



Class: - B.Com II Year

Management

Subject: - Personal Selling and Salesmanship

Unit I	Nature and Importance of personal selling. Door to Door selling situation where personal selling is more effective. Cost of Advertising V/S Cost of Personal selling AIDA Model of Selling. Types of Sales Person.
Unit II	Buying motives. Types of markets. Consumer and industrial markets, Their Characteristics and Implication for the selling function. Types of consumer.
Unit III	Process of effective selling, Prospecting, Pre Approach, Approach, Presentation and demonstration, Handling and Objection, Closing the sale, Post sale activities.
Unit IV	Qualities of successful sales person with particular reference to consumer services selling as a career, Advantages and difficulties, Measure for making selling an attractive career, Distribution, Network Relationship.
Unit V	Reports and Documents, sale Manual, Catalogue, Order Book, Cash Memo, Tour Diary, Daily and Periodical Reports, Other problems in selling.



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**UNIT-I
Personal Selling**

Introduction Personal Selling

Michael Bon once said, "If you sincerely believe that "the customer is king," the second most important person in this kingdom must be the one who has a direct interaction on a daily basis with the king." Selling is a universal human occupation. Almost everyone lives by selling something. Personal selling is an extremely effective but expensive form of promotion. Because it involves people and professional relationships, management of personal selling is a challenge. In the promotion mix of an organization, personal selling often becomes the dominant note.

The Promotion Function

Sales are the life blood of a business. The ultimate object of all production is sale; and without sales, no business would survive. An important element of the marketing mix of a business firm is promotion. The function of promotion is concerned with the establishment of contact and communication with the object of creating 'customers'.

In a broad way 'promotion' has two forms:

(a) Personal Selling: It is a personal communication, through the exercise of salesmanship, with the prospective customers.

(b) Mass Selling: It is advertising involving the use of media of mass communication to approach a large number of prospects.

Meaning and Definition of Personal Selling

Personal selling refers to the use of speech and personal conviction to bring about some action on the part of another. Salesperson is a man who actually performs the personal selling.

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

A few definitions are quoted below:

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

In the words of Dalrymple and Decarlo, "Personal selling is direct communications between paid representatives and prospects that lead to purchase orders, customer satisfaction, and account development."

In the words of Philip Kotler, "Personal selling is a face-to-face interaction with one or more prospective purchasers for the purpose of making presentations answering questions, and procuring orders."

In the words of Robinson and Stidsen, "Personal selling may be defined as interpersonal face-to-face interaction for the purpose of creating, exploiting or maintaining a mutually beneficial exchange relationship with others."

According to Mahoney and Slone, "Personal selling is the personal Communication between a salesperson and a potential customer or group of customers."

In the words of Still, Cundiff and Govoni, "Personal selling is a highly distinctive form of promotion. It is basically two-way communication."

According to Sharelekar, "Personal selling refers to oral presentation in conversation (by a salesperson) with one or more prospective customers for the purpose of making sales."

In the words of Richard Buskirk, "Personal selling consists of contacting prospective buyers of product personally."

The relationships between selling and other elements of the marketing mix are highlighted below. Marketing programmes are designed around four elements of the marketing mix: (a) products to be sold, (b) pricing,



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(c) promotion, (d) distribution channels. The promotion component includes advertising, public relations, personal selling, and sales promotion. It should be noted that advertising and sales promotion are non-personal communications, whereas salespeople (in personal selling) talk directly to customers. Thus, personal selling involves two-way communication with prospects that allows the sales message to be adapted to the special needs of the customer.

Characteristics or Nature of Personal Selling

Let's look at some aspects of personal selling to understand its nature :

1. **Part of Promotional Mix:** Personal selling is a part of promotional mix, or the communication mix, in the company's marketing program. The major elements in the promotional mix are the company's advertising, sales promotion, and personal selling efforts.
2. **Individual, Personal Communication:** Personal selling is the individual and personal communication of information, in contrast to the mass, impersonal communication of advertising, sales promotion, and other promotional tools.
3. **Flexible Tool:** Personal selling is more flexible than these other tools. Stanton says, "Salespeople can tailor their presentations to fit the needs and behavior of individual customers. Salespeople can see their customer's reaction to a particular sales approach and make adjustments on the spot."
4. **Focused on Customers:** Personal selling is usually focused or pinpointed on prospective customers. It considers the needs, desires and buying problems of the customers.
5. **Alive Interaction:** Philip Kotler writes, "Personal selling involves an alive, immediate, and interactive relationship between two or more persons. Each party observes the other's needs at close hand and makes immediate adjustments.
6. **Long-run Relationship:** Personal selling permits all kinds of relationship to spring up. It establishes a selling relationship and also a deep personal friendship. It keeps customer's best interests at heart. It maintains long-run relationships.
7. **Response:** Personal selling is based on buyer's reactions and response. It makes the buyer feel that he is listened to, and his needs are considered.
8. **Persuasion:** It is concerned with persuasive communication. A salesperson in personal selling tries to persuade the prospect so that he can take a decision to acquire the product which the salesperson is talking about.
9. **Human Element into Marketing:** It is a major factor in creating sales volume. It brings human element into marketing transactions and increases the customer's confidence in the supplier
10. **Broader Concept:** Personal selling is a broader concept than salesmanship. Still and Cundiff state, "Personal selling, along with other marketing elements, is a means for implementing marketing program's. Salesmanship is one aspect of personal selling it is never all of it." Personal selling makes use of salesmanship techniques.
11. **Creative:** Personal selling is creative by nature. The salespeople try to create needs, make the customers aware of these need and try to persuade them to buy the product. The salesman "does not sell, but he creates in the other man the urge to buy."
12. **Service Element:** Personal selling is not getting rid of a thing or cheating the customers. It is necessarily an act of assisting the customers to buy wisely. Today, it has become a symbol for honesty and dependability. In fact, it is a service that is serving the customer for the good cause of humanity.

Scope of Personal Selling

There are two kinds of personal selling:

1. **Across-the-Counter Selling:** In this kind of selling Customers come to the salespeople. It involves retail store selling. It also includes the salespeople at catalogue retailers who take telephone orders. Most salespeople fall into this category.
2. **Field Selling:** It is the selling where the salespeople go to the customers. These people sell in person at a customer's place of business or home. These outside sales-forces are engaged in field selling. These people sell in person at a customer's place of business or home. Outside sales-force usually represent producers or



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wholesaling middlemen, selling to business users. Today, some companies have a sales-force that goes to the customers in person. Some outside selling is becoming electronic.

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Personal Selling and Salesmanship Distinguished

Personal selling is a broader concept than salesmanship. Personal selling is an important ingredient of promotional mix, which is a part of marketing mix that includes four things:- product, price, distribution and promotion. Personal selling is a means for implementing marketing program's. Salesmanship is just one aspect of personal selling. Still and Cundiff state that salesmanship is one of the skills used in personal selling it is the art of successfully persuading prospects or customers to buy products from which they can derive suitable benefits, thereby increasing their total satisfactions.

At one time, the emphasis in salesmanship was almost wholly on persuasion; today while recognizing the significance of persuasion, the emphasis is on the benefits attractive to prospects and customers. One variation of benefit-oriented salesmanship is "consultative selling": creating long-term, mutually beneficial sales relationships with customers by helping them to improve their profits through products and services.

Salesmanship, then, is seller-initiated effort that provides prospective buyers with information and other benefits, motivating or persuading them to decide in favour of the seller's product or service. Both personal selling and advertising make use of salesmanship techniques. Both are means for motivating or persuading prospective buyers to buy. In fact, salesmanship is the process of persuading a person to buy goods or services.

Objectives of Personal Selling

According to Still, Cundiff and Govani, the objectives of personal selling are as follows :

1. To do the entire selling job.
2. To "service" existing accounts.
3. To search out and obtain new customers.
4. To secure and maintain customers¹ cooperation in stocking and promoting the product line.
5. To keep customers informed on changes in the product line and other aspects of marketing strategy.
6. To assist customers in selling the product line.
7. To capture and retain a certain market share.
8. To obtain sales volume in ways that contribute to profitability.
9. To obtain some number of new accounts of given types
10. To keep personal-selling expenses within set limits
11. To secure targeted percentages of certain accounts' business.

Need and Importance of Personal Selling

The need and importance of personal selling can be explained from the following facts :

1. **Need of Today:** The need of personal selling has increased in present age due to the flood of products in the market and keen competition.
2. **Basis of Economic Fortunes:** William Stanton writes, "If the personal selling effort in an organisation falters, then the economic fortunes of that organisation will likely decline." It largely determines the firm's financial future.
3. **To Carry Promotional Load:** Personal selling is a major ingredient of promotion mix of a company. It has a big role in implementing promotional programme. According to William Stanton, Etzel and Walker, personal selling is likely to carry the bulk of the promotional load when:
 - a) The market is concentrated either geographically, or in a few industries, or a few large customers.
 - b) The product has a high unit value, is quite technical in nature, or requires a demonstration.
 - c) The product must be fitted to an individual customer's need; as in the case of securities or insurance.
 - d) The sale involves a trade-in.
 - e) The product is in the introductory stage of its **life** cycle.



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f) The organisation does not have enough money for an adequate advertising campaign.

4. **Minimum Wasted Effort:** Personal selling is focused on prospective customers. Thus, it minimizes wasted effort. In contrast, much of the cost of advertising is spent on sending messages to people who in no way are real prospects.
5. **Increase in Profitable Sales:** The goal of marketing activities is to increase profitable sales by satisfying the want of consumers over the long run. Personal selling is by far the major promotional method used to realise this goal. The number of people employed in personal selling is a big one than advertising.
6. **Largest Single Operating Expense:** In many companies, personal selling is the largest single operating expense. It often equals 8 to 15 percent of sales, whereas advertising costs average 1 to 3 percent of sales. This shows the importance of personal selling element.
7. **Mirror of the Market:** Personal selling is a mirror of market. It supplies market informations back to the firm. It keeps eye on market nerve, fashion trends and consumer profile. It regularly assesses the competitive forces of the market.
8. **Broader Roles:** Stanton writes, "Salesmen persuade prospective customers, expedite orders, coordinate deliveries, set-up displays, service their accounts, gather market informations, and have solve customers' problems." Thus, today's salesman performs a wide variety of sales roles.
9. **Cost-Effective Tool:** Personal selling is the most cost-effective tool at later stages of the buying process. It builds up buyers' preference, conviction, and action. Philip Kotler observes that personal selling is an alive and interactive relationship, it considers the other's needs and it develops all kinds of relationship, even a deep personal friendship. It makes the buyer feel obliged, attended and responded.
10. **Exerting Influence:** According to Robin Peterson, "Salesmen can accomplish difficult things through advertising, sales promotion publicity and public relations. They can tailor their messages to the characteristics and desires of particular prospects; modify ongoing presentations in accordance with the feedback from prospects: they are in a position to ask for an order at a strategic time and if turned down, they can communicate further, in an effort to recoup and obtain an order.
11. **Convincing and Creating Customers:** Salespersons locate and identify the customers who are interested in the company products. They transform prospects into buyers by understanding their needs. Personal selling provides "repeat purchases ' to the company.
12. **Creation of International Markets:** Personal selling has created not only national but international markets. This has been the basis of global trade and culture.

Limitations and Demerits of Personal Selling

1. **High Cost:** The cost of developing and operating a sales force is high. More money is spent on personal selling than on any other form of promotitsn. Kotler writes, "A sales force represents a greater long-term commitment than advertising.
2. **Unable to Attract High Calibre People:** A company often is unable to attract the quality of people needed to do the job. At the retail level, many firms have abandoned their sales forces and shifted to self-service for this very reason.
3. **Difficult to Curtail:** Advertising can be turned on and off, but the size of a sales-force is more difficult to alter.

AIDA Model

AIDA model formed by the first letters of Attention, interest, Desire, and Action. It is used by many organisations. It is described below:

- (a) **Attention:** The first task in a sales presentation is to attract the prospect's attention and to create curiosity. Here some creativity is required to attract attention. The salesman may mention some common acquaintance or he may suggest the product benefits by making some startling statement.
- (b) **Interest and Desire:** The salesman should hold the interest and stimulate a desire for the product. For



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this purpose a product demonstration can be given. The salesman must always show how the product will benefit the prospect. Sometimes, the salesmen can use a memorised sales presentation designed to cover all points set by management. Many companies regard it a poor show. But 'canned talks' have time and again proved to be effective. Nevertheless, they are used less and less today. Many firms believe that flexible sales talks can be more personal and tailored for individual customers' needs.

(c) Action:It brings achieving the desired action. It consists of obtaining the customer's agreement to buy after meeting customer's objections. The salesperson may try a trial close to test the prospect's willingness to buy. It gives the salesman an indication of how near the prospect-is to a decision. It should be noted that sales are lost simply because the salesmen fail to ask for the order. The trial close may bring out the buyer's objections. A salesman should also encourage buyers to state their buying problems so that he can meet the objections and to re-emphasise product benefits. William Stanton and others write, "The toughest objections to answer are those that are unspoken. A salesperson must uncover the real objections before being able to close a sale."

Concept of Advertising

The term advertising originates from the Latin word "adver to" which means to turn round Advertising thus denotes the means employed to draw attention to any object or purpose. It is an important element or promotion mix by which the marketer provides information regarding products and services to mass public. The Basic purpose of advertising is to persuade the public to Buy the product.

In other words "Advertising is Multidimensional. It is a form of mass communication, a powerful marketing tool a component of the economic system, a means of financing the mass media, social institution, an art form, an instrument of Business Management, a field of employment and profession.

Advantages of Personal Selling

- In the initial stage to get settled in markets, the firm can take full advantages of qualified & professional salespersons.
- Due to goal directed activity, the proportion of wastage of efforts is minimum in personal selling. Thus success rate in personal selling is higher in comparison to advertising.
- Required demonstration is possible in the personal selling product features according to the Requirement of customer can be demonstrated in his presence.
- In personal selling, Selling through effective prospecting prospective customers can be identified which is not possible in advertising.
- Personal selling Possess sound flexibility sales person can immediately redesign his presentations keeping in view the gestures postures and reactions of prospect.
- Objections & queries of prospect can be answered immediately by the salesperson
- Effective presentation & sound personality have tremendous role in getting success in personal selling
- Marketing operations may be made economical by Performance of non selling tasks from the sales person.
- CRM/Customer Relationship marketing is becoming popular day by day sales persons regularly visits the customers & can develop strong personal relations with them.

Features

1. **Personal form:** here, a face-to-face dialogue takes place. It involves an alive, immediate and interactive relationship. Hence, it is a two way communication process.
2. **Relationship:** Personal selling allows sales people to develop relationships with prospective customers. In fact, nowadays, a new term has been coined: relationship management, the underlying philosophy behind which is that it is six times more expensive to get a new customer than in maintaining the relationship with older customers.

Merits



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1. **Flexibility:** In personal selling, no standardized message is communicated to the customer (as is done in case of advertising). Hence, the salesmen have flexibility in adjusting their presentation, to fit the specific needs of individual customers.
2. **Direct feedback:** Personal selling affords the possibility of direct interaction between the salesperson and the customer. Depending on the enthusiastic, indifferent or hostile attitude of the customer toward the message, the sale message can be altered. On the spot adjustments are possible.
3. **Scope for enduring relationship:** As said earlier, firms are now trying to practise relationship management through personal selling, for ensuring brand loyalty.
4. **Minimum wastage:** In advertising, there are greater changes of wastage as the message is transmitted to all. For example, an advertisement of Monte Carlo sweaters will be seen in all Mumbai, Calcutta and Chennai if there is a telecast, on say, the Star TV channel. However,



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Unit II

Types of Market

Before delving too deep into the study of marketing, it is worth pausing to consider the different types of market that exist. Markets can be analyzed via the **product** itself, or **end-consumer**, or both. The most common distinction is between **consumer** and **industrial** markets.

Consumer Markets

Consumer markets are the markets for products and services bought by individuals for their own or family use. Goods bought in consumer markets can be categorised in several ways:

• **Fast-moving consumer goods** ("FMCG's")

These are high volume, low unit value, fast repurchase

Examples include: Ready meals; Baked Beans; Newspapers

• **Consumer durables**

These have low volume but high unit value. Consumer durables are often further divided into:

White goods (e.g. fridge-freezers; cookers; dishwashers; microwaves)

Brown goods (e.g. DVD players; games consoles; personal computers)

• **Soft goods**

Soft goods are similar to consumer durables, except that they wear out more quickly and therefore have a shorter replacement cycle

Examples include clothes, shoes

• **Services** (e.g. hairdressing, dentists, childcare)

Industrial Markets

Industrial markets involve the sale of goods between businesses. These are goods that are not aimed directly at consumers. Industrial markets include

• **Selling finished goods**

Examples include office furniture, computer systems

• **Selling raw materials or components**

Examples include steel, coal, gas, timber

• **Selling services to businesses**

Examples include waste disposal, security, accounting & legal services

Industrial markets often require a slightly different marketing strategy and mix. In particular, a business may have to focus on a relatively small number of potential buyers (e.g. the IT Director responsible for ordering computer equipment in a multinational group). Whereas consumer marketing tends to be aimed at the mass market (in some cases, many millions of potential customers), industrial marketing tends to be focused.

Characteristics of Market:-

An industry or market can be analyzed for its attractiveness to a particular company or organization on a number of different characteristics. The list below presents some of the more significant market characteristics that should be considered.

- Current market size
- Projected market growth rate
- Number of competitors, level of fragmentation
- Intensity of competition
- Technological skills required
- Production/operations skills required
- Capital requirements
- Other barriers to entry
- Seasonal and cyclical factors
- Industry profitability and returns
- Social, political, regulatory and environmental factors



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- Strategic fits with other businesses already owned

Market characteristics includes many different aspects that might need to be mentioned. In order to include the ones applicable to the product being analyzed, please use the following check list.

Consumer segments

- Households x industrial users (identify sub-sectors)
- Age groups (babies, infants, teenagers, adults, retired persons)
- Sex
- Ethnic groups
- Religious groups
- Activity groups (military, doctors, engineers, students, etc)
- Event groups (bridal market, birth market, etc)

Consumer tastes

- Sizes
- Physical properties (liquid, cream, etc.)
- Materials
- Varieties
- Styles
- Quality range
- Technical aspects

Consumer attitudes

- Perceptions on the product (ex: Many consumers in developed markets will not purchase rotten fruit as they think the fruit is rotten even if it does not affect the product taste or quality)
- Lifestyles
- Hobbies
- Risk aversion
- Cultural factors (religion, social attitudes, special celebrations, political issues)
- Evaluation
- Buying decision process (normal purchase, impulse purchase, etc.)
- Expenditures

Market segment

- Price / Quality relationships

Market competition

- Local suppliers
- Foreign suppliers
- Substitute products

Personal Selling vs. Advertising: The Cost

Advertising: has too many variables to list but the Cost of traditional advertising methods range from a Rs250/- for newspaper classified ad to a Cricket Series Sponsorship ad costing Rs 4 crore. Now Rs4 crore may seem like a lot but when you consider that this year's game snagged 18.4 crore viewers pan india, that's less than Rs.03 per person... a pretty sound investment. Advertising can reach a great many people with just one well-placed ad, making it a very attractive option.



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Personal Selling: on the other hand is actually the most expensive marketing option when you look at it in terms of cost per person. **One meeting with one client could look something like this** on a spreadsheet
Door to door selling situation :- Role Play Is Designed For It

Buying motives

The six buying motives

It can never be ignored that people buy for their own reasons, not ours.

Their reasons may not necessarily be sensible, intelligent or even rational from our perspective, but they are their reasons.

People have six motives for buying any product or service:

- 1) Desire for financial gain
- 2) Fear of financial loss
- 3) Comfort and convenience
- 4) Security and protection
- 5) Pride of ownership
- 6) Satisfaction of emotion

The six buying motives, do not come in a particular order although most prospects, especially if you are in business to business sales, are clearly looking for spending to be an investment in new business and a financial gain. Certainly in advertising, my field, that is the case at the fundamental level.

Desire for gain

Most of our prospects are going to have this as their primary motive whether they measure the financial gain directly or indirectly. If investing in advertising, as noted, then the expectation is to generate more prospects and, ultimately, profitable new customers.

If buying a new truck for a fleet a motive for gain may be the increased fuel efficiency of the truck to a reduce operating costs, lower maintenance cost or greater hauling capacity that allows for greater productivity in use. On a personal level an investment in real estate, mutual funds or other forms of direct payback for personal gain or business profit can be a dominant reason as a buying motive.

Fear of loss

While buying insurance is an obvious example of spending to avoid a loss, there are other examples. In business, a prospect who feels they are losing their market share or losing out on new opportunities may be motivated by a fear of loss. This can lead to spending to better compete. For example, a company may open a new distribution center or increase training for customer service or sales staff to defend market share.

Comfort and convenience

A few examples of personal comfort and convenience in business would be having a comfortable office chair or a reserved parking space by the front door of the office.

At an organizational level, the convenience of dealing with your company can be seen as having you being a responsive representative. As the prospect works with your company, though, the view can expand to include dealing with other parts of your company with whom the client interacts: delivery, billing, your assistant or any employee of the company.

Security and protection

Smoke alarms or a security fence are good examples of purchasing for security.

In business, keep in mind security in choosing the source of a purchase is important. There is, of course, the old famous saying in technology that no purchasing agent ever got fired for choosing to buy from IBM.

Because of previous experience, recommendation by others or brand reputation, your product or service needs to, ideally, be established as the superior overall value for purchase.



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Pride of ownership

Why does someone purchase a nicer version of anything?

The pride factor may be overt or subtle. I had a former boss who was compelled to tell everyone about his Mercedes, Corvette and boat. He was a bit extreme but he got personal satisfaction in talking about his possessions. For others pride may be very internal through a sense of accomplishment.

Satisfaction of emotion

This can be in many ways. Using the example of advertising again, you may not naturally associate advertising with satisfaction of emotion. Still, many businesses see themselves as up-and-comers, market leaders or innovators (ex: Apple). Advertising reinforces their market position to the broader public. Think about the premium paid by a company to be an Olympic sponsor. The total value of association cannot be measured in just dollars and cents.

Advertising is also used to support the morale of staff by validating the quality of their employer. Sponsorship of a Little League team shows a commitment to community by a business.

Remember, people buy emotionally not logically. In order to sell effectively, you must fix in your mind that everyone buys emotionally then rationalizes the purchase with logical reasons for their action.

An example of different buying motives

Suppose you are a contractor talking to a couple considering a kitchen remodel. Let's look at how the different buying motives can influence a purchase.

One motive for the couple may be the value added to the home (desire for gain) or the potential loss of value for keeping an outdated kitchen when it comes time to sell (fear of loss).

A remodel may make the kitchen more functional (comfortable and convenient). Updated wiring reduces fire risk or new plumbing will prevent future leaks (security and protection).

The homeowners can show off the new kitchen to friends at the end of the project (pride of ownership) and the couple can get the personal satisfaction of the beauty and style of the kitchen after the remodel (satisfaction of emotion). Depending on individual preferences, a couple may get more satisfaction from using recycled or renewable materials in the remodel.

Any one or any combination of the Six Buying Motives can come into play in this example.

Ultimately you want to get to emotional motives, a rationalization of the purchase and then the positive emotion of goodwill after the sale to have a satisfied customer and, hopefully, a strong reference for other prospects.

Being more attuned to buyers decisions and motives for buying will lead to greater sales success.

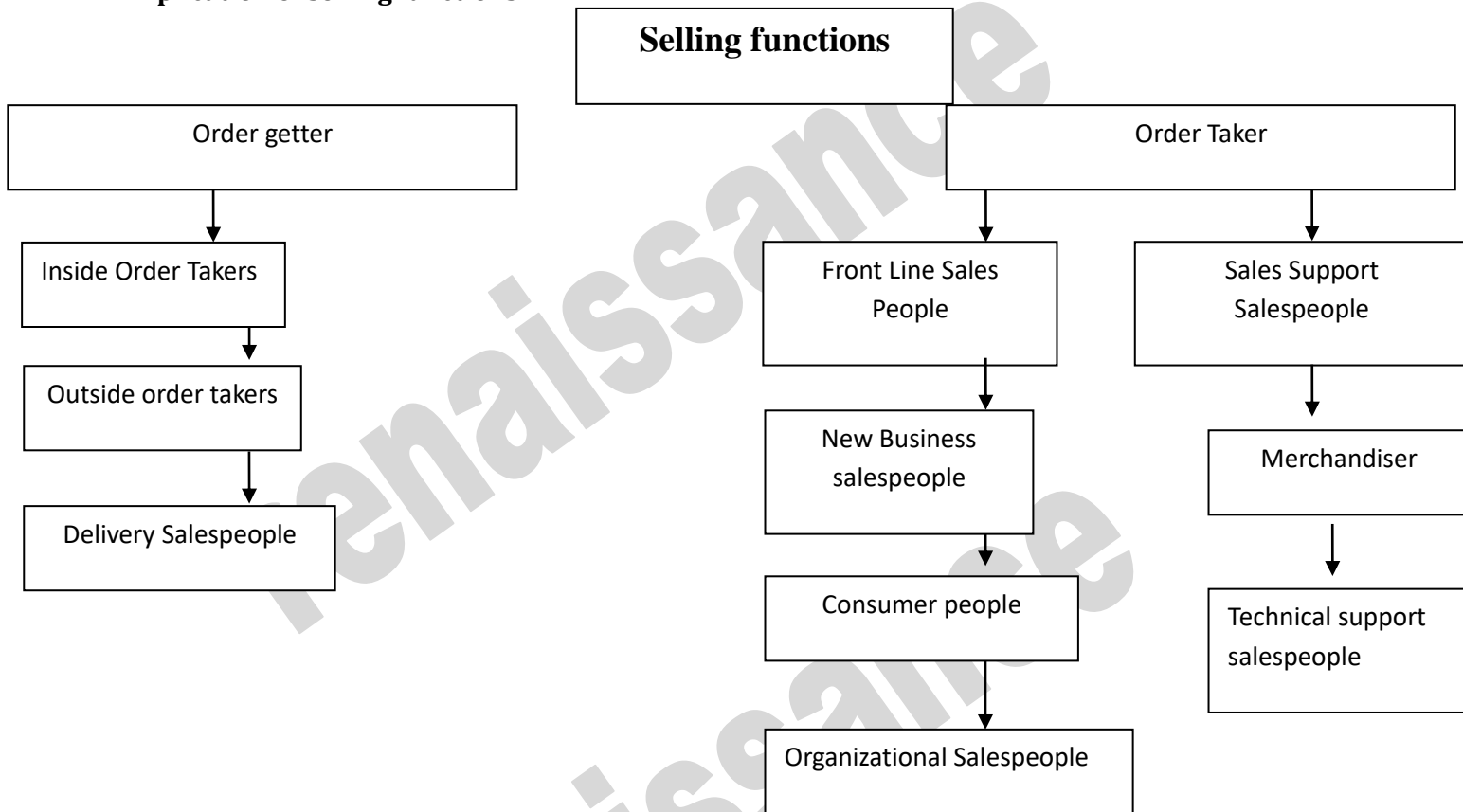
Apart from these there are also some Personnel motives of Buyers, i.e Respect, Power, Approval & Recognition.



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Implication of selling functions



SELLING FUNCTION

Complementary to the buying function is the selling function. In fact, one cannot exist without the other. Thus, for every purchase, there is a corresponding sale and vice-versa. These two marketing functions have been commonly described as functions of exchange.

Selling Function: - It is more than an economic activity. It is basic to a free society for it helps the economy grow. It does not only involve the offering of products to consumers. Rather, it is much more than that. For indeed, it revolves around three S's, namely: service, satisfaction, and self-interest. Every time a product is offered for sale in the market, a service is made available for the benefit of the consumers, that is, the benefit and advantage of being able to use the product. Where the product is able to fill in a need or a want, satisfaction is obtained by the consumer. In the end, the seller is able to serve his own self-interest, that is, more sales and more profits for him. Selling, defined Selling may be defined as the "personal or impersonal process of assisting or persuading a prospective customer to purchase a product or service, or to act favorably upon an idea that has commercial significance to the seller.

"This definition, it will be noted, has such a broad connotation as to include advertising, publicity and public relation activities, sales promotion, as well as personal selling. Selling and Marketing The difference between selling and marketing is more than semantic. This is because while selling focuses attention on the needs of the sellers and is thus preoccupied with the seller's need to convert his product or service into cash, on the other hand, marketing is concerned with the needs of the buyer and as such is responsible for providing him with satisfying goods. It should also be noted that while selling is inherent to marketing, nevertheless, it is merely a part thereof. Effective selling makes possible high output of production. A good deal of the sales efforts is done through personal selling.



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**UNIT III
PERSONAL SELLING PROCESS**

UNIT CONTENT

Process of effective selling, Prospective phase – Prospect, Qualifying, Pre Approach and Approach Phase, Presentation and demonstration phase, Handling objections & Query phase, Close the sale, Post Sale activity

Personal selling

Personal selling refers to Personal Communication with an audience through paid personnel of an organization or its agents in such a way that the audience perceives the communicator’s organization as being the source of the message.

Personal selling is a promotional method in which one party (eg sales person) uses skills & techniques for building personal relationships with another party (eg. those involved in a purchase decision.) that results in both parties obtaining values. In most cases the “value” for the sales person is realized through the financial rewards of the sale while the customer’s value is realized from the Benefits obtained by consuming the product. However getting a customer to purchase a product is not always the objective of personal selling for instance selling may be used for me purpose of simply delivering information.

- **Advertising**
- **Personal Selling**
- **Direct Marketing**
- **Sales promotion**
- **Public Relations**
- **Direct Marketing**

Definitions

Personal selling is oral presentation in a conversation with one or a more prospective purchases for purpose of making sale. It includes in person sales presentation and telesales sales meetings, samples.

American Marketing Association

Personal selling is the art of successfully persuade prospects or customers to Buy products or services from which they can derive suitable benefits there by increasing their total satisfaction.

Cundiff

Personal selling is the personal communication of information to persuade somebody to Buy something

William Stanton and malker

The personal selling process is a logical sequence of five steps. These steps are taken to deal with a prospective buyers. These are as follows:

PRESALE PREPARATION →	PROSPECTING →	PRE APPROACH BEFORE INTERVIEW →	APPROACHES TO THE CUSTOMER ↓
↑ FOLLOW UP ACTION	CLOSING THE SALE ←	HANDLING CUSTOMER OBJECTIVES ←	SALES PRESENTATION

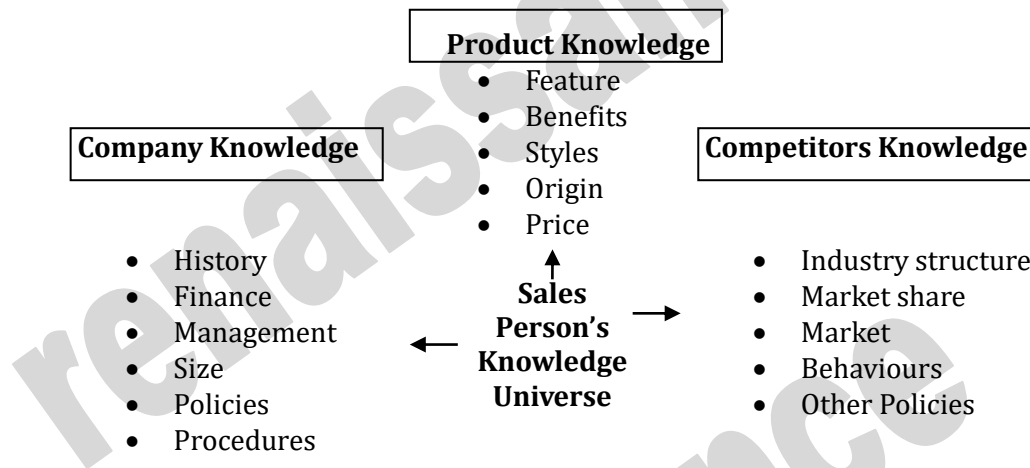
The Personal Selling Process

This process leads to some desired customer action and ends with a follow-up to ensure customer satisfaction. This process motivates customer to buy product. These are described below :



1. Pre sale preparation

In this stage, the salesperson prepare himself with adequate knowledge about the product he will sell the company he will represent, the market in which he will sell, the competitors products and prices the category of customers or segments he will target.



2. Prospecting and Qualifying: The next step in personal selling is to identify prospects. Prospecting is the process of identifying potential Buyers who have a need for the products and services offered by the company, the ability to pay for it and the adequate authority to Buy it. The salesman first identifies potential customers and then qualifies them. Qualifying consists of determining whether the customers have the necessary purchasing power, authority, and willingness to buy.

It could be done through Cold canvassing, Prospect pool, Center of influence, Observation, Trade shows demonstration, Telemarketing, Friends & Acquaintances

Methods of Prospecting or Identifying Prospective Customers:

A salesman draws up a profile of the ideal prospects by seeing the records and characteristics of good customers. From this profile a seller can prepare a list of potential customers. The following methods can be used to build the list of prospects:

- Asking current customers for the names of prospects.
- Cultivating other referral sources, such as suppliers, dealers, non-competing sales representatives, bankers, and trade association executives.
- Joining organisations to which prospects belong.
- Engaging in speaking and writing activities that will draw attention.
- Examining data sources (newspapers, directories, etc.) in search of names.
- Using the telephone and mail to find leads.

Salesmen should know how to screen out prospects. They might phone or write to prospects before visiting them.

Qualifying the Prospects: This is the process of determining whether the prospective customers have the necessary willingness, authority to buy, and purchasing power. Their volume of business, special requirements, location, and likelihood of continuous business should also be examined. The customers can be categorised as cool, warm and hot. Hot customers should be contacted first.

2. Preapproach to Individual Prospects: After qualifying the prospects, Before the sales person approaches the customers for a sale, it is necessary to develop a sales strategy by collecting customer data and combining them with the product attributes as a fit for satisfying the individual and organizational needs. A



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Pre approach selling strategy for each prospects requires a clear understanding of his personal characteristics need

salespeople should learn all they can about the customers to whom they hope to sell. This step consists of finding out what products the prospective customers are now using and their reactions to these products. Salesmen also should try find out the personal habits and preferences of a prospect. They should collect all the informations they can. This will help to adjust their presentations to individual buyers.

The salesmen should set objectives. They should decide on best *approach*, which might be a personal visit, a phone call, or a letter. The best timing should also be considered. Finally, the salespeople should plan an overall sales strategy for the prospective customers.

3. Approach to the customers-

The next step is the sales approach to the customer when the prospect is classified and the selling strategy is developed to satisfy the customer needs the salesperson comes in contract with the potential customer and makes efforts to influence them for a favorable decision.

The salesman should know how to greet the buyer, show courtesy and attention to the buyer and avoid bad mannerisms such as staring at the customer. Philip Kolter says, "The opening line should be positive and might be followed by key questions and active listening to understand the buyer and his needs better."

4. Sales Presentation

On the basis of information collected from preapproach, a salesperson can design a sales presentation. This will attract the prospect's attention, hold interest, arouse desire and stimulate action by closing the sale

Making the Presentation

- I. **Stimulus-Response Format** – (suggestive selling) keep suggesting an item until the buyer responds, like the McDonalds order taker.
- II. **Formula Selling Format** – more formal and planned, like a telemarketer
- III. **Canned Selling Presentation:** Memorized, standardized message conveyed to every prospect. Works when seller is a novice or does not know the buyer well.

Demonstrating the Sales Message: . Here the salesperson present his products & services before the prospect and makes effort to create and modify their interest into sales realization for the company while giving sales presentation, the sales person should always try to think the features and attributes of the product of with customer needs.

5. Handling customer objections

Customers make objections after or during the presentation. These objections are many time excuses for not buying. Objections normally pause the sale process because the customer either has not fully understood the product & its benefits or is not fully in agreement with the salesperson objections may take form of doubts minor objections and major objections.

6. Closing the sale

Closing the sale is the goal in any setting process for a sales person, which comes after the objections are effectively handed and the customer is satisfied with the presentation & is ready to place an order.

7. Collecting feedback and Post-sale Services: An effective selling job does not end with getting the order. Post-sale activities are essential to build customer goodwill. These services also prepare the groundwork for future business. A good salesman ensures that no problems occur in delivery, financing, installation, employee training and other areas. These services are the important source of customer satisfaction. These reduce the customer's *post-purchase anxiety* that may occur after a person makes a buying decision.

In this final stage of selling process, a salesman can minimise the customer's dissatisfaction by (a) stating the product's



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benefits, (b) emphasising why the product is better than its alternatives, (c) explaining how happy the customer will be with the product purchased.

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UNIT IV

QUALITIES OF A SALES PERSON With Particular Reference To Consumer Service Selling As A Carrier
Philip Kotler has identified two basic qualities of a good salesperson namely, empathy and persuasion. But others have listed more. Some of the qualities of a good salesperson are as follows:

1. **Physical Quality:** A salesperson should have a good appearance and an impressive personality. He should also have a sound health.
2. **Mental Quality:** A good salesperson should possess certain mental qualities like imagination, initiative, self confidence, sharp memory; alertness, etc. He should be able to understand the need and preferences of the customer.
3. **Integrity of Character:** He should possess the qualities of honesty and integrity. He is to gain the confidence of the customer. He should be loyal to the employer as well as to the customer.
4. **Knowledge of the product and the company:** He should be able to explain each and every aspect of the product i.e. its qualities, how to use it, what precautions to be taken, etc and the company he is representing.
5. **Good behavior:** A salesman should be cooperative and courteous. Good behavior enables one to win the confidence of the customers.
6. **Ability to Persuade:** A good salesperson should be good in conversation so that he can engage the person he is attending. He should be able to convince him and create the desire in mind to possess the commodity. Very few products of any type actually sell themselves. They must be sold. Your salesperson must have the ability to get people to agree. There are situations when persuasiveness may vary keeping in view the consumer's response.
7. **Flexibility of approach:** He should interact with the customer with a flexible approach i.e. try to persuade different type of customers with different reasons.
8. **Risk Taker:** A salesperson should take a calculative risk while selling the product or service.
9. **Clearly defined goals and purposes**
10. **Ability to estimate customer's needs and desires:** He or she is alert and quickly determines what the customer wants and the best way to sell.
11. **Ambition:** He or she likes to do a good job and is interested in getting ahead with the company.
12. **Appearance:** Appearance means a lot today and the successful salesperson is neat and organised. He or she presents himself or herself well in person. Also, he or she keeps his or her desk, books and manuals neat and ready for use.
13. **Business Sense:** He or she understands that you are in business to make a profit and quickly learns the ins - and - outs of the organisation.
14. **Courtesy:** He or she reveals a sincere desire to help customers and treats them as guests even when he or she visits their places of business.
15. **Creativeness:** Imagination, vision and the ability to create ideas make a salesperson dynamic.
16. **Curiosity:** He or she wants to learn all he or she can about his or her products and customers.
17. **Enthusiasm:** There is nothing that can drain away a prospect's buying interest more than a half-dead salesperson. Dullness should be left at home. A salesperson must radiate enthusiasm during and after the sales call.
18. **Figure Sense:** He or she should have the mathematical ability to figure and fill up order form correctly and to make the necessary reports.
19. **Flexibility:** A good salesperson is able to adapt himself or herself to a variety of customers. Each contact may require adapting the sales talk, speech habits and even appearance.
20. **Friendliness :** A salesperson should be able to make people like him or her and he or she must like to meet people
21. **Handwriting:** He or she must write legibly so that his or her paper work can be readily understood by his or her office people and by his or her customers.



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22. Health: Good health generates energy and energy is needed to sell. Poor health prevents many salespersons from fulfilling their potentials.
23. Interest in job: He or she likes selling and working for the company. .
24. Motivation: He or she must have more than just an interest in selling. Psychologists have found certain predominant patterns in people who have become really successful salesperson. They live in the present and not in the future. They do want power over others and prefer not to work under close supervision.
25. Originality: He or she is constantly searching for new ideas to be used in selling the products and suggests better ways of doing things.
26. Persuasiveness: Very few products of any type actually sell themselves. They must be sold. Your salesperson must have the ability to get people to agree. There are situations when persuasiveness may vary keeping in view the consumer's response.
27. Positive: His or her maturity is reflected in his or her behavior. He or she should be positive, confident, energetic and business like. He or she should be able to demonstrate to the customers that he or she knows what he or she is talking about.
28. Self-control: He or she can handle difficult people and situations calmly.
29. Self-starter: Your salesperson works well without constant supervision and is able to make decisions on his or her own.
30. Speech: He or she can speak clearly and maturely in a natural tone. He or she can emphasize sales points with sincerity and friendliness

CHARACTERISTICS OF A SUCCESSFUL SALESMAN

There are a few natural skills that are of great benefit if they already exist within those that want to be successful in sales. Without these, success will take a longer time but it can still be achieved. If there is no desire and dedication to learning or developing these skills, then the selling will be much more difficult and often very stressful.

1. Effective Communicator: Communication covers a lot of territory. Sales is all about talking to people and getting them to understand what you are trying to communicate.
2. Ability to Listen: Along with speaking, a great salesperson knows when to stop talking and listen. They never cut someone off while they are talking, because in doing so they would fail to hear a key element in identifying what that person's needs might be.
3. Asks Great Questions: Salespeople are naturally inquisitive and know that in order to isolate what the real need or desire is in the buyer, they need to ask questions that will lead them to the answer. They naturally ask questions because they have a desire to help solve their problem.
4. Problem Solver: Another natural skill is the desire and ability to solve problems. Great salespeople are always solving problems. The ability to know what the buyer's problem is and offering suggestions that will effectively solve the problem with respect to what products or services you sell, generally results with a sale.
5. Well Organized: Sales people have a keen ability to break things down into smaller steps and organize a plan of action. They know how to analyze what their goal is and in what order the steps need to be in order to reach that goal.
6. Self-Starter and Self-Finisher: A successful sales person moves forward on their own. They never need anyone to tell them when it is time to go to work because they know that if they do not work they will not earn. They are also very persistent to finish what they start. They achieve their goals, even if they are small ones.
7. Positive Self Image: Having the attitude that they can do just about anything that they put their mind to is usually very common among sales people. They do not cower from meeting or talking to people or trying something new. They rarely allow negatives that are either spoken to them or about them to effect what they are trying to accomplish because they know who they are and what they are capable of doing.



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8. **Well Mannered and Courteous:** The best sales people are very well mannered. You may not realize it, but good manners are a way of showing respect for others. People are attracted to those that respect them and mutual respect is fundamental in building lasting relationships with people, including buyers.
9. **Naturally Persuasive:** Another very common inherent skill with great salespeople is that they are very persuasive or know how to get what they want. They focus on what they want and they are persistent to keep chipping away until they get what they want. They almost never give up or give in.
10. **Person of Integrity:** A salesperson without integrity will have many struggles which will often include hopping from job to job. Honesty in sales is so important and it is almost impossible for this skill to be taught.

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Unit V

Personal Selling: Features, Merits, Role and Importance

Read this article to learn about the meaning, definition, features, merits, role and importance of personal selling!

Personal Selling is a personal form of communication where direct face to face conversation takes place between the buyer and the seller for the purpose of exchanging goods and services. Salespersons are appointed by the companies to create awareness and develop preference about their products with the eventual aim of making sale.

Features of Personal Selling:

The main features of personal selling are:

1. Personal Form:

Personal Selling is a personal form of communication which involves an interactive relationship between the seller and the buyer.

2. Development of Relationship:

Personal selling ensures development of relationship between the sales person and the prospective customer. This helps in making sales. It is seen that in some cases, despite knowing some shortcomings of a product, customer tend to purchase it simply because of personal relationship with the seller.

Merits of Personal Selling:

Main advantages of personal selling are as follow:

1. Flexibility:

Personal selling allows a lot of flexibility; sales presentation can be easily modified or adjusted according to the requirements of an individual customer.

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2. Direct Feedback:

It facilitates prompt feedback because of direct face to face communication between the buyer and the seller. This feedback helps in bringing necessary changes in the sales presentation.

3. Minimum Wastage:

Before starting with the personal selling, the company can choose the type of customers it has to deal with & prepare the presentation according to same. This results in reduction of wastages.

Role of Personal Selling:

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Personal selling is an important tool in the marketing of goods and services. Its importance to the businessmen, customers and society is discussed below.

Importance to Businessmen:

It is helpful to businessmen as follows:

1. Effective Promotional Tool:

Personal selling is an effective promotional tool in the hands of businessman for increasing sales. Salesman provides information about the various features and advantages of his product as well as about market developments.

2. Flexible Tool:



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Personal selling is the most flexible tool of promotion. Sales presentation is adjusted according to the requirements of the customer.

3. Minimises Wastage of Efforts:

Personal selling involves minimum wastage of efforts as compared to other tools of promotion.

4. Customer Attention:

The level of customer attention and interest can easily be assessed under personal selling. Thereafter, the presentation can be modified appropriately.

5. Lasting Relationship:

Personal selling aims at developing good and long lasting relationship between salesperson and the customer to increase sales in line with WIN-WIN philosophy.

6. Personal Rapport:

Competitive strength of a business organisation increases with the development of personal rapport between its salespersons and prospective customers.

7. Role in Introduction Stage:

By describing the merits of a product and persuading the customer to purchase it, salesperson helps in introducing a new product in the market.

8. Link with Customers:

By playing persuasive, servile and informative role, salesperson help in linking business firm to its customers.

Importance to Customers:

It is important to customers as follow:

1. Helps in Identifying Needs:

It helps in identifying the needs & wants of the customers so that they can be satisfied by getting best products.

2. Latest Market Information:

Under personal selling, customers are provided with information regarding availability or shortage of product, introduction of new product etc.

3. Expert Advice:

Expert advice and guidance can be provided to the customers while purchasing various goods and services.

4. Induces Customers:

Personal selling induces customers to buy new product in order to satisfy their needs in a better way.

Importance to Society:

It is also important to society as follow:

1. Converts Latest Demand:

Personal selling helps in converting latest demand into effective demand. This results in more production, and hence leads to increase in GDP.

2. Employment Opportunities:

It provides opportunity to unemployed people to work as salespersons for earning income.

3. Career Opportunities:

Personal selling ensures attractive career, job satisfaction, respect, variety, security etc.

4. Mobility of Sales People:

Travel and tourism in the country get promoted by the mobility of the people from one place to another.

5. Product Standardisation:



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Personal selling ensures uniformity in consumption by selling standardized products.

Personal Selling: Meaning, Concept and Need (With Diagram)

Read this article to learn about the meaning, concept, features and need of personal selling.

Meaning of Personal Selling:

Personal-selling or salesmanship are synonymous terms; with the only difference that the former term is of recent origin, while the latter term has been traditionally in usage, in the commercial world.

Since a salesman, in persuading a prospect to buy a certain product, follows a personal approach; salesmanship, in the present-day-times is often popularly called as personal selling.

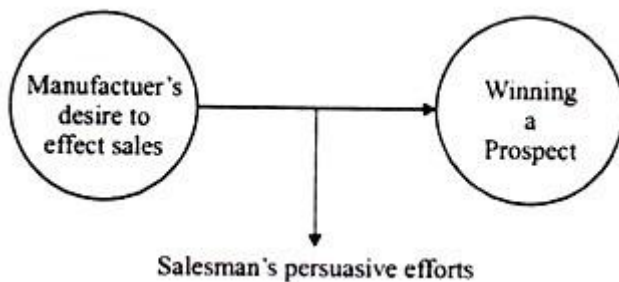
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Personal selling (or salesmanship) is the most traditional method, devised by manufactures, for promotion of the sales of their products. Prior to the development of the advertising technique, personal selling used to be the only method used by manufacturers for promotion of sales. It is, in fact, the forerunner of advertising and other sales promotion devices.

Concept of Personal Selling:

Personal selling might be defined as follows:

Personal selling is a face-to-face contact between the salesman and the prospect; through which the salesman persuades the prospect, to appreciate the need for the product canvassed by him – with the expectation of a sales-transaction, being eventually materialized.



Following are given some popular definitions of salesmanship:

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(1) "Salesmanship is the art of presenting an offering so that the prospect appreciates the need for it and a mutually satisfactory sale follows."

—Philips and Duncan

(2) "It is the part of a salesman's' business to create demand by demonstrating that the need does exist, although before his visit there was no consciousness of that need."

—W. Major Scott

Features of Personal Selling:

Some important features of personal selling are given below:

(i) Personal selling involves a face-to-face contact between the salesman and the prospect.

(ii) It is an art of persuading the prospect, to appreciate the need for the product canvassed by the salesman, in a democratic, cordial and social manner. This, then, requires outstanding qualities in a salesman; specially the proficiency in selling skills and techniques.

(iii) In personal selling, the emphasis is on the development of permanent and lasting relations with prospects. If a prospect is won; a sales transaction might materialize with him subsequently in future. Obtaining an immediate sale may be the natural ambition of a salesman; it should never be his target.

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(iv) A salesman sells product, by first selling his own idea or viewpoint to the prospect. Personal selling, therefore, is the art of convincing the prospect and influencing his mind, in a favourable way.

(v) Personal selling requires a flexible approach; on the part of the salesman i.e. the salesman should modify his approach in persuading the prospect, in view of the psychology, needs and resources of the prospect.

(vi) The ultimate goal of personal selling is mutual satisfaction of the interests of both – the salesman and the prospect.

Need for Personal Selling:

Despite the dominance of advertising, in the present day commercial world, personal selling still occupies its unique place; co-existing with advertising.

Some of the reasons for the need of personal selling are as follows:

(i) Requirements of Product Demonstration:

There are certain products which require a demonstration, for purposes of explaining their use, manner of their handling and the precautions required in using them. This requirement for product demonstration necessitates personal selling; as no advertising media cannot undertake this work.

A good instance of products requiring demonstration is a washing machine, used in households. A salesman is required for explaining the operation of a washing machine to housewives.

(ii) Illiterate Prospects:

Where a manufacturer is interested in selling some of his products to prospects, who, by and large, are literate; personal selling is necessary. Illiterate prospects could not be expected to appreciate the need and utility for a product-just through advertising.

Salesmen are needed to approach such illiterate prospects, who would explain the usefulness of the products to them, in a convincing style.

(iii) Traditional Necessity of Personal Selling:

There are cases of products, where advertising is not usually done; partly due to the technical or specialized nature of products and partly due to traditions. In cases of such products, therefore, personal selling is necessitated to meet the requirements of tradition prevalent in particular trades. Examples of such products as require personal selling are:

(1) Medicines, where salesmen (called medical representatives) still go from doctor to doctor or from hospital to hospital, canvassing new medicines manufactured by their pharmaceutical companies.

(2) Industrial goods (like new machines or spare parts), where salesmen visit various industrial houses and convince the industrialists, of the utility of the new industrial goods manufactured by their companies.

(iv) Emergence of an Entirely New Type of Product:

In case of innovations, i.e. entirely new types of products, manufactured by a producer, salesmen are appointed by the producer to publicize such new products to prepare a base for demand creation. Then, through subsequent advertising, by the manufacturer, demand base is further expanded.

(v) Need to Develop Relations with Customers:

Personal selling helps a manufacturer to develop good relations with customers/prospects. Through advertising alone, development of relations with customers is not possible. This factor again necessitates personal selling and accounts for its survival, in the present-day times.

(vi) Source of Marketing Research Data:



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Salesmen, because of their interactions with customers, prospects, dealers etc., are able to provide valuable data to the manufacturer about market trends, consumer preferences, degree of market competition etc.; which are utilized for marketing research purposes.

Some of the manufacturers appoint salesmen precisely for this purpose, besides expecting them to create more sales. This factor, therefore, becomes a modern factor necessitating salesmanship; and accounting for its survival under the modern marketing conditions.

(vii) To Remove Misconceptions Caused by Competitive Advertising:

In the modern marketing world, competitive advertising has become so aggressive that one competitor would not hesitate in defaming the products of others for the sake of building a reputation for his own product.

A manufacturer, through salesmanship can plan to remove such misconceptions from the minds of prospects (caused by competitive advertising), by making them available true facts and merits of his products through his own salesmen.

Need for personal selling – at a glance

1. Requirements of product demonstration
2. Illiterate prospects
3. Traditional necessity of personal selling
4. Emergence of an entirely new type of product
5. Need to develop relations with customers
6. Source of marketing research data
7. To remove misconceptions caused by competitive advertising

Theories of Personal Selling

There has been a lot of research by behavioural scientists and marketing scholars to examine whether selling is an art or science and various theories have been developed to explain the buyer-seller buying process. The process of influencing others to buy may be viewed from four different angles on the basis of different theories: thus there are four theories of selling viz.

1. AIDAS theory of personal selling
2. "Right Set of Circumstances" theory of selling

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3. "Buying Formula" theory of selling
4. "Behavioral Equation" theory

The first two of the four above-mentioned theories, are seller oriented and the third one is buyer's oriented. The fourth one emphasizes the buyer's decision process but also takes the salesperson's influence process into account.

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AIDAS Theory of Selling:

This theory, popularly known as AIDAS theory (attention, interest, desire, action and satisfaction), is based on experimental knowledge. This theory is very common.

According to this theory potential buyer's mind passes through the following stages:

1. Attention Getting:

It is the crucial step in the AIDAS process. The objective is to put the prospect into the right state of mind to continue the sales talk. The salesperson has to convince the prospect for participating in the face-to-face interview. A good beginning of conversation may set the stage for a full sales



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presentation. The salesperson must apply his social and psychological skills to draw the attention of the prospect to his sales presentation.

2. Interest Creating:

The second step is to intensify the prospect's attention so that it involves into strong interest. To achieve this, the salesperson has to be enthusiastic about the product. Another method is to hand over the product to the prospect and let him handle it. Brochures and other visual aids serve the same purpose. Throughout the interest phase, the hope is to search out the selling appeal that is most likely to be effective.

3. Desire Stimulating:

After the attention getting and creating interest, the prospect must be kindled to develop a strong desire for the product. This is a ready-to-buy point. Objection from the prospect will have to be carefully handled at this stage. Time is saved and the chances of making a sale improved if objections are anticipated and answered before the prospect raises them.

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4. Action Inducing:

If the presentation has been perfect, the prospect is ready to act, that is, to buy. Very often there may be some hesitation on the part of the prospect at this stage. The salesperson should very carefully handle this stage and try to close the deal effectively. Once the buyer has asked the seller to pack the product, then it is the responsibility of the seller to reassure the customer that the decision was correct.

5. Satisfaction:

The customer should be left with the impression that the salesperson merely helped in deciding. After the sale has been made, the salesperson should ensure that the customer is satisfied with the product. The salesperson should sense the prospect's mind and brief his talks.

"Right set of circumstances" Theory of Selling:

It is also called the "situation-response" theory. It has its psychological origin in experiments with animals. The major emphasis of the theory is that a particular circumstance prevailing in a given selling situation will cause the prospect to respond in a predictable way. The set of circumstances can be both internal and external to the prospect. This is essentially a seller-oriented theory and it stresses that the salesman must control the situation in such a way as to produce a sale ultimately.

"Buying Formula" Theory of Selling:

The buyer's needs or problems receive major attention, and the salesperson's role is to help the buyer to find solutions. This theory purports to answer the question: What thinking process goes on in the prospects's mind that causes the decision to buy or not to buy? The name "buying formula" was given to this theory by strong.

The theory is based on the fact that there is a need or a problem for which a solution must be found which would lead to purchase decision, as shown below:

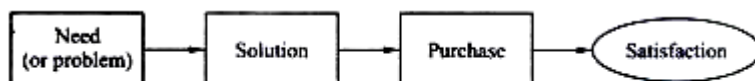


Fig. 21.1

Whenever an individual feels a need, he is said to be conscious of a deficiency of satisfaction. The solution will always be a product or service or both and they may belong to a producer or seller. The buyer develops interest in buying a solution.

In purchasing, the "solution" involves two parts:

1. Product or service or both,



2. The brand name, manufacturer or the salesperson of the particular brand name:

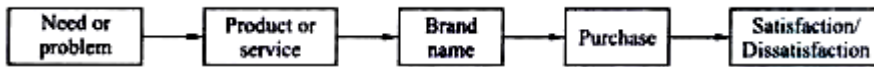


Fig. 21.2

The product or service (Brand name) must be considered adequate to satisfy the need and the buyer must experience a pleasant feeling or anticipated satisfaction. This ensure the purchase.

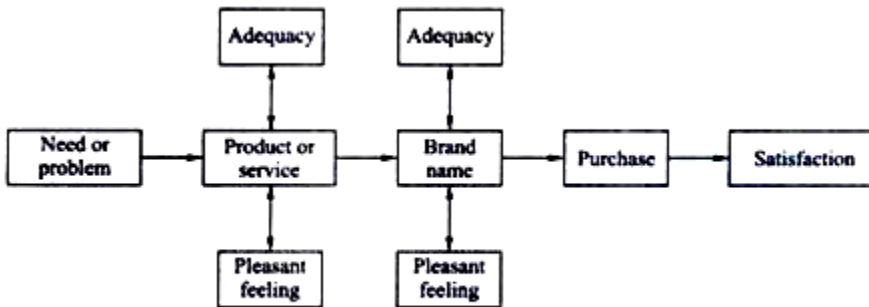


Fig. 21.3

Behaviour Equation Theory of Selling:

This theory is a sophisticated version of the “right set of circumstances” and this theory was proposed by Howard, using a stimulus response model and using large number of findings from behavioural research. This theory explains buying behaviour in terms of purchasing decision process, viewed as a phase of the learning process, four essential elements of learning processes included in the stimulus response model are drive, cues, response and reinforcement, which are given below, in brief:

1. Drive is a strong internal stimuli that impel buyers’ response. Innate drives stem from psychological needs and learned drives such as striving for status or social approval.
2. Cues are weak stimuli that determine when the buyer will respond. Triggering cues activate the decision process whereas new triggering cues influence the decision process.
3. Response is what the buyer does.
4. A reinforcement is any event that strengthens the buyers’ tendency to make a particular response.

Howard believed that selling effort and buying action variables are multiplicative rather than additive.

Therefore, Howard incorporated these four elements into a behavioural equation that is:

$$B = P \times D \times K \times V$$

P = Response or internal response tendency, i.e. the act of purchasing a brand or a particular supplier.

D = Present drive or motivation level

K = “Incentive potential” that is, the value of product or brand or its perceived potential value to the buyer.

V = Intensity of all cues: triggering, product or informational.

Difference Between Advertising and Personal Selling

April 5, 2017 By [Surbhi S Leave a Comment](#)



Advertising is one of the widely used techniques of promotion, wherein modes like television, radio, newspapers, internet, etc. are used for creating demand or interest of the customers towards the product or services offered by the company. On the other hand, personal selling is the verbal communication of the message, to one or more customers, so as to create sales.

Both advertising and personal selling are two major elements of promotion mix, which is employed by the organization to reach communication objectives. Advertising differs from personal selling, in the fact that the former is a monolog activity, but the latter is dialogue. To further comprehend the difference between advertising and personal selling, take a read of the article given below.

Comparison Chart

BASIS FOR COMPARISON	ADVERTISING	PERSONAL SELLING
Meaning	Advertising is a means of communication, which calls customer's attention towards the product or service, through mass media.	Personal selling refers to a form of promotion, wherein the sales representative sells the product to customers, by directly visiting them.
Communication	One-way communication	Two-way communication
Form	Impersonal form of communication	Personal form of communication
Strategy	Pull strategy	Push strategy
Message	Standardised	Customised
Channel	Mass media	Sales personnel
Time	Conveys message to a end number of individual in less time.	Conveys message to a few customers only in relatively high time.



BASIS FOR COMPARISON	ADVERTISING	PERSONAL SELLING
Feedback	Lacks direct feedback	Facilitates direct and instant feedback

Definition of Advertising

Advertising can be defined as the act of drawing the attention of the target audience, towards a product or service. It is an impersonal, paid message, delivered to the general public with the sole aim of creating demand for the product and thus increasing sales. It has a great role to play in marketing, to make people aware of the product.

The sponsors of the advertisement, have full control over it. The advertising message is aired through various channels like radio, television, magazines, newspapers, posters, billboards, websites, blogs, apps, text messages, social networks, e-mail, etc.



Advertising aims at creating such an image in the minds of the audience, that they are instigated to purchase that product. The greatest advantage of advertising is its range, i.e. it reaches a large number of people in one go.

Definition of Personal Selling

Personal Selling, as the name signifies, is a promotional tool, where companies use sales force, to increase sales of product and services.

Under personal selling, there is a face to face meeting between the clients or customers and the sales representative, wherein the representatives visit customers personally, so as to transact a sale, by offering and inducing them to make a purchase. Personal Selling involves developing a strong relationship with customers, discovering their needs and providing them such products, which satisfy their needs.

The process requires huge workforce to cover the entire market. Moreover, proper training is also an important requirement of this process, to deal with different types of customers and instigating



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them to buy the product.

Key Differences Between Advertising and Personal Selling

The fundamental difference between advertising and personal selling, are as follows:

1. Advertising alludes to paid form of communication, which commercializes product or service, offered by an identified sponsor, to increase sales. On the other hand, a form of promotion, wherein the sales personnel sells the product to customers, by directly visiting them, is known as personal selling.
2. While advertising is a one-way communication, wherein the message is transmitted to the customers, personal selling is a two-way communication, wherein the message is transmitted to customers, as well as feedback is provided simultaneously.
3. Advertising is a non-personal form of communication the message reaches the target audience after it is being aired. On the contrary, personal selling, as the name suggest involves salesman visit to customer's place individually, which is a personal form of communication.
4. Advertising uses pull strategy, which draws public attention and persuades them to buy the product. As against, personal selling uses push strategy, which induces them to buy the product.
5. In advertising, the flexibility is missing, as the message is standardized and cannot be changed according to customers. In contrast, personal selling uses customized messages.
6. Advertising uses mass media, like radio, television, hoardings, the internet, blogs, apps, newspaper, etc. On the flip side, in personal selling, salesman delivers the message, personally to the target audience.
7. Advertising conveys a message to end number of individual in less time. As against this, personal selling conveys the message to a few customers only in relatively high time.
8. There is a lack of feedback in advertising, whereas, in personal selling, feedback is always present.

Conclusion

There are hundreds of advertisements, that we go through almost every day, that are used for commercial or social purposes. These are messages, which reach us through various mediums, though we do not recognize them they are present.

Personal selling involves direct contact between the seller and buyer. It is one of the best technique used for business customers.

[Ad](#)