

INTRODUCTION TO PERSONAL SELLING: IT'S A GREAT LIFE!

What Is A Customer?

- Categories of Customers
 - Consumers
 - Organizations
- Organizational markets break down into two groups
 - profit-oriented
 - nonprofit organizations
- Both groups include
 - Producers
 - Resellers
 - governments

What Is A Product?

There are 3 major kinds of products

1. **Core Product:** what a customer actually seeks in terms of a problem-solving benefit
2. **Tangible Product:** the combination of a core product and its product characteristics
3. **Augmented Product:** core product, product characteristics, and supplemental benefits and services

Diverse Roles Of The Professional Salesperson

Selling Roles Vary Across Organizations

1. retailers
2. wholesalers
3. industrial distributors
4. manufacturers
5. service firms
6. nonprofit organizations

Three basic selling roles

1. Order Taking
 2. Order Supporting
 3. Order Creating
- Order Taking primarily requires Response Selling
 - Simply responding to customer requests to purchase a certain product. This is the typical role of most retail store salespeople.
 - Order Supporting primarily requires Missionary Selling
 - Salesperson educates, builds goodwill, and provides service to customers. Furnishes information about products to middlemen who, in turn, recommend or sell the products to their own customers.

Order creating primarily requires

1. Trade Selling: salesperson responds to customer requests; but field service, such as monitoring product inventory and setting up special displays, is more important in trade selling to retail stores, wholesalers, and distributors.
2. Technical Selling: requires a technically trained salesperson (sales engineer) to help customers solve their problems, oftentimes through complex product systems.
3. Creative Selling: calls upon the salesperson to stimulate demand among present and potential new customers for a product. It includes sales development and sales maintenance.

What does a professional salesperson do?

There are 7 interacting, overlapping steps in the professional personal selling cycle:

The Personal Selling Process (PSP)



1. Prospecting and Qualifying

- *Prospects*: potential new customers.
- *Leads*: the name and address or telephone number of a person or organization that may have a need for the company's product or service.
- To become a prospect, a lead must be qualified in terms of

(1) need or want

(2) authority to buy

(3) money or ability to buy

(4) eligibility to buy

- An easy way to remember the qualifying process is the acronym -- **N A M E** for Need, Authority, Money and Eligibility.
- **Planning the Sales Call (Pre-approach)**

- Salesperson obtains detailed information about the prospective buyer and the buying situation, then develops a strategy for ensuring a favorable reception
- **Approaching the Prospect**
 - The salesperson makes the first face-to-face contact and the vital first impression
- **Making the Sales Presentation and Demonstration**
 - The sales presentation strategy combined with a convincing product demonstration is selected and tailored to the prospect to favorably influence the outcome of the sales call
- 5. Negotiating Sales Resistance or Objections**
 - Objections or resistance can be viewed as oblique requests for more information so that the prospect can justify a purchase decision
- 6. Confirming and Closing the Sale**
 - The close may happen at any time during the sales process. *Trial close*: any well-placed attempt to close the sale
- 7. Follow-up and Servicing the Account**
 - Servicing the account *before, during, and after* the sale furthers the "partnership" or long-term relationship with the customer

Using Technology To Sell Better

- Enhance salesperson productivity by using
 - Intranet
 - Extranets
 - Computers
 - Fax Machines
 - Pagers
 - Cell phones

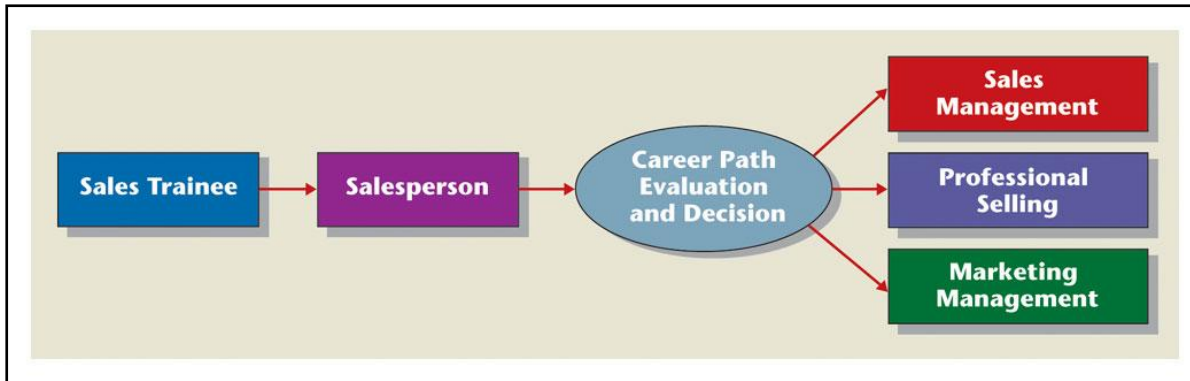
Benefits Of Professional Personal Selling As A Career

- What Does a Sales Career Offer you?
 - Financial rewards
 - Non-financial rewards
 - Perquisites
 - Route to the top
 - Mobility
 - Always in demand
 - Job freedom and independence
 - Adventure and satisfaction
 - Objective performance evaluation
 - Contribution to society

Careers for Different Types of Individuals

- Many companies offer three paths to newly hired salespeople branching out into multiple career opportunities

Multiple Career Paths in Personal Selling



1. Professional Selling

- sales representative
- senior sales representative
- master sales representative
- national or key account sales representative

2. Sales Management

- branch sales manager
- district sales manager
- zone, division, or regional sales manager
- national sales manager
- vice president of sales.

3. Marketing Management

- product or brand manager
- director of product development
- vice president of marketing
- senior vice president
- president
- CEO

Key Terms

- **Customer-Oriented Selling**—focus on identifying customers’ needs and engaging in selling and servicing behaviors that help build and maintain a high level of customer satisfaction and loyalty in the long run.
- **Professional Salesperson**—salesperson who sees a sales career as a true profession for which he or she must be well educated, well prepared, and thoroughly professional in order to negotiate successfully with professional buyers.
- **Augmented Product**—complete bundle of benefits offered by a product, including its core function, various enhancing characteristics, and supplemental benefits and services.
- **Missionary Selling**—educating, building goodwill, and providing services to customers (for example, doctors and dentists) by giving them samples and information about products and services (such as new pharmaceuticals and medicines to prescribe or recommend for their patients).
- **Trade Selling**—consists largely of creative field service to wholesale and distributor customers, such as expediting orders, taking reorders, restocking shelves, setting up displays, providing in-store demonstrations, and distributing samples to store customers.
- **Personal Selling Process (PSP)**—the seven interacting, overlapping stages that every salesperson, no matter what the product or service being sold, must carry out.
- **Wheel of Personal Selling**—depiction of the seven stages of the PSP as a continuous cycle or wheel carried out by professionals in the field of sales.

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- **Prospecting**—first step in the PSP where salespeople find leads and qualify them on four criteria: name, authority, money, and eligibility to buy.
- **Extranets**—corporate networks that allow communication between a company and selected customers, suppliers, and business partners.
- **Intranets**—internal corporate networks that allow salespeople and other employees within a company to obtain information and communicate with each other.
- **Order Taking**—processing routine orders or reorders for products that have been sold previously to the buying firm.
- **Order Supporting**—the process of having minimal involvement in sales generation but instead serving as an assistance-provider to customers.
- **Order Creating**—the process of identifying prospective buyers, providing them information, motivating them to buy, confirming the sale, and following up after the sale has been made to ensure customer satisfaction. Trade, technical, and creative salespeople all do order creating in varying degrees.

Chapter Review Questions

1. Describe the myth of the "born" salesperson.
2. Explain the relationship among personal selling, the "marketing concept," and the "customer-oriented selling concept."
3. List and briefly describe the three kinds of profit and nonprofit organizational markets.
4. What is a product? What are the differences between the core, tangible, and augmented product?
5. Describe the seven stages in the professional personal selling process. Why do we depict it as a wheel?
6. Name the three basic selling roles and describe the continuum of sales jobs ranging from simple response selling to complex creative selling.
7. What are the types of creative salespersons discussed in this chapter?
8. Give some examples of how salespeople can use different technologies to improve their efficiency and better serve prospects and customers.
9. Discuss the benefits and drawbacks of a career in personal selling.

Topics For Thought and

Class Discussion

1. Have you ever known or met a person who appeared to be a "natural-born" salesperson? What made you think he or she was a good salesperson? Based on what you now know about professional personal selling, do you think you could call this person a truly professional salesperson? Why or why not?
2. What kind of selling do you think you would like to do? What products and customers would you prefer to work with? What do you think some of the advantages and disadvantages of each kind of selling would be for you personally?
3. Think about why you would want a career in professional personal selling. What would motivate you best? Money? The opportunity to contribute to society? Job independence? Discuss your thoughts and feelings with classmates.

PERSONAL PREPARATION FOR SELLING

Physical qualities

It includes health, posture, speech and appearance. Without good health a sales person will not have the endurance to sell the product or achieve targets. He or she may also be required to move about different places which would be difficult and also stunted during the greater part of the day.

Good posture implies that unnecessary tension of muscles should be avoided. Voice should be expressive, pleasant, not monotonous or high pitched, audible.

A neat appearance is an essential. A good appearance would give a salesperson confidence in presenting his arguments in a convincing manner without being destructed by fear of his/her own appearance. The salesperson should know how to smile. A good natural smile enhances appearance.

Mental traits

Mental traits include alertness, imagination, initiative, observation and self confidence. The salesman should be alert, ready to find out ways and means of servicing customers. Alertness encourages customers to be confident in the sales people with imagination will have the capability to visualize the items required by the customer, such a customer will be relieved and so grateful for suggestions and ideas given by the sales person.

A salesperson should be able to think and decide for himself instead of having to be told everything i.e. he/she should be self reliant. The salesperson should help wavering customers in to making decisions by gentle means of questions and suggestions. A salesperson should be a keen observer. This will help in immediately sorting out problems and finding solutions as soon as possible. Close attention should be paid to the customers, products being sold and company being worked for.

Social qualities

The ability to make friends and get along with people is one of the most valuable assets. Social traits include ability to meet people, being polite, keeping appointments, addressing customers in a friendly way, not easily losing temper, saying thank you and goodbye while leaving.

Generally the following make up a successful sales person include among others

- i. Patience
- ii. Knowledge on product, company and competition
- iii. Reliable and honest
- iv. Determination
- v. Sales discipline and motivation
- vi. Commitment
- vii. Ability to work with or in a team
- viii. Willingness to learn
- ix. Enthusiasm
- x. Customer focused and has genuine concern for customers
- xi. Good communicator
- xii. Ability to set goals and work at meeting them
- xiii. Creativity and innovativeness
- xiv. Should be able to accept and learn from objection
- xv. Loyalty to customer needs
- xvi. Flexibility
- xvii. Love challenges

KNOWLEDGE REQUIRED BY A SALES PERSON

This knowledge includes company, product, market, competition and professional knowledge if he/she is to be competitive and successful

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I PRODUCT KNOWLEDGE

Salespeople should have the following knowledge about their products:

❖ Product history and development

Some products have been around for a long while so you need to let the customer know how it began. It builds confidence in the customer concerning product reliability and helps him/her know how successful the company is. Colgate, Homedent, Mubs and Team business college

❖ Manufacturing process and quality control

The sales person needs to know how the product is produced, and how its quality is controlled. This helps in competing with people producing similar products. Rwenzori, Azur

❖ Product application

That is the uses of the product – both formal and informal. Formal use refers what the product is made to particularly do, and informal use refers to any use other than the formal one. Customers buy benefits/solutions to their problems, so the sales person should know them well enough. Mukwano cooking oil

❖ Product performance

How does the product perform in different situations? This helps the buyers judge the product well. The sales person should also know the limitations but be able to present them to the customer without causing bias. Heat, snow e.g. cameras

❖ Maintenance and care

What does it cost to maintain the product? Free, cds, refill of cartridges.

❖ Pricing and delivery terms

The buyer needs to know these in order to make preparations like budgeting. What discounts are available? Etc

Why is product knowledge important?

- a) Many products are extremely complex so the knowledge helps in providing assistance
- b) A variety of products exist. Knowledge about the products helps one to differentiate company products from competitors' products.
- c) It helps in satisfying the needs of customers
- d) Helps the sales person develop self confidence, and also builds the confidence of the buyer
- e) Facilitates sales persons in answering objections to the product that arise due to incomplete or inaccurate information about the product or service
- f) Presenting sales appeals – one who knows the product well can easily appeal to customers
- g) Prospecting and qualifying customers – product knowledge helps in identification of possible customers and getting them to buy

Sources of Product Knowledge

Company, product manuals, sales trainings and meetings, consumers, newspapers, external publications on trade products, continuous product evaluation, etc

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❖ **Product from the customer's perspective**

Customers are trying to solve problems; they are benefit or profit-oriented. For example, customers who buy a laser printer and an electric drill are looking for the benefits on neat, professional looking reports and neat, round holes

❖ **Selling Multiple Products**

Product knowledge problem is compounded when salespeople must handle several product lines

❖ **Interaction with Other products**

Salespeople must know how products work together with other products, including those of other companies.

❖ **Knowledge about product service**

Post-sale service is an important part of the total product being considered for purchase by customers, so salespeople must be thoroughly informed about what customer services their customers expect and their companies offer

II COMPANY KNOWLEDGE

❖ **Company history**

It provides perspectives and insights that will serve the salesperson well through his or her career. When did it start? Who owns it? Why was it started?

❖ **Growth and Development**

The company's record of growth in sales, market share, profits, and new products are often questions asked of salespeople by prospects and customers.

❖ **Company Organization**

New salespeople can learn a great deal about how management views the sales force by studying the sales force organization's structure – geography, product, function, markets, or some combination.

❖ **Mission Statement**

It describes the essence of the company's business and what it seeks to accomplish. It shows the values to which the company attaches importance. Values are stated in terms of the product, customers, etc

❖ **Culture**

The set of formal and informal values that establish rules for dress, communication, and behavior

❖ **Goals and Objectives**

It outlines the long-run goals (qualitative) and short-run objectives (quantitative) that the organization seeks to achieve.

❖ **Strategies and Tactics**

A strategy is a total program of action for using the resources to achieve a goal; a tactic is a short-run, specific action that is part of the larger strategic plan.

❖ **Company Policies**

The predetermined decisions for handling recurring situations efficiently and effectively e.g. on pricing, delivery, promotion, etc

❖ **Other necessary company information**

Information about other departments

Importance of the company to the country and society

Relationship between the company and its stakeholders

Key personnel in the organization

Why is company knowledge important?

- a) The sales person is the point of contact between the customer and the sales person. The customer sees the sales person as a company
- b) A customer forms a mental image of the organization basing on his/her experience with the sales person.
- c) The decision to buy the product/service partly depends on the buyer's feelings about the company
- d) It is a strong appeal that can be used during the sales presentation, especially where the products are similar
- e) Buyers use past performance of a company to evaluate the quality of the current product offering. The sales person should translate the past performance of the company into buying appeals.

III MARKET KNOWLEDGE

❖ **Demographic aspects**

Income and literacy levels, income, age, sex, marital status, etc

❖ **Buying behavior and how it changes**

This helps in predicting the forecasting

❖ **Positioning of your product in the market**

Where does your product stand in the market?

❖ **Target market needs and how they change**

NOTE

The sales person needs to understand the following:

- ❖ What are the company's present and future markets? Who are and will be its customers? How and why are these potential markets changing?
- ❖ Understanding Professional Buyers
Professional buyers expect a salesperson to not only know their needs well, but also have keen knowledge about their customers' needs.
Salespeople also need to know how their product is compatible with the buying organization's strategy, such as how does the product fit in with the customer's strategy and achievement of objectives.

IV KNOWLEDGE ABOUT COMPETITION

- ❖ Competition is a great force in the market environment
- ❖ History and background of competitors
- ❖ Recent developments

- ❖ Product developments
- ❖ Marketing policies
- ❖ Technology
- ❖ Research and development
- ❖ Current customer profile
- ❖ Relationship between your company and the competitors
- ❖ Market share
- ❖ Marketing plans, objectives and strategies

Why is knowledge about competition important?

- a) To identify strengths and weaknesses of the company's products vis-à-vis competing products. Some products are so similar that it is hard to find differences between them.
- b) Enables sales people identify unique features especially if competition is on price
- c) Make it possible to identify non-price competition objectives e.g. after sales service, delivery, etc
- d) It gives the sales person the ability to handle questions about competitors
- e) Customers want to know as much on competing products as we tell them about the company products

NOTE

When using this information on competitors, salespeople must take caution to:

- a) Avoid making reference to competing products unless questioned
- b) Never discuss competitors unless you have all fact right
- c) Avoid criticizing competitors. Stick to facts and avoid emotional comments

V PROFESSIONAL KNOWLEDGE

- ❖ Selling techniques
 - ❖ Team work
 - ❖ Time management
 - ❖ Customer care
 - ❖ Understanding customer behavior
 - ❖ Market knowledge and willingness to keep the buyer informed
 - ❖ Imagination in applying products to the buyers' needs
 - ❖ Knowledge of the buyer's product line
 - ❖ Diplomacy in dealing with operating departments
 - ❖ Preparation for well-planned sales calls
 - ❖ Regularity of sales calls
- Technical education

COMMUNICATION IN SELLING

VERBAL/ORAL COMMUNICATION

Oral communication is known as communication by word of mouth. It may be face-to-face or not. Oral communication may be in form

- A conversation
- A telephone conversation
- Interviews
- Training sessions
- Conference/ seminars
- A gossip in the lift
- A chance meeting in the corridor etc

Note:

Oral communication can take place between two or more people.

It can be planned or incidental.

It can be formal or informal.

WHY WOULD ONE CHOOSE ORAL COMMUNICATION?

- It makes possible speedy interchange with immediate feedback and spontaneous thinking.
- People can ask questions and clarify points i.e. in case any thing is not clear to the audience, explanation can always be made.
- It is direct, simple, time saving and least expensive.
- It conveys personal warmth and friendliness because of personalized contacts.
- Any misunderstandings can be cleared immediately.
- It serves as evidence of events and proceedings.

DISADVANTAGES

- Spontaneous responses may not be carefully thought about and this means that a wrong feed back may be transmitted.
- Different meaning may be conveyed by manner of speaking, tone of voice and facial expression.
- The spirit of authority cannot be transmitted effectively in verbal communication.
- Lengthy and distant communication can't be effectively conveyed verbally.
- Meetings can be costly in terms of time and organizational money.
- There are high chances of distorting the meaning of the message if hierarchy is to be followed.

LISTENING

Listening is the absorption of the meanings of words and sentences by the brain.

Listening leads to understanding of ideas and facts. It takes attention or sticking to the task in spite of distractions. Listening is half of oral communication. In other words, if some one communicates and there is no one to listen, then communication becomes incomplete.

Listening is a skill that needs to be practiced and taken as seriously as speaking and writing, for the consequences of not listening carefully could be very disastrous.

NOTE: The difference between listening and hearing is that, hearing is physical.

Listening involves following and understanding the sound- it is hearing with a purpose.

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TECHNIQUES FOR EFFECTIVE LISTENING

What is effective listening?

This is actively absorbing the information given to you by the speaker, showing that you are listening and interested, and providing feedback to the speaker so that he or she knows the message was received. Effective listeners show speakers that they have heard and understood.

GOOD LISTENING SKILLS

1. Establish eye contact with the speaker.

- Studies show that listening has a positive relationship with eye contact. While the speaker is speaking. This interrupts your brain and adds distraction to the speaker.
- Focus on the visual aid only when it is an asset to the point being discussed.
- Don't get so involved in taking notice that you fail to often look at the speaker. The speaker's gestures, movements and facial expression are often an important part of the message. Etc.

2. Want to listen

This suggestion simply says that, you must have an intent to listen. We can recall having been forced to listen to a speech or briefing that we didn't want to listen to. This listening seldom results in understanding or enjoyment. Therefore, we should always clear our mind and prepare to listen.

In other words, the better eye contact you have with the speaker, the better you will listen. There are some things you should do to establish eye contact:-

Don't look at others who enter or leave

3. Avoid pre-judgment/ Don't be biased

Never pre-judge the speaker because of appearance, occupation and do not make any conclusions before hearing what is said. Remember you cannot evaluate the importance of the message from the speaker until you have heard it.

Let us face it: We all have likes and dislikes; some things turn us on, others turn us off. These characteristics are natural and to be expected but we should not let our- likes and dislikes- get in the way of understanding the speaker's message. E.g. One may be biased about people from a certain region.

4. Give positive feedback

It is always important to give positive feedback non-verbally. You can give feedback by:-

- Looking and acting interested. Positive head nods, alertness and smiles all offer encouragement to the speaker.
- Asking questions. Questions that show interest and attention encourage both the speaker and the listener.
- Share information with the speaker- we tend to tell things to those who tell us things.

5. Judge content not delivery

You must appraise the content and not the speaker. Weigh the merits of what the speaker is saying. Focus on the main issues to see whether they have some sense in them.

However, there are also times when you must judge the speaker. E.g. job interviews, speech contests e.t.c . Here, judgment of the speaker is important.

6. Extract key points

You can pick out and repeat to your self key words and phrases to help you fix in your mind what is being said. Take notes effectively- Don't attempt to write everything down. Effective listeners focus on ideas. If you have been given an article, circle or highlight the most important points.

7. Follow the golden rule

Do to others you would have them do unto you.

The effective listener is always other directed, focused on the other person. In other words, be the kind of listener you want others to be when you are talking. Ask "How would I want others to listen to me?" That's how to be an effective listener.

8. Block out distractions

Fight distractions and other competing thoughts if you are to be a good listener. Everyone has mannerisms. Unfortunately, some mannerisms are negative or distracting. These should be avoided. Avoid these mannerisms:-

- Tapping a pencil, playing with a rubber band or some other objects, such things distract other listeners and annoy the speaker.
- Continually looking at the clock or your watch
- Rearranging items in your wallet
- Reading a paper.

Such things hinder the speaker, divert the attention of other listeners, and prevent you from being the best listener you can be.

9. Be open minded

Appreciate the speaker's point of view and accept that it may not agree with your own.

10. Do not interrupt

Never bring in judgments until the speaker has finished and try as much as you can not to be emotional

Poor Listening Habits and Good Listening Habits

Poor Listening Habits	Poor Listeners...	Good Listeners...
Criticizing speaker	criticize the speaker's voice, clothes, or looks. Therefore, they decide that the speaker won't say anything important.	realize that a lecture is not a popularity contest. Good listeners look for the ideas being presented, not for things to criticize.
Finding fault with	become so involved in disagreeing	listen with the mind, not the emotions. Good

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the speaker	with something the speaker states that they stop listening to the remainder of the lecture	listeners jot down something they disagree with to ask the speaker later, then go on listening.
Allowing yourself to be distracted	use little distractions -- someone coughing, a pencil dropping, the door opening and closing -- as an excuse to stop listening.	filter out distractions and concentrate on what the speaker is saying.
Faking attention	look at the speaker but don't listen. They expect to get the material from the textbook later.	understand that speakers talk about what they think is most important. Good listeners know that a good lecture may not contain the same information as the textbook.
Forcing every lecture into one format	outline the lecture in detail. The listener is so concerned with organization that he misses the content.	adjust their style of note-taking to the speaker's topic and method of organization.
Listening only for facts	only want the facts. They consider everything else to be only the speaker's opinion.	want to see how the facts and examples support the speaker's ideas and arguments. Good listeners know that facts are important, because they support ideas.
Listening to only the easy material	think it is too difficult to follow the speaker's complicated ideas and logic. A poor listener wants entertainment, not education.	want to learn something new and try to understand the speaker's point. A good listener is not afraid of difficult, technical, or complicated ideas.
Calling a subject boring	decide a lecture is going to be dull and "turn out" the speaker.	listen closely for information that can be important and useful, even when a lecture is dull.
Overreacting to "push button" emotional words	get upset at words which trigger certain emotions -- words such as communist, income tax, Hitler or abortion. Emotion begins and listening ends.	hear these same words. When they do, they listen very carefully. A good listener tries to understand the speaker's point of view.
Wasting thought speed	move along lazily with the speaker even though thinking is faster than speaking. A poor listener daydreams and falls behind.	use any extra time or pauses in the lecture to reflect on the speaker's message. They think about what the speaker is saying, summarize the main points, and think about the next points.

TYPES OF LISTENING

COMPETITIVE OR COMBATIVE LISTENING

Happens when we are more interested our main point of view than in understanding or exploring someone else's view. We either listen to openings to take the floor , or for flaws or weak points we can attack

IN PASSIVE OR ATTENTIVE LISTENING

We are genuinely interested in hearing and understanding the other person's point of view. We are attentive and passively listen . We assume that we heard and understood correctly but we stay passive and we don't verify it.

ACTIVE OR REFLECTIVE LISTENING

It is the most useful and important listening skill. We are genuinely interested in understanding what the other person is thinking, feeling, wanting or what the message means, and we are active in checking out our understanding before we respond with our own new message.

It requires often that the listener attends to the words and feelings of the sender for understanding. It also requires the receiver to hear various messages, understand the meaning and then verify the meaning by offering feedback.

THE EVER-CHANGING PERSONAL SELLING ENVIRONMENT

Chapter Outline

- Megatrends affecting personal selling
- Adapting to megatrends
- Professional salespeople as micro-marketing managers

After Reading This Chapter, You Should Understand:

- What megatrends are affecting personal selling now and in the foreseeable future
- How developments in telecommunications technology are dramatically changing personal selling
- Why rising personal selling costs are encouraging salespeople and their companies to make increasing use of alternative direct-marketing techniques

After Reading This Chapter, You Should Understand (*cont'd*):

- What trends are taking place in information management that will have an impact on how salespeople do their jobs
- Why today's professional salespeople need to be much like micro-marketing managers in their expanding roles

Megatrends Affecting Personal Selling

Salespeople must adapt to 3 major megatrends in order to enhance their effectiveness and efficiency.

1. Behavioral Forces
 - More Expert and Demanding Buyers
 - Rising Customer Expectations
 - Micro-Segmentation of Domestic Markets
 - Expanding Power of Retailers
 - Globalization of Markets

Megatrends Affecting Personal Selling (*cont'd*)

2. Technological Forces
 - Portable computers
 - Electronic Data Interchange
 - Sales Force Automation
 - Videoconferencing
 - Portable phones and Satellite Pagers
 - Voice mail
 - Facsimile machines
 - Electronic mail
 - Electronic commerce
 - Virtual Sales Office

Megatrends Affecting Personal Selling (*cont'd*)

3. Managerial Forces
 - Selling Cost Reduction Efforts
 - Shift to Direct Marketing Alternatives
 - Certification of Salespeople

TABLE 2.1

MAJOR FORCES AFFECTING PERSONAL SELLING

Behavioral Forces

- | | |
|--|--|
| <ul style="list-style-type: none"> • More Expert and Demanding Buyers | <ul style="list-style-type: none"> • Expanding Power of Giant Retailers |
| <ul style="list-style-type: none"> • Rising Customer Expectations | <ul style="list-style-type: none"> • Globalization of Markets |
| <ul style="list-style-type: none"> • Micro-Segmentation of Domestic Markets | |

TABLE 2.1

MAJOR FORCES AFFECTING PERSONAL SELLING (CONT'D)

Technological Forces

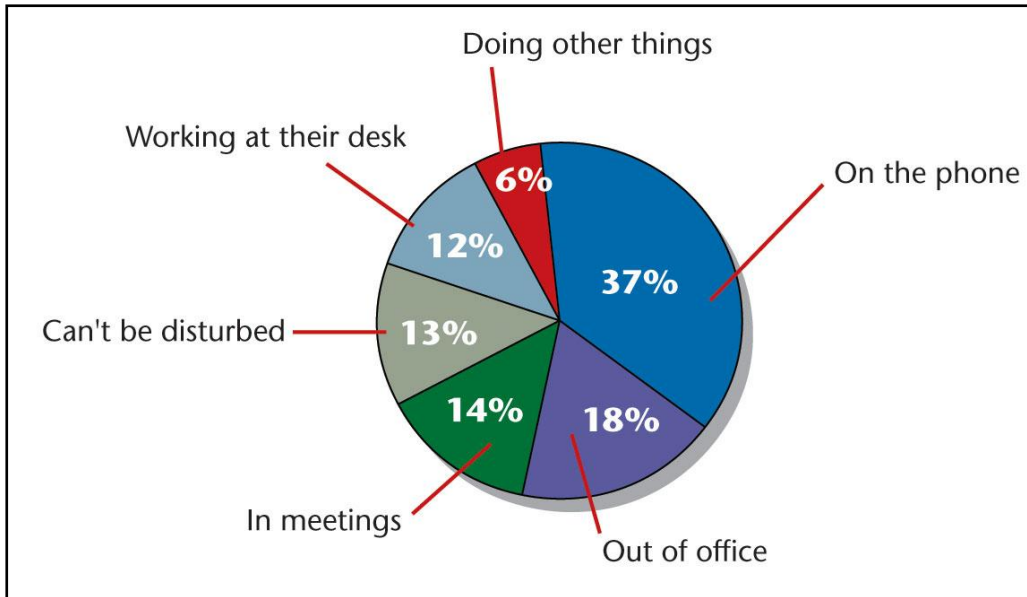
- | | |
|---|--|
| <ul style="list-style-type: none"> • Sales Force Automation <ul style="list-style-type: none"> • Portable Computers • Electronic Data Interchange • Videoconferencing • Cellular Phones and Satellite Pagers • Voice Mail • Electronic Mail | <ul style="list-style-type: none"> • Virtual Sales Offices • Electronic Commerce <ul style="list-style-type: none"> • Internet • Extranets • Intranets |
|---|--|

TABLE 2.1

MAJOR FORCES AFFECTING PERSONAL SELLING (CONT'D)

Managerial Forces

- | | |
|---|--|
| <ul style="list-style-type: none"> • Selling Cost Reduction Efforts | <ul style="list-style-type: none"> • Certification of Salespeople |
| <ul style="list-style-type: none"> • Shift to Direct Marketing Alternatives <ul style="list-style-type: none"> • Direct Mail • Telemarketing • Teleselling • Computer Salespeople • Facsimile • Electronic Mail | |



APPLICATIONS	ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> • prospecting • setting sales appointments • taking customer orders • maintaining goodwill • informing customers about new products and services • notifying customers about special offers • handling customer complaints • reactivating past customers • keeping contact with marginal accounts • providing service • answering customer inquiries 	<ul style="list-style-type: none"> • saves time • low cost • flexible • convenient • can reach almost anyone • yields higher profits 	<ul style="list-style-type: none"> • lacks multisensory appeal (sight, touch, smell) • obscures observable demographic information (age, sex, race) • makes refusals easier • incurs cost of telephone calls • requires brief persuasive messages
		

Adapting To Megatrends

- Need for salespeople to adapt to Megatrends using information management

Four Major Trends in Information Management

1. Database Marketing
 - A database is a large computerized file of customers' and potential customers' profiles and purchase patterns.
2. Data Warehousing
 - A very large, corporate-wide database, built with data from a number of information systems already in place in the company.
3. Data Mining

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Adapted from Dibb et al, 1994, Marketing; Concepts and Strategies, Second European edition Houghton Mifflin Company

- Refers to the process of using statistical analysis to detect relevant patterns or relationships between and among variables in a database.
4. Push Technology
- Push technology is the latest iteration of e-mail combined with data warehousing to discern what your customers need and exactly when they need it.

Information Management and Relationship Selling

- Information management and relationship selling go hand-in-hand as part of the evolutionary development of a marketing strategy called one-to-one marketing to build relationships:
- One-to-One Marketing
 - Instead of trying to increase market share by selling more goods to more customers, one-to-one marketing concentrates on selling more goods, more profitably to fewer selected customers
- Salespeople One-to-One Relationship Builders
 - Building trust and long-term relationships with customers will determine the success of one-to-one marketing strategies, especially in business-to-business markets

Professional Salespeople As Micro-marketing Managers

- In addition to selling products, today's sales representatives must serve customers as consultants who can offer expert advice for improving a customer's lifestyle or making their business operations more profitable
 - Customer partners
 - Market analysts and planners
 - Buyer-seller team coordinators
 - Customer service providers
 - Buyer behavior experts
 - Opportunity spotters
 - Intelligence gatherers
 - Sales forecasters
 - Marketing cost analysts
 - Allocators of scarce products
 - Field public relations people
 - Adopters of advanced sales technology

Key Terms

- **Sales Megatrends**—Major behavioral, technological, and managerial trends that influence how salespeople perform their jobs.
- **Direct Marketing**—Selling alternatives that bypass or partially substitute for field salespeople, including direct mail, telemarketing, teleselling, computer salespeople, facsimile, and electronic mail.
- **Telemarketing**—Use of telephone by support staff to help salespeople identify prospects, gather information, and answer inquiries.
- **Teleselling**—Conducting the entire personal selling process via telephone.
- **Database Marketing**—Use of computers to analyze prospect and customer profiles and purchase patterns to better identify and serve target markets.
- **Data Warehouse**—Corporate-wide database built from information systems already in place in the company.
- **Data Mining**—Using statistical analyses, such as decision trees, cluster analysis, and regression analysis, to detect relevant patterns between and among variables in a database.
- **Push Technology**—Combination of data warehousing and email to retrieve and send relevant information and services to prospects and customers.

- **One-to-One Marketing**—A philosophical change from the traditional approach of looking at customers as mass markets to viewing customers as individuals. One-to-one marketing seeks to sell more products to fewer (selected) customers rather than more products to more customers.

Chapter Review Questions

1. Describe the three broad megatrends that are affecting personal selling.
2. What specific market and competitive forces are changing the personal selling and buyer-seller relationships? What are their effects?
3. Name some of the major advances in telecommunications and computer technology that are affecting personal selling. Describe briefly how each can be used by salespeople to increase their effectiveness and efficiency.
4. What are some companies doing to reduce costs?
5. In your own words, define the term "direct marketing." Describe some of the tools and techniques used in direct marketing.
6. Why do some companies see selling in the United States as increasingly like selling internationally?
7. Describe the type of assistance that salespeople may receive from the company's telemarketing staff. What can field salespeople do to increase the benefits they derive from telemarketers?
8. What is teleselling? How have many former field salespeople who are transferred to teleselling been able to increase their incomes?
9. How are information management trends affecting salespeople?
10. Why must today's professional salesperson learn to function like a micromarketing manager in the field?

Topics For Thought And Class Discussion

1. Which of the advances in telecommunications and computer technology do you think will provide the most help to salespeople over the next decade?
2. Discuss how you think salespeople can take advantage of each of the phenomena taking place under the managerial megatrend.
3. How do you think the rising cost of personal selling and the growth of direct-marketing techniques will affect salespeople?

CUSTOMER BEHAVIOR

Buying behavior: The decision process and actions of people involved in buying and using products (goods and services)

Consumer buying behavior: The buying behavior of ultimate consumers i.e. those who purchase for personal use.

Organizational buying behavior: The buying behavior of those who purchase for organizational use.

Types of consumer buying behavior

- i.) **Routine response behavior:** The behavior in buying frequently and low cost items that need little search and little decision effort (i.e. time and physical)
- ii.) **Limited decision making:** The behavior in buying products that are only purchased occasionally. They need moderate information, time and deliberation.
- iii.) **Extensive decision making:** This is a complex decision making behavior especially when it involves unfamiliar, expensive and infrequently purchased products. The buyer uses many criteria to evaluate alternative brands and spends much time seeking information company brands before making a decision.
- iv.) **Impulse buying:** A behavior that involves no conscious planning but results from powerful persistent urge to buy something immediately. It often causes emotional conflicts if the product bought does not meet your satisfaction.

Characteristics of business markets

Marketing structure and demand

- ◇ Business markets contain fewer but larger buyers
- ◇ Business customers are more geographically concentrated
- ◇ Business buyer demand is derived from final consumer demand
- ◇ Demand in many business markets is more inelastic – not affected as much in the short run by price changes
- ◇ Demand in business markets fluctuates more, and more quickly.

Nature of the buying unit

- ◇ Business purchases involve more buyers.
- ◇ Business buying involves a more professional purchasing effort.

Types of Decisions and the decision process

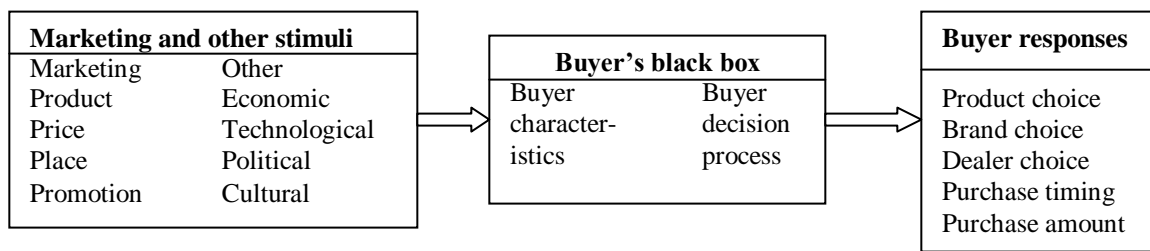
- ◇ Business buyers usually face more complex buying decisions.
- ◇ The business buying process is more formalized

- ◇ In business buying, buyers and sellers work more closely together and build close long-run relationships

CONSUMER BUYING BEHAVIOR

Consumer buying behavior refers to the buying behavior of final consumers – individuals and households who buy goods and services for personal consumption. All of these final consumers combined make up the consumer market.

The marketer’s central question is how consumers respond to the various efforts he puts in with relation to the environment. Processes go through the consumer’s head that lead to the final purchase. The marketer’s job is to try to find out what goes on in the buyer’s black box to make these final purchases



Characteristics affecting consumer buying behavior

The four major factors that influence consumer purchases are cultural, social, personal and psychological. Most of these factors cannot be controlled by a marketer but his job is to put them into consideration when making decisions.

1. Cultural Factors

These exert the biggest and deepest influence on consumer behavior. As a marketer, one needs to understand the role culture, subculture and social class play in the decision process of the purchase.

a) Culture

Culture is the most basic cause of a person’s wants and behavior. Human behavior is largely learnt. Growing up in a society, a child learns basic values, perceptions, wants, and behaviors from the family and other important institutions.

Culture is the set of basic values, perceptions, wants, and behaviors learnt by a member of society from family and other important institutions.

Example is the U.S. community in Taiwan with their green baseball caps. Green signified an opposition color and unfaithfulness. In Thailand, trees associated with ghosts. Wash a baby with herbs upon child birth.

b) Subculture

Each culture contains smaller subcultures, or groups of people with shared value systems based on common life experiences and situations. Subcultures include nationalities, religions, racial groups, and

geographic regions. In Uganda subcultures may include the Bantu speaking people, Nilo-Hamites, Muslims, Christians etc.

c) Social Classes

Almost every society has some form of social class structure. Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors. Social class is not determined by a single factor, such as income, but is a measure of a combination of occupation, income, education, wealth, and other variables.

Social classes show distinct product and brand preferences in areas such as clothing, home furnishings, leisure activity, and automobiles.

2. Social factors

A consumer's behavior also is influenced by social factors, such as the consumer's small groups, family, and social roles and status

a) Groups

A group refers to two or more people who interact to accomplish individual or mutual goals. A person's behavior is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called *membership groups*.

In contrast, *reference groups* serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or behavior. People often are influenced by reference groups that they do not belong to; therefore these groups turn into *aspirational groups*.

The importance of group influence varies across products and products and brands. It tends to be strongest when the product is visible to others whom the buyer respects i.e. opinion leaders. An opinion leader therefore is a person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others.

b) Family

The family is the most important consumer buying organization in society, and it has been researched extensively. Husband-wife involvement varies widely by product category and by stage in the buying process. Buying roles change with evolving consumer lifestyles. For example, food stuffs, appliances, choice of school for the family.

Children on the other hand play an important role in this process as well. Before one makes a purchase decision, his/her children's views have to be considered. Relatives especially in the extended families of Africa play the same role. It is therefore the marketer's job to find and design his mix appropriately.

c) Role and status

A person belongs to many groups – family, clubs, and organizations. The person's position in each group can be defined in terms of both role and status. For example a lecturer who is a husband at home and a child to someone may purchase a product depending on who he or wishes to please.

Each role carries a status reflecting the general esteem given to it by society. People often choose products that show their status in society.

3. Personal factors

A buyer's decisions also are influenced by personal characteristics such as the buyer's age and life-cycle stage, occupation, economic situation, lifestyle, and personality and self concept.

a) Age & Life-cycle stage

People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle- the stages through which families might pass as they mature over time. For example one moves from being single to married, then to having children then grand children etc.

b) Occupation

A person's occupation affects the goods and services bought. Blue-collar workers tend to buy more rugged work clothes, whereas white-collar workers buy business suits. A company may even specialize in making products needed by a given occupational group. Thus, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors.

c) Economic situation

Marketers of income-sensitive goods watch trends in personal income, savings, and interest rates. If economic indicators point to a recession, marketers can take steps to redesign, reposition, and reprice their products closely.

d) Life styles

People coming from the same subculture, social class, and occupation may have quite different lifestyles. Lifestyle is a person's pattern of living as expressed in his or her psychographics. It involves measuring the consumers' major AIO dimensions – activities (work, hobbies, shopping, sports, and social events), interests (food, fashion, family, recreation) and opinions (about themselves, social issues, business, products).

Life style captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world.

e) Personality and self-concept

Each person's distinct personality influences his or her buying behavior. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness.

Many marketers use a concept related to personality – a person's self-concept (also called self-image). The basic self-concept premise is that people's possessions contribute to and reflect their identities; that is, "we are what we have." Thus, to understand consumer behavior, the marketer must first understand the relationship between consumer self-concept and possessions.

4. Psychological factors

Further more, four major psychological factors affect a person's buying choices i.e. motivation, perception, learning, and beliefs and attitudes.

a) Motivation

A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst, or discomfort. Others are psychological, arising from the need for recognition, esteem, or belonging. Most of these needs will not be strong enough to motivate the person to act at a given point in time. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive (or drive) is a need that is sufficiently pressing to direct the person to seek satisfaction.

b) Perception

A motivated person is ready to act. How a person acts is influenced by his or her own perception of the situation. All of us learn by the flow of information through our five senses. However, each of us receives, organizes, and interprets this sensory information in an individual way. Perception is the process by which people select, organize, organize, an interpret information to form a meaningful picture of the world. People can form different perceptions of the same stimulus because of three perceptual processes: selective distortion, and selective retention. Selective attention is the tendency for people to screen out most of the information to which they are exposed. This means that marketers have to work especially hard to attract the consumer's attention.

Even noted stimuli do not always come across in the intended way. Each person fits incoming information into an existing mind-set. Selective distortion describes the tendency of people to interpret information in a way that will support what they already believe. People also will forget much that they learn. They tend to retain information that supports their attitudes and beliefs. This tendency is what is referred to as selective retention.

c) Learning

When people act, they learn. Learning describes changes in an individual's behavior arising from experience. Learning occurs through the interplay of drives, stimuli, cues, responses and reinforcement. A drive is a strong internal stimulus that calls for action. A drive becomes a motive when it is directed toward a particular stimulus object. Cues are minor stimuli that determine when, where, and how the person responds. A person's response to a purchase will be reinforced depending on how satisfying the experience was.

d) Beliefs & Attitudes

Through doing and learning, people acquire beliefs and attitudes. These, in turn, influence their buying behavior. A belief is a descriptive thought that a person has about something. Marketers are interested in the beliefs that people formulate about specific products and services, because these beliefs make up product and brand images that affect buying behavior. If some of the beliefs are wrong and prevent purchase, the marketer will want to launch a campaign to correct them.

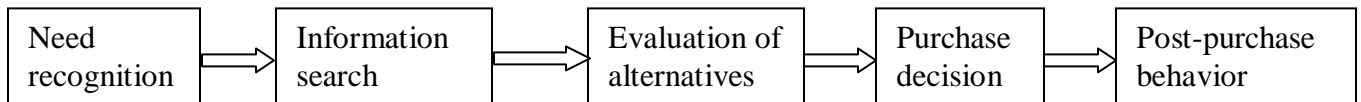
People have attitudes regarding religion, politics, clothes, music, food, and almost everything else. Attitude describes a person's relatively consistent evaluations, feelings, and tendencies toward and object

or idea. Attitudes put people into a frame of mind of liking or disliking things, of moving toward or away from them.

We can now appreciate the many forces acting on consumer behavior. The consumer's choice results from the complex interplay of cultural, social, personal, and psychological factors.

THE BUYER DECISION PROCESS

The buyer decision process consists of five stages i.e. need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior. Clearly, the buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision.



The above figure implies that consumers pass through all five stages with every purchase. But in more routine purchases, consumers often skip or reverse some of these stages. A lady buying her regular brand of toothpaste would recognize the need and go right to the purchase decision, skipping information search and evaluation.

1. Need recognition

The buyer senses the difference between his or her actual state and some desired state. The need can be triggered by internal stimuli when one of the person's normal needs – hunger, thirst, sex – rises to a level high enough to become a drive. A need can also be triggered by external stimuli.

By gathering such information, the marketer can identify the factors that most often trigger interest in the product and can develop marketing programs that involve these factors.

2. Information search

An aroused consumer may or may not search for more information. If the consumer's drive is strong and a satisfying product is near at hand, the consumer is likely to buy it then. If not, the consumer may store the need in memory or undertake an information search related to the need.

The consumer can obtain information from any of several sources. These include personal sources (family, friends, neighbors, acquaintances), commercial sources (advertising, salespeople, dealers, packaging, displays, websites), public sources (mass media, consumer-rating organizations), and experiential sources (handling, examining, using the product).

Generally, the consumer receives the most information about a product from commercial sources – those controlled by the marketer. The most effective sources, however, tend to be personal. Commercial sources normally inform the buyer but personal sources legitimize or evaluate the product.

Having loyal, satisfied customers that brag about doing business with you is the dream of every business owner. Not only satisfied customers repeat buyers, but they are also walking, talking billboards for your business. Keeping in touch with satisfied customers and turning them into word-of-mouth advocates costs the business relatively little. Word of mouth is the only promotion method that is of consumers, by consumers and for consumers.

A company must design its marketing mix to make prospects aware of and knowledgeable about its brand. It should carefully identify consumers' sources of information and the importance of each source.

3. Evaluation of alternatives

The marketer needs to know how the consumer processes information to arrive at brand choices. Unfortunately, consumers do not use a simple and single evaluation process in all buying situations. The consumer arrives at attitudes toward different brands through some evaluation procedure.

In some cases, consumers use careful calculations and logical thinking. At other times, the same consumers do little or no evaluating; instead they buy on impulse and rely on intuition. Sometimes consumers make buying decisions on their own; sometimes they turn to friends, consumer guides, or salespeople for buying advice.

4. Purchase decision

In the evaluation stage, the consumer ranks brands and forms purchase intentions. Generally, the consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and the purchase decision. The first factor is the attitudes of others. The second factor is unexpected situational factors.

The consumer may form a purchase intention based on factors such as expected income, expected price, and expected product benefits. However, unexpected events may change the purchase intention. A customer may lose his/her job, some other purchase may become intention, or a friend may report being disappointed in her preferred product. Or a close competitor may drop its price. Thus, preferences and even purchase intentions do not always result in actual purchase choice.

5. Post purchase behavior

The marketer's job does not end when the product is bought. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in post-purchase behavior of interest to the marketer. The relationship between and the consumer's expectations and the product's perceived performance is what determines whether the consumer is disappointed/dissatisfied, satisfied, and delighted.

Almost all major purchases result in cognitive dissonance, or discomfort caused by post purchase conflict. After the purchase, consumers are satisfied with the benefits of the chosen brand and are glad to avoid the drawbacks of the brands not bought. However, every purchase involves compromise. Consumers feel uneasy about acquiring the drawbacks of the chosen brand and about losing the benefits of the brands not purchased. Thus, consumers feel at least some post purchase dissonance for every purchase

Remember it is cheaper retaining old customer than acquiring new ones. Satisfied customers tell 3 more people whereas dissatisfied customers tell 10 more.

THE BUYING CENTRE OR DECISION MAKING UNIT (DMU)

User: The actual users of the product required. They normally initiate the purchase, provide the specifications and during use evaluate the performance of the product. They demand assurances on ease of use and reliability.

Influencer: These are technical people who help in developing the specification and evaluate alternative products. They need detailed information to help them assess the offer.

Buyer: Is responsible for advising on the selection of suppliers and negotiating terms of purchase. A buyer may be a purchasing manager, Executive Manager or any senior manager. The buyer will need to be satisfied that the product decided on justifies the price in terms of quality, performance and reliability.

Deciders: These make final decision on products/suppliers. Buyers may be deciders or have different people for these roles. For routinely purchased items buyers are deciders. A buyer may have a limit in terms of value for his decisions.

Gatekeepers: They control the flow of information to other members of the Decision Making Unit (DMU) such as secretaries, technical people, sales people, buyers etc. Buyers who deal directly with suppliers act as gatekeepers for they control the flow of information. The purchasing department plays a vital role as gatekeepers.

THE SELLING PROCESS

PROSPECTING AND QUALIFYING

The first step in the selling process is to identify prospects. Although the company will try to supply leads, sales representatives need skill in developing their own leads. Leads can be developed in the following ways:

- Asking current customers for the names of prospects
- Cultivating other referral sources, such as suppliers, dealers, noncompeting sales representatives, bankers, and trade association executives
- Joining organizations to which prospects belong
- Engaging in speaking and writing activities that will draw attention
- Examining data sources (newspapers, directories) in search of names
- Using the telephone and mail to find leads
- Dropping in unannounced on various offices (cold canvassing)

Sales representatives need skill in screening out poor leads. Prospects can be qualified by examining their financial ability, volume of business, special requirements, location, and likelihood of continuous business. The salesperson might phone or write to prospects before deciding whether to visit them. The leads can be categorized as hot leads, warm leads, and cool leads.

PREAPPROACH

The sales person needs to learn as much as possible about the prospect company (what it needs, who is involved in the purchase decision) and its buyers (their personal characteristics and buying styles). The salesperson can consult standard sources, acquaintances, and others to learn about the company. The salesperson should set *call objectives*, which might be to qualify to prospect or gather information or make an immediate sale. Another task is to decide on the best approach, which might be a personal visit, a phone call, or a letter. The best timing should be thought out because many prospects are busy at certain times. Finally, the salesperson should plan the overall sales strategy for the account.

PRESENTATION AND DEMONSTRATION

The salesperson now tells the product “story” to the buyer, following the AIDA formula of gaining *attention*, holding *interest*, arousing *desire*, and obtaining *action*. The salesperson emphasizes throughout customer benefits, bringing in product features as evidence of these benefits. A benefit is any advantage, such as lower cost, less work, or more profit for the buyer. A feature is a product characteristic, such as weight or size. A common selling mistake is to dwell on product features (a product orientation) instead of customer benefits (a market orientation).

Companies have developed three different styles of sales presentation. The oldest is the *canned approach*, which is a memorized sales talk covering the main points. It is based on stimulus-response thinking; that is, the buyer is passive and can be moved to purchase by the use of the right stimulus words, pictures, terms and actions. Canned presentations are used primarily in door-to-door and telephone selling. The *formulated approach* is also based on stimulus-response thinking but identifies early the buyer’s needs and buying style and then uses a formulated approach to this type of buyer. The salesperson initially draws the buyer into a discussion in a way that reveals the buyer’s needs and attitudes. Then the

salesperson moves into a formulated presentation that shows how the product will satisfy the buyer's needs. It is not canned but follows a general plan.

The *need-satisfaction approach* starts with a search for the customer's real needs by encouraging the customer to do most of the talking. This approach calls for good listening and problem-solving skills. The salesperson takes on the role of a knowledgeable business consultant hoping to help the customer save money or make more money.

Sales presentations can be improved with demonstration aids such as booklets, flip charts, slides, movies, audio and video cassettes, and actual product samples. To the extent that the buyer can see or handle the product, he or she will better remember its features and benefits. During the demonstration, the salesperson can draw on five influence strategies.

- Legitimacy: The salesperson emphasizes the reputation and experience of his or her company.
- Expertise: The salesperson shows deep knowledge of the buyer's situation and company's products, doing this without being overly "smart."
- Referent Power: The salesperson builds on any shared characteristics, interests, and acquaintances.
- Ingratiation: The salesperson provides personal favors (a free lunch, promotional gratuities) to strengthen affiliation and reciprocity feelings.
- Impression Management: The salesperson manages to convey favorable impressions of himself or herself.

OVERCOMING OBJECTIONS

Customers almost always pose objections during the presentation or when asked for the order. Their resistance can be psychological or logical. *Psychological resistance* includes resistance to interference, preference for established supply sources or brands, apathy, reluctance to giving up something, unpleasant associations about the other person, predetermined ideas, dislike of making decisions, and neurotic attitude toward money. *Logical resistance* might consist of objections, the salesperson maintains a positive approach, asks the buyer to clarify the objection, questions the buyer in a way that the buyer has to answer his or her own objection, denies the validity of the objection, or turns the objection into a reason for buying. The salesperson needs training in the broader skills of negotiation, of which handling objections is a part.

CLOSING

Now the salesperson attempts to close the sale. Some salespeople do not get to this stage or do not do it well. They lack confidence or feel uncomfortable about asking for the order or do not recognize the right psychological moment to close the sale. Salespersons need to know how to recognize closing signals from the buyer, including physical actions, statements or comments, and questions. Salespersons can use one of several closing techniques. They can ask for the order, recapitulate the points of agreement, offer to help the secretary write up the order, ask whether the buyer wants A or B, get the buyer to make minor choices such as the color or size, or indicate what the buyer will lose if the order is not placed now. The salesperson might offer the buyer specific inducements to close, such as a special price, an extra quantity at no charge, or a token gift.

FOLLOW-UP AND MAINTAINANCE

This last step is necessary if the salesperson wants to ensure customer satisfaction and repeat business. Immediately after closing, the salesperson should complete any necessary details on delivery time, purchase terms, and other matters. The salesperson should schedule a follow-up call when the initial order is received; make sure there is proper installation, instruction, and servicing. This visit would detect any

problems, assure the buyer of the salesperson's interest, and reduce any cognitive dissonance that might have arisen. The salesperson should develop an account maintenance plan to make sure that the customer is not forgotten or lost.

THE SALES ORGANISATION

Is a group of individuals striving jointly to reach objectives in bearing formal and informal relations to one another.

Purpose of the sales organization

1. Permit the development of specialists: Organizing the sales department facilitates the assignment of responsibility and delegation of authority. As tasks grow in number and complexity, they are broken down into manageable units and are assigned to specialized personnel
2. To ensure that all necessary activities are performed
3. To achieve coordination of others: Individuals vary in competence, potential and effectiveness. By getting people to pool together as a team rather than an assortment of individuals, the organization accomplishes more collectively, than its members could independently.
4. To define authority: The sales executives should know whether their authority is line, staff or functional. Line authority carries the power to **require** execution of orders by those lower in the organizational hierarchy. Staff authority is the power to **suggest** to those holding line authority the method for implementation of an order. Functional authority enables specialists in particular areas to enforce their directives within a specific and limited field.
5. To economize on executive time. As the number of subordinates increase, a higher ranking sales executives delegate more authority which allows for a more effective use of specialization while higher executives devote less time to operations and more to planning.

Setting up a sales organization

To define objectives: Top management defines the long run objectives for the company and from these; the general objectives of the sales department are derived.

Determination of activities and their volume of performance: It is only after determining all necessary activities and estimating the value of performance that it becomes necessary to set up the executive positions required their relationship to other positions and their duties and responsibilities.

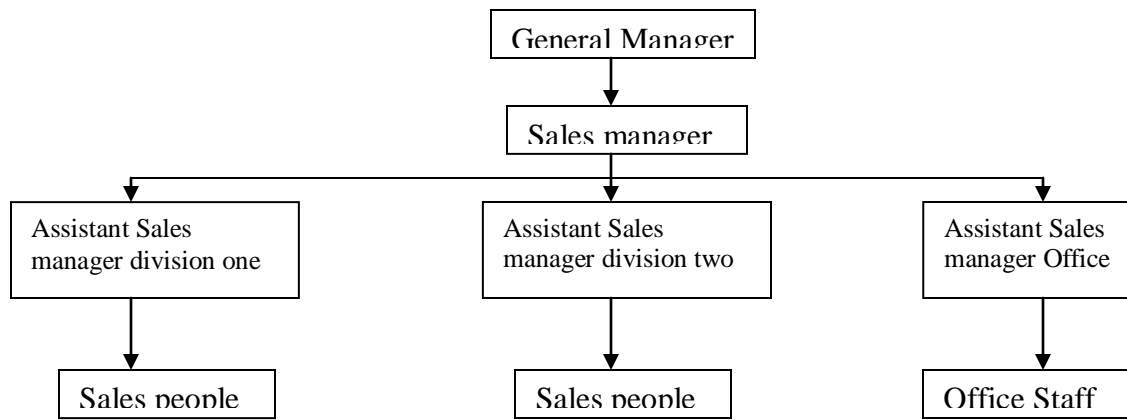
Growing activities into positions: Here the activities identified as necessary are allocated to different positions. The activities are classified and grouped so that closely related tasks are assigned to the same position. Each position should not only contain a sufficient number of tasks but sufficient variation to provide for job challenge, interest and involvement

Assignment of personnel to positions: This phase brings up the question of whether to recruit special individuals to fulfill the positions or to modify the positions to fit the capabilities of available personnel.

Provision for coordination and control: Sales executives, who have others reporting to them, require means to control the subordinates and to coordinate their efforts.

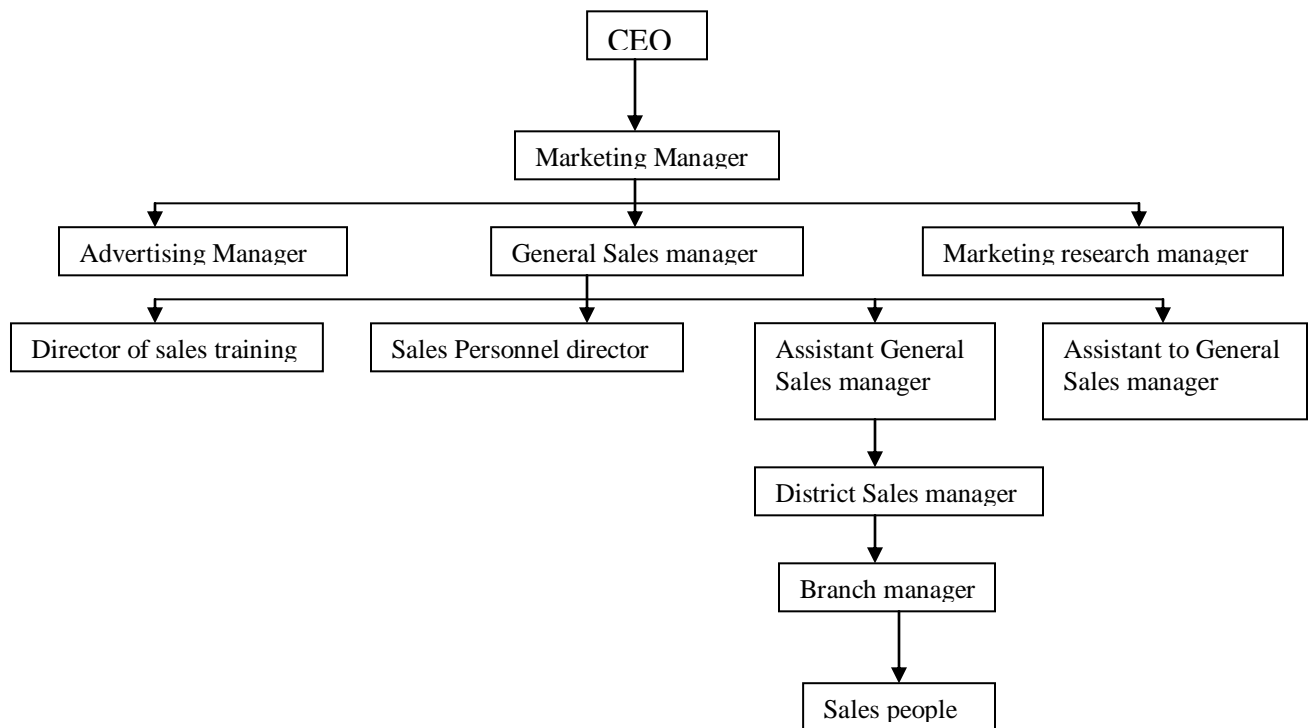
Sales Organizational structure

Line Sales organization



Here, the chain of command runs from the top sales executives down through subordinates. All executives exercise line authority and each subordinate is responsible to only one person on the next higher level. Lines of authority run vertically through the structure and all persons on any one organizational level are independent of all others on that level. It is the oldest and simplest method and suitable for small organizations compared to large ones.

Line and staff sales organization

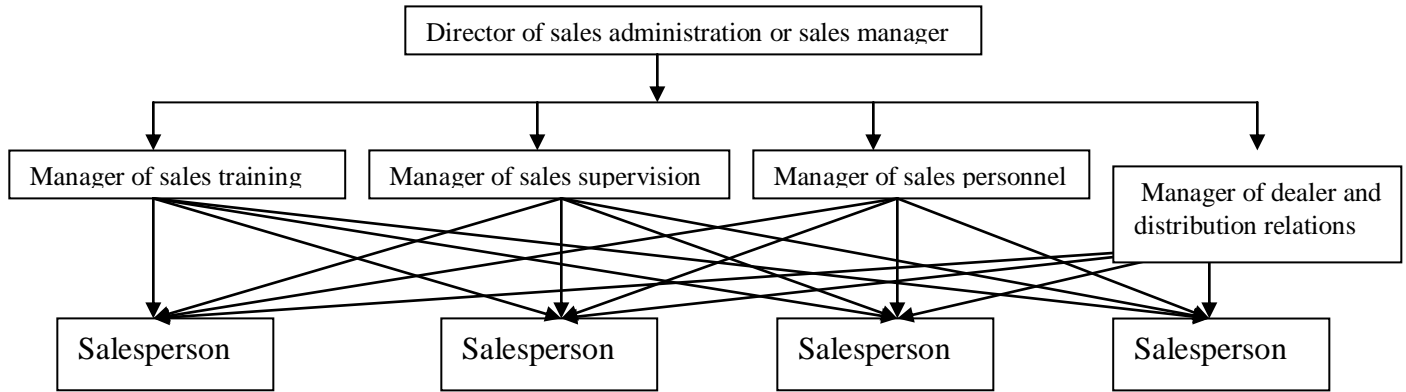


This structure is often found in large, medium sized firms employing substantial numbers of sales personnel and selling diversified product lines over wide geographical areas. This structure provides the top sales executive with a group of specialists (expert in sales analysis, sales planning, sales training etc). The staff sales executives don't have authority to issue orders to directives. Staff recommendations are

submitted to the top executives who if they approve transmit necessary instructions to the line organization.

Functional Sales organization

This structure is based upon the premise that each individual in an organization, executive or employee should have as few ~~district~~ duties as possible. The principle of specialization is utilized to the fullest extent. Duty assignments and delegation of authority are made according to the function.



No matter where a particular function appears in the organization, it is in the jurisdiction of the same executive. The sales personnel receive instructions from all the executives.

Committee Sales Organization

The committee is never the sole basis for organizing the sales department. It is a method of organizing an executive group for planning and policy formulation while leaving actual operations including implementation of plans and policies to individual executives.

SALES FORCE RECRUITMENT AND SELECTION

The process includes

1. Who is responsible?
2. Job analysis and determination of selection criteria
3. Recruiting applicants
4. Selection procedures

1. Who is responsible?

If the organization is small, sales managers are responsible whereas in large organizations, it is a recruiting specialist and lower level sales managers. If the selling is complex, then a specialist is needed while for simple products, it is done hand in hand with the Human Resource department

2. Job analysis and determination of section criteria

Because different sales jobs require different skills, there is no single set of traits and abilities sales managers can use as criteria in deciding what kind of recruits to hire. It involves tasks, responsibilities and environmental influences. A job description is what comes next.

- Note:** - The first things firms should do is to ensure that the position or the job has been analysed recently. Unfortunately, many firms have written job descriptions for their sales positions which are outdated and do not reflect the actual demands.
- The person that conducts the job analysis and prepares the job description should observe the current workers or interview them to see what they actually do and what they should be doing.

Contents of a job description

- i. Nature of products or services to be sold
- ii. Types of customers
- iii. Specific tasks and responsibilities e.g. planning, research, promotion, training etc
- iv. Relationships between job occupant and others
- v. Mental and physical demands in the job e.g. stress management, conflict management
- vi. Environmental process and constraints

Determining job qualifications and selection criteria

This is the most difficult part in the recruitment and selection process. The sales manager/workforce planning specialist should consider important of all the personal traits and characteristics. These may include physical attributes, mental attributes, experience and personal traits. The task then is to determine which traits and abilities are most important in qualifying an individual for a particular job. Common criteria could be technical knowledge and skills, education background, previous job experience etc.

3. Recruiting applicants

Qualified sales people are hard to find and the recruiting costs can grow fast on the way to finding a good employee. Some of the determinants of the sales success such as aptitude and personal characteristics are difficult or even impossible to change through training or experience. Therefore spending the money and effort to find well qualified candidates can be a profitable investment. There are both internal and external sources of the organization.

4. Selection procedures

After defining the qualifications for the applicants and choosing few recruits, it is appropriate to determine which of them have the best aptitude for the required job. For this purpose, certain selection tools and procedures are developed

- a. Application form which ask for basic questions and uniform followed by

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- b. Interviews i.e. personal: These are good opportunities for the employees to learn more about these characteristics of an applicant which cannot be seen in the applications such as communication skills, intelligence, sociability or aggressiveness.

They may be

- i. Structured – where applicants answer the same questions i.e. the questions are not personalized
- ii. Unstructured – These give the applicant a possibility to talk freely within the loose frames the interviewer sets by asking questions.

Additional techniques

- Asking the applicant to sell something to you
- Stress interviews

Note: These and other additional techniques should only be used to help the decision making but not being in the main part of the interview

- c. Checking references
 - Physical examinations
- d. Intelligence tests e.g. aptitude tests, psychometric tests

TRAINING THE SALES FORCE

Objectives of sales force training

Increase productivity

Reduce costs – mistakes

Motivate

Improve skills and preparations for higher positions

Improve relationships with customers

Lower turnover

Competitive advantage which should be maintained

Lower turnover which improves relationships

Helps the firm achieve its vision and therefore people know the culture of the company.

Methods of training

- 1. Classroom

Advantages of classroom training

Learn faster/better

No room for mistakes

Cheaper

Allows interaction

Several facilities

A lot of material, tips and information

Disadvantages of classroom training

Information overload

Gap between theory and practice

May turn out to be expensive, so managers ask for as much information as possible

Time consuming

- 2. On the job

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3. Role playing is about acting out scenarios such that they practice what they have learnt. It usually follows classroom training, electronic methods. It builds confidence
4. Electronic training methods e.g. use of cards, intranet, videos and video conferencing. The problem is that they lack the human touch, no chance for questions i.e. feed back, clarification, contribute
5. Case study
6. Seminars
7. Workshops

Evaluation of the sales force

Is about assessing the performance of the sales force: It helps to measure whether selling effort is on target with established goals and provides strong clues of how the selling effort can be improved. It is a basis for compensation of employees. It helps identifying training needs of the sales force, when to promote, dismiss. Establish company performance and setting of new goals, helps in communication and clarification.

Basis for evaluation of the sales force

They are either qualitative or quantitative

- i. Qualitative methods are subjective e.g. willingness to work, cooperation, aggressiveness, time keeping, dressing, emotional stability, hardworking, general appearance.
- ii. Quantitative bases for evaluation. These are objective and are either effort oriented or results oriented. Effort oriented measures are objective measures of inputs and include number of sales calls made, number of complaints handled, number of phone calls made to settle complaints, number of phone calls to make complaints, amount of time spent in office, number of inquiries followed up and number of sales demonstrations completed.

Results oriented measures are objective measures of output and include sales volume and revenue, number of customer complaints, number of new customers, number of stock outs, number of lost customers