it is not the case with commission method.
4. A minimum salary is guaranteed under salary method. No such guarantee for remuneration is given under commission method.
5. Small concerns, because of weak financial base prefer commission method to pay remuneration, while big and financially sound concerns follow the salary method to pay remuneration.
6. Irrespective of the volume of sales, salary is paid under salary method, whereas, the amount of commission accrues only when there are sales under commission method.
7. Commission method is incentive oriented because more sales bring more commission, which is not the case with salary method.
8. An element of certainty of income is there in salary method, while uncertainty for income prevails over in commission method because sometimes sales may not take place for reasons beyond the control of salesman.

C. Salary with Commission Method :

This method is an improvement over the earlier two methods, because it includes all the benefits of the two. This method has two distinct features— firstly, it allows a minimum amount of salary to the salesman irrespective of the sales volume achieved and secondly, commission in addition to salary, is given for selling the products beyond a certain level.

Advantages : The following are the merits or advantages of this method :

1. It is the combination of guarantee and incentive towards the earning of salesman. The salesman is guaranteed with a particular amount of salary irrespective of his performance, which assures him of a permanent source of income. In addition, if he is interested to enhance his income, there is the opportunity of increasing the sales to get additional income in the form of commission.
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2. This method of remuneration may attract more and more efficient salesmen from outside the organisation as it rewards the efficient salesmen.

3. This method gives the management a better grip over the salesman's activities, whenever the salesman disobeys the instructions of management, his salary can be reduced or the payment can be stopped.

Disadvantages : The following are some of its demerits :

1. In this method there is a provision of minimum salary. But the method does not stipulate any criteria to decide the amount of minimum salary. Therefore, the minimum salary fixed by management may not be uniform and rational.

2. This method advocates for commission along with salary. Several factors affect the sales of an organisation which are beyond the control of the salesman. In addition, the calculation of sales commission is possible only when a specific minimum sales limit has been achieved. Therefore, the possibility of getting commission under this system is not an easy matter.

3. As stated earlier, in a rush to increase sales, the salesman allows credit to undeserving customers. This may lead to bad debts in the later period which may put the salesman and the organisation to a difficult position.

D. Salary, Commission and Expense Method :

This method is same as salary with commission method, with the only exception that the organisation reimburses the expenses which the salesman has incurred relating to sales. No personal expenses of the salesman is refunded by the organisation.

12.4 OTHER INCENTIVE SCHEMES :

Apart from the above approaches to compute the remuneration of the salesman, certain financial benefits are given in addition to remuneration to motivate the salesman to boost sales.

Financial incentives given under different schemes are discussed below :

a. Bonus : It is a form of financial benefit the organisation gives to salesman in conjunction with other benefits. The benefit accrues when the salesman surpasses the predetermined amount of sales. Bonus is calculated on the excess amount of sales over the predetermined level with a particular percentage. The very purpose of this benefit is to motivate the salesman to increase sales.

Advantages : This method has the following merits :

1. The payment of bonus increases the sales without any persuasion.

2. Bonus is a double edged action. It increases the sales of the organisation as well as increases the income of the salesman.

3. Bonus boosts the morale of the salesman as well as add extra amount to their income which discourages them to leave the organisation.

Disadvantages : The following are the demerits of this method :

1. This system requires the fixation of the predetermined level of sales. This is not an easy task to finalise as several factors like the state of competition, availability of substitute etc., are associated with this decision.

2. The calculation of bonus is a complex matter which may not be well understood by the salesmen. This may create confusion between the salesmen and organisation.

3. The time gap between two bonus payments is too wide since bonus is paid at the end of each term. Hence bonus can not be considered as a strong element of incentive for the salesman.

b. Sales contest : This approach is followed to instill competitive spirit amongst the salesmen to achieve some sales target. A specific territory along with fixed target of sale is assigned to salesmen in consideration of prize. The prize may be in the form of cash or gift of an attractive article or ticket to travel outside etc. The prime objective of this approach is (a) to clear the old stock, (b) to introduce a new product, (c) to popularise a particular product and (d) to accelerate the collection of old dues.

c. Promotion : Promotion is the target of everybody's desire. Salesman is not an exception to this ambition. Promotion means the transfer of the salesman to next higher position which commands better pay, increased responsibility and higher status. Thus promotion brings everything for salesman;— better income, more power and higher position. These benefits to salesman, on the other side, enhances his morale, induce him to work hard and motivate him to do the best for the interest of the organisation.

d. Pooled Commission : In this system, the number of salesmen working in a particular area is considered as a group or team. The total amount of commission earned by the group is distributed amongst the members on an equitable basis or partly on the basis of individual performance and rest on equitable basis. This system certainly enhances the team spirit and co-operation among salesmen. Similarly, such structure can put forth the salesmen's grievances before the owner more strongly than the other alternatives.

However, the system is suitable when the size of the group is small. For big group it is inappropriate because liaison between the members is not that easy. Moreover, the distribution of commission amongst the members of the group is a complex job.

e. Profit Sharing Method : In this system the salesman gets an access to the management and to play an active role in different affairs of the organisation. This gives the salesman the privilege to share profit of the organisation of an agreed percentage in addition to his normal remuneration. This system instills a sense of belongingness in the minds of salesman towards the organisation which induces him to work hard and remain loyal towards the organisation. However, this system is irreversible. If, for any reason or other, it is withdrawn, it may lead to a strong discontentment amongst salesmen which can not be pacified easily.



12.5 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) Under Straight Salary Method, the salary is calculated on the basis of :
 - (i) sales volume
 - (ii) time
 - (iii) profit earned by the organisation
 - (iv) output.
 - (b) The method of remuneration where several bases are used, is :
 - (i) Sales Contest Method
 - (ii) Straight Salary Method
 - (iii) Bonus Method
 - (iv) Straight Commission Method.
 - (c) The incentive scheme where salesmen participate in the management, is :
 - (i) Bonus
 - (ii) Sales contest
 - (iii) Pooled Commission
 - (iv) Profit Sharing Method
 - (d) The Incentive Scheme which accelerates the collection of dues is :
 - (i) Promotion
 - (ii) Pooled Commission
 - (iii) Sales Contest
 - (iv) Profit Sharing method
 - (e) Pooled commission method is suitable for :
 - (i) Single salesman
 - (ii) Group of salesmen
 - (iii) Fresh Salesman
 - (iv) Women Salesman
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- (f) A sound remuneration plan is one which satisfies :
 - (i) employees
 - (ii) both employer and employees
 - (iii) employer
 - (iv) Govt. rules
 - (g) The method of remuneration suitable for small and financially weak concerns is :
 - (i) straight salary method
 - (ii) straight commission method
 - (iii) salary with commission method
 - (iv) salary commission and expense method
 - (h) The method of remuneration which is irreversible is :
 - (i) straight salary method
 - (ii) straight commission method
 - (iii) salary, commission and expense method
 - (iv) profit sharing method.
 - (i) The element which constitutes a significant part of the remuneration is :
 - (i) salary
 - (ii) commission
 - (iii) allowance
 - (iv) bonus
 - (j) The form of incentive scheme which is most appropriate for clearing the old stock, is :
 - (i) Pooled commission
 - (ii) Sales contest
 - (iii) Bonus
 - (iv) Profit sharing method
 - (k) The method of remuneration where improvement of turnover is not emphasized is :
 - (i) Straight salary method
 - (ii) Salary with commission method
 - (iii) Straight commission method
 - (iv) Profit sharing method
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- (l) Salary is a consideration for :
 - (i) services rendered
 - (ii) time spent at the job
 - (iii) joining at the job
 - (iv) job work.
 - (m) 'Salary with commission' bears two important features :
 - (i) guarantee and incentive
 - (ii) increment and promotion
 - (iii) salary and bonus
 - (iv) salary and perquisites
 - (n) The method which considers the number of orders received from customer as the base to calculate remuneration :
 - (i) Straight salary method
 - (ii) Salary with commission method
 - (iii) Straight commission method
 - (iv) Salary, commission and expense method
- 2.(a) Express each of the following questions in **one** word/term :
- (i) The method of remuneration which a salesman gets on the basis of the sales volume.
 - (ii) The other name of reward which motivates the salesman to do better.
 - (iii) Criterion used to determine remuneration under straight salary method.
- (b) Answer the following questions within one sentence each :
- (i) What is incentive ?
 - (ii) Why is bonus given ?
 - (iii) What is meant by promotion ?
 - (iv) Why is commission considered as an incentive ?
 - (v) Which method of remuneration gives privileges to salesman to participate in the management ?
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- (c) Fill in the blanks :
- (i) In the composition of remuneration _____ bears the significant position.
 - (ii) A balanced remuneration plan is one where both the salesman and _____ are satisfied.
 - (iii) Small firms prefer _____ method of remuneration.
 - (iv) In the profit sharing method the salesman gets privilege to participate in the _____ of the organisation.
- d. Correct the underlined portion of the following sentences :
- (i) Remuneration plan should be rigid.
 - (ii) Under salary commission and expense method expenses of the salesman is borne by the employer.
 - (iii) The incentives given under sales contest is called allowance.
3. Answer the following questions serially in not more than **two** sentences each :
- (a) State any two factors which determine the amount of remuneration.
 - (b) State any two characteristics of a sound remuneration plan.
 - (c) What is Straight Salary Method ?
 - (d) Name any two advantages of Straight Commission Method.
 - (e) State any two defects of Salary with Commission Method.
 - (f) What is bonus ?
 - (g) What is the basic objective of incentive scheme ?
 - (h) Why is the fixation of salary not easy under Straight Salary Method ?
 - (i) How is Straight Commission Method incentive oriented ?
 - (j) How are demand and supply factors determine the amount of remuneration ?
 - (k) What do you mean by motivation ?
 - (l) How Straight Salary Method creates rivalry amongst the salesmen.
 - (m) Name the constituents of remuneration.
4. Answer the following questions within **six** sentences each :
- (a) How is Salary with Commission Method an improvement over Straight Salary Method and State Commission Method ?
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- (b) Why should the remuneration plan be flexible ?
- (c) Profit sharing method once introduced can not be reversed. Why ?
- (d) Is Straight Commission Method better than Straight Salary Method ? If yes, state reasons.
- (e) Why is Pooled Commission Method suitable for small groups ?
- (f) State the objectives of Sales Contest Method of remuneration.
- (g) Under Straight Salary Method the efficiency of the salesman is not viewed. Why ?
- (h) What additional character the 'Salary, Commission and Expense Method' bears in comparison to remaining three methods ?

Long type questions :

- 5. Discuss, in brief the factors which determine the remuneration plan.
- 6. What is the concept of a sound remuneration plan ? Explain its important characteristics.
- 7. What is Straight Salary Method ? Discuss its advantages and disadvantages.
- 8. How is Straight Commission Method an improvement over Straight Salary Method ? Discuss different advantages and disadvantages of Straight Commission Method.
- 9. Write short notes on :
 - a. Pooled Commission
 - b. Profit Sharing Method
 - c. Sales Contest
- 10. Make a comparative study between 'Straight Salary Method' and 'Straight Commission Method' of remuneration.
- 11. What is bonus ? Why is bonus not an effective incentive measure ? Discuss its advantages and disadvantages.

ANSWERS

- 1. (a) ii (b) iv (c) iv (d) iii (e) ii, (f) ii, (g) ii, (h) iv, (i) i, (j) ii, (k) i, (l) i, (m) i, (n) iii.
- 2. (a) (i) Commission, (ii) incentives, (iii) time.
(c) (i) salary, (ii) employer, (iii) commission, (iv) Management
(d) (i) flexible, (ii) organisation, (iii) Prize.

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SALES PROMOTION

STRUCTURE

- 13.1 Introduction :
- 13.2 Definitions
- 13.3 Objectives of sales promotion
- 13.4 Kinds of sales promotion
- 13.5 Tools for consumer sales promotion
- 13.6 Tools for trade sales promotion
- 13.7 Sales force promotion
- 13.8 Advantages of sales promotion
- 13.9 Limitations
- 13.10 Questions

13.1 INTRODUCTION :

The concept of marketing mix consists of 4Ps, They are Product, Price, Promotion and Placement. Out of the four elements or components of marketing mix, promotion is an important element because it helps in creating awareness about the product of the company and generates demand by persuading people to buy the company's product. The elements of promotion are comprised of four components. They are personal selling, advertising, sales promotion and public relation or publicity. These four elements constitute the promotion mix of a company. In addition to using personal selling, advertising, and public relations, marketing managers can use sales promotion to increase the effectiveness of their promotional efforts, sales promotion can be explained as marketing communication activities, other than advertising, personal selling and public relations, in which a short term incentive motivates consumers or members of the distribution channel to purchase a good or service immediately. Advertising offers the consumer a reason to buy, where as sales promotion offers an incentive to buy. Sales promotion is usually cheaper than advertising and easier to measure. Sales promotion does not compete with direct selling and advertising. Rather, it complements them. The aim of sales promotion is to make short term

gains. The purpose of sales promotion is to attract prospective buyers towards the product and stimulate them to buy. It also induces consumers to buy more of the product, more frequently and build loyalty. At the dealer's level, it aims to enlist their cooperation and motivate them to sell the company's product in preference to other competing brands.

13.2 DEFINITIONS :

- **Sales promotion means any steps that are taken for purpose of obtaining or increasing sales.- A.H. Delens**
- **Those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as display shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine.- American Marketing Association**
- **Those activities that supplement both personal selling and advertising coordinate them and help to make them more effective.**

–American Marketing Association.

13.3 OBJECTIVES OF SALES PROMOTION :

- 1. To introduce new products-** Buyers are induced to purchase new products by giving them free samples. Dealers and other middlemen are offered money and merchandise allowance to stock and sell the new product.
 - 2. To identify and attract new customers-** New customers may be attracted through issue of free samples, premiums, contests and similar devices.
 - 3. To induce present customers to buy more-** Present customers are induced to buy more often the product. They may be given patronage points or a reward for frequency of purchase of the product which will motivate them to purchase more.
 - 4. To help firm remain competitive-** The firm tries to retain its market share by providing various short-term incentives. Through effective sales promotion the firm lures the customers and persuades them for brand-switching in its favour.
 - 5. To increase sales in off-season-** Buyers may be encouraged to use the product in off seasons by giving various benefits and price-offs.
 - 6. To encourage inventory building-** No firm wants a situation of stock-out of their products. To ensure that their intermediaries or middlemen maintain sufficient stock, the firm provides them suitable incentives and induce them to stock more units of its products.
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7. **To encourage more footfalls-**The firm may organize various special events like week-end sales discount, coupons etc. to attract more buyers thereby increasing more footfalls in the retail store for the firm's products.
8. **To encourage trial purchase-** Consumers may be induced to buy a new brand because of extra benefits like price-offs or free gifts associated with its buying. If the buyers like the brand the long term effect of the promotion will be positive.

13.4 KINDS OF SALES PROMOTION :

Sales promotion activities fall under three categories:

1. **Consumer sales promotion-**This is targeted to the ultimate consumer market. The different incentives or tools of promotion used under this type aim at increasing the volume of sales.
2. **Trade sales promotion-**It is directed to members of the marketing channel such as wholesalers and retailers. The purpose of offering incentives under such type of sales promotion is to get channel support for firm's product.
3. **Sales force promotion-**This type of sales promotion aims to increase and boost up the morale of the sales people. They are offered commissions, bonus and other incentives so that they work with sincerity and dedication.

13.5 TOOLS FOR CONSUMER SALES PROMOTION :

Consumer sales promotion comprises of various offers that are given to the end consumers. These may be price based offers, such as money offs, or non-price based offers such as gifts, samples, coupons etc. Marketing managers must decide which consumer sales promotion devices to be used in a specific campaign. Some of the popular tools or measures of consumer sales promotion are mentioned below:

1. **Coupon-**A coupon is a certificate that entitles consumers to an immediate price reduction when they buy the product. They are generally supplied along with the product which entitles the holder to a specified savings on a product or a cash refund. Most coupons are designed to (a) introduce a new product (b) increase the sale of an established product (c) sell new and larger sizes of a product (d) induce customers to switch brands (e) encourage repeat sales. Coupons are used for consumer convenience goods. They may be distributed by mail or door inserted in packages or form part of magazine or news paper advertisements. When coupons are used to promote product, caution must be exercised to prevent fraud.
2. **Rebates-** Rebates are similar to coupons in that they offer the purchasers a price reduction, but because the purchaser must mail in a prescribed rebate form and usually he has to give some

proof of purchase, the-reward is not as immediate as that of a coupon. Since buyers fill in the rebate form with their names, addresses, and other data manufacturers use rebate programs to build customer data base.

3. Premiums-Premiums are items offered free with the purchase of another item or are offered at a greatly reduced price. For example soap cake attached to the purchase of shampoo or tooth brush attached to toothpaste. Premiums stimulate the consumers to buy, increase consumption and persuade non users to buy company's products. The cost of offering premiums must be weighed against potential benefits. For premiums to be effective, they must be easily recognizable and desirable.

4. Free samples- Free samples are distributed to consumers to try the product or service and then purchase it. This form of promotion is good for introductory products or to get new users for established products. The disadvantage of this method is that sometimes, manufacturing and distributing samples of the products may be expensive, especially when they are to be distributed on a large scale to different channels such as mail delivery, door-to-door etc. to be effective, target markets should be carefully selected. Samples may not be appropriate for matured products or slow-moving products.

5. Price-off offers- Buyers receive a certain amount off on the regular price shown on the package. Sometimes, price pack deals are offered where consumers get extra benefit in the form of additional quantity of the same product without increase in price. (Bisleri offers a bigger bottle with 20 percent extra mineral water). Such deals provide strong incentives for trying a new product and encourage immediate sales. Frequent use of price- off offers may cheapen the image of the product.

6. Demonstration- The advantage of demonstration is that they attract the attention of prospective buyers and encourage trial use. They are useful to convince customers, motivate dealers and build store traffic. They are highly effective in consumer durable products like washing machine and home appliances. Sales personnel should be well trained to show how the product works.

7. Point-of-Purchase displays- A point of purchase (P-O-P) display includes any promotional display set up at the retailer's location to build traffic, advertise the product, or induce impulse buying. P-O-P displays include shelf 'talkers' (signs attached to store shelves) shelf extenders (attachment that extend shelves so products stand out), advertisements on grocery carts and bags, end-aisle and floor-stand displays, in-store audio messages and audio-visual

displays. The advantage is that it offers the manufacturer a captive audience in retail stores. P-O-P displays essentially aid the customers to recall a brand that is advertised in mass media. Point-of-purchase displays help in providing information, motivating the customers and inducing them for product buying.

8. Frequent user Incentives- These provide rewards to customers who make frequent repeat purchases. This is also known as loyalty marketing program. The objective of loyalty marketing program is to build long-term, mutually beneficial relationships between a company and its key customers. Major airlines for example, offer frequent flyer program where the customers are given additional free tickets on the basis of the total mileage travelled by them. Hotels, credit card companies and auto rental agencies also offer similar incentives to those who frequently avail their services.

9. Exchange offers- In exchange offer an old product is exchanged for a new one with reduced price. For television and home appliances, manufacturers very often make announcements persuading consumers to change their old products with new models at a lesser price.

10. Contests and Sweepstakes – These are generally designed to create interest in a good or service. Consumers participate in these contests and display their creative skills and knowledge. Contests are promotions in which participants use some skill or ability to compete for prizes. A consumer contest usually requires the participants to answer questions, complete sentences or write a paragraph about the product and submit proof of purchase. Sweepstakes involve random draw of lots. Winning a sweepstakes depends on chance and participation is free.

11. Referral gifts- Existing customers are given gifts for referring their friends to the company.

12. Special events- Manufacturers or retailers sponsor celebrity appearances, fashion shows and other such activities as measures to increase sales and creating awareness about product.

13. Trading stamps- Consumers are given free stamps based on rupee purchases. Stamps are accumulated by the customer and exchange them for gifts or money.

13.6 TOOLS FOR TRADE SALES PROMOTION :

Consumer sales promotions pull a product through the channel by creating demand, whereas trade promotions push a product through the distribution channel. The various sales trade promotion tools are as follows :

1. Trade allowance-A trade allowance is a price reduction offered by manufacturers to intermediaries such as wholesalers and retailers. The price reduction or rebate is given in exchange

for doing something specific such as allocating space for a new product or buying something during special periods.

2. **Push money**-The channel members receive push money as a bonus for pushing the manufacturer's brand through the distribution channel. The push money is directed towards a retailer's sales people.,
3. **Off-Invoice allowance**-This involves a cut in invoice price or a discount.
4. **Free merchandise**- A manufacturer offers the retailer free merchandise in lieu of quantity discount. Sometimes free merchandise is used as payment for trade allowances, normally provided through other sales promotions. Instead of giving a retailer a price reduction for buying a certain quantity of merchandise, the manufacturer may give extra merchandise free i.e. at a cost that would equal the price reduction.
5. **Trade coupons**- Coupons are distributed to middlemen consumers which are redeemed by the manufacturer.
6. **Sales contests**- Retailers are encouraged to compete with each other and the best ones are given rewards and prizes along with public recognition.
7. **Store demonstrations**- Manufacturers sometimes organize in-store demonstration with the help of retailers in various retailer stores.
8. **Trade shows and exhibitions**-These are organized by manufacturers to exhibit their products which ultimately help the dealers to get immediate sales.
9. **Business meetings, conventions**-Trade association meetings, conferences and conventions are an important aspect of trade promotion. At these shows manufacturers, distributors and other vendors have the chance to display their goods or describe their services to potential customers.

13.7 SALES FORCE PROMOTION :

This is used to motivate the sales people and inculcate a sense of enthusiasm among them. The following incentives are given to increase the efficiency and dedication of the sales people.

1. **Bonus to sales force**— Bonus is the extra incentive given to the sales force for achieving the target sales within a specified period.
 2. **Sales contest**- Sales contests are organized to stimulate the sales force and develop competitiveness among the retailers.
 3. **Sales meetings, conventions and conferences**—These are conducted with a view to educate, train, inspire and reward the sales personnel.
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13.8 ADVANTAGES OF SALES PROMOTION :

Sales promotion as a promotion tool offers many advantages to the manufactures; middlemen and the customers. They are as follows:

1. **It creates new customers-**The incentives provided under various schemes in sales promotion programme, attracts new customers. They make trial purchases and then become regular customers if they find the goods are worth the price and promised performance.
2. **It retains the existing customers-** It provides various incentives and loyalty programme. The existing customers, remain loyal to the organization and become frequent buyers of the company's product.
3. **It combats competition-** The manufacturers get a competitive advantages over their competitors by implementing more attractive and innovative incentive policy.
4. **Attracts middlemen-**A manufacturer gives various incentives to the middlemen. These offers attract middlemen to hold the inventory of the manufacturer and make efforts to increase the sales of the manufacturer's products.
5. **Reduces strain-** Sales promotion draws customers to the store. They get attracted by various offers. The wholesalers and retailers get a stream of customers without much persuasive effort. This reduces their strain.
6. **Builds store image-** sales promotion covers a wide range of techniques such as demonstration, exhibition, contests; displays etc. The retail store gets a face lift and publicity which builds the store's personality.
7. **Supplies information-** The consumers get information about the product, its manufacturer and the various benefits associated with the purchase of the product. These information help the consumers in taking purchase decision.
8. **Useful in new product launch-** The tools of sales promotion like discount, free gift offer etc. are very useful in launching new products. It convinces them to use new products in place of the products which they may have been using regularly.
9. **Builds loyalty-** Sales promotion incentives build brand loyalty and store loyalty.

13.9 LIMITATIONS :

1. **Short-term impact-** Sales promotion has a short run impact. The consumers get addicted to the offers and purchase as long as the offers are valid. The sales drop when the offer is withdrawn. They prefer to wait till the next round of offer and incentives.
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2. **It damages the brand image**– Advertising builds the brand image over a period of time. But frequent offer schemes and incentives sometimes create suspicion in the minds of the customers regarding the quality of the product and motive of the producers.
3. **Merchandising support from dealers is doubtful**– One of the trade promotion tool is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefits to consumers. This generally is the condition attached with such promotional allowances. In many cases, the dealers do not cooperate in providing the merchandising support nor do they pass on any benefit to consumers. The retailer might not be willing to give support because he does not have the place, or the product does not sell much in his shop, or maybe he thinks the effort required is more than the commission/benefit derived.
4. **Expensive**- It is expensive and leads to a rise in the price of products.



13.10 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) An element of promotion mix which persuades the customers with short term incentive to increase the volume of sales is known as :
 - (i) Personal selling
 - (ii) Sales Promotion
 - (iii) Advertising
 - (iv) Public relations
 - (b) A certificate issued by the seller which entitles the consumers for an immediate price reduction is known as :
 - (i) Premiums
 - (ii) Rebates
 - (iii) Coupon
 - (iv) Price-off offer
 - (c) A type of sales promotion tool which involves free participation of consumers and offers a chance of winning by draw of lots is called :
 - (i) Point of purchase displays
 - (ii) Sweepstakes
 - (iii) Price-off offers
 - (iv) Premiums
 - (d) The monetary incentive given to the channel member by the manufacturer for increasing the sale of his product is called :
 - (i) Trade allowance
 - (ii) Push money
 - (iii) Off-invoice allowance
 - (iv) Trade coupons
 - (e) An incentive scheme, in which customers are rewarded by an organisation for frequently purchasing its goods or service is known as :
 - (i) Rebates
 - (ii) Coupons
 - (iii) Loyalty marketing programme
 - (iv) Sweepstakes
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- (f) When you purchase a toothpaste, a tooth brush is given free, alongwith it. This technique of sales promotion is known as :
- (i) free sample
 - (ii) premiums
 - (iii) Point of purchase
 - (iv) Exchange offers.

2.(i) Fill in the gaps.

- (a) Premiums are items offered _____ along with the purchase of main items.
 - (b) A _____ is a certificate that entitles consumers to an immediate price reduction when they buy the product.
 - (c) Any promotion display which is set up at the retailer's location to advertise the product is called _____.
 - (d) A tool of sales promotion, which invites the consumers to participate and win a prize through draw of lots is called _____.
 - (e) Trade sales promotion involves offering incentives to _____ members to get channel support.
- (ii) Correct the underlined portion of the following :
- (a) Advertising offers the consumers an incentive to buy the product.
 - (b) Sales promotion has a long-term perspective.
 - (c) A premium is a certificate that entitles consumers to an immediate price reduction.
 - (d) Frequent user incentives involve free participation of consumers to win a prize through draw of lots.
 - (e) Push money is a consumer sales promotion technique.
 - (f) P-O-P is a technique in which a consumer can exchange an old product for a new one.
- (iii) Express each of the following in **one** word/term.
- (a) A certificate which entitles a consumer to an immediate price reduction.
 - (b) Items offered with the purchase of the main product, free of cost or at a greatly reduced price.
 - (c) Products given free for trial :
 - (d) Promotional materials set up at the retailers' location to attract and induce impulse buying.
 - (e) An incentive which involves draw of lot for winning prizes by consumers.
 - (f) Consumers get extra benefit in the form of additional quantity without increase in price of the product.
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- (iv) Answer the following questions in **one** sentence each :
- What do you mean by trading stamps ?
 - What do you mean by referral gifts ?
 - How does cash discount serve as sales promotion device ?
 - What is a coupon ?

No.3. Answer the following questions in **two** sentences each :

- What do you mean by price-off offers :
- What is demonstration ?
- What do you mean by sweepstakes ?
- What is meant by push money ?
- What do you mean by point of purchase (pop) display ?
- What is meant by free merchandise ?

No.4. Answer the following questions within **six** sentences each :

- Explain the objectives of sales promotion ?
- What are the limitations of sales promotion ?
- State only three techniques of consumer sales promotion.
- Explain any three techniques of Trade sales promotion.
- Explain the techniques of Sales Force promotion.

Long Type Questions :

- What do you mean by sales promotion ? Discuss the objectives of sales promotion.
- Differentiate between Consumer Sales Promotion and Trade Sales Promotion. Explain various techniques of Consumer Sales Promotion.
- Discuss the advantages and limitations of Sales promotion.
- Distinguish between advertising and sales promotion. Explain various techniques of trade sales promotion.

ANSWERS

- (a) ii, (b) iii, (c) ii, (d) ii, (e) (iii) (f) ii
- (i) Fill in the blanks :
 - Free (b) Coupon (c) point of purchase display
 - Sweepstakes (e) Channel (f) Exchange offers
- (ii) (a) Sales promotion (b) Short-term (c) Coupon
(d) Sweepstakes (e) Trade (f) Exchange offers.
- (iii) (a) Coupon (b) premiums, (c) Free samples (d) point of purchase display (pop) (e) Sweepstakes, (f) Price offer.

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ADVERTISING

Structure

- 14.1 Introduction
- 14.2 Meaning and definition of advertising
- 14.3 Importance and functions of advertising
- 14.4 Advantages of advertising
- 14.5 Criticism or limitations of advertising
- 14.6 Media of advertising
- 14.7 Advertising Agency
- 14.8 Advertising in today's world
- 14.9 Questions

14.1 INTRODUCTION

*(When business is good, it pays to advertise,
when business is bad, you have got to advertise.)*

Advertising is one of the important elements of marketing program for successful implementation of marketing efforts. The product or service, naming, packaging, pricing, distribution, product features, style and attributes are all reflected in advertising. There is a saying 'advertising is telling and selling'. 'A successful national economy depends on advertising activity promoting sales so that factory production is maintained, people are employed, and people buy quality goods due to advertisement. Advertising is one of the elements of promotion mix. Good products do not sell by themselves. Prospective customers should know about such product or services. Advertisement creates awareness about the product. In Hindi there is a saying 'jo dikhta he, wo bikta he'. It implies that a marketer has to take steps to create product awareness. **Advertising** is a form of marketing communication used to promote or sell something, usually a business's product or service. Commercial advertisements seek to generate increased consumption

of their products or services through “branding.” Non-commercial advertisers promote a social cause with a non-profit orientation.

14.2 MEANING AND DEFINITION OF ADVERTISING

American Marketing Association (AMA) defines advertising as ‘any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. Some more definitions of advertising :

❖ **John A. Shubin**– *“Advertising is the art of disseminating marketing information through various media of communication (such as newspapers, magazine, radio etc.) at the expense of the company (for the purpose of increasing or maintaining) effective demand and services and facilitating the sale of specific goods and services.*

❖ **C.A. Krikpatrick**- *“Advertising is a mass communication of information intended to persuade buyer so as to maximize dollar profit.”*

❖ **William J. Stanton**– “Advertising consists of all the activities in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product, service or an idea.”

‘On analyzing these definitions we can find out the characteristic features of advertising as a promotion tool. They are as follows :

* **Paid form of communication**- It is a form of communication for which payment is made to the medium/media which carries the communication. When no payment is involved, then the communication is known as ‘Publicity’.

* **Non-Personal communication**- In advertising one can listen, read or view the message. This is in contrast to personal selling where the communication takes place between two parties namely, the prospective buyer and the seller or marketer. Therefore advertising is an impersonal communication whereas personal selling adds a personal touch to the communication process. We can describe advertising as a one-way traffic and personal selling as a two-way traffic.

* **Presentation**- The presentation is for promoting the ideas, goods and services to create awareness and assist in selling the product.

* **By an identified sponsor**- Advertising is done by an identified sponsor. That means the identity of the advertiser must be known. This becomes essential to avoid wrong messages being advertized and proving the authenticity and reliability of the product and advertising message. This also enables people or any authority to take action against the sponsor for any fraud.

We can say that advertising as a concept has the following elements namely:

- a. The message (information)
- b. The target segment (a group or to all)
- c. The media (the vehicle of communication)
- d. Product, services, and ideas (the content)

Advertising and Advertisement

It may be noted that significant difference exists between advertising and advertisement. First advertisement simply the message itself, whereas advertising is a process, a programme or a series of activities necessary to prepare the message and bring it to the intended persons. The advertising process consists of 5Ms. They are

1. Mission : The objective of advertising
2. Money : The budget or outlay which is necessary for implementing an advertising programme.
3. Message : The content, appeal, format and all that an advertiser wants to communicate and the ways of presenting them to the target audience.
4. Media : The vehicle of transmission of the advertising message.
5. Measurement : The evaluation of the advertising efforts and their impact.

14.3 FUNCTIONS OF ADVERTISING

The primary function of advertising is to inform, persuade, remind and convince the consumers to buy goods, services or ideas,. Good advertising helps to build a favorable impression for the product, service and the company. It acts as a powerful instrument to build customer loyalty and assures repeat purchases. Some of the important functions or purposes of advertising are mentioned below :

1. **It informs and educates-** Advertising acquaints the public with the features of the product and how to use them. It creates awareness about the product or service.
 2. **It increases demand for the product-** It creates and stimulates demand and expands the market.
 3. **It reduces distribution expenses-** It acts as an impersonal salesman. Pushing goods through the salesman is a slow and expensive method. A pull effect is created in the market by effective advertising. This results in increased demand creation and customers' purchase action. A quicker and wider distribution of the product to meet the expanding demand saves cost on sales promotion and incentives to middlemen.
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4. It ensures the consumers better quality of goods- The manufacturer is compelled to maintain the quality of the goods advertised. Well advertised goods are generally better in quality. The competitors try to maintain and upgrade the quality of their products to protect their market position. The consumers stand to gain because of the efforts on the part of the company to adhere to the advertised quality of the product.

It raises the standard of living of the general public- It induces people to accept new and innovative products. Modern advertising has made the luxuries of yesterday, the necessities of today. People gradually move towards a smart and modern life style.

It educates customers-It contains information regarding the quality, process of use and other relevant information. The consumers become informed and take rational purchase decisions.

Image building- By transmitting positive information about the company and its products, advertising builds a good and favorable image of the company in the market.

TYPES OF ADVERTISING :

Different types of advertising can be grouped into four broad categories. They are

1. Product advertising
2. Institutional advertising
3. Trade and business advertising
4. Other types

1. PRODUCT ADVERTISING

Most advertising belongs to this category. Some of which are mentioned below.

i) Primary demand or pioneering Advertisement- This type of advertisement is intended to stimulate primary demand for a new product or product category. This type of advertisement is heavily used during the introductory stage of a product. It tries to create interest in the product and generate primary demand for the product category. When advertising tries to create demand for mineral water, this is called primary demand but when advertising tries to create demand for Bisleri brand mineral water this is known as selective demand advertising. Thus primary demand promotes a generic product where as selective advertising promotes a particular brand of that product category.

ii) Competitive Advertising- This is a form of advertising designed to influence demand for a specific brand. In this type of advertising, the advertiser tries to emphasize on certain unique features and superior benefit of the product to consumers.

iii) Comparative Advertising- It focuses on comparison of features, benefits and advantages of two or more brands of the same product category. It highlights the reason why consumers should prefer the company's brands.

iv) Reminder advertising- The advertiser just mentions the name or the use of the product with an objective to make its presence felt. This type of advertising follows the principle of 'out of sight, out of mind'. Therefore advertisement of the product is carried on at regular intervals.

2. INSTITUTIONAL ADVERTISING

Institutional Advertising tries to develop goodwill for a company or even an industry instead of a specific product. Its objective is to improve the advertiser's image, sales and relations with the various groups the company deals with. Institutional advertising or corporate advertising promotes the corporation as a whole and is designed to establish, change or maintain the corporation's identity. Its objective is to make friends for the institution or organization. It is subdivided into three categories:

i) Patronage- In such type of advertising, the manufacturer tells his prospects and customers about himself, his policies and his personnel. The institution appeals to the patronage motives of the buyers.

ii) Public relations advertising- It is used to create a favorable image of the firm among employees, stockholders, or the general public.

iii) Public service- Public service advertising supports such social issues as prevention of AIDS, cancer awareness, and pulse polio, save water etc. This is also known as social advertising or cause-related advertising.

3. TRADE, BUSINESS ADVERTISING

i) Industrial advertising- The market for industrial goods differs from the market for consumer goods. The industrial buyers are fewer in number as compared to consumer goods buyers. Industrial buyers and other resellers are technically well informed about the product category and they are more interested in the informational content of advertisements. Industrial advertising is designed to reach out to the purchasing agents, engineers and other technical personnel who are the decision makers for buying industrial products.

ii) Trade advertising- Trade advertising is directed at wholesalers, retailers and other resellers to promote a company's products and services. Advertising for trade channels is more informative and detailed than consumer advertising, relying more on rational appeals than emotional ones. Such advertising often deals with contests, store displays and other promotional tools to encourage dealers to stock the company's products.

4. OTHER TYPES

i) **Surrogate advertising-** It takes place when in place of an original product which is debarred from being advertised on media, a company uses a surrogate product for promotion of the brand name of the original product. Some examples of surrogate advertisements from liquor and cigarette industry include : Bagpiper soda, Kingfisher mineral water, Royal challenge golf accessories.

ii) **Political advertising-** Advertising by various political parties during elections. Such advertising either talks of the political agenda of the sponsoring party or aims at criticizing the opposite political party.

iii) **Advocacy advertising-** It is a form of advertising in which an organization expresses its views on controversial issues or responds to media attack. The term advocacy advertising is used when an institution or an organization aims at bringing about a change of attitude to achieve a certain objective.

14.4 IMPORTANCE AND ADVANTAGES OF ADVERTISING :

Advertising plays a crucial role in the marketing strategy of an organization. At present one cannot think of designing a marketing mix without advertising. Advertising is important to all those involved in the process of business both at the micro level as well as at the macro level. Let us discuss the advantages or importance of advertising to different stakeholders in the business process.

I. Importance to the manufacturer :

i) **Increased sales-**Advertising persuades people to buy the company's product by highlighting the attributes of the product which results in increased sales,

ii) **Quick turnover and smaller inventory-**Effective advertising leads to increased sales, which in turn, leads to lower inventory.

iii) **Lower costs-** Increased demand and quick turnover helps the manufacturer in lowering the cost of production. As a result the manufacturer gets a competitive advantage of selling its product at lower prices.

iv) **Image building-** Advertising communicates all the good things about the company and its products. Regular and persistent advertising creates a positive image about the company in the minds of the people.

v) **Supplementing salesmanship-** The would be customers or prospects get information about the products and the company through advertising. This helps the company's

sales people in convincing and persuading the customers as they are already informed about the product and its quality. Thus advertising supplements the personal selling efforts of the company.

2. Importance to the retailer :

i) **A tool of communication-** Retailers big or small are benefited by advertising made by the manufacturing company. Large retailers may go for their own advertising but small retailers who cannot afford the advertising expenditure depend on such advertising by the company to inform the public about their existence and the range of company's products they deal in.

ii) **Low operational cost-** Most of the advertising expenses are generally met by the manufacturer. It helps the retailer to save a lot of money on that account.

iii) **Enhanced reputation-** Advertising helps in increasing the goodwill and reputation of retailer, as the retailer is dealing in goods that are usually branded products of reputed companies.

3. Importance to the consumers :

i) **Educates the consumers-** Advertising helps the consumers to take an informed decision. The consumers get information regarding the product, the mode of use, the price, the technology used in making the product and the place of availability. All those information make the buying decision more easy and reliable.

ii) **Direct information-** Advertising uses mass media as well as one to one communication method to reach the consumer. In both the methods the consumer gets direct information about the product offering. He need not depend on any middleman for information.

iii) **Price advantage-** Advertising stimulates production and reduces the cost per unit. This reduction in cost is generally passed on to the consumer.

4. Importance to the society.

i) **Increased employment-** Advertising provides lot of opportunities for employment. Advertising need people for engaging them in designing, writing, media planning, market research etc. Advertising also increases the overall demand in the market which helps in industrial expansion. This creates scope for lot of direct and indirect gainful employment.

ii) **Encouragement to art and artist-** Advertising is highly creative. To draw the attention of the consumers advertisers always try to make creative and innovative advertisement. This requires more creative people and artists and various art form to make the advertisements more attractive and culture specific. This also encourages the artists and add to their earnings.

iii) **Higher standard of living**– Advertising helps in creating a favorable climate for industrial growth. The rise in personal income as a result of economic development increases the standard of living of the people.

iv) **Boost to entertainment, sports and press**– Advertisers sponsor different cultural, sports and entertainment events like cricket matches, dance festivals, special events etc. The newspapers also print advertisements of various companies and earn a lot of money. In fact this is a major source of earning for them.

14.5 CRITICISM OR LIMITATIONS OF ADVERTISING :

Advertising has been criticized on many grounds such as its costly nature, higher prices, misguiding the consumers, creation of monopolies, takes advantage of emotion not reason, creating desire that cannot be fulfilled and so on. Some of the points of criticism are mentioned below :

1. **Exaggeration of facts**- The product is placed before the public with a considerable degree of superlatives. Sometimes the seller talks very high of the product just to create a false impression about the quality and performance of the product in the mind of the customers so as to persuade them to purchase the product.

2. **Creating a sort of monopoly**- Advertising results in creating within each industry a number of reputation or brand monopolies. As a result of heavy advertising some products get a position of dominance and control over the market. The predominant position of some reputed brands prevent the new entrants, thus resulting in a monopolistic condition in the market.

3. **It is regarded as a waste**- It is regarded as a waste in the sense that due to change in fashion and style a new version of the product comes to the market and people are induced to buy new products before they have received the full benefits of the older products. The half used products in such cases become a waste.

4. **It causes people to want things they cannot afford**- The advertisers are considered as hidden persuaders who sneak into the minds of the consumers and create wants for certain products which some customers may not be able to afford. In such cases it causes frustration and unhappiness.

5. **It causes cultural degeneration**- The contents of advertising sometimes contain nude pictures of women, using certain terms which cause social tension and offensive to public decency. It also creates a materialistic mind set in the society.

Some regulatory measures on the part of the government and ethical practices of marketers and advertisers will make the best use of advertising from which the business and society will gain a lot.

ADVERTISING AND PERSONAL SELLING

<u>Advertising</u>	<u>Personal Selling</u>
1. Advertising is a non-personal, persuasive and informative communication medium.	1. Personal selling is a persuasive communication medium with a personal touch.
2. Advertising is one-way traffic. It means the communication or message goes from the advertiser to the target audience without any scope of interpersonal communication.	2. Personal selling is a two-way traffic. It means there is a scope for face to face communication between the seller and the prospective buyer.
3. Advertising is inflexible as the advertising messages are not adjusting to the needs of individual buyers.	3. Personal selling is flexible. The salesman or sales personnel can adapt or adjust their sales talk according to the need of the individual buyers.
4. The scope for spreading the message is unlimited as the mass media and internet are used to propagate the advertised message.	4. The scope for dissemination of message is limited as the personal contact and interaction can be made with limited people.
5. Advertising expenses are lower per customer as compared to personal selling.	5. Personal selling involves higher cost per customer as compared to advertising.
6. Information content is comparatively small as all details cannot be incorporated in an advertising message.	6. Comparatively more information can be communicated as it offers scope for mutual interaction and clarification.
7. It is more suitable for FMCG and consumer durable products.	7. It is suitable for industrial products and complex technological productions like machinery and the like which needs demonstration and user guidance.

The following are the distinction between Advertising and Sales promotion.

<u>Advertising</u>	<u>Sales Promotion</u>
1. Advertising is a Above the Line Communication (ATL).	1. Sales Promotion is Below the Line [BTL] communication.
2. It is suitable for medium to large companies.	2. It is suitable for small as well as large companies.
3. It gives a reason to buy.	3. It provides a reason to buy now (within a stipulated period) by giving an incentive.
4. It aims at creating awareness and building brand image.	4. It aims at increasing the volume of sales within a specific time line.
5. It has a long-term perspective.	5. It has a short-term perspective.
6. It motivates and persuades the buyers with its persuasive communication.	6. It motivates and persuades the buyers by giving free gifts, cash back, price pack and such other techniques of sales promotion.

Publicity : Publicity is a non-paid commercially significant news or editorial comments about ideas, products or institutions. Publicity is non-personal stimulation of demand for a good service, person, cause or organisation by placing significant news about it in a published medium or by obtaining favourable presentation of it through radio, television etc. The following are the distinction between Publicity and Advertising.

<u>Publicity</u>	<u>Advertising</u>
1. Publicity is informative.	1. Advertising is persuasive as well as informative.
2. It is non paid.	2. It is a paid form of communication.
3. It is included usually as a news programme or print story.	3. An advertising message is created specifically for the purpose of promoting a product, service or idea,
4. It is not usually sponsored by an identified sponsor.	4. Sponsored by an identified sponsor.
5. In publicity the organisation usually does not have much control over the message.	5. In advertising the organisation has control over the message.

14.6 MEDIA OF ADVERTISING

The advertising medium is simply the means or vehicle chosen by the advertiser to present message to the intended audience. Advertising media may be defined as “the physical means whereby a manufacturer of goods or utilities or a purveyor of services tells the consumer about his product or services.” One of the more difficult areas of decision making in advertising is choosing the best medium, A smart move by an organization in media selection can be essential for advertising success. Each of the mass media has specific characteristics, potentials and liabilities that must be taken into consideration when selecting a medium for advertising effort. The content of an advertisement is tied closely to the characteristics of the media that firms select to carry the message. Media planning refers to the process of evaluating and selecting the media mix which means the combination of the media used and the frequency of advertising in each medium. Let us discuss various types of media.

Print Media : It is also known as ‘press media’. It includes advertising through printed words. The print media consists of newspapers, magazines and journals.

Newspapers : Newspaper advertising is the most common method employed by advertisers in India. Newspapers are of various kinds- national, regional and local and are published in different languages. There is a separate advertisement department in every newspaper which classifies and designs different advertisements in the paper. Before selecting a newspaper, the advertiser should take into consideration various factors viz., coverage of the newspaper, the class of customers and the cost of advertising etc. The following are the merits of newspaper as an advertising medium :

ADVANTAGES

1. Newspapers offer widest circulation and have universal appeal.
 2. The cost of advertising is lesser as compared to other media,
 3. The newspapers have more repetitive value and are very helpful in introducing a new product. The newspapers can be effectively used for advertising products having wider markets.
 4. It is highly flexible i.e. it can be used as and when necessary and for any length of time as per the requirement.
 5. The advertiser’s message can be conveyed to the readers quickly.
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DISADVANTAGES :

1. Newspapers have shorter life. People usually do not preserve news papers for a long period unless they have some important contents.
2. The newspapers as a medium of advertisement are not suitable for illiterate people as they cannot read the newspaper and the advertisement published therein.
3. News papers are generally printed in black and white. The advertisements published in black and white may not be very appealing as compared to the coloured advertisements published in certain special occasions and weekend editions.
4. Newspapers become stale in a day.
5. Demonstration of product features is not very effective in this medium.

Magazines and journals- Apart from news papers, magazines and journals are also powerful media of advertising. They have a more limited and pointed readership than newspapers. There are a variety of magazines such as trade magazines, film magazines, literary magazines etc. Magazines may be released weekly, monthly, quarterly, bi-annually or annually. These are read with more interest by the readers as compared to newspapers.

ADVANTAGES- Magazines and journals have the following advantages :

1. **Meant for a special group of readers-** Some magazines are meant for a specialized group of readers. There are magazines for women, youth, professionals, etc. Certain products or services which are of interest to such groups are published in such specialized magazines. The message reaches the desired target market more accurately.
 2. **Larger retention value-** Normally people keep the magazines for a long period of time with a purpose to read them at leisure. The magazines remain with the readers as fresh and current till the next issue of the magazine is published. As we know, unlike newspapers magazines are not published daily. They are published at regular intervals. It may be weekly interval, fortnightly interval, monthly interval etc. This time gap increases the retention value of the magazines and the advertisements published therein.
 3. **Better presentation and display-** The quality of papers used for publishing magazines are more qualitative than the papers used for news papers. Therefore advertisements published in magazines become more attractive with bright colours, good layout resulting in better presentation and display.
 4. **Add prestige and status to the company and company's product-** There are certain magazines which have attained national and international repute and status. The companies who
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get the opportunity to advertise their products in such magazines get instant recognition and acceptance. They bask in the glory of the reputed magazines.

DISADVANTAGES :

1. **High cost-** The cost of advertising in magazine is more as compared to that of newspapers.
2. **Lack of flexibility-** It is one of the major disadvantages of magazine advertisement. The advertisements published in news papers can be changed as and when necessary since they are published daily. But in order to bring around a change in the advertisement published in a magazine we have to wait till the publication of the next issue. The gap may be a week, a month even at times two months depending upon the nature of the periodicals.
3. **Limited circulation-**As compared to newspapers magazines and journals have limited circulation. This is because the magazines are read by less number of people as compared to newspapers.

BROADCAST MEDIA/ELECTRONIC MEDIA

The broadcast media is very popular and effective media of advertising. It consists of radio, television; internet etc. The electronic media provides ample scope for creativity. The content and design of advertisement varies depending upon the type of the broadcast media. The copy design for radio is different from the copy design for television. Let us discuss the various types of broadcast or electronic media. It has greater impact than press advertising as it permits dramatic impact of voice, tone, and music.

RADIO ADVERTISING :

Radio advertising can be called as ‘word of mouth’ advertising. It has a wide reach and appeals to different segments of audience. This medium delivers the message orally, not visually. It uses human voice which is the most natural way to communicate with other people. With the advent of FM (Frequency Modulation) radio of the radio, advertising has become more innovative and attractive.

ADVANTAGES:

1. The cost of advertising is very low because of the low unit and production cost.
 2. There is high degree of flexibility in this medium as the contents of advertising can be changed at short notice.
 3. It provides more opportunities for frequent repetition of messages.
 4. Regional radio stations create and record radio advertisements for local business.
 5. It can spread messages in rural areas and in local languages.
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DISADVANTAGES :

1. One of the major disadvantages of radio is the lack of visuals because of which the product cannot be shown or demonstrated.
2. It is perishable by nature. The impact lasts only for a very small time.
3. The switching of stations is very high in radio and it is difficult to hold or retain the attention of the audience.

TELEVISION ADVERTISING :

This is a very popular medium for those advertisers whose products require demonstration. Television advertising provides a perfect synchronization of sound, sight and motion which is not available in any other medium. It is now an omnipresent source of entertainment in each and every **household both in** urban as well as rural areas. This medium consists of various forms like terrestrial, satellite and cable. Now the DTH has increased the quality and continuity of television programmes. The scope is very wide as we can see the international, national, regional and local channels. This bouquet of channels can propagate advertising messages to different segments of market with demographic as well as geographic variations.

ADVANTAGES :

1. It provides an audio visual presentation of the product. It makes the advertising messages more attractive and impressive,
2. The television advertising becomes more appealing to the viewers because the message is created with the fusion of sight, sound motion, symbol, colour, text, music etc.
3. It gives access to vast audiences, and can raise awareness very quickly.
4. It appeals to the senses.
5. It helps in building up the image of the product as celebrities of glamour world, sports world and other areas of public importance appear in the TV commercials of various Products.
6. It is generally rated high on credibility.

DISADVANTAGES:

1. It is an expensive medium of advertising when compared to print media.
 2. It is not as selective as some of the other media. This means magazines, news papers have different group of readers. Advertisers select a particular magazine which is generally read
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by their prospective consumers such as femina for women. But the same degree of selectivity is not possible in television advertising.

3. The TV advertising or commercials are perishable and short lived unless they are highly creative and unique in character. We see a lot of TV commercials but we don't remember all. A clutter effect is created because of the large number of advertisements that appear in television. Advertisements must be designed to rise above the clutter effect so as to possess a retention value.
4. One major limitation of this medium is zipping and zapping. Zipping is fast forwarding the commercials which is done by the viewers when watching a pre-recorded movie or programme Zapping is changing channels to avoid commercials.
5. Bad quality of transmission and poor anchors may put the viewers off.

CINEMA : Cinema is one of the most popular advertising media. In fact prior to the advent of television and now internet, cinema was a popular destination or source of entertainment. After the arrival of television cinema lost some of its popular standing, but was not out altogether. Just like radio making a comeback with FM format, cinema is also now gaining its lost ground with multiplex, 3D movie and innovative film production with modern technology. Advertisers make use of this powerful medium for advertising their products.

ADVANTAGES:

1. The cinema halls are located in both urban and rural areas. Being a popular source of entertainment, a large number of people visit cinema halls. This gives an opportunity to the advertisers to spread the message regarding their products among a large number of persons enabling a high coverage.
2. Advertisers can explain and demonstrate their products as it is an audio visual medium.
3. It has a wide reach. It can reach to people belonging to different categories like literate and illiterate people, urban and rural people, young and old people etc.

DISADVANTAGES:

1. It has low retention value.
 2. It is unable to focus on a selective audience because the audience is composed of people belonging to different categories.
 3. Sometimes the audiences in the hall get irritated as they feel that the advertisements are unnecessary interruption in their entertainment.
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OUT-DOOR OR MURAL ADVERTISING

Out-door media is the oldest and widely used advertising media. In this form of advertising the advertisements reach the consumers at points other than in their homes. That is why it is also called 'Out Of Home' media (OOH). Outdoor advertising includes billboards, displays, posters, illuminated signs, electrical arrangements, bus stops, railway stations, sky writing, LCD screens, LED display panels. The reasons for growth of outdoor media include infrastructure development which is manifest in new highways and new airports across the country, growth of malls and multiplexes, and more importantly the emergence of new digital formats which made the media more attractive and appealing. Let us discuss some of the types of outdoor media.

1. **Posters-** These are printed materials which contain the pictures or information about the products. These are attractively designed and may be pasted on the walls or sent to prospective customers through post.
 2. **Billboards-** These are permanent boards fixed at prominent places at those points where people frequently assemble like Railway station, Airport, Market complex, Highways. In big cities municipal corporations provide space for putting advertising boards on rental basis. Billboards can reach large number of people at relatively little cost, and they serve as reminders or as prompters of impulse purchase.
 3. **Transit advertising-** It is also known as 'moving advertisements' or transport advertising. Advertisers put their advertisements on moving buses, trains, taxis, metro. These may be both inside or outside the vehicle. Marketers may use transit advertising to attain high exposure to particular groups. Repeat exposure is possible, for a majority of the people in our country use public transport. This is a low cost medium and is considered to be very effective. A disadvantage of transit advertising is that the message must be short because only a limited amount of advertising space is available.
 4. **Electric Displays-** It is done through 'neon signs' It is very attractive and eye catching.
 5. **Sandwich men-** These are persons who are hired and who move in a procession with boards and notices. Sometimes they wear dresses on Which the product and other advertising messages are printed.
 6. **Sky-advertising-** This is one innovative way of advertising. In this type of advertising the name of the product or other messages are written in the sky. Printed balloons are also dropped from the sky which draws the attention of the people.
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ADVANTAGES OF OUTDOOR MEDIA :

1. It demands a little of the consumers' time and reading efforts. It is a mass medium and speaks to everybody.
2. The medium is colorful and gives scope for innovative communication to draw the attention of the people.
3. It can be effectively used to focus advertising efforts in certain localities.
4. This form of advertising has the ability of communicating quick and simple ideas with repetition
5. It can act as a reminder and initiate impulsive purchase action when consumers are on a shopping trip.

Direct mail advertising— This medium carries advertising messages directly to the prospective buyer, either to his home or office or both. Direct mail usually takes the form of letters, post cards, catalogues, folders or booklets.

ADVANTAGES :

1. It is highly flexible as the message can be directed to specific individuals or selective target thus providing high degree of selectivity.
2. Complete information can be given in this medium.
3. The message can be designed with high degree of personalization. Hence it has a personal appeal.
4. There is a minimal waste in this type of advertising as the mail materials are sent only to those persons who are the likely prospects for the product or service in question.
5. It can be used as supplementary medium with press and other media of advertising.
6. There is no limitation of time and space.

DISADVANTAGES :

1. This medium has limited coverage.
 2. Preparation of up-to-date mailing list is a time consuming and costly affair but in the absence of such up to date list this medium becomes less effective.
 3. The more dispersed the market, more costly it becomes.
 4. It suffers from a lack of prestige. Some prospects consider direct mail materials to be a nuisance and dump them in the waste paper basket without reading them.
 5. The cost per contact can be high in relation to other media.
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DISPLAY ADVERTISING- The following are included in display advertising :

1. **Window- dressing** – In such type of advertising products are prominently displayed in store windows with a view to creating interest and arousing desire of the people passing by the shop or business establishments. An attractive window dressing can act as a persuading salesman resulting in impulsive purchase by passersby.
2. **Trade shows or Exhibitions-** Large companies regularly organize trade shows or exhibitions to display their products to acquaint people with the range of products they produce. Generally companies manufacturing industrial products like machinery, semi finished products, and the like, organize trade shows to promote their products. All big manufacturers and businessmen take part in it and arrange their shows by taking space in the exhibition area. At these exhibitions, one can study the competitors' products, sales techniques, and relative strength of the product etc.

INTERNET ADVERTISING– This is also known as on-line advertising. The rapid development and spread of information technology and increasing use of computers have given a boost to internet advertising. Companies use the power of internet to promote their products. This medium can be used to make the advertising more personalized and interactive.

ALTERNATIVE MEDIA– Advertisers have now developed alternative media to bring out innovative approaches to advertising which are different from the traditional advertising media. Some of the alternative media vehicles are interactive kiosks in department stores, shopping carts in grocery store, mini movies that promote a product and are shown via the internet. E-mails are also used to mail unsolicited product information to create awareness among the account holders, elicit responses from the account holders. Companies send SMS containing brief information for creating product awareness. Technology and emerging market scenario along with changing life style continue to develop new and innovative advertising to attract prospective consumers.

SELECTION OF ADVERTISING MEDIA

The above discussion of different types of media makes it clear that advertisers now-a days have many alternative media options at their disposal. Selecting a proper medium and drawing up a media mix is a difficult task for an advertiser. Some large companies use almost all these media. Small companies and start-ups find it difficult to plan an appropriate media mix because of their financial constraints. An advertiser, big or small, evaluates many factors before

selecting appropriate media and planning a media mix. Some of the factors are explained below :

a. Nature of the product- The choice of media depends on the kind of product to be advertised. Consumers goods like soaps, cosmetics etc. are usually advertised in news papers, general magazines, radio, television, out-door hoardings etc. Now -they also use internet for on-line advertising. Capital goods or industrial goods on the other hand can be effectively advertised through special magazines, technical journals, direct mail and by opening special website of the company.

b. Size of the market- If the advertiser wants to create a national level presence and caters to the national market, the media type which have wide reach should be chosen. Radio, television, national newspapers having its reach and coverage across the country are suitable for this purpose. If the market size is small and localized then local newspapers, regional television service, direct mail etc. are used.

c. Cost of media- Cost of media is an important factor in selecting the advertising media. While calculating the cost, the reach, credibility, and suitability of the media should be taken into consideration. Radio, television are often considered to be expensive but considering their reach and acceptability among the people, they may prove to be more economical in the long run as compared to direct mail or outdoor advertising.

d. Demographic profile of the target market- Demography is the study of population in terms of literacy, income, religion, family composition, gender etc. The media selection is greatly affected by such factors. If the standard of education and literacy level is high then newspapers, journals, magazines should be chosen for advertising. Similarly special magazines for women, etc. are selected to appeal to specific groups. Audio-visual, musical, posters and some illustrative advertising are designed to spread the message among the prospective customers who are illiterate.

e. Reach of the media- This is an important element of media decision. With the technological advancement the reach of media has attained enormous proportion. Radio covers almost the entire country; television with the advent of satellite technology is expanding its area of coverage very rapidly. Newspapers are now being printed at different cities in coordination with its Headquarters. To top it all, internet has arrived with a bang reducing the vast expanse of the world into a global village. The advertiser now can choose from these depending on the requirement of the 'reach' dimension of his advertisement.

f. Frequency- Frequency is another factor which carries a lot of importance. Some products require consistent advertising effort for drawing the attention of the consumers. Particularly FMCG products require high degree of visibility with quick frequency to draw the attention of the consumer and elicit a positive response. In such cases those media which can be used repetitively with quick succession are chosen.

g. Objective of advertising- Objectives sought to be achieved through advertising, affect selection of advertising media. If the purpose is to introduce a new product in a big way in the market, advertising on radio, television, newspapers may be preferred. Direct mailing, television, news papers may also be used to create a ground for visit of the salesmen to individual customers.

h. Financial allocation- Budget allocation is a key factor in media decision. Buying a media slot and making a media mix involves cost. The type and frequency of media use is directly related to the affordability on the part of the advertiser.

14.7 ADVERTISING AGENCY

Modern business is becoming more complex and dynamic with every passing day. Wide dispersal of market and growing competitive pressure create the need for putting greater emphasis on advertising one's product. A high degree of skill, creativity and professionalism are necessary to make the advertisement more attractive and effective in communicating with the target market. Due to this specialist nature of advertising, businesses organizations utilize the services of one or more advertising agencies to handle advertising on their behalf. Organizations feel the need for handling their advertising in a more professional manner. Gradually the practice of 'in-house' advertising or preparing the advertisement by company's own people has changed to outsource the advertising function to professional advertising agency.

An 'advertising agency is a service based business dedicated to creating, planning, and handling advertising (and sometimes other forms of promotion) for its clients. **According to American Association of Advertising** "An advertising agency is an independent organization of creative people and business people who specialize in developing and preparing market plans, advertisements, and other promotional tools".

An advertising agency is generally independent from the client (it may be an internal department or even an internal agency) and provides an outside point of view to the effort of selling the client's products or services. An agency can also handle overall marketing and branding strategies and sales promotions for its clients. The advertising agency is an organization that solicits clients, creates advertisement and places those advertising media.

Some well known advertising agencies are JWT (formerly HTA), O&M, Rediffusion, Leo Burnett, Madison.

FEATURES OF ADVERTISING AGENCY :

1. It is an independent business organization.
2. It creates the advertisement for the client.
3. It buys media slots for the client.
4. It makes pitching for account which refers to the development of new business by the advertising agency.
5. It has several departments like, Account department, Creative department, Traffic/media department.

FUNCTIONS OF ADVERTISING AGENCY

- (1) **Creates new promotional ideas-** Advertising agency creates new and innovative ideas for its clients. Being a professional and specialist body, it acts as a store house of ideas.
- (2) **Designs and prepares advertisements for different media-** An agency recruits artists and creative writers who specialize in advertising copy writing for different media.
- (3) **Books advertisement space and time-** The agency buys different media space and draws out media schedule for its clients.
- (4) **Plans and conducts advertising campaign-** The advertising agency, apart from designing the advertising for its clients plans the effective implementation of the advertisement. It conducts campaign for advertisement for a period for popularizing the product which may result in increased sales.
- (5) **Carry out research and market survey for the client-** A full service advertising agency carries out market research for the client in addition to handling the advertisement responsibility of its client.

TYPES OF ADVERTISING AGENCY

1. **Full-service agencies-** A full service agency provides a whole range of services to clients, both advertising and non advertising. Advertising services include account planning, research, creative services, media planning and production of advertisement material for different media. Non-advertising functions may include public relations, packaging, organizing fairs, exhibitions etc.,
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2. **A la carte agencies**– These are small specialist agencies. Such agencies specialize in creative concepts, strategy development, media planning etc. Their services are used by small and medium size agencies which may not be in a position to afford highly paid creative writers or media planners. They are also known as boutique agencies.

3. **House agencies**–A house agency is an advertising agency established by a company to look after its advertising requirements. In the course of time, these agencies may start doing outside work also. In fact, in the Indian context, two top agencies, Lintas and Mudra Communications started as the house agencies of Hindustan Lever Ltd.(now HUL) and Reliance respectively.

4. **Interactive advertising agencies**–These agencies use modernized modes of communication. They use internet for on-line advertising. SMSes are sent on mobile phones to have a direct reach to the target market. Such agencies introduce new and innovative concepts in advertising.

5. **Media buying agencies**–A media buying agency, is a company that buys television and radio time and then resells the time to other advertising agencies and advertisers.. They also schedule slots at different television channels and radio stations. They supervise whether the advertisements are telecasted as planned or not.

CHOOSING AN ADVERTISING AGENCY :

Most of the organizations use agencies to handle some or all of their marketing communication activities. Therefore selecting an advertising agency is crucial for an advertiser. While selecting an advertising agency the advertiser or company should take into consideration the following factors:

1. Decide the type of agency and the breadth of service required.
2. Check the credentials of the agency,
3. Collect information regarding the capability and availability of resources and skilled personnel of the agency.
4. Their understanding of the industry trends.
5. The current clients with the agency.

PROCESS OF SELECTION OF ADVERTISING AGENCY :

1. Looking around- The advertiser looks around the prospective agencies for handling their advertising and other promotional activities.

2. Short listing- The next step is evaluating the agencies keeping in view their core competencies, service orientation, cultural similarity and preparing a short list of eligible agencies.
3. Category expertise- The previous record of the agency in dealing with the categories of advertisers are considered.
4. Current agency portfolio- The current business profiles of the client are taken into consideration.
5. Resource allocation- The fees and other financial aspect of hiring an agency and the affordable capacity of the advertiser is taken into consideration.
6. Size- The size of the organization plays a role in advertising agency selection.
7. Signing up- After careful evaluation, the terms and condition are determined and the agreement between the client and agency is signed up.

CLIENT-AGENCY RELATIONSHIP :

The client-agency relationship is based on trust and confidence. Honesty, integrity on the part of both the parties form the foundation for a durable and profitable relationship. The basic principles of client-agency relationship (CAR) are:

1. The advertising agency avoids advertising a close substitute and competing product.
2. The client should approve the expenses incurred by the agency.
3. If the media grants any cash discount to the agency, it should be passed on to the client.
4. Regular discussion and understanding of each other's position is highly essential.

ADVANTAGES OF ADVERTISING AGENCY :

They have the ability to buy media in bulk at cheaper rates that a single business cannot obtain.

1. They are experienced enough to run advertisements to reach the target market, ultimately minimizing the wastage in communication.
 2. While business owners may be experts in their particular field, they may possess little or no knowledge of what makes an effective, attention-grabbing advertisement. Advertising agencies are staffed with people whose sole job is to generate innovative ideas. The agency's creative team develops advertisements for their clients.
 3. The advertising agency can perform market research for its client. The agency identifies the firm's target market. On the basis of the nature and composition of the market the agency develops its communication strategy. Thus, the advertising agency may be better
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placed to determine the types of advertising which are suitable for different segments of the client's market.

4. One important advantage a firm gets by using the services of an advertising agency is cost saving. The firm need not maintain a department for advertising. By outsourcing function of advertising the firm saves cost of maintaining the department. Advertising agencies absorb a wide range of administrative and service-oriented expenses, including machinery, salaries for top-talent individuals and established distribution systems. Simply paying a fee to an advertising agency can help the business to avoid the costs associated with adding an entire department to its operations, not to mention the logistical cost of developing advertisements in-house.
5. Saves the firm's time, so that they can focus on their key business activities.

DISADVANTAGES :

1. A firm which uses Advertising agency for its advertising and other promotional efforts spends money on commissions and other fees. The amount spent may be more than the amount required for doing the same in-house. The firm may not have the money to employ an advertising agency especially if the business is relatively new,
2. Mutual consultation and understanding of the client's position and principles are the preconditions for success of an advertising agency. Sometimes the advertising Agency fails to correctly assess the client's value system and vision which leads to a mismatch between the client's perspective and Agency's perspective.
3. Sometimes the agency may take up advertisement assignments of the competitors.
In that case mutual distrust may be created which may affect the advertising and promotional efforts of the firm and create misunderstanding.

14.8 ADVERTISING IN TODAY'S WORLD

The world is changing very fast. The modern world is very dynamic and volatile. The various elements of world business environment i.e. the political, economic, social, cultural, legal, and technology, etc. have undergone radical changes. The nature and definition of advertising have changed drastically over time. From the simple objective of informing people about the location of a certain store, to a highly sophisticated tool of persuasion at a subliminal level, advertising is changing both in its content and methods. The vast expanse of the world has now become a global village. The modern communication technology has made it possible. Apart

from that we now live in an era of LPG. LPG stands for Liberalization, Privatization, and Globalization. With liberal policy followed by government and subsequent entry of multinationals in India, the true marketing came to India. Because of intense competition everyone wants to make his presence felt in the market. In this context advertising has come out as a very powerful medium to inform, persuade and remind the consumers about the product and all related information. Advertising today is used by everyone whether he is an individual, group, a company, a service organization, Government and non-government organization or social institution. Advertising in today's world has undergone a sea change and the factors that have affected the modern advertising and its importance in the present context are as follows :

1. **Advent of new technology**– The Information technology has affected the advertising in a big way. A lot of hope rests on the interactive media that includes the internet. The internet has created a boundary less market and a global consumer.
2. **Globalization**- The world is emerging as a single market due to the globalization policies adopted by various governments across the world. This puts pressure on the producers of different products to reach out quickly and convincingly to their target markets. Advertising with its persuasive and creative dimension plays a crucial role in this situation.
3. **Rate of change and new product development**- The rate of innovation and new product development has become much faster as compared to yester years. Due to this rapidity of changes, it is necessary for the producers to create awareness about the product and persuade customers to buy them before a new version of the product makes it obsolete.
4. **Ethics in advertising**- Ethics is a normative science. It decides whether an action is good or bad. Advertising has to be done in an ethical manner to make it credible and effective. Exaggeration, misleading information, use of derogatory language against the competitors etc. will bring disrepute to the advertiser. In a market economy self control and regulation brings reputation and faith on the company resulting in increased sales.
5. **A career opportunity**-Advertising has grown to the level of an industry. It is a creative industry. It provides a lot of opportunity for employment. With the growth of market economy and globalization, advertising has a lot of scope for its growth hence can provide more scope for employment anti career opportunity in this sector.

In an era of marketing and globalization, promotion plays a significant role in the marketing of a producer's product or services. Advertising is an important element of a company's promotion mix in today's marketing scenario. More and more global players will increasingly adjust their

strategies to a local market; country-based or region-based; and advertising will increasingly acquire a local colour. The increased awareness and empowerment of today's consumer enforces a sort of self regulation and truthfulness on the advertisers. Advertising using mass media and interactive media passes on the information to various stake holders. The truthfulness of advertising now comes as a major issue. The following principles should be followed which are laid down by the Advertising Standards Council of India to make advertising more socially responsive and accountable.

1. Advertisements should be so designed so as to conform not only to the laws, but also to the moral, aesthetic and religious sentiments of the country in which it is published.
2. Advertisements which are likely to bring disrepute to the profession should not be permitted.
3. Advertising should be truthful, avoid distorting facts and misleading the public.
4. Advertising should not be permitted to contain exaggerated claims that disappoint the public.
5. Direct comparison with competing brands or firms should not be permitted.
6. Indecent, vulgar, suggestive, repulsive or offensive themes should be avoided.

Advertising is geared up to keep its role in the economic development of a country. Advertisers will do well if they keep scanning political, social, technological and economic changes taking place continuously. Another important dimension of advertising in today's world is growing concern for social responsibility. Broadly advertising as a concept and practice has two important dimensions. One is commercial advertising and the other one is social or nonprofit oriented advertising. We have discussed so much regarding commercial advertising but advertising is also an effective tool for communicating socially relevant messages. The present world which is experiencing various social and ecological problems, use advertising for creating awareness among the public regarding the problems. We see advertisements like pulse polio, save water, plant trees, Aids awareness, global warming, pollution etc. Therefore advertising in the present era and also in the coming days will play a significant role in a country's economic development and keeping up its social and ethical conscience.



14.9 QUESTIONS :

No.1 Choose and write the correct answer from the alternatives given below :

- (a) A type of advertising medium, which carries messages to the prospective buyers either to his home or office through letters, catalogues etc. is called :
 - (i) Press advertising
 - (ii) Broad cast advertising
 - (iii) Transit advertising
 - (iv) Direct mail advertising
 - (b) On-line advertising is conducted through
 - (i) Sandwich man
 - (ii) Sales people who stand on a line in busy area.
 - (iii) Internet
 - (iv) Moving vehicle
 - (c) The mode of advertising which is perishable is :
 - (i) Newspaper advertising
 - (ii) Bill boards
 - (iii) T.V. advertising
 - (iv) Display advertising
 - (d) Advertising becomes more interactive and personalized in :
 - (i) TV advertising
 - (ii) Window - advertising
 - (iii) Newspaper advertising
 - (iv) Internet advertising
 - (e) Advertising is a
 - (i) Personal communication
 - (ii) Impersonal communication
 - (iii) Instore display & POP material
 - (iv) Non-paid form of communication
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- (f) A type of advertising which stimulates primary demand for a new product is called ?
- (i) Institutional advertising
 - (ii) Competitive advertising
 - (iii) Surrogate advertising
 - (iv) Pioneering advertising
- (g) When an advertisement intends to create awareness among the people for a social issue, it is called :
- (i) Pioneer advertising
 - (ii) Industrial advertising
 - (iii) Comparative advertising
 - (iv) Public Service advertising.
- 2.(i) Express each of the following in one word/term.
- (a) A type of advertising in which a company advertises a product but the real intention is to promote the original product which is debared from being advertised.
 - (b) A paid form of non-personal communication by an identified sponsors.
 - (c) A form of advertising in which an organisation expresses its views on controversial issues or responds to a media attack.
 - (d) Advertising directed at channel members to promote a company's products or services.
 - (e) An advertising agency which provides a whole range of services to clients.
 - (f) A small advertising agency specializing in creative concepts, media planning.
- (ii) Answer the following in **one** sentence each :
- (a) What is mural advertising ?
 - (b) Who is called a Sandwich man ?
 - (c) What is bill board ?
- (iii) Correct the underlined portions of the following sentences :
- (a) Letters, catalogues, post cards which directly carries messages to the prospective buyer, are part of transit advertising.
 - (b) Advertising that stimulates the generic demand for a category of products is called competitive advertising.
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- (c) Newspaper advertising is highly interactive.
 - (d) Radio advertising provides an audio-visual presentation of the product.
 - (e) A la carte agencies provide a whole range of services to the clients.
- (iv) Fill in the gaps.
- (a) A _____ is the study of population in terms of income, literacy, family composition, gender etc.
 - (b) _____ display is a type of advertising in which products are prominently displayed at store front to create interest among the consumers.
 - (c) Moral advertising is otherwise known as _____.
 - (d) Bill boards, posters, displays are different types of _____ advertising.
 - (e) Those persons, who move in a procession with boards and notices and sometimes dresses on which the product or messages are printed are called _____.
 - (f) Direct _____ advertising carries advertising messages directly to the prospective buyers in the form of letters, catalogues.
3. Answer the following questions within **two** sentences each :
- (a) What is an advertising agency ?
 - (b) Name any two types of out door advertising.
 - (c) What do you mean by comparative advertising ?
 - (d) What is on-line advertising ?
 - (e) What do you mean by transit advertising ?
4. Answer the following questions within **six** sentences each :
- (a) What are the principles of maintaining good Client-Agency Relationship (CAR)
 - (b) Distinguish between advertising and personal selling.
 - (c) Distinguish between advertising and publicity.
 - (d) Explain the features of an advertising agency.
 - (e) Explain the importance of advertising to the consumers and manufacturers.
 - (f) What are the advantages of news paper advertising ?
 - (g) State any three advantages of advertising.
 - (h) Mention any three limitations of advertising.
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Long Type Questions :

5. Define advertising. Discuss the objectives and importance of advertising.
6. Explain press advertising and discuss its advantages and disadvantages.
7. Explain different types of broadcast or electronic advertising media with their relative advantages and disadvantages.
8. What do mean by advertising agency ? Discuss the advantages and disadvantages of advertising agency.
9. Discuss in brief, different types of advertising.
10. Discuss any three various types of advertising media.
11. Explain the factors that should be taken into consideration while selecting advertising media.
12. Explain the role of advertising in to day's world.
13. Discuss the limitations of advertising.

ANSWERS

- 1 (a) iv (b) iii (c) iii (d) iv (e) ii. (f) iv, (g) iv.
2. (i) One word

(a) Surrogate advertising	(b) Advertising
(c) Advocacy advertising	(d) Trade advertising
(e) Full service advertising agency	(f) A la carte or boutique agency
- (iii) Correct the sentences

(a) Direct mail advertising	(b) Pioneering advertising
(c) On-line or internet	(d) TV (e) Full Service
- (iv) Fill in the gaps.

(a) Demography	(b) Window (c) Out door (d) Out door
(e) Sandwich men	(f) mail

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