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Sales management and personal selling

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Abstract

Sales management is the management of all the activities related to sales. It is the method of developing sales force, coordinating the operations of sales, and implementing techniques of sales to complete the sales target and even surpassing them and personal selling is the part of promotional mix where there is a direct contact between the sales personnel and the buyers or prospective buyers. The main goal of personal selling is to increase the sales and increase the buyers and profits for the company. In this paper, we will discuss about objectives of sales management, its importance, theories of personal selling, and buyer-seller dyads.

Keywords: Surpassing, implementing techniques target

Introduction

Sales management is the management of personal selling elements of the marketing policies of the organization. It involves planning, implementing and controlling sales policies and recruitment, training, motivation and evaluation of the sales personnel. These functions are performed by sales manager of the company. The main role of sale manager is to develop and manage the sales program which contributes in achieving goals of organization. It is the role of a sales manager to decide the no. of personnel required, their selection and training, motivation with compensation and incentives. Sales manager designs the structure for function of sales to have the maximum contact with the consumers.

Sales management is a part of organization's marketing mix which helps in making strategies related to 4P's of the marketing which are product, price, place, and promotion. Objectives for stage of promotions are achieved by advertising, sales promotion, and personal selling. Scope of sales managers is multi-disciplinary. They help in setting goals of sales personnel, planning the budget for sales program, organization of sales force, implementation of programs and controlling and evaluation of results. Sales management includes sales planning, implementation and controlling of efforts of sales personnel of the organization. Management of personal selling involves setting of objectives, organization of sales personnel, their recruitment, selection and training and evaluation of their performance. Sales managers are answerable for the efforts of his sales force, inside and outside the organization. Both formal and informal structures are formed to have effective communication not only with sales department but with the whole organization. Sales manager is the person having contact with the consumers and he is answerable for effective network of distribution. Sales management is important for success of business and to process orders while pre-selling, managing the order and post-sale.

Personal Selling is direct contact between the sales force and the consumer, where salesman induces the prospective consumers to understand the need of the product and then purchasing it. It is as same as salesmanship the only difference is that personal selling is new term and salesmanship is used traditionally. It involves a two-way communication between the seller and buyer, and is designed to persuade the individual for his purchase decision. With the advancement in technology, now personal selling can also be done through telephone, video conferencing or other telecommunication methods. In personal selling, messages to persuade sales can be modified as per the needs of consumers to satisfy them.

Personal selling focuses on developing and maintaining the relationship with existing or prospective consumers. If the sales personnel are able to convert the prospective buyer into the consumer, he/she becomes the part of the organization for future. Personal selling gives more information about the product to the consumers.

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It is a two-way flow of communication. It helps in discovering the strengths and weakness of a product and the marketing department fix the problems. It is the costliest method but still the organizations spend most of their money on personal selling than any other method of promotional mix. The main goals of personal selling are to find the prospective buyers, convincing them to buy the products and keeping its consumers satisfied.

Objectives of Sales Management: Objectives of sales are made on the basis of position of organization in the market, and the goals of management. It is a joint effort of top management, sales managers and marketing managers. Top management implement the strategies to achieve the objectives of sales management. Sales executives implement these objectives. There is a strong relationship between sales, marketing and top management. Sales executives also make their contribution in reaching these objectives. Top management of the company is having main responsibility to achieve these objectives. Top management delegates the authority to marketing management and marketing management delegates the authority to sales department. The main objectives of Sales management are:

- **Achieving Sales volume:** It is the main objective for sales. Volume of sales is important because when the sale of a product starts, market is treated as a new one. So the marketers need to penetrate the market, so that their products can be sold all over the market. The level of penetration is based on the level of sales volume to be achieved.
- **Contribution for earning profit:** Sales bring money in the business which will be resulted in the profits. Sales contributes the most in earning profit because sales itself is a function of profit for various organizations. The sales management wants to sell the product at the best optimum price. Some products are having premium price, because they are of premium nature, and if the price of such products will be kept lower, then the objectives of marketing will not be achieved because it will reduce the profits.
- **Rapid growth of Organization:** Company's growth is never constant. For the success of a business, a company needs to grow continuously. For this, company needs to do regular innovations in the product. Marketing and sales department together launches the new innovated product in the market and sales force need to sell those products at maximum level.
- **Financial Results:** One of the main objectives of Sales management is financial results. Sales management are financial results are related closely. Variations in sale will affect the profits and that have direct impact on net profit of the company. Therefore, management of sales is very important for keeping the organization financially strong.

Importance of Sales Management: Sales management helps in developing right product, setting up the best optimum price and right distribution which includes all the methods of promotion mix and providing services to the consumers and managing efforts of selling. These efforts need to be coordinated so that there will be no interference. Making plans, their implementation and evaluation are helpful in removing weakness and availing the opportunities from the market. Some of the importance of sales

management is as follow:

- **Setting of goals:** Quantifying the goals of organization is important. Sales goals helps the sales force to achieve the revenue set by the management. Repetition of sales is done once the targets are achieved. For this, management implements system like payment of incentive, bonus, commission etc. Setting of goals is important to motivate the sales force.
- **Monitoring Performance of Sales:** To manage the sales properly, monitoring of sales performance is necessary. By monitoring sales performance, management can identify the defects in productivity; implement new strategies and how to improve efficiency of sales personnel. Various softwares are made to track daily, monthly or yearly sales.
- **Improving Development of Product:** Sales management helps in formulating programs so that the sales personnel can be in regular touch with consumers and to seek the competition. Sales and profits can be increased by adding new products to the line, editing existing features or removing outdated items from the product line. Regular reviewing of product needs to be done so that the assurance regarding the product can be made that the product is generating proper profits or not.
- **Optimizing Distribution:** Sales management prepares a report in which there are not only details about the product which is being sold in the market and the quantity of sales but also the area where sales are made. The program of sales management evaluates the methods of distribution and maximizing them. For ex. If online sales are higher than retail sales, then training to retailers can be provided and more promotional tools can be adopted or even the packaging of product can be changed to increase the sale.
- **Decisions regarding Finance:** There are some products whose sales are maximum but the profit coming from their sales is minimum, creates the problem for production department and management. Detailed report regarding sales gives information about overhead and production costs, cost or sales expenses and margin of profits. Sales management continuously looks towards contribution of profits, opportunity costs and the impact of products in business operations.
- **Improving quality of sales personnel:** Sales management helps in recruiting, selecting, training, managing and evaluating the performance of the sales force. It includes development of their skills, increasing their knowledge about product, improving presentation skills and helping them to work on them to achieve their sales target effectively.

Theories of Personal Selling: Here we will read about 4 theories of personal selling. First two of them are: AIDAS theory and situation response theory. These are seller oriented. Next two are buying formula and behavioural equation, these theories are buyer oriented.

1. **AIDAS Theory:** This theory is based on the initials of AIDAS which express the meaning of this theory. They are (Attention, Interest, Desire, Action and Satisfaction). This theory is the basis of sales and the training programs of sales personnel are organized on the basis of this theory. This theory is seller oriented i.e. it focus more on salesperson.

- **To secure the Attention:** The first goal of this theory is to make the prospective buyers mind open about the sales. The first few minutes of conversation are very important. It implies that sales person must have reason for approaching the prospectives. To avoid this, taking an appointment is fruitful. The salesperson needs to be alert mentally and well skilled. It is necessary for sales person to establish good rapport. It can be done by proper dressing sense, friendliness, nice sense of humour, genuine smiles etc. These factors are necessary to gain the attention of prospective buyers.
 - **Gaining Interest:** The next aim is to try to convert the attention of prospectives to the interest. Many techniques are used to gain their strong interest. Some of the salesperson creates communicative eagerness towards the product, if the product is technical requiring portfolio or flipcharts etc. Sometimes the prospects want to purchase the product, but they are confused; then salesperson needs to convert it into approach towards selling by asking some questions.
 - **Lighting Desire:** The next goal is to light the desire of the prospectives so that they come to point where they are ready to purchase the product. For this sales personnel needs to turn the communication into the lines of sale. The hurdles in the selling process, comes in this stage. Here, salesperson needs to handle the objections of the prospects and handle their queries to provide satisfaction to the prospective buyers. Chances of sales are increased if the answers to the queries are given even before asking them.
 - **Inducing Action:** If the whole communication process goes well, then the prospectives becomes ready to purchase the product. Salesperson needs to make the prospectives full convinced towards the merits of the product. Then the time to ask the final question to the prospect comes where salesperson need to ask straightforwardly about their decision to purchase the product. The answer can be in the form of “yes” or “no” but the experiences sales person can easily identify their answer even before asking.
 - **Providing Satisfaction:** After the consumer purchase the product, it is important to assure the customer, that their decision was absolutely correct. Customers need to realize the help provided by salesperson in their decision regarding purchase. Satisfaction can be provided by thanking the customer and making the follow-up promises. Purchase of the product is the final step of sales, so is the satisfaction of customer for personal selling process.
2. **Situation Response Theory:** This theory is also called as the theory of “Right set of circumstances”. This theory is also focused on seller. This theory states that “Everything done for selling is right”. This theory had its origin in psychology and the situations happening in the certain set of conditions for selling and makes the prospectives react in an assumed way. Is the sales personnel is able to secure the attention, and the interest of the prospect. The sales personnel need to present the best appeal so that the assumed response will be the result. Situation response theory includes internal and external factors affecting the decision of the prospectives. For ex. If salesperson asks the prospect to go out for a coffee. In this sales person and his

comments are external factors while internal factors are the desire of prospectives i.e. to have a coffee, to go out for coffee or to go out with salesperson.

3. **Behavioural Equation theory:** This theory is based on stimulus-respond model. This theory explains the buying behaviour in the process of purchasing decision in the phase of learning process. 4 main elements of learning process included in stimulus response model are drives, cues, response and reinforcement. This theory is buyer oriented.
- **Drives:** These are the strongest internal boost to get the positive response of buyers. Drives are of 2 types: Innate Drive and Learned drive.

Innate drives are drives which are derived from physiological needs of an individual such as hunger, thirst, pain, shelter etc. while learned drives are those drives which include the social needs for social status for satisfying innate drives. Innate drives are hidden in nature.

- **Cues:** These are the weaker boosts which affects the response of buyer. Cues are of 2 types: Triggering and non-triggering.

Triggering cues makes the process of taking decision to purchase the product active while non-triggering cues also affects the process but does not activate the process of purchase.

- Response is the decision of buyer regarding the purchase.
- Reinforcement is the effect of response of buyer. It strengthens the decision of buyer towards the purchase.

Buying Formula: This theory is also buyer oriented. It defines about the buyer’s side of buyer-seller dyad. The needs of buyers, his problems and role of salesperson in finding best solutions for the buyer. This theory determines the decision of buyer to buy the product or not. It is a process of response of buyer in the sequence of psychological needs of buyer. This theory focus on the response of the buyer towards decision of purchase. As the result of purchase decision determines the relationship to be occurs between seller and the buyer. All the organizations want to maintain this relationship, for this the purchase decision is based on

Need/Problem → Solution → Purchase → Satisfaction

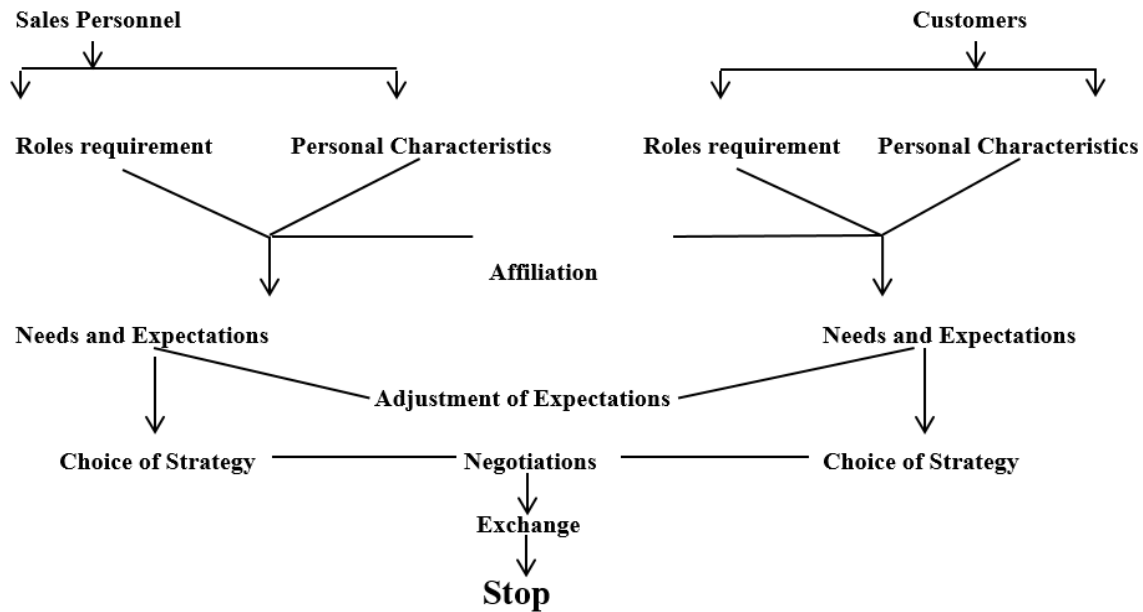
In the sales, the solution to the need of the buyer is either a product or a service. In this the element ‘Product’ is included which involves the product or service and the name of product. Then the buyer proceeds from need or problem to product or service, to purchase, and the experience of buyer. Hence the buying formula becomes

Need/Problem → Product → Solution → Purchase → Satisfaction

To make the purchase decision, product or service and the name is necessary and the experience of buyer provides satisfaction towards the product or service and the name of product. It is assumed that the product is like but it is not always necessary. Some sources of supply are sufficient and are liked while some are sufficient but are not liked by the buyers. With sufficiency and pleasant feeling towards the product, buying decision is made. Then buying formula becomes:

Need/Problem → Product → Adequacy → Pleasant feeling →
 Solution → Purchase → Satisfaction

Buyer-Seller Dyads Start



Buyer-seller dyad defines the relationship between sales personnel and the customers. Better communication is must for successful marketing and is also necessary for getting positive results of personal selling. Buyer-seller dyad is flexible in nature. It closes the sales and provides the feedback. The interaction between buyer and seller is called as buyer-seller dyads. The marketers need to utilize the buyer-seller dyads at optimum level to ensure connection between the product and the customers.

In buyer-seller dyads, there are 2 parties: Sales personnel and Consumer, having their own roles requirements and personal requirements, then there is affiliation between the characteristics of both seller and buyer. Then both of them have their own needs and expectations, so adjustment is made between both. Then seller and buyer choose their strategies to sell and purchase of the product, at this stage negotiation are made. Then exchange takes place.

Sales Personnel and Buyer: Sales personnel are the sales force of the organization that is responsible to make the sales and wants to sell their products to the customers. Buyer is the customer of the organization who wants to purchase the product from the sales personnel.

Roles Requirement and Personal Characteristics: Both the sales personnel and customers have their own roles to perform and have their own characteristics which include their basic needs and requirements. Sales personnel want to sell their products in the market to achieve their target and increase the sales of the company to achieve organizational goals while the customers want to purchase the product according to their buying capacity, budget and requirement of the product. Affiliation is made between both of them.

Needs and Expectations: Sales personnel want to increase their sales while the consumers need the product which the seller is selling. Consumers have some expectations towards the product and his satisfaction level depends on the product and sales personnel. Consumers wants best product at optimum price which will provide him maximum

satisfaction. Then adjustment of expectations takes place between both of them.

Choice of strategy: Both the sales personnel and consumers have their own strategies. Seller strategies includes the policies for maximizing the sales and provide satisfaction to the consumers so that they will become loyal customers of the firm while the strategies of consumers include purchasing the product according to their needs and requirements at the optimum price. At this stage, negotiations between the strategies of both consumers and seller are made.

Exchange: Exchange is the final stage of buyer-seller dyads. At this stage consumer gets the product in exchange of the price paid by him for the product. For the sales personnel, price received for the sale of product is the exchange value and for the consumer, product received for the price paid by him is the exchange value. Exchange is made when the buyer and seller agrees to form a relationship of marketing.

Conclusion: Sales management is important for the organization because it helps in achieving the organizational goals. Sales management fixes the quota for sale and design and determine the size of the sales force. It recruits the sales force and schedule their activities and training the sales force by providing them appropriate compensation and evaluation of their performance and their motivation. Sales management is helpful in many ways and it has certain objectives for the organization. While the personal selling is face to face contact between the prospective buyer and the seller, where seller tries to influence the buyer to buy the product, which he is selling for the organization. Personal selling helps in creating the long lasting relationship between the company and the customers. It has 4 theories of selling which includes AIDAS theory, situation response theory, stimulus response theory and buying formula. The study of buyer-seller dyad is also important. It tells us that the selling is a two-way process which involves sales personnel and the consumer. These are important for the success of the organization especially in growing competition.

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