Sales & Retail Management – III Sem

By

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Sales management

Sales mangers are responsible for generating sales, profit, and customer satisfaction levels that meet corporate objectives. They do this via a process called management. We define sales management as follows:

Definition:

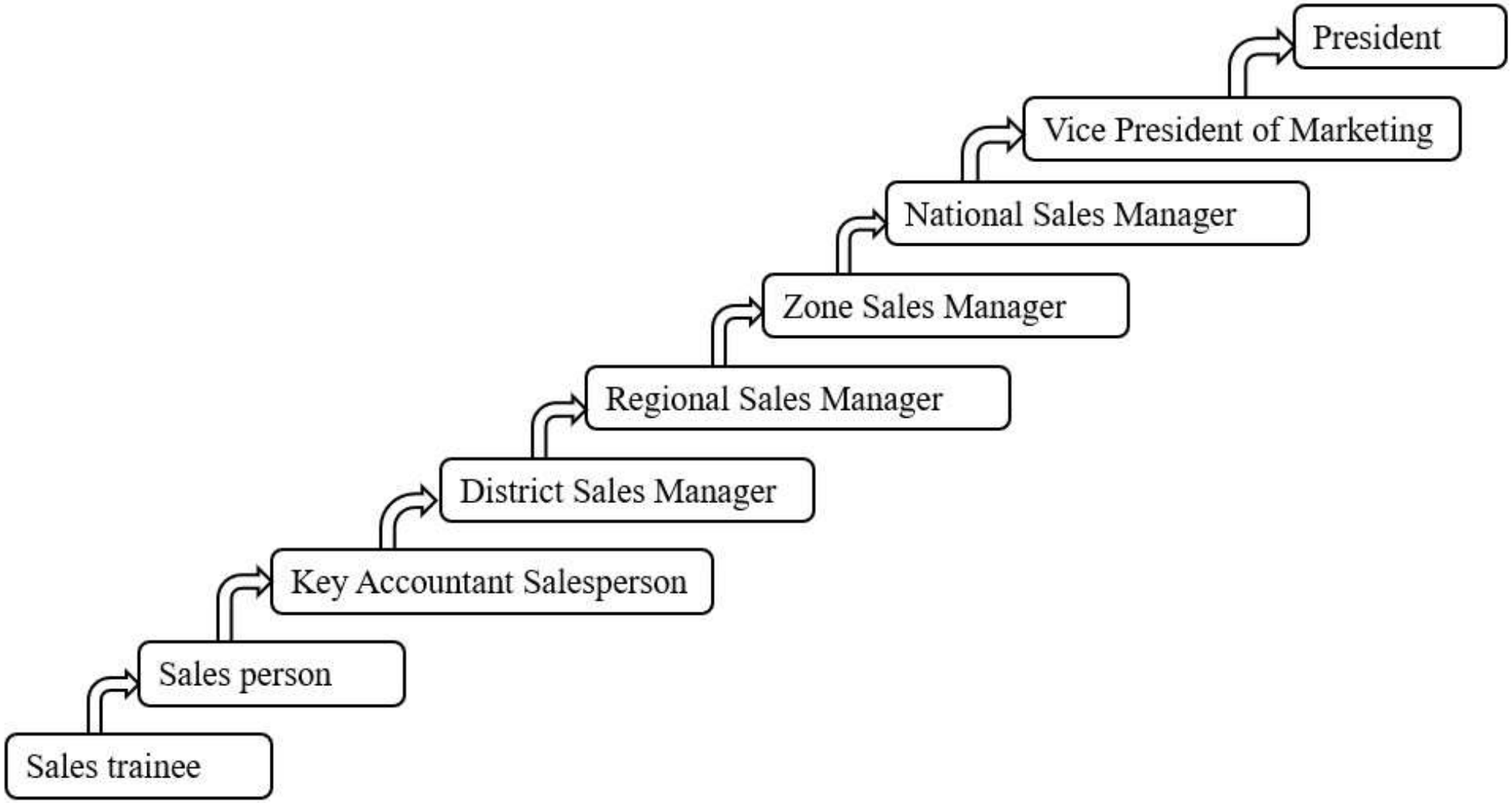
Sales management is the attainment of sales force goals in an effective and efficient manner through planning, staffing, training, leading and controlling organizational resources.

The definition covers two important ideas:

(i) The five functions of planning, staffing, training, leading and controlling.

(ii) The attainment of organizational goals in an effective and efficient manner.

A Sales Personnel Career Path



The path to a career in sales management begins with a position in sales 99 percent of the time. Most companies have two or three levels of sales positions, beginning at the trainee level. After training, a salesperson is given responsibility for a sales territory, thus moving up to a regular sales position. Within a few years, the salesperson can earn the status and financial rewards of a senior position, contacting the larger, more important customers. Some companies refer to this position as a **key account salesperson**. A person may choose to stop here and make selling his or her career or may choose to move into management. Although most recruiters today want to hire a person who can sell, they also want to hire a potential sales manager.

The beginning managerial level is usually the district sales manager's position. **The district sales manager** is responsible for usually three to ten salespeople in one district. From here a person may move into higher levels of sales management, such as that of the **regional sales manager**, responsible for three to five districts, and that of the **zone sales manager**, who oversees three to five regions. A person also may move from any of the management levels into the training, recruiting, product management, promotion, or marketing research areas

Although individuals with no previous selling experience can be promoted into sales management positions, this rarely happens. Top managers usually feel that a person with sales experience has the credibility and the background to assume a higher position. Beginning as a salesperson allows a person to:

- Learn about the attitudes and procedures of the company’s salespeople.
- Learn about customer attitudes toward the company, its products, and its salespeople.

Importance of Sales Management

1. Increased Revenue: Sales management directly impacts the revenue generation of a business. A well-structured sales management system helps identify potential customers, create effective sales strategies, and close deals efficiently. By optimizing the sales process, businesses can generate more revenue and achieve their financial targets.

2. Customer Satisfaction: Sales management focuses on understanding customer needs and providing solutions that meet those needs. By effectively managing the sales team, businesses can ensure that customers receive the right products or services, timely support, and personalized attention. This leads to higher customer satisfaction and fosters long-term relationships, ultimately driving customer loyalty and repeat business.

3. Market Expansion: Sales management is crucial for expanding into new markets. It involves conducting market research, identifying potential opportunities, and developing market entry strategies. Through effective sales management, businesses can penetrate new territories, reach a wider customer base, and establish a strong presence in competitive markets.

4. Efficient Resource Allocation: Sales management helps optimize the allocation of resources such as time, manpower, and budget. It enables businesses to prioritize sales opportunities, allocate territories effectively, and streamline sales processes. By eliminating inefficiencies and focusing resources on high-potential prospects, organizations can maximize their return on investment and improve overall operational efficiency.

5. Customer Acquisition and Retention: Sales managers are responsible for acquiring new customers and retaining existing ones. A well-managed sales team can build and maintain strong relationships with customers, leading to repeat business and customer loyalty.

6. Motivation and Leadership: Sales managers play a crucial role in motivating and leading the sales team. Creating a positive and supportive work environment, providing incentives, and offering professional development opportunities contribute to a motivated and high-performing sales force.

7. Coaching and Development: Sales managers provide training, coaching, and feedback to improve the skills and knowledge of their team. This empowers salespeople to perform better, close more deals, and build long-term customer relationships.

8. Performance Evaluation and Improvement: Sales management involves tracking key performance indicators (KPIs) and analyzing sales data to evaluate the effectiveness of sales strategies. By monitoring sales metrics, businesses can identify strengths, weaknesses, and areas for improvement. This data-driven approach enables sales managers to make informed decisions, implement corrective actions, and continuously improve the sales process.

9. Achieving Sales Targets: Effective sales management sets clear goals and strategies to ensure the sales team is working towards achieving them. This translates to consistent revenue generation and sustainable growth for the business.

Personal Selling:

Personal selling is the personal communication of information to persuade a prospective customer to buy something – a good, service, idea or whatever that satisfies an individual's needs.

Sales Management Process/Sales Management Functions

1. PLANNING:

Planning defines where the organization wants to be in the future and how to get there. Planning is the conscious, systematic process of making decisions about goals and activities that an individual, group, work unit, or organization will pursue in the future and the use of resources needed to attain them. Each of the five functions requires planning-even the planning function itself.

Managers develop plans for entire organizations, for specific work units, and for individuals. These plans may cover long periods of time (five years or more) or a short time horizon (days or weeks). They may be very general (for example, to improve profits through new product development) or very specific (for example, to reduce inventory of product X by 10 percent over the next month through an incentive sys tem). In each case, however, managers are responsible for gathering and analyzing the information on which plans are based, setting the goals to be achieved, and deciding what needs to be done to achieve them.

2. STAFFING:

Although a good plan is important, a manager usually cannot do the job alone. Staffing refers to activities undertaken to attract, develop, and maintain effective sales personnel within an organization. People are the most important function in the management process.

Staffing involves two activities: people planning and employment planning. The first determines how many-and the type of sales personnel to hire. Employment planning consists of recruiting, selecting, and socializing people into the sales group. Thus, hiring salespeople who become high performers is very important to the success of an organization.

3. TRAINING:

Sales managers spend much of their time training their salespeople. **Sales training** is the effort put forth by an employer to provide the salesperson job-related culture, skills, knowledge, and attitudes that result in improved performance in the selling environment. Some authors distinguish between training and development by noting that training usually refers to teaching people how to do their present jobs, whereas development refers to teaching people the skills needed for both present and future jobs. For simplicity, both will be referred to as training.

4. LEADING:

The fourth sales management function is to provide leadership for sales personnel- salespeople as well as sales managers. Leading is the ability to influence other people toward the attainment of objectives. Leading means communicating goals to people throughout the sales group and infusing people with the desire to perform at a high level. For top corporate sales managers, leading involves motivating entire departments and divisions as well as those individuals working immediately with the managers.

5. CONTROLLING:

A combination of comprehensive plans, good people, quality training, and outstanding leaders still does not guarantee success. It also takes understanding the organization's past and present situation. This involves controlling-the fifth management function. Controlling means monitoring sales personnel's activities, determining whether the organization is on target toward its goals, and making corrections as necessary. Sales managers must ensure continuously that the organization is moving toward its goals.

Specific controlling activities are to set performance standards that indicate progress toward long-term goals; to monitor performance of people and units by collecting performance data; to provide people with feedback or information about their progress; to identify performance problems by comparing performance data against standards; and to take actions to correct problems. Budgeting, cost cutting, and disciplinary action are just a few of the tools of control.

Objectives of Sales Management/Personal Selling Objectives

Qualitative Objectives:

The qualitative Personal Selling objectives are long-term and concern the contributions management expects personal selling to make in achieving long-term company objectives. Personal selling may be assigned such qualitative objectives as

1. To do entire selling job (as when there are no other elements in the promotional mix).
2. To “service” existing accounts (that is, to maintain contacts with present customers, take orders, and so forth)
3. To search out and obtain new customers.
4. To secure and maintain customers’ cooperation in stocking and promoting the product line.
5. To keep customers informed on change in the product line and other aspects of marketing strategy.
6. To assist customers in selling the product line (as though “missionary selling”)
7. To provide technical advice and assistance to customers (as with complicated products and where products are especially designed to fit buyers’ specifications).
8. To assist with the training of middlemen's’ sales personnel.
9. To provide advice and assistance to middlemen on management problems.
10. To collect and report market information of interest and use to company management.

Quantitative Objectives:

The quantitative objectives assigned to personal selling are short-term and are adjusted from one promotional period to another.

1. To capture and retain a certain market share.
2. To obtain sales volume in ways that contribute to profitability
3. To obtain some number of new accounts of given types.
4. To keep personal-selling expenses within set limits.
5. To secure targeted percentages of certain account's business.

Market Potential:

A market potential is an estimate of the maximum possible sales opportunities present in a particular segment and open to all sellers of a good or service during a stated future period. A market potential indicates how much a particular product can be sold to a particular market segment over some future period, assuming the application of appropriate marketing methods.

Sales Potential:

A sales potential is an estimate of the maximum possible sales opportunities present in a particular market segment open to a specified company selling a good or service during a stated future period. A sales potential represents sales opportunities available to a particular manufacturer, such as Eastman Kodak company, while a market potential indicates sales opportunities available to an entire industry.

Sales Forecast:

A sales forecast is an estimate of sales, in dollars or physical units, in a future period under a particular marketing program and an assumed set of economic and other factors outside the unit for which the forecast is made. A sales forecast may be for a single product or for an entire product line. It may be for a manufacturer's entire marketing area, or for any subdivision of it. Such forecasts are short-term, or operating, sales forecasts rather than long-range sales forecasts, which are used for planning production capacity and for long-run financial planning. Long-range sales forecasts, although of interest, are so tentative that sales planners give them only passing attention. It is the short-term, or operating, sales forecast that is important to the sales executive. Keep in mind, then, that an operating sales forecast is a prediction of how much of a company's particular product (or product line) can be sold during a future period under a given marketing program and an assumed set of outside factors.

SALESMANSHIP:

Salesmanship is one of the skill used in personal selling. It is the art of successfully persuading prospects to products/services from which they can obtain benefits and thereby it increases their total satisfaction.

Salesmanship Skill

Although some management theorists propose a long list of skills, the necessary skills for planning, staffing, training, leading, and controlling can be summarized in three especially important categories: conceptual and decision, people, and technical. All managers need each skill, but the amounts differ by hierarchical level.

1. CONCEPTUAL AND DECISION SKILLS:

Conceptual and decision skills refer to the cognitive ability to see the organization as a whole and the relationships among its parts. Conceptual skills involve the manager's thinking and planning abilities. They include knowing where one's group fits into the total organization and how the organization fits into the industry and the community. They mean the ability to think strategically to take the broad, long-term view.

2. PEOPLE SKILLS:

People skills involve the manager's ability to work with and through other people and to work effectively as a group member. These skills are demonstrated in the way a manager relates to other people, including the abilities to motivate, facilitate, coordinate, lead, communicate, and resolve conflicts.

Managers spend well over half their time interacting with people. Because man agers must deal with others, they must develop their abilities to lead, motivate, and communicate effectively with those around them. The ability to get along with di verse types of people and exchange information with them is vital for a successful management career. These skills are essential at all levels and in all parts of a sales organization.

3. TECHNICAL SKILLS:

Technical skills are the ability to perform a specialized task that involves a certain method or process. They include mastery of the methods, techniques, and equipment involved in specific functions such as selling, training, and recruiting. Technical skills also involve specialized knowledge, analytical ability, the competent use of tools such as computers, and techniques to solve problems in that specific discipline.

Technical skills are most important at lower organizational levels. Many managers get promoted into their first management jobs by having excellent technical skills. However, technical skills are less important than people and conceptual skills as managers move up the hierarchy.

Other Skills include:

1. **Communication Skills:** Effective communication is crucial in sales. Salespeople need to be able to clearly articulate the features and benefits of their product or service, understand customer needs, and address any concerns or objections.
2. **Product Knowledge:** A thorough understanding of the product or service being sold is fundamental. Salespeople should be well-versed in the features, advantages, and benefits of what they are offering, allowing them to answer questions and provide valuable information to potential customers.
3. **Time Management:** Efficient use of time is crucial in sales. Prioritizing leads, managing appointments, and following up with potential customers in a timely manner contribute to overall sales success.
4. **Relationship Building:** Establishing and maintaining positive relationships with customers is key for long-term success. Building trust and credibility can lead to repeat business and referrals.
5. **Closing Skills:** Knowing when and how to ask for the sale is a critical aspect of salesmanship. Salespeople need to be able to guide the customer toward making a decision and closing the deal.

6. Negotiation Skills: Negotiation is often a part of the sales process. Salespeople need to be skilled at finding mutually beneficial agreements that satisfy both the customer and the company.

7. Empathy: The ability to understand and relate to the emotions and perspectives of customers is crucial. Empathetic salespeople can build stronger connections with customers and address their concerns more effectively.

8. Persistence: Rejections and objections are common in sales. A persistent attitude helps salespeople overcome setbacks, learn from them, and continue pursuing potential leads.

9. Adaptability: Markets, products, and customer preferences can change. Successful salespeople are adaptable and can adjust their approach based on the situation, customer feedback, or market trends.

SELLING SITUATIONS

Different sales positions require different amounts and kinds of service and developmental selling. McMurry and Arnold classify positions on a spectrum ranging from the very simple to the highly complex. They categorize sales positions into three mutually exclusive groups each containing subgroups, a total of nine subgroups in all:

Group A (service selling)

1. Inside Order Taker-"waits on" customers; for example, the sales clerk behind the neckwear counter in a men's store.

2. Delivery Salesperson-mainly engages in delivering the product; for example, persons delivering milk, bread, or fuel oil.

3. Route or Merchandising Salesperson-operates as an order taker but works in the field-the soap or spice salesperson calling on retailers is typical.

4. Missionary-aims only to build goodwill or to educate the actual or potential user, and is not expected to take an order; for example, the distiller's "missionary" and the pharmaceutical company's "detail" person.

5. Technical Salesperson-emphasizes technical knowledge; for example, the engineering salesperson, who is primarily a consultant to "client" companies.

Group B (developmental selling)

6. Creative Salesperson of Tangibles-for example, salespersons selling vacuum cleaners, automobiles, siding, and encyclopedias.

7. Creative Salesperson of Intangibles- for example, salespersons selling insurance, advertising services, and educational programs.

Group C (basically developmental selling, but requiring unusual creativity)

8. "Political," "Indirect," "Back-Door" Salesperson-sells big-ticket or items, particularly commodities or items with no truly competitive features. Sales are consummated through rendering highly personalized services (which have little or no connection with the product) to key decision makers in customers' organizations, for example, the salesperson who lands large orders for flour from baking companies by catering to key buyers' interests in fishing, golfing, blondes, or the like.

9. Salesperson Engaged in Multiple Sales- involves sales of big-ticket items where the salesperson must make presentations to several individuals in the customer's organization, usually a committee, only one of which can say "yes," but all of whom can say "no"; for example, the account executive of an advertising agency who makes presentations to the "agency selection committees of advertisers-even after the account is obtained, the salesperson has to work to retain it.

Selling Style/Business Style

1. Trade Selling

Trade Selling tries to establish long-term relationship with the customers. This is a routine job. In wholesale trade, this style is used extensively. Food products and textile companies also adopt this style. The markets for such products are well-established. Personal selling here just complements advertising, which is the main method for promotion. A trade salesman assists the customer in his selling exercise. He counts the stock, sees that the stocks get replenished, suggests re-orders for replacements, helps in sales displays.

2. Missionary Selling:

Missionary Selling assists the customers in their selling efforts. The idea is to increase the sales volume. If orders flow in, they are just incidental. A medical representative is a typical missionary. He just assists the retail chemists by passing information about the new products and asking them to have them in stock. His direct customers are drug wholesalers. He also calls on doctors to persuade them to prescribe the products. This is also indirect selling. Missionary sales people also work low-profile.

3. Technical Selling:

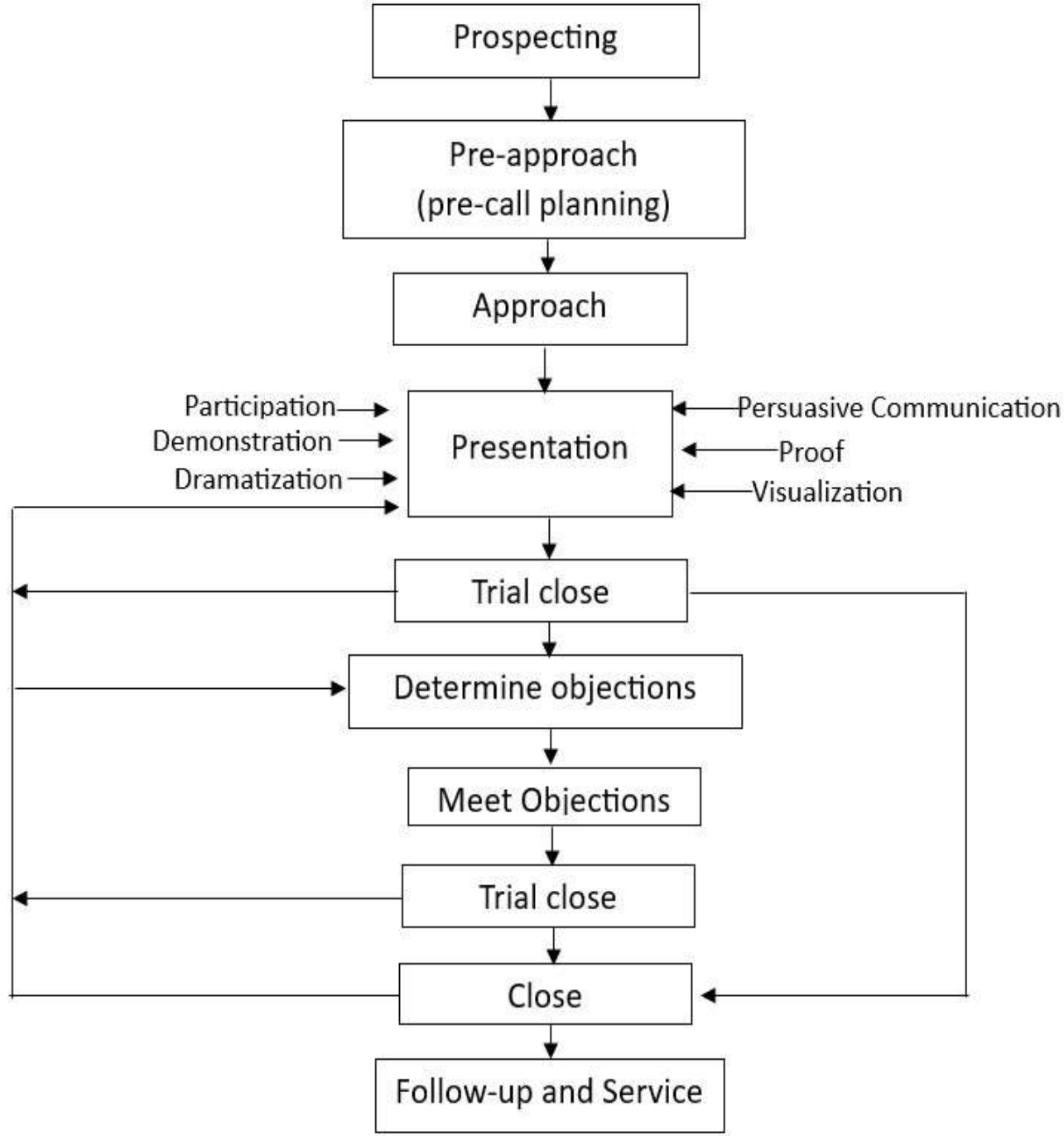
Technical Selling aims at improving the sales volume of established products by offering sound technical advice and other assistance . He is an advisor in industrial marketing. He acquaints the buyer with the product and its applications. He also advises the clients about installations and production processes. His major ability is to solve his customer’s problems. These sales persons can specialized either by markets or products.

4. New-Business Selling:

New-business Selling tries to identify new customers and secure orders from them. He converts the prospects into customers. Selling for him is a creative job. He should have good selling skills. It is not, however, seen in practice that a company has a set of salesman doing just new business solicitation. The regular sales persons are expected to do new business selling too. Most sales persons may not have special skills to do so, and may therefore concentrate more on established accounts.

Personal Selling Process

Selling process are the systematic step of the logical, sequential way of doing sales, if followed can greatly improve the chance of making a sale. This sequential series of actions by the salesperson leads to the customer taking a desired action and ends with a follow-up to ensure purchase satisfaction.


Prospecting
Pre-approach
(pre-call planning)
Approach
Participation
Demonstration
Dramatization
Presentation
Persuasive Communication
Proof
Visualization
Trial close
Determine objections
Meet Objections
Trial close
Close
Follow-up and Service

1. PROSPECTING:

Prospecting is the first step in the selling process. A prospect is a person or business that needs the product a salesperson is selling and has the ability to buy it. Therefore, prospecting is the act of finding people who need and can buy the product. Prospecting is the lifeblood of sales.

A salesperson must look constantly for new prospects for two reasons. One is to increase sales. The other is to replace customers who will be lost over time. A prospect should not be confused with a lead. The name of a person or business that might be a prospect is referred to as a lead. Once the lead has been qualified as needing the product and as having the ability to buy it, the lead becomes a prospect.

Salespeople can ask themselves three questions to determine if an individual or Organization is a **qualified prospect**:

- Does the prospect have the money to buy?
- Does the prospect have the authority to buy?
- Does the prospect have the desire to buy?

A simple way to remember this qualifying process is to think of the word MAD. A true prospect must have the financial resources, money or credit, to pay and the authority to make the buying decision. The prospect also should desire the product. Sometimes an individual or organization may not recognize a need for the product. It's the salesperson's job, then, to help create the need.

Popular Prospecting Methods:

- Cold Canvassing
- Endless chain-customer referral
- Orphaned Customers
- Sales lead clubs
- Prospect lists
- Public exhibitions and demonstrations
- Direct mail
- Telephone and telemarketing
- Observation
- Networking

Prospect pool

Referrals come from prospects. Different sources of prospects form the prospect pool. **The prospect pool** is a group of names gathered from various sources. Your source, for example, may be a mailing list, telephone book, referrals, orphans, or existing customers. A prospect pool is usually created from four main sources.

1. Leads: people and organizations salespeople know nothing, or very little, about.

2. Referrals: people or organizations salespeople frequently know very little about other than what they learned from the referral.

3. Orphans: customers whose salesperson has left the company. Company records provide the only information about these past customers.

4. Customers: the most important prospects for future sales.

2. <u>PREAPPROACH:</u>

Once the prospect has been identified and qualified, the next step in the selling process is the pre-approach. Prospecting and the pre-approach are similar in that, for both, the salesperson is gathering information to use in the attempt to make a sale. During the pre-approach, the salesperson investigates the prospect in greater depth and plans the sales call.

All sales trainers feel salespeople must carefully plan their sales calls. Although numerous reasons exist for planning the sales call, four of the most frequently mentioned are that planning:

- Helps build a salesperson's self-confidence.
- Develops an atmosphere of goodwill and trust with the buyer.
- Helps create an image of professionalism.
- Increases sales because people are prepared.

Steps in Planning the Sales call:

1. Determining sales call objectives
2. Developing or reviewing the customer profile
3. Developing a customer benefit plan; and
4. Developing the in- dividual sales presentation based on the sales-call objective, customer profile, and customer benefit plan.

1. DETERMINING SALES CALL OBJECTIVES:

Salespeople should have at least one objective in mind when they meet with a prospect or customer. Sales call objectives should be specific, measurable, and directly beneficial to the customer. For example, a Colgate salesperson might have the objectives of checking all merchandise, having the customer make a routine reorder on merchandise, and selling promotional quantities of Colgate toothpaste. Industrial salespeople develop similar objectives to determine if their present customers need to reorder and to sell new products.

2. DEVELOPING A CUSTOMER PROFILE

Salespeople should review as much relevant information as possible regarding the firm, the buyer, and the individuals who influence the buying decisions before making a sales call in order to properly develop a customized presentation.

3. DEVELOPING A CUSTOMER BENEFIT PLAN

Beginning with the sales-call objectives and what is known or has been learned about a prospect, the salesperson is then ready to develop the customer benefit plan. The customer benefit plan contains the nucleus of the information used in the sales presentation; thus, it should be developed to the best of the salesperson's ability. Creating a customer benefit plan can be approached as a four-step process:

Step One: Select the features, advantages, and benefits (FABS) of the product to present to the prospect.

This activity addresses the issue of why the product should be purchased. The main reason a prospect should purchase a product is that its benefits fulfill certain needs or solve certain problems. Salespeople should carefully determine the benefits they wish to present.

Step Two: Developing the marketing plan.

If a salesperson is selling to a wholesaler or retailer, the marketing plan should include how, once the prospect buys the product, he or she will sell the product. An effective marketing plan would include suggestions for how a retailer, for example, should promote the product through displays, advertising, proper shelf space and positioning, and pricing. For an end user of the product, such as a company that buys manufacturing equipment, computers, or photocopiers, salespeople should develop a program showing how their product can be most effectively used or coordinated with existing equipment.

Step Three: Develop a business proposition

Develop a business proposition that includes items such as the price, percent markup, forecasted profit per square foot of shelf space, return on investment, and payment plan. Value analysis is an example of a business proposition for an industrial product.

Step Four: Develop a suggested purchase order based on the customer benefit plan.

A proper presentation of the analysis of customer needs and the product's ability to fulfill these needs, along with a satisfactory business proposition and marketing plan, should allow a salesperson to justify to the prospect how much of the product to purchase. Depending on the nature of the product, this suggestion also may have to include such details as what to buy, how much to buy, which assortment to buy, and when to ship the product to the customer.

The salesperson should create visual aids to effectively communicate the information developed in these four steps. The visuals should be organized in the order they will be discussed. The next step is to plan all aspects of the sales presentation itself.

4. DEVELOPING THE SALES PRESENTATION

Finally, the sales presentation must be planned from beginning to end. This process involves developing seven of the steps of the sales presentation described earlier. These are approach, presentation, trial close, determine objections, meet objections, additional trial close, and close of the sales presentation.

3. APPROACH:

The sales opener, or approach, is the first major part of the sales presentation. If done correctly, it greatly improves a salesperson's chances of making the sale. A buyer's reactions to the salesperson in the early minutes of the sales presentation are critical to a successful sale. This short time period is so important it is treated as an Individual step in selling, referred to as "the approach." Part of any approach is the prospect's first impression of the salesperson.
When a salesperson first meets a prospect, the initial impression is based on appearances and attitude. If this impression is favorable, the prospect is more likely to listen to the salesperson, but if it is not favorable, the prospect may erect communication barriers that can be difficult to overcome.

Approach techniques: The most common approaches used in sales training programs follow:

1. **Introductory approach:** The salesperson states his or her name and business. This is the most common approach and also the weakest. For IPC example, "Hello, my name is Amy Firestone, representing the Barnhill Estate Company.

2. **Product approach:** The salesperson places the product on the counter or hands it to the customer, saying nothing. The salesperson then waits for the prospect to begin the conversation. This is useful if the product is new, unique, colorful, or has been changed. If, for example, Pepsi-Cola completely changed the shape of its bottle and label, the salesperson should simply hand the product to the retail buyer and wait.

3. Customer benefit approach: The salesperson asks a question that shows the product can benefit the prospect in some way, such as saving money. For example, "How would you like to save $100 on the purchase of your next IBM typewriter?“

4. Curiosity approach: The salesperson asks a question to make the prospect curious about the product or service. For example, a textbook salesperson might ask, “Do you know why 200 schools are using this book in their sales management courses?

Most salespeople vary a combination of these techniques. All but the introductory approach (the weakest) have three important characteristics in common. They capture the attention of the prospect; they stimulate interest; and they provide a smooth transition into the presentation.

4. MAKING THE PRESENTATION:

Basically, the purpose of the presentation is to provide knowledge about the features, advantages, and benefits of the product, marketing plan, and business proposal. This allows the buyer to develop positive personal beliefs about the product. Such beliefs result in a desire (or need) for the product. The sales person's job is to convert the need into a want and finally into the belief that this specific product is the best product to fulfill a certain need. Furthermore, the sales rep must convince the buyer that not only is this product the best but also that this seller is the best source from which to buy it.

When developing a presentation, salespeople should consider which elements of the sales presentation mix they will use for each prospect. The proper use of persuasive communication techniques, methods to encourage prospect participation, proof statements, visual aids, dramatization, and demonstrations can greatly increase a salesperson’s chance of showing the prospect how the products will satisfy his or her needs.

As we know, it is often not what we say but how we say it results in making the sale. Persuasive communication techniques such as questioning, listening, logical reasoning, suggestion, and trial closes help to uncover needs, communicate effectively and pull the prospect into the conversation.

Proof statements substantiate the claims salespeople make. They are especially useful for showing prospects that what they are saying is true and that they can be trusted. When challenged about a product statement, salespeople should prove it by incorporating into their presentation facts on a customer's past sales, guarantees the product will work or sell testimonials, or company and independent research results.

To both show and tell, visuals should highlight a product's features, advantages, and benefits through the use of graphics, dramatization, and demonstration. This technique captures the prospect's attention and interest; creates two-way communication and participation, expresses the proposition in a clearer, more complete manner, and makes more sales, Careful attention to the development and rehearsal of the presentation is needed to ensure that it is carried out smoothly and naturally.

Sales presentation Methods:

Although many ways to make a presentation exist, only three will be discussed here. They are the memorized or stimulus response, formula, and need-satisfaction methods. The basic difference among the three is the percentage of the conversation the salesperson controls. The more structured memorized and formula selling techniques normally give the salesperson a monopoly on the conversation, while the less structured methods allow a much greater degree of buyer-seller interaction, in which both parties participate equally in the conversation.

1. Stimulus-Response Method: This method assumes that the prospect's needs can be stimulated by exposure to the product or already have been stimulated because the prospect has sought out the product. The salesperson does most of the talking. Only occasionally does the prospect get to talk. The salesperson does not know what the prospect needs, so all aspects of the product are first discussed, and then the prospect is asked to buy.

2. Formula Method: This approach is like the stimulus-response method in that it is based on the assumption that all prospects are alike. However, here something is known about the prospect, so the presentation is slightly less structured than it is with the stimulus-response method. The salesperson may use a structured series of steps such as the AIDA approach.

AIDA stands for attention, interest, desire, and action. The AIDA method can be used if time is short, if prospects are the same, or if the salesperson lacks the ability to develop individualized sales presentations. The shortcomings of this approach are the same as those of the stimulus-response method.

3. Need-Satisfaction Method: It is the most challenging and creative form of selling. The sales person will typically start the presentation with a probing question: "What are you looking for in investment property?" "What type of computer needs does your company have? This allows the prospect to discuss the company's needs.

As the salesperson is listening to the prospect, he or she mentally notes the product's features, advantages, and benefits in relation to the prospect's needs. If the sales person is not clear on some things the prospect says, he or she should ask questions or restate what the prospect has said to make sure the prospect's needs and desires are completely expressed and understood. Once this stage is accomplished, the sales person is ready to show how the products will satisfy the prospect's needs. The presentation can be personalized or concentrate on the specific features the salesperson's product can offer that will fulfill the prospect's needs.

5. TRIAL CLOSE:

The trial close involves checking the prospect's attitude toward the sales presentation. It may occur anytime during the selling process. However, it is especially useful (1) after making a strong selling point, (2) after overcoming an objection, or (3) once the presentation is complete. It is used to check the buyer's "pulse" or mood to determine whether he or she is paying attention to the presentation and whether it is time to ask for a purchase.

"Some prospects are ready to buy early in the presentation, whereas others take longer. The reason a trial close is used centers on the psychological aspect of a prospect saying no when the salesperson attempts to close the sale. Once the prospect has said no, the salesperson may have difficulty moving from that position. So, to avoid this, salespeople may at any time use a trial close like one of these:

- How does that sound to you?
- What color do you prefer?
- If you bought this, where would you use it in your business?
- Are these features what you are looking for?

If the prospect responds favorably, the salesperson can move on to the close However, if a negative response is received, the close can be postponed. The sales person may need to completely start over with the presentation.“

6. OBJECTIONS:

Very few presentations end successfully, and very few prospects are that easily convinced. Usually, the prospect will raise some objections. Experienced salespeople welcome objections. An **objection** is opposition or resistance to information or a request. It shows that the prospect is interested in the product and that if the objections can be answered to the satisfaction of the prospect, the sale will be made. If, on the other hand, the prospect simply sits quietly, making noncommittal sounds, and at the end of the presentation simply says, "That's nice. I'm not interested. Good-bye," the salesperson has no grounds for continuing, and the sale is lost.

Some salespeople and sales managers believe the art of selling does not begin until the objections are raised. This is when salespeople really begin to earn their money. Anyone can make a sale when no objections are raised. The ability to uncover and answer objections is a skill that should be mastered.

Types of Objections

Two types of objections occur, real or practical objections and hidden or psychological objections. **Real objections** are tangible, such as about a too-high price. If this is a real objection and the prospect says so, then the salesperson can show that the product is of high quality and worth the price or remove some optional features and reduce the price.
As long as the prospect clearly states the real objection to purchasing the product, the salesperson should be able to answer the objection and go into the close However, prospects will not always be so agreeable and clearly state their objections. Rather, they will give some excuse about why they are not ready to make a purchase thereby keeping their real objections hidden. Usually the prospect will not purchase the product until those hidden objections are somehow answered.

Techniques of meeting Objections

1. **Postponing Objections:** Often the prospect may skip ahead of the sales presentation. The salesperson then may want to postpone the objection until he or she has presented the background that would allow it to be met completely.

Prospect "Your price is too high.“

Salesperson "In just a minute I'll show you this product is reasonably priced based on the savings you will receive compared with what you are presently doing”.

2. Boomerang: One important selling skill to teach salespeople is how they can turn an objection into a benefit or a reason to buy. Take, for example, the wholesale drug salesperson who wants to sell a pharmacist a new type of container for prescription medicines. The salesperson hands the pharmacist a container.

Prospect: "They look nice, but I don't like them as well as my others. The tops seem hard to get off".

Salesperson: "Yes, they are hard to remove. We designed them so children couldn't get into the medicine. Isn't that a great safety measure?"

3. Asking Questions

Questioning the prospect is another selling skill salespeople can learn.

Prospect "I do like this house, but it is not as nice as the one someone else showed us yesterday.
Salesperson: "Would you please tell me why?"
Real objections must be uncovered and property dealt with in a straightforward manner. Objections can become a positive factor in the sales presentation if they allow the prospect to open up and participate in the dialogue.

7. <u>THE CLOSE:</u>

All of the effort that has gone into the prospecting, pre-approach, approach, and presentation has as its aim a successful close. Closing is the process of helping people make a beneficial decision. It is the part of the selling process that ultimately brings the sale to a conclusion. If all goes well, the conclusion will be positive, however it can be negative.

Difficulties with closing

The close can be difficult for some people. For numerous reasons, some salespeople fail to make a sale or even fail to attempt to close. First, a salesperson may not be confident in his or her ability to close. Perhaps numerous failures to make a sale have brought about this situation. Second, salespeople often determine on their own that the prospect does not need the quantity or type of merchandise or that the prospect simply should not buy. Finally, the person may be a poor salesperson. Quite often proper sales training and encouragement from management can greatly increase a person's selling ability.

Closing Techniques:

1. **The Compliment:** For this technique, the salesperson may compliment the prospect by saying something like "It is obvious you know a great deal about the grocery business. You have every square foot of your store making a good profit. Our products have the profit margin you want, and they sell like hotcakes, so you'll make an above average profit. I suggest you buy one dozen mops and one dozen brooms for each of your 210 stores.“
2. **The Summary:** Three or four benefits of interest to the prospect can be summarized in a positive manner so the prospect agrees; then the salesperson asks for the order. The salesperson emphasizes aspects in which the prospect has an interest.

Salesperson: "Mr. Stevenson, you say you like our fast delivery, profit margin, and credit policy. Is that right?" (Summary and trial close)

Prospect: "Yes, I do, Chuck.”

Salesperson: "Then I suggest that you buy one dozen mops and one dozen brooms for each of your 210 stores."

3. Minor Decision: Agreement can be reached on minor, less important elements of the sale first. Commitment on the large dollar outlay is postponed until last. For example, an automobile salesperson would close on features such as color, interior, and accessories before closing on the final price.

4. Assumptive: The salesperson can assume the prospect will buy, making statements such as "I'll have this shipped to you tomorrow. If the customer has been called on for a long time, the salesperson can fill out the order form, hand it to the customer, and say, "This is what I'm going to send you." Many salespeople have earned the trust of their customers to such an extent that the salesperson orders for them. Here the assumptive technique is especially effective.

8. FOLLOW-UP AND SERVICE

Providing service to customers is critical to successfully managing a sales territory. Follow-up and service (the final step in the selling process) create goodwill between a salesperson and the customer, which in the long run will increase sales faster than not providing such service. By contacting the customer after the sale to see that the maximum benefit is being derived from the purchase, a salesperson lays the foundation for a positive business relationship. Remember, its easier to keep a customer than to find a new one.

Responsibilities and Qualities of Sales Manager

Responsibilities:

1. **Sales Planning:** One primary responsibility is to formulate and execute sales plans and strategies that align with the company's goals and objectives. This involves analyzing market trends, identifying potential opportunities, and setting realistic sales targets. The Sales Manager must have a comprehensive understanding of the industry, competitors, and customer needs to develop strategies that give the company a competitive edge.
2. **Setting Sales Goals and Targets:** Sales managers should establish clear and achievable sales goals for individual team members and the team as a whole. These goals are aligned with the overall company objectives and consider market conditions, product offerings, and competitor activity.
3. **Team Collaboration:** Fostering a strong sense of teamwork and collaboration within the sales team is crucial. Sales managers should encourage communication, knowledge sharing, and support between team members.
4. **Training the Sales staff:** Sales managers provide ongoing coaching and support to their team members, helping them improve their sales skills, refine their approach, and overcome challenges. This may involve one-on-one coaching sessions, group training programs, and performance feedback.
5. **Motivating the sales force:** A crucial aspect of a sales manager's role is keeping the team motivated and engaged. They recognize and celebrate achievements, create a positive work environment, and foster a sense of teamwork and collaboration.
6. **Sales Forecasting:** Sales forecasting is another key responsibility, requiring the Sales Manager to analyze sales data, market trends, and other relevant factors to predict future sales performance. This information is essential for making informed business decisions, allocating resources efficiently, and adjusting strategies as needed.

7. Recruiting and Hiring Sales Reps: Sales managers play a key role in identifying, recruiting, and hiring talented salespeople who can contribute to the team's success. They assess skills, experience, and cultural fit to build a strong and cohesive team.

8. Managing customer relationship: Customer relationship management is integral to the role, as Sales Managers are responsible for nurturing and maintaining strong relationships with key clients. They may participate in client meetings, negotiate contracts, and address any concerns or issues to ensure customer satisfaction and loyalty.

9. Generating Reports: Sales managers track sales data and generate reports to identify areas of success and opportunities for improvement. This data analysis helps them adjust strategies and make informed decisions.

10. Creating the budget: Sales Manager is often involved in budgeting and financial planning for the sales department. They must manage the sales budget efficiently, allocate resources effectively, and justify expenditures to senior management.

11. Evaluation of Sales Performance: Constantly monitoring and analyzing the sales team's performance against set targets. Sales managers use key performance indicators (KPIs) to evaluate individual and team achievements, identifying areas for improvement.

12. Managing Customer needs and handling customer issues: sales managers actively listen to customer concerns and feedback, tailoring product offerings and services to meet their specific requirements. Sales manager also addresses customer concerns and issues promptly and effectively, ensuring a positive customer experience.

13. Performance Reviews and Feedback: sales manager should regularly conduct performance reviews and provide constructive feedback to the sales team. This helps in identifying strengths, addressing weaknesses, and motivating team members to excel.

14. Conflict Resolution: Sales manager addresses conflicts within the sales team or with clients to ensure a positive working environment and maintain customer satisfaction. Sales managers act as a mediator and problem-solver.

15. Adapting to Market Changes: Markets are dynamic, and sales managers must be agile in adapting strategies to changing market conditions. This involves continuous analysis and a proactive approach to stay ahead of industry developments.

Qualities:

1. A positive outlook: Sales managers need to possess a positive attitude in their workplace. This sales manager quality is so that they can reinforce a positive work environment for their employees.

2. Be able to motivate others: An ideal sales manager is one who can create unique strategies or develop fun incentives. This sales manager quality can prove essential to help motivate employees to meet or even exceed sales goals.

3. Be able to empathize: At the end of the day, sales managers are people managers. To be a good sales manager, you should be able to show your employees that you care. The ability to empathize tells them that they are more than just a revenue stream.

4. To be creative: As a sales manager, he should be able to develop unique selling points (USP), promotions, sales pitch ideas, and more. Moreover, they should be able to think on their feet and be able to come up with interesting customer incentives as well to drive more sales. For all these reasons, creativity is an important sales manager quality to have.

5. Visionary: A sales manager sets the direction for the team, outlining clear goals and inspiring everyone to achieve them. They have a strong understanding of the market and anticipate future trends.

6. Adaptability and openness to continuous learning: In any industry, sales managers should be able to adapt their current strategies based on changes in trends or target markets.

7. Leadership Quality: A successful Sales Manager needs to inspire and lead their team effectively. This involves setting a clear vision, providing guidance, and motivating the team to achieve their targets.

8. Customer-Focused: Sales managers should be customer-focused and able to understand the needs and preferences of their customers. They should be able to develop effective sales strategies that meet the needs of their customers and provide excellent customer service.

9. Results-Oriented: Sales managers should be results-oriented and focused on achieving their sales targets. They should be able to set clear goals, track progress, and take corrective action when necessary.

Elementary study of sales organization

Organizational design refers to the formal, coordinative process of communication, authority and responsibility for sales group and individuals.

Organizational structure is relatively fixed, formally defined relationship among jobs within the firm.

A sales organization is both an orienting point for cooperative endeavor and a structure of human relationships. It is a group of individuals striving jointly to reach qualitative and quantitative objectives, and bearing informal and formal relations to one another.

Types of Sales Organization:

1. Line Sales Organization:

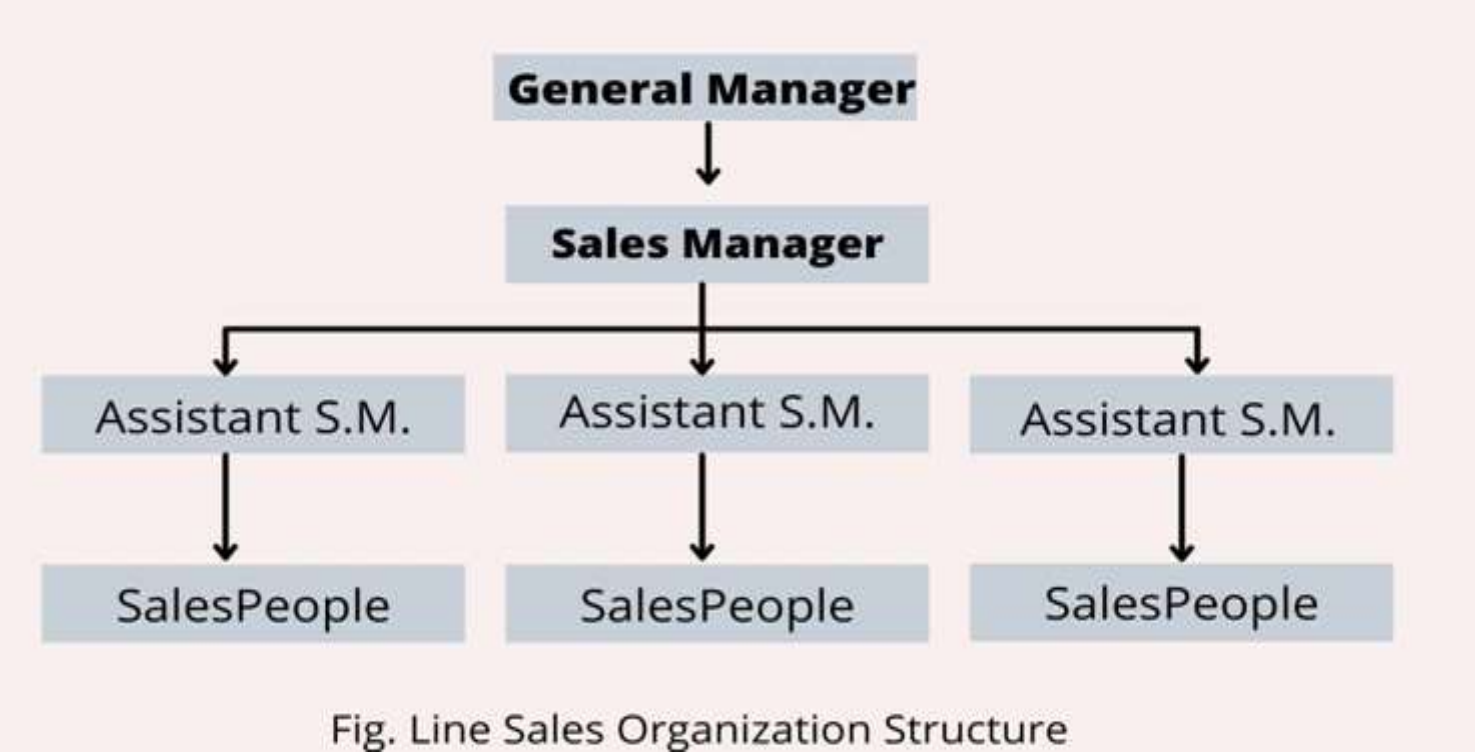


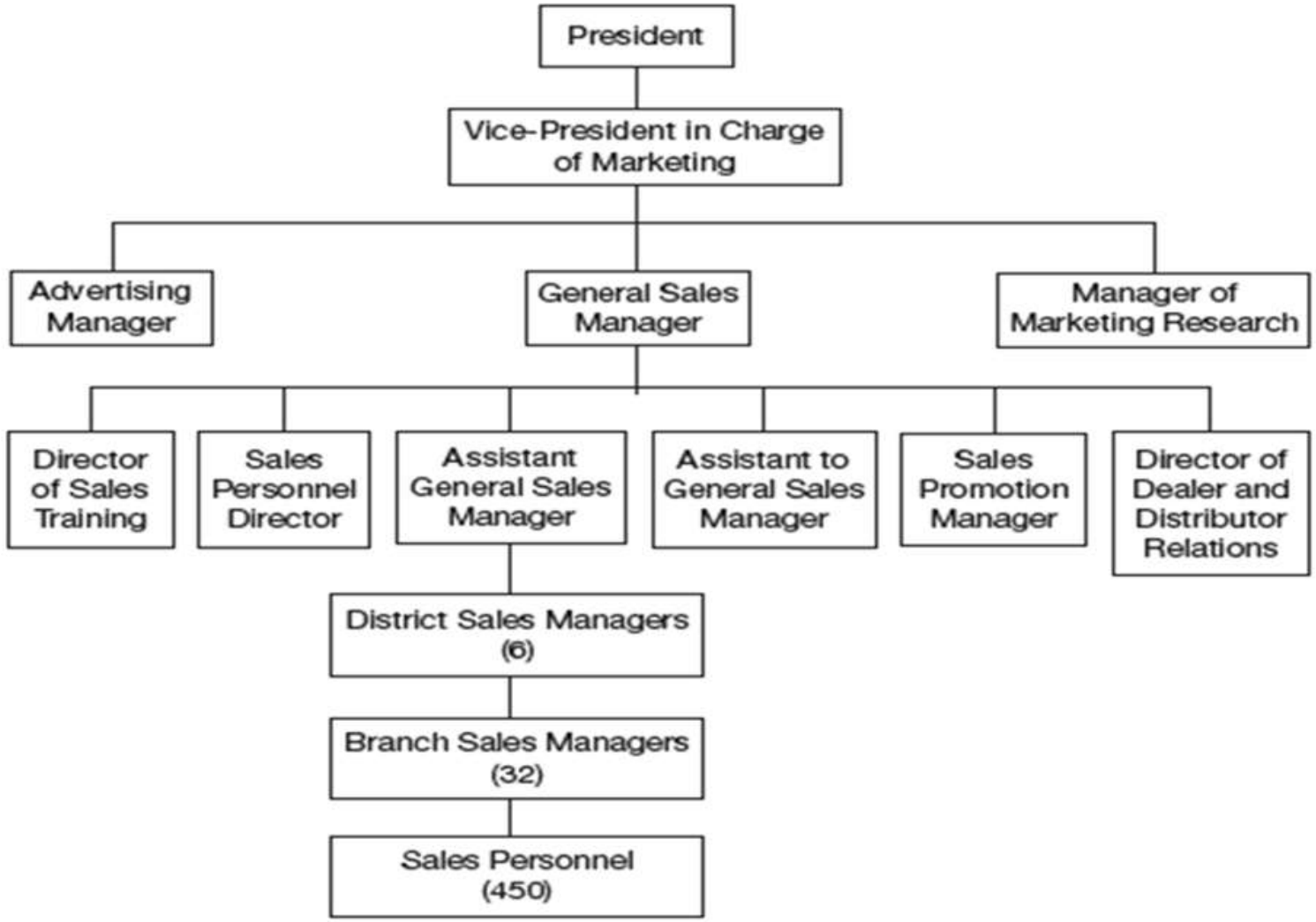
Fig. Line Sales Organization Structure

The line organization is the oldest and simplest sales organizational structure. It is widely used in smaller firms and in firms with small numbers of selling personnel for instance, in companies that cover a limited geographic area or sell a narrow product line. The chain of command runs from the top sales executives down through subordinates. All executives exercise line authority, and each subordinate is responsible only to one person on the next higher level. Responsibility is definitely fixed, and those charged with it also make decisions and take action. Lines of authority run vertically through the structure, and all persons on any one organizational level are independent of all others on that level.

2. Line and Staff sales department Organizations

The line and staff sales department is often found in large and medium-sized firms, employing substantial numbers of sales personnel, and selling diversified product lines over wide geographic areas. In contrast to the line organization, the line and staff organization provides the top sales executive with a group of specialists experts in dealer and distributor relations, sales analysis, sales organization, sales personnel, sales planning, sales promotion, sales training, service, traffic and warehousing, and similar fields. This staff helps to conserve the top sales executives' time and frees them from excessively detailed work. They make it possible for their chiefs to concentrate their efforts where they have the most skill.

Line and Staff Sales department Organization



3. Functional Sales Organizations:

This type of organization, derived from the management theory developed by Frederick W. Taylor, is based upon the premise that each individual in an organization, executive and employee, should have as few distinct duties as possible. The principle of specialization is utilized to the fullest extent. Duty assignments and delegations of authority are made according to function.

No matter where a particular function appears in the organization, it is in the jurisdiction of the same executive. In the functional sales department, sales- people receive instructions from several executives but on different aspects of their work. Provision for coordinating the functional executives is made only at the top of the structure; executives at lower levels do not have coordinating responsibilities. In contrast to the line and staff organization, all specialists in a functional organization have line authority of a sort-or, more properly, they have functional authority. Instructions, and even policies, can be put into effect with or without prior approval of the top-level coordinating executive.

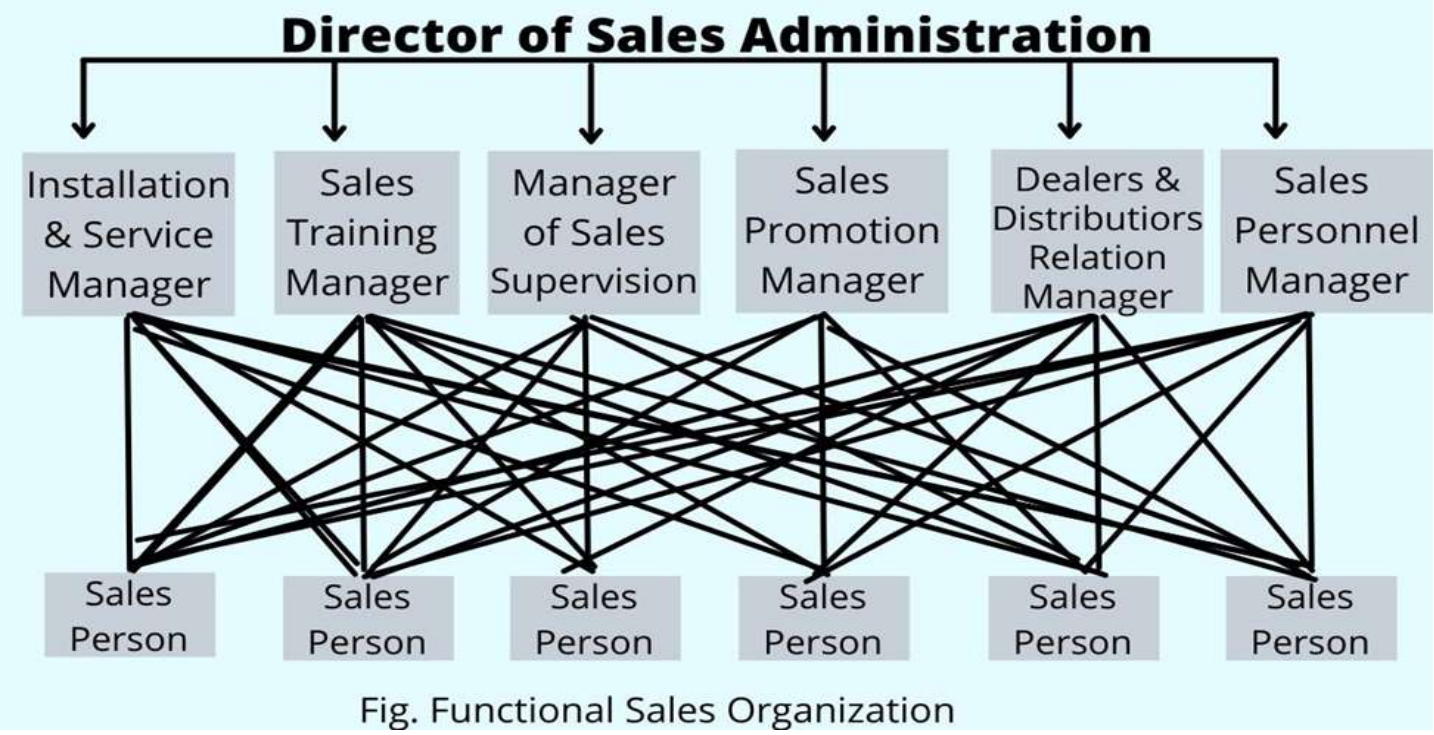


Fig. Functional Sales Organization

3. Product specialization structure:

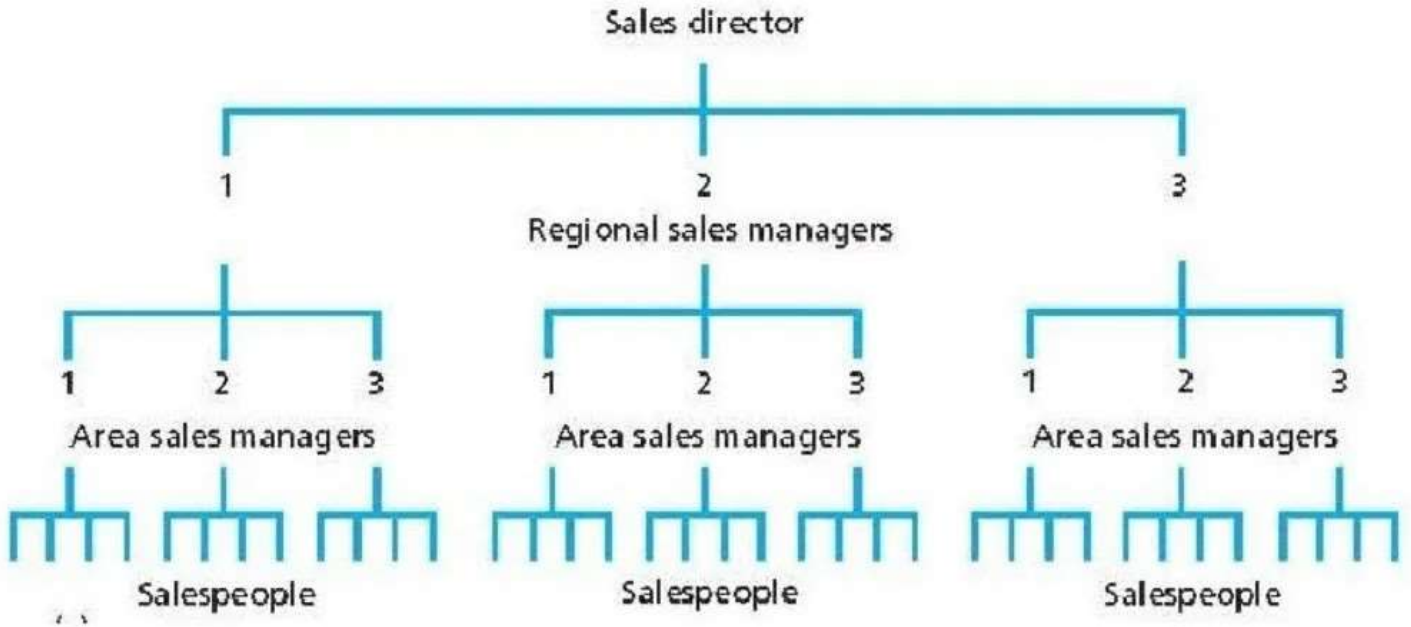
A product specialization structure is more decentralized than a functional structure or a product division structure, and specialists in the various product teams are permitted to make on-the spot decisions. It focuses on the needs of one product (or client) or a few related products. This structure is common in organizations that produce a variety of products or offer diverse services. In a product specialization structure, the company is organized around different product lines or categories, and each unit or division is responsible for a specific product or group of related products.



4. Geographical specialization structure:

A geographical specialization sales structure, also known as a territorial sales force structure, organizes sales teams based on specific geographic areas. Essentially, each salesperson is assigned a defined territory (city, region, country, etc.) where they are responsible for all sales activities within that area. This approach allows businesses to tailor their sales efforts to the unique characteristics and demands of each location.

Geographical specialization structure



5. Customer Specialization structure:

A customer specialization sales structure, also known as an account-based selling (ABS) structure, prioritizes organizing the sales team around specific customer segments or types. This means instead of focusing on products, territories, or other factors, your salespeople become experts in catering to the unique needs and challenges of particular customer groups.

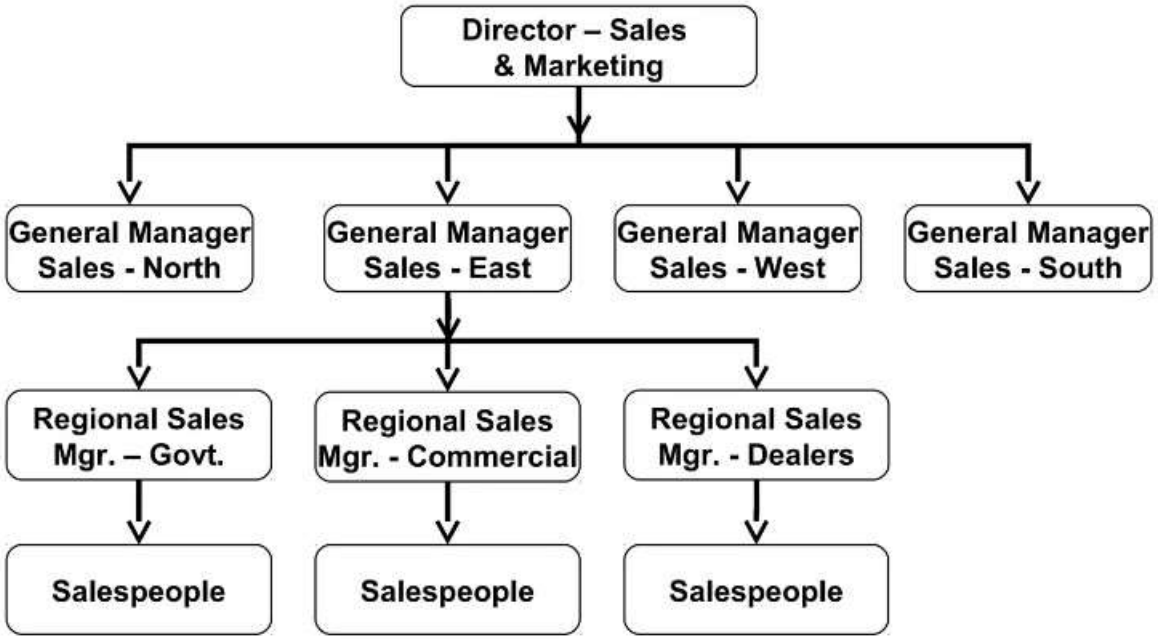
Customer Specialization structure



6. Combination of all these:

A combination sales organization structure is a hybrid approach that combines elements from different types of sales structures to suit the specific needs and goals of a company. This flexibility allows organizations to optimize their sales efforts for different customer segments, product lines, or geographic regions.

Combination Sales structure



7. Task force/team based organization:

A task force/team-based organizational sales structure is a type of structure where sales teams are organized around specific tasks or projects, rather than by geography, product, or industry. This structure can be more flexible and adaptable than traditional structures, as it allows teams to be formed and disbanded as needed.

Evolution of Sales Management

The evolution of sales management has undergone significant transformations over the years, adapting to shifts in technology, market dynamics, and consumer behavior. Historically, sales management was primarily characterized by a transactional focus, with an emphasis on individual salespeople's efforts and quotas. As businesses recognized the importance of customer relationships, the 20th century saw the emergence of more relationship-oriented sales approaches, where building long-term connections and understanding customer needs became paramount. With the advent of technology in the late 20th century and the rise of the internet, sales management evolved further into a data-driven discipline, leveraging customer relationship management (CRM) systems, analytics, and automation tools. In the 21st century, the evolution continues with a stronger emphasis on digital marketing, social selling, and the integration of artificial intelligence for predictive analytics, personalization, and efficiency in managing sales processes. Today, successful sales management involves a holistic, customer-centric approach that leverages both human skills and cutting-edge technologies to adapt to the ever-changing business landscape.

Selling Strategies

An effective selling is the ability to lead a person or a group of people toward a mutually beneficial transaction.

1. Understanding about the product: Salespeople need to be well-versed in the features and benefits of their products or services. A comprehensive understanding allows them to effectively communicate value propositions and address customer queries, instilling confidence in the buyer.

2. Identify the problem and solve it: People buy products and services they need. If it's possible to satisfy the need without a purchase, they will use that money elsewhere. Before you set up a call or meeting with a customer, understand what problem you are solving for them and how. Try thinking of results instead of product details and features.

3. Price Appropriately: If you're able to influence the pricing of what you're selling, make sure it fits in the market competitively. Pricing that is too low may suggest a poor-quality item or that the company is struggling for revenue. Comparatively, pricing that is too high may require supporting evidence to justify the cost, such as compelling marketing materials that detail the product's invention and customer success stories.

4. Know your Customer: Successful selling requires a deep understanding of the customer's pain points and desires. By identifying their needs, sales professionals can tailor their pitch to showcase how their product or service addresses specific customer challenges or fulfills particular desires.

5. Align with your customer needs: Each customer has a unique set of objectives and concerns related to their business. Some sales conversations might require you to offer more in order to meet the customer's needs. For instance, your client may request a custom package of services outside of the standard packages you typically offer. By letting your customer know that you would love to be able to do that for them, you can make them happy while also taking the time you need to obtain manager approval if necessary.

6. Don’t sell what is not needed: Effective selling involves exchanging something of value for money. When your customer spends money on a product that doesn't deliver, they may hesitate to buy from you again or recommend your product to others. If you discover that your customer doesn't actually need what you're selling, refrain from finishing the sale.

7. Build a relationship: Establishing a strong rapport with customers is crucial for long-term success. Building relationships involves understanding the customer's needs, being responsive, and maintaining open communication. This strategy focuses on trust and customer loyalty.

8. Articulate a clear sales message: Prepare a concise message that will leave plenty of time for your customer to respond. You can do this by practicing and revising your sales approach to ensure it's as clear as possible.

9. Offer a free trial or demonstration: Make it easy for your prospective customer to understand your product and how it will help them by offering a personalized demonstration of your company's product. Demonstrating value helps in justifying the price and persuading customers of the benefits.

10. Create Urgency: Instilling a sense of urgency can expedite the decision-making process. Limited-time offers, exclusive deals, or highlighting product availability can encourage customers to make a quicker purchasing decision, preventing procrastination.

11. Show credibility: Despite your best presentation, your customer may not fully understand the value of your product. In this instance, Share your experiences and successes with your customer whenever possible. Include these along with your credentials in your professional profiles. Allowing customers to learn about your achievements may affirm their decision to work with you

Emerging trends in Sales Management

The world of sales management is constantly evolving, driven by factors like technological advancements, changing customer preferences, and a more competitive landscape. Some key trends that are shaping the future of sales management are:

1. Data-driven decision-making: Sales managers are increasingly relying on data and analytics to inform their decisions. This includes using data to track sales performance, identify customer trends, and optimize sales processes. Tools like CRM systems and business intelligence platforms are becoming essential for sales managers who want to make data-driven decisions.

2. The rise of AI and automation: Artificial intelligence (AI) and automation are playing an increasingly important role in sales management. AI-powered tools can automate tasks like lead scoring, customer segmentation, and predictive analytics. This frees up sales managers to focus on more strategic tasks, such as coaching their reps and building relationships with key customers.

3. Customer-centric focus: In today's competitive market, it's more important than ever for sales teams to focus on the customer. This means understanding customer needs and providing them with a personalized experience. Sales managers need to create a culture that is focused on customer success, and they need to equip their reps with the tools and training they need to provide excellent customer service.

4. The rise of social selling: Social selling is the use of social media platforms to connect with potential customers and build relationships. In today's digital world, social selling is an essential tool for sales reps. Sales managers need to encourage their teams to use social media to connect with customers.

5. Value-based selling: Customers are becoming more sophisticated and are demanding more value from their purchases. Sales reps need to be able to articulate the value that their products or services can provide to customers.

6. Account-based selling: This approach focuses on targeting and selling to a specific set of high-value accounts. It requires a deep understanding of the customer's needs and challenges.

7. Omnichannel selling: Customers are increasingly interacting with businesses across multiple channels, such as online, offline, and mobile. Sales teams need to be able to sell across all channels seamlessly.

9. Ethical Selling: Customers are becoming more conscious of ethical business practices. Sales management trends include a focus on transparency, honesty, and ethical behavior in all customer interactions.

10. Continuous Learning: The dynamic nature of the business environment requires ongoing training and development for sales teams. This includes improving product knowledge, honing sales skills, and staying updated on industry trends.

11. Diversity and Inclusion: Sales teams are becoming more diverse, reflecting the changing demographics of the customer base. This diversity brings new perspectives and strengthens connections with customers.

12. Personalization and Customization: Using advanced segmentation and targeting techniques to deliver personalized messaging, content, and offers to individual customers based on their specific needs and preferences.

13. Partnership Selling: Collaborating with strategic partners, influencers, and other stakeholders to expand market reach, access new customers, and create mutually beneficial opportunities.