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## UNIT 2 PERSONAL SELLING

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### Objectives

The objectives of this unit are to help you:

- define personal selling
- evaluate the importance of personal selling under different conditions
- explain the nature and type of activities involved
- describe its' complimentary role in marketing strategy
- describe the selling process

### Structure

- 2.1 Introduction
- 2.2 The Growing Importance of Personal Selling
- 2.3 Situations Conducive for Personal Selling
- 2.4 The Changing Roles of Sales Persons
- 2.5 Diversity of Selling Situations
- 2.6 Qualities of a Good Sales Personnel
- 2.7 The Scope of Activities in Sales Situations 2.8 Summary
- 2.9 Key Words
- 2.10 Self-assessment Questions
- 2.11 Further Readings

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### 2.1 INTRODUCTION

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The terms 'personal selling' and 'Salesmanship' are often used without distinction. However there are some vital differences between the two terms.

Salesmanship is Seller initiated effort, that provides prospective buyers with information and motivates them to make favourable decisions concerning the seller's products or services. 'Personal Selling' is a highly distinctive form of promotion. It is basically a two way communication involving not only individual but social behaviour also. It aims at bringing the right products to the right customers.

It takes several forms. including calls by company's sales representative, assistance by a sales clerk, an informal invitation from one company executive to another.

It is employed for the purpose of creating produce awareness, stimulating interest, developing brand preference, negotiating price etc.

Thus keeping in view the diversified nature of personal selling, we would discuss in this unit the. growing importance of personal selling, its changing role, functions and process.

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### 2.2 THE GROWING IMPORTANCE--OF PERSONAL SELLING

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The increase in complexity of products has increased the importance of personal selling\_ Manufacturers of highly technical products such as computers, electronic typewriters, digital phones, microwave kitchen appliances, remote control equipments etc. depend more heavily on personal selling than do grocery or toiletry products manufacturers.

Ever growing competition from, domestic and foreign sources have also increased the importance of sales persons in the marketing effort of a firm. In personal selling company's sales persons are often referred to as sales representative, salesman or sales girl they remain on the company's payroll or work on commission basis or both to push the product in the market by positively motivating the prospective customer through oral presentation or demonstrating. the product in question.



Consumers want all sorts of goods and services but inertia may keep them from buying. Sales efforts stimulate the consumption process by reducing people's inherent reluctance to make purchase decision. In fact sales person act as catalyst in the market place..

When the nature of the product is such that the buyer needs special information, in order to use it properly, sales representative acts as a consultant to consumer, to apprise them of products technicalities and usage. Sales persons also work out the details of manner and timing of given physical possession.

In case of industrial products, the promotion mix mostly consist of personal selling rather than advertising. Being high value and complex product, personal contact with the customer is essential to convince him of the product's quality and utility.

On the other hand, consumer product companies use personal selling together with advertising, to influence prospect to try their brand. But tersonal selling in this case cannot substitute for advertising, it can only be used tactically to intensify marketing effort, mainly because it is expensive.

Personal selling is more effective during product launching stage.

For example: McDowell, used personal selling tactics during launching of soft drink "SPRINT" in Delhi.

Similarly Eureka Forbes a manufacturer of appliances which includes vacuum cleaner and a number of home care appliances adopted personal selling for its premium product vacuum cleaners. Since the vacuum cleaner is a high value product and the concept is fairly new to the Indian market, demonstration is necessary to convince buyers, and personal selling has successfully achieved this. Other Companies e.g. Johnson and . Johnson for its product in the so called `embarrassment' category, like sanitary napkins or contraceptive used personal selling successfully.

During the product launching stage companies selling products like Richbru Coffee, Signal Toothpaste, Surf, Dalda etc. utilised personal selling efforts.

The importance of Personal Selling in the Indian context stands out due to the following factors:

In the absence of the availability of all India media many companies find it expedient to extensively use personal selling to achieve their promotional objectives.

Companies which cannot afford a large outlay for advertising on a regular basis also find personal selling a more reliable method.

The vast network of our distribution system needs the support of the manufacturer sales force for market combing as well as development.

Low levels of literacy and lack of adequate customer education regarding various products, make personal selling a very effective method in product adoption particularly in the rural markets.

Orientation of Indian Consumers are such that they want the best value for their money, owing to high marginal value of rupee, which necessitates personal selling.

The factors discussed above individually or in combination make personal selling an integral part of the communication mix of the company.

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### **2.3 SITUATIONS CONDUCTIVE FOR PERSONAL SELLING**

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In certain marketing situations, personal selling provides an effective and efficient solution to most of the selling problems. However its economic efficiency relative to other element of the marketing mix needs to be thoroughly appraised.

Now we will discuss some of the situations when personal selling in a company becomes more relevant.

#### **1) Product Situation**

Personal Selling is relatively more effective and economical in case:



- a) When a product is of a high unit value like xeroxing machine, computers etc.
- b) When a product is in the introductory state of its life cycle and require creation of core demand.
- c) A product requires personal attention to match specific consumer needs e.g. insurance policy.
- d) Product requires demonstration e.g. most of the industrial products.
- e) Product requires after-sales service.
- f) Product has no brand loyalty or very poor brand loyalty.

### Market Situation

Personal selling situation can be best utilised when:

- a) A company is selling to a small number of large-size buyers.
- b) A company sells in a small-local market or in government or institutional market.
- c) Desired middle men or agents are not available.
- d) An indirect channel of distribution is used for selling to merchant-middlemen only.

### Company Situation

Personal selling is relatively more effective and economical when:

- a) The company is not in a position to identify and make use of suitable non-personal communication media.
- b) A company cannot afford to have a large and regular advertising, outlay.

### Consumer Behaviour Situation

Personal selling is more effective when:

- a) Purchases are valuable but infrequent.
- b) Consumer needs instant answers to his questions.
- c) Consumer requires persuasion and follow-up in the face of competitive pressures.

## 2.4 THE CHANGING ROLES OF SALES PERSONS

Now we would discuss, the changing role of sales persons. Owing to the increasing importance of personal selling in recent times, the concept of personal salesman has undergone a seachange from a fast talker to consultant.

Now before discussing the selling styles one point should be noted that only well-developed and established companies have reached to consultant stage level, every selling task does not require this. Still one or more than one strategies of personal selling discussed here are used in Indian companies. Table 1 shows-the activities relevant to the use of each strategy.

**Table 1**

### The Changing Roles of the Sales Representative

Strategies for Selling Business Management	Activities
Client Profit-Planning Strategies	<ul style="list-style-type: none"> <li>• Manage accounts and Territory strategies as a strategic business unit</li> <li>• Invest time and expenses in the most profitable opportunities</li> <li>• Sell to meet the clients total system and long term needs. Be a consultant</li> <li>• Become part of the clients' plan</li> <li>• Expand to other department</li> <li>• Find new uses for your product</li> <li>• Services are an important part of the offer at this point.</li> <li>• The customer become a client.</li> <li>• Perceive, classify and serve the customer's needs.</li> <li>• The product is adjusted to meet the customer's need.</li> <li>◦ The representative understands the immediate and narrow needs of the customers.</li> </ul>
Negotiation Strategies	



- Persuasion Strategies
- The representative tries to fit the customers into the existing product mix by skillfully overcoming objections.
- Communication Strategies
- The representative is a personal communicator, providing product and service information close to the point of the buying decision

**Adapted From :** M. Haven, J. Cribben and H. Keiser, Consultative Selling American Management Association, Inc. New York, 1970 eds., G.D. Huges and C.H. Singler 'Strategic Sales Management' Addison-Wesley Publishing Co. London, 1983, Page 7.

### Communication Strategies

At the lowest level of personal selling, the sales representative is an alternate medium for communicating information about the product or service offered by company. The only strategy appropriate for increasing sales at this level is walking more and talking more. There is little reason to use representatives as a communication medium when there are alternative mass communication media like press, radio, television available.

### Persuasion Strategies

The persuasion level requires the sales representatives to go beyond the role of a mere communicator to the role of understanding at least the immediate and narrow needs of the customers. At this stage, the sales representative tries to fit the customer into the existing product or service mix by skillfully anticipating and overcoming objection. This is what Indian market is experiencing.

### Negotiation Strategies

During negotiation, the product and commercial terms are adjusted to meet the customer's needs rather than just attempting to skillfully overcoming objections as practiced in previous stages. The critical skill at this stage of selling is analysing and understanding the customer needs and determining how the company's products and services can meet these needs. At this point, the customer becomes a client and the process of consultative selling begins.

### Client Profit-planning Strategies

In India, client profit-planning strategy is applicable in industrial product selling. The representative is put to work with clients team to learn about profit-planning system, product, finance, marketing, research and development and future plans etc. so that the product meeting the client's needs could be developed.

### Business Management Strategies

At this stage professional representative is responsible for managing territory as a strategic business unit-investing time and expenses in most profitable manner. Few Indian Companies are using a system of national account management (like Modi Xerox) in which manager is responsible for all sales to a few key accounts. Territory representatives along with sales managers and accounts managers develop business strategies and bottom line responsibility to meet objectives of the organisation.

## 2.5 DIVERSITY F SELLING SITUATIONS

All of us being consumers often come across variety of selling situations. Differences in marketing factors cause each company to have individualised selling styles. Each different type of selling job requires the sales person-to perform' a variety of different tasks and activities under different circumstances. The job of a soft drink driver salesperson who calls in routine fashion on a number of retail stores is different from that of a computer sales person who sells a system for managing information to executive of a consultancy firm.

Before categorising sales persons into basic selling styles, one convenient way to classify, the many different types of sales job is to array them on the basis of the creative skill required in the job, from simple service - or repeat order selling to the complex developmental selling. Let us now discuss the different kinds of selling positions prevalent 'in Indian companies.



### **Delivery Sales person**

The primary job of the delivery sales person is to deliver the product e.g., soft drink, bread, milk etc. The selling responsibilities are secondary. Good service and a pleasant personality may lead to more sales.

### **Inside Order Taker**

The retail sales person standing behind a counter is an inside order taker. The customer comes to the sales person with the intention to buy a product or service, the sales person only serves him or her.

The sales person may use suggestion selling but ordinarily cannot do much more.

### **Outside Order .Taker**

The soap or spices sales person calling on retailer is an outside order taker. They do little creative selling. In contract with store personnel these representatives actually may be discouraged from doing any hard selling. That task is left to executives higher in the hierarchy.

### **Missionary Sales People**

These sales persons we not expected or permitted to solicit an order. Their job is to build goodwill or to educate actual or potential user or provide services for the customers, as in the case of Medical representatives, working for the pharmaceutical company.

### **Creative Sales person of Tangible Products**

In sales job it is often difficult to conduct creative selling for tangible product such as vacuum cleaners, Automobiles, Airplanes, encyclopaedias etc. The job happens to be difficult because the customers may not be aware of their need for the product or they may not realise how new products can satisfy their wants better than those they are presently using. When the product is of a technical nature, this category may overlap that of the Sales Engineer.

### **Creative Sales person of Intangible Product**

Saws of intangible products such as insurance, advertising services, consulting services, communication systems or educational programmes, require creativity of sales person to handle me situation. Generally selling the intangible products is difficult as their benefits cannot be demonstrated tangibly.

From the above mentioned variety of sales job it, is clear that different sales position require different amount and kinds of skills. In today's market where self service stores and counters have made the selling task easier, technically developed products or intangible items require greater amount of creativity and perseverance, on the part of sales person. To facilitate an understanding of the various roles of sakes person, they can be grouped into four task specific determinants such as, consultative, technical commercial and direct sales.

### **Consultative Sales**

Consultative sales are characterised by the product or service that is sold at the higher level of an organisation e.g. computer system or management consultancy service. The decision to purchase such products involves higher capital outlay thus sales job requires a low key, low pressure approach by the sales person. It would also require a very strong knowledge about product, patience to discuss product with several people of organisation and potential benefits to the user. Even at times when the progress of sales slows down representative has to make creative and sensitive efforts to resume interest but without appearing to exert pressure on the prospect.

### **Technical Sales**

The most distinctive characteristic of technical sales is the product knowledge required by its sales person, unlike the consultative sales, where sophistication in organisation relationship and persuasive ability we sales persons' most valuable assets. Even time required to sell the product is relatively less than consultative sales. Most of the technical purchasing requires approval of several people but only one or two pups with technical knowledge influence decision. If the sales representative is able to satisfy; these people with product characteristics, application, installation process approval



from higher management is usually forthcoming. The technical sales persons though not strangers to the process of making a sale, are trained to utilise the rational approach; by going into details of product utility and features.

**Commercial Sales**

This field generally includes non-technical sales to business, industry, government and non-profit organisation e.g., office equipment, wholesale goods, building products, business services and others. Unlike the previous two types, it is customary for the commercial sales person to make sales on first or second call. The process stresses approach to right person (decision maker), making a smooth presentation and closing the sales.

The field is composed of order takers, to follow up and maintenance of accounts and order getter, to develop new accounts. Since these require different approaches, they normally require different personality traits e.g. the order getter are more aggressive and more highly motivated.

**Direct Sales**

Direct sales are primarily concerned with the sales of products and services to ultimate consumers e.g. restaurants, door to door sales, insurance, encyclopaedias, magazines etc. There is normally some emotional appeal associated with this type of selling, thus sales persons are required to possess strong persuasive ability. Often length of time to close sales is shortest in the case of above product categories. In fact, sales persons are trained to close the sales on the first visit because it is felt if consumers are given time, they will either cool off from buying or will buy from competitor.

**Activity 1**

- 1) Compare the following types of salesmen:
  - a) Missionary salesmen and Tangible product salesmen
  - b) Intangible product salesmen and Sales Engineer
  - c) Inside order taker and delivery sales person

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**2.6 QUALITIES OF A, GOOD SALES PERSONNEL**

Some people says salesmen are born salesmen, while others believe that training can help in making good salesmen.

Irrespective of these opinions, good salesman has certain qualities and abilities as a result he is able to perform better than others. In this section we would discuss qualities of a good sales person.

Philip Kotler has identified two basic qualities of a good sales person namely, empathy and persuasion. But others have listed more. Some of the qualities of a good sales person are as follows

- 1. **Ability to estimate customer's needs and desires:** He is alert and quickly determines what the customer wants and the best way to sell.
- 2. **Ambition:** He likes to do a good job and is interested in getting ahead with your company.



3. **Appearance:** Appearances mean a lot toady and the successful salesman is neat and organised. He presents himself well in person. Also, he keeps his desk, books and manuals neat and ready for use.
4. **Business Sense:** He understands that you are in business to make a profit and quickly learns the ins- and -outs of your organisation.
5. **Courtesy:** He reveals a sincere desire to help customers and treats them as guests even when he visits their places of business.
6. **Creativeness:** Imagination, vision and the ability to create ideas make your man dynamic.
7. **Curiosity:** He wants to learn all he can about his job, his products and his customers.
8. **Enthusiasm:** There is nothing that can drain away a prospect's buying interest more than a half-dead salesman. Dullness should be left at home. A salesman must radiate enthusiasm during and after the sales call.
9. **Figure Sense:** He should have the mathematical ability to figure and fill up order form correctly and to make the necessary reports.
10. **Flexibility:** A good salesman is able to adapt himself to a variety of customers. Each contact may require a adapting the sales talk, speech habits and even appearance.
11. **Friendliness:** A salesman should be able to make people like him and he must like to meet people.
12. **Handwriting:** He must write legibly so that his paper work can be readily understood by his office people and by his customers.
13. **Health:** Good health generates energy and energy is needed to sell. Poor health prevents many salesmen from fulfilling their potentials.
14. **Integrity:** A salesman must be trusted to do his job well. He cannot help but be successful when his customers trust him.
15. **Interest in his job:** He likes selling and working for your company.
16. **Knowledge:** In some business, an applicant must also have a through knowledge of the highly specialized products or services his employer offers. In some cases, this knowledge can be gained only by years of experience.
17. **Loyalty:** He must be able to impress upon his customers the idea that his company is the best in the business.
18. **Mental abilities:** He has the intelligence to understand your products and those of your competitors. He must know how to use words, to understand and direct people' and to remember names and faces. He should also be able to understand prospective customers and know how to act under varying conditions.
19. **Motivation:** He must have more than just an interest is selling. Psychologists have found certain predominant patterns in men who have become realty successfully sales men. They live in the present and not in the future. They do want power over others and prefer not to work under close supervision.
20. **Originality:** He is constantly searching for new ideas to be used in selling your products and will suggest better ways of doing things.
21. **Persuasiveness:** Very few products of any type actually sell themselves. They must be sold. Your man must have the ability to get people to agree, There are situations when persuasiveness may vary keeping in view the consumer's response.
22. **Poise:** His maturity is reflected in his behaviour. He should be positive and confident, energetic and businesslike. He should be able to demonstrate to your customers that he knows what he is talking about.



23. **Self-starter:** Your man works well without constant supervision and is able to make decisions on his own.
24. **Speech:** He can speak clearly and maturely in a natural tone. He can emphasize sales points with sincerity and friendliness.
25. **Speech:** He can speak clearly and maturely in a natural tone. He can emphasize sales points with sincerity and friendliness

## 2.7 THE SCOPE OF ACTIVITIES IN SALES SITUATIONS

A typical day in a sales person's life includes making certain number of calls, opening of new accounts, analysing the account lost, if any, sales presentation, closing of initiated sales preparing daily reports and keeping records of transactions. We would now discuss some of the important activities.

### **Problem Solving Activity for the Customer**

Problem solving requires substantial knowledge and decision making skill. In the case where prospective customers are not aware of utility of products or services in question, there is a problem. The sales person can contribute by identifying and suggesting best solution for it. In many sales situations, these activities make up a substantial part of the total sales effort.

### **Co-ordinating Buyers and Sellers Activities**

With the multifarious and complex system of today's business situation there is a need for a catalyst to bring together and work with the parallel departments of supplier and customer.

Most of the sales persons are in position to perform this function.

### **Attending Conventions**

In conventions organised by company, sales persons interact with their peers about work situations and problems and arrive at a consensus of opinion on issues which impinge on their work. Conventions range in nature from company convention to industry convention. They may be local, national or international in nature. These are important motivational and inspirational tools for the sales persons whose broad purposes are to:

- a) Provide strength to the sales persons identity with the company to executive.
- b) Exchange information with sales persons.
- c) Provide specialised training.
- d) Provide sales persons with a change of pace.

### **Attending Trade Show**

Trade shows are held seasonally or annually. Sales persons usually attend these trade fair not only to achieve sales, but also to understand competition's products and prices. Technological advancement in different area is also communicated to them through these trade shows. Ever since Trade Fair Authority of India has been set up various types of fairs and exhibitions including the Annual India International Trade Fair are being held more regularly.

### **Attending Educational Workshops -**

Many lines of sales work afford the opportunity for continued formal education throughout a career. Many companies like NTPC, GNGC, TISC®, etc. require their sales persons to follow a continued programme of studies in addition to company training.

### **Keeping Records**

The job of sales person is not finished until the paper work is completed. A sales person has to prepare daily call reports including new accounts opening report, account closing reports etc. It is understandable that these records not only keep track of their day to day activities, but also provide past and present data to undertake any future assessment.





**Activity2**

How would the selling job differ for following situation? What would be the most important activity for each Job?

- a) Indian Hotels (Taj Group) representative selling services to executive of a company.
- b) Photophone Co. (riot Shot) sales person selling camera to photo studio.
- c) Hindustan Levers Sales re, presentative selling soap and oil to general merchant
- d) Readymade garment shop sales person selling to customer.
- e) Wellcome Burrough's pharmaceutical representative calling on the medical practitioner.
- f) Hindustan Computer Ltd. sales person selling computer to professionals.
- g) Snowwhite salesmen selling apparels at his exclusive showroom.

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**2.8 SUMMARY**

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Today personal selling has become a challenging profession. There has been a significant change in its role from being a simple order taker to that of an order maker or consultant to the buyers. Modern sales person understand that they are the major link in the total marketing strategy for the company. If a company wants to maximize the effectiveness of its marketing programme, the personal selling effort must be effectively integrated with the other elements of the marketing mix.

More specifically this unit sought to highlight the importance of personal selling, various selling jobs, diversity of selling situations, and its relationship with marketing mix and process. With the growing complexity of products, importance of personal selling has increased. They now act as introducers, intelligent communicator as well as demand pushers and also add unique utility to product. Their role has changed drastically from being a simple communicator to business manager. In order to be successful a sales person must possess a set of personal, product related and functional qualities, as variety of analytical and administrative duties are important component of the job. Before approaching a prospect every sales person is advised to do bit of homework regarding company's name, size, authority concern and general requirement. While meeting the prospect, sales person should introduce himself, his company and the product under promotion. Product presentation and overcoming of customer objections, leads to convincing the customer and results- in the closing of mutually satisfying sale.




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## 2.9 KEY WORDS,

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**Stimulated Demand:** Increasing demand by ways of introducing product to consumer to reduce reluctance,

**Trade Selling:** Long-term, business relationship with a stable group of customers like wholesalers or retailers.

**Missionary Selling:** When salesman pursues indirect customers to buy product. Like medical representatives pursue doctors to prescribe the product.

**Technical Selling:** Providing technical advice and assistance as part of sales job.

**New Business Selling:** Primary task is to seek out and persuade new customer to buy the product.

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## 2.10 SELF-ASSESSMENT QUESTIONS

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1. Do you agree that a sales job requires a degree of mental toughness and physical stamina rarely demanded in other types of job? Discuss.
  2. To what extent do the nature of the product, target market, company resources influence the sales job. Explain.
  3. Discuss the changing role of personal selling.
  4. In the changing market situation, it is often referred to that sales persons are in better position than past. Do you agree with this statement? Justify your answer.
  5. Personal selling is a two-way communication best suited to a company marketing consumer product with a poor brand loyalty. Discuss.
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## 2.11 FURTHER READINGS

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