

Marketing and Sales

CLASS IX

Study Material

Acknowledgements

Content Developed By

- Dr R.GSaxena, Retd., Professor in Deen Dayal Upadhyaya College, Director in BA Programme, IGNOU, Delhi- Convener & Author
- Dr. (Mrs.) Geetika Johri, Associate Prof., School of Vocational Education & Training, IGNOU, New Delhi- Author
- Dr (Mrs.) Anupama Mahajan, Associate Prof Commerce Department Bharati College, Delhi University - Author
- Dr Anju Batra, Associate Professor, MBA Program in Delhi Institute of Advanced Studies - Author

Curriculum

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- What is Sales?
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PREFACE

India with its increasing youth population, currently 60% are between the age group of 16-29 years, has an unprecedented opportunity to accelerate growth. As per the census 2011, 7.8 Million children are forced to earn livelihood even as they attend school while 84 Million children don't go to school that is nearly 20% of age group covered under the Right to Education Act. Among students who work 57% are boys, the remaining 43% are girls.

At present 9 in 10 Indian joining work force are untrained for its demand. This shows marked unemployment both in organized and unorganized sectors as per the report of world bank, India is one of the few countries in the world where the working age population will be far in excess of those depended on them and this position will continue for at least 3 decades.

It is the fact India is facing a sharp shortage of skilled manpower both blue and white colored. India GDP is posed to grow at 7.59 that means severity of the situation is accentuated by many levels when economy is looking up, new jobs are getting generated in various sectors but there are not enough 'skilled' human force available. As per the demand projection, India should aim to train 500 Millions people in various sectors of trade, industry and service by 2020.

To achieve this objective the CBSE has started designing vocational courses in various areas such as Retail trade, Financial services, Banking, Insurance, Automobile, Hospitality, Computer, Tourism and Technology etc.

Marketing and Sales vocational course can provide readymade trained salesman to thousand of employers operating in hospitality sector which is growing very fast, big malls, large departmental stores, super markets and fast food out-lets chain, bakers, on-line orders as delivery boys and girls.

An attempt has been made to design Marketing and Sales course and to develop "Model Text Book" to meet the job requirements of the various employers. After reading the textural material learner can apply his knowledge, understanding, skills acquired and training with confidence.

The primary purpose is to create a pool of skilled manpower competent, capable to meet need based vocational courses specially for dropouts (25 Million) between 8th – 12th class every year, neo-literates and those working in unorganized and organized sectors.

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MARKETING AND SALES

Unit I: Introduction to Marketing and Sales

Classroom or Company's premises	DURATION:			
	SESSION- 1: DEFINITION OF MARKETING			
	Learning Outcome	Knowledge Evaluation	Performance Evaluation	Teaching And Training Method
	1. Definition and the Meaning of term Marketing . 2. Concepts associated with Marketing Management	1. The learner would be able to state the definition & meaning of Marketing. 2. The learner would be able to understand the concepts of marketing management.	The learner would be able to analyse importance of the different concepts of marketing management	Interactive lecture Power point presentation
	SESSION 2: IMPORTANCE OF MARKETING IN BUSINESS			
	How is marketing important in business?	The learner would be able to explain the importance of marketing in business.	The learner would be able to analyse the importance of marketing in business with relation to consumers / society and organisation	Interactive lecture Power point presentation
	SESSION 3: SALES AS A FUNCTION			
	Sales as a function	The learner	The learner	Interactive

		would be able to explain the functions to sell a product/ service.	would be able to list in the issues of the selling activities and explain the concept of the function of sales in business	lecture Power point presentation
SESSION 4: IMPORTANCE OF SELLING FUNCTION				
	Understand how is selling important	The learner would be able to describe the importance of selling function in closing a sale.	The learner would be able to analyse the importance of various roles and functions of selling in business	Interactive lecture Power point presentation

(Note : The location would depend upon the topic under discussion, wherein it will be the classroom for the theoretical interactions and the student will be required to visit the field/ retail outlet or the marketing department of an organization to observe and comprehend the concepts related to marketing and sales)

Thus, the general aim of marketing is to have a regular flow of goods among customers with a definite target to ensure the optimum satisfaction of the organization, customers and society. These can be achieved if businesses concerns conduct their marketing activities with responsibility and following the clear-cut concepts which are

1. The product concept
2. The selling concept
3. The marketing concept
4. The societal marketing concept

The Product concept

The product concept is the oldest concept guiding producers. It is believed that if the product is good and reasonably priced it will fetch or attract many customers and no special marketing efforts are required to be made. It is the quality of the product that attracts the customers. But product oriented companies often design their product with little or no consumer/ customer inputs. This concept does not remain profitable in the long run and marketers have no choice but to move to the next concept.

This concept has failed in operation. Companies having produced quality products have not been able to push up the sales

unless other positive steps to design, attractively package and price the product and place them in proper distribution channels so as to bring them to the notice of the prospective buyers or persons concerned and convince them that the products have superior quality and fair price.



The Selling Concept

The second concept is the "Selling Concept." Under this it is presumed that customer will not normally buy unless they are approached and convinced which means that consumer satisfaction is considered secondary, selling the product is the prime consideration. This concept is used for goods which customers don't buy normally, like vacuum cleaners, insurance etc. These goods are aggressively sold by tracking down the target segment and sold on the virtue of the product benefits. In the words of Kotler "there is little measurement of what the public wants and a lot of selling effort to get the public to accept policies that a few want."

The Marketing Concept

Under this concept the organization tries its best to determine the needs, wants and desires of the buyer's market and finally takes steps to deliver the desired satisfaction most effectively and efficiently. The organization believes that it can win the

loyalty of its customers only by giving them satisfactory services. Winning the confidence of customer is as good as fulfilling the goals of the organization. Thus we can say that marketing concept can be implemented by asking the following three questions to yourself or to your organization:

- 1) **What is the target market?**
- 2) **What are the needs, wants and demands of the target market?**
- 3) **How best can we deliver a value proposition?**

The Selling Concept

- Consumers and businesses, if left alone, will ordinarily not buy enough of organization's products.
- Focus: undertake an aggressive selling and promotion effort.
- Examples: unsought goods: encyclopedias, funeral plots, foundations.



The Social Marketing Concept

Although marketing concept has been accepted as one of the tools of satisfying customers, it becomes difficult in practice to establish it. It demands proper planning, persuasion skills, communication skills, education and organization.

In this concept, the focus is on giving individual satisfaction so far the customer is concerned, by providing quality products at reasonable price, good supply channels and maintain public welfare. This attitude on the part of the organization encourages customers to patronize it and achieve long term profits. For example, if a company produces a vehicle which consumes less petrol but spreads pollution. This will result in only consumer satisfaction and not the social welfare.



Primarily two elements are included under social welfare-high-level of human life and pollution free atmosphere. Therefore, the companies believing in this concept direct all their marketing efforts towards the achievement of consumer satisfaction and social welfare.

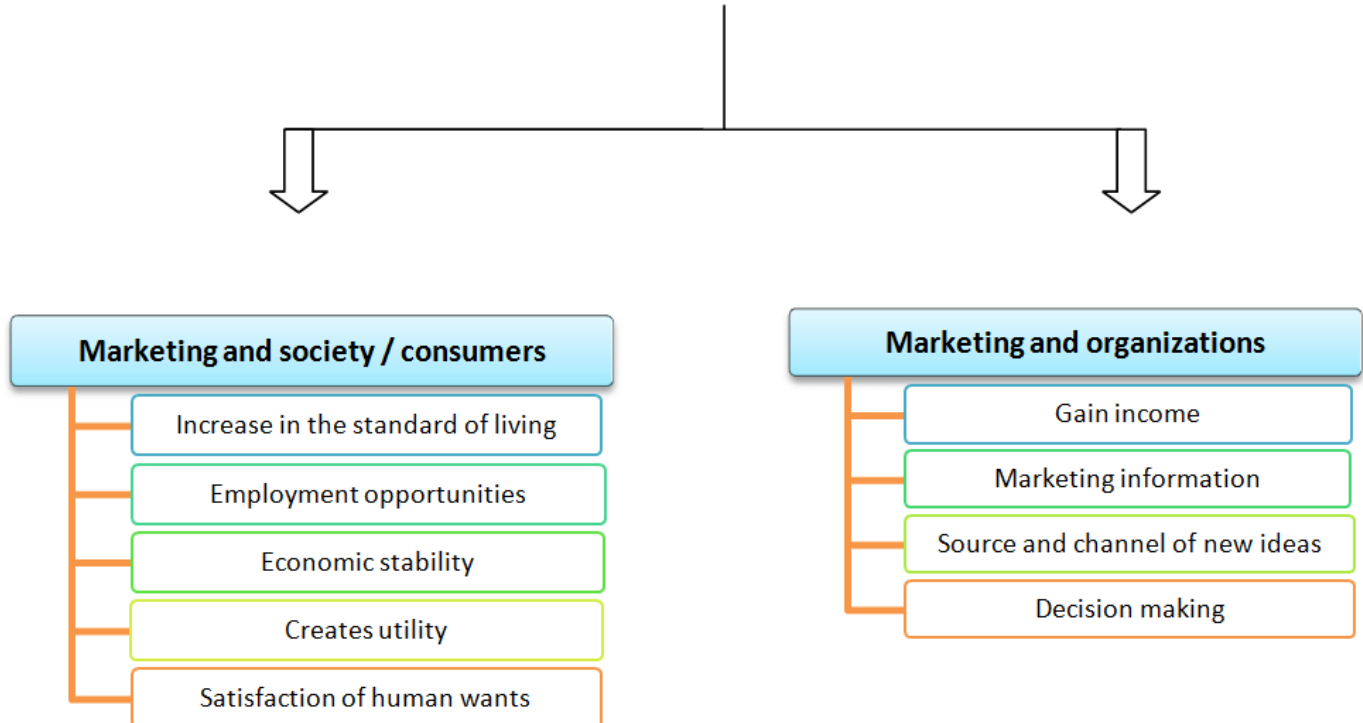
IMPORTANCE OF MARKETING IN BUSINESS

The importance of Marketing has been recognized ever since the business came into existence. In the present business scenario without Marketing an enterprise

would be unable to fight for its survival in the business world. Thus Marketing is an important tool in the hands of business enterprise. Its importance to business can be understood as under.

1. Importance of marketing for business enterprise – source of revenue
2. Importance of marketing to customers – satisfaction of needs and desires and improvement in standard of living.
3. Importance of marketing to society – to assess the needs, habits and feeling of customers to produce the desirable goods in the market.

Importance of Marketing



From the above figure 1, the importance of Marketing can be better understood as under:

Marketing and society/ consumers

- **Increase in the standard of living** - Our today's modern society is divided into three main classes: The Rich Class, the Middle class and the Poor Class. The standard of living of all these classes will depend upon the purchasing power of each class. Better standard of living, fulfillment of various wants is possible through marketing. It facilitates the

consumer to choose from the various brands available according to their likes and dislikes at reasonable price.

- **Employment opportunities** - Marketing helps in creating employment opportunities to many people. Since the marketing process involves various activities such as buying, selling, warehousing, transportation, finance, risk taking etc, it provides employment for many to improve their income levels.
- **Economic stability** –Marketing plays a very important role in the economic stability of the country. The economic stability depends upon the balance between the demand and supply of products/services. For maintaining the balance between the production and consumption(demand and supply), marketing is necessary as it maintains this balance and stabilizes the economy. It ensures stable price in the market and can reduce price fluctuations to a large extent.
- **Creates Utility** –Marketing is an economic activity. It creates ownership, place, time utility and demand. The various activities of marketing helps in creating utility. For example: Exchange of goods offered creates ownership, time utility and place utility is created due to transportation and warehousing. Thus marketing provides value to the goods and services by providing them at the right time, right place and reasonable price.
- **Satisfaction of human wants** –Marketing plays a significant role in the distribution of goods and services to satisfy the needs and wants of the consumers.

Marketing and organization

- **Gain income**– The profit of any organization depends upon its income and its future depends upon its profit. Organization can earn profit through various activities. Marketing provides “Market” to goods and services which in turn fulfills the same.
- **Marketing information** – Our modern economy is dynamic in nature. The likes, dislikes, price, demand are changing rapidly and thus the entrepreneur has to take decision according to the changed environment. The entrepreneurs have to look for new products, new customers, new market, new technology etc. All these information can be collected by the entrepreneur through various marketing sources and thus adopt the same to survive in the competition.
- **Source and channel of new ideas** -Marketing is a significant aspect in today's dynamic environment. The dynamic changes occurring in marketing have become a source and channel of new ideas and guiding

policies. With the rapid change in tastes and preference of people, marketing has to come up with the same.

Marketing as an instrument of measurement, gives scope for understanding this new demand pattern and thereby produce and make available the goods accordingly.

- **Decision making** –Producers produce goods and services. It is very important for them to know What to produce? Where to produce? How much to produce? All these directly impact on the profit of the organization. All these decision are important and major and hence difficult to take. Marketing helps the producers to take the right decision at the right time. Hence, “Success” of any business and proper decision are interdependent and which is possible due to marketing. With the effective market forecasting technique it is possible for the marketers to project the expected demand in advance to facilitate the producers or organization to act accordingly.

Assignment 1.

A. SHORT QUESTIONS

1. What is Marketing?
2. What is the meaning of selling concept?
3. What is the concept of marketing?
4. What is the product concept of marketing?
5. What is the societal marketing concept?

B. Briefly explain the importance of marketing in relation to:

- customer and society
- organization

C. Distinguish between the selling concept and the Marketing concept?

D. Fill in the blanks:

- a) Marketing helps in ----- demand for products and services.
- b) Fulfilling the goals of the organization is as good as --- ----- the confidence of the customers.
- c) ----- of any business and ----- ---- are interdependent and possible due to marketing.
- d) Marketing is a ----- and ----- aspect in today's dynamic and changing environment.
- e) Marketing is an ----- activity.

CONCEPT OF UTILITY

Utility is the consumer's estimate of the product's overall capacity to satisfy his or her needs. In that case the product may be ranked from the most need satisfying to the least need satisfying.

How do consumers choose among the products that might satisfy a given need? We can explain this with the help of an example. Suppose, Mr Ravi needs to travel 5 km to & fro to work each day. Mr Ravi can think of a number of products that will satisfy this need; walking, skating, a bicycle, a motorcycle, a car, a taxi cab and a bus. These alternatives will constitute his product choice set. Now if Mr. Ravi would like to satisfy different needs in travelling to work namely speed, safety, ease and economy, we will call these his need set. Now each of the above products has a different capacity to satisfy his various needs. Thus a bicycle will be slower, less safe, a more effortful than a car, but it will be more economical. We can ask Mr. Ravi to imagine the characteristic of an ideal product for his task that would get him to his place of work in a split of second with absolute safety, no effort and zero cost. Then the utility of each actual product would depend on how close it can be to this ideal product. To illustrate, suppose Mr. Ravi is primarily interested in the speed and ease of getting to work. The figure 2 below presents a product - space map showing where each actual product stands in its ability to satisfy these two needs. The closer an actual product is to Mr. Ravi's ideal product, the greater is its utility to Mr. Ravi.



Figure 2

WHAT IS SALES

Sales is a vital sub-system of marketing management. Both sales and marketing are used together as they need to work together. But in fact, they are two very different functions and require very different skills.

In simple and general terms, sales is

- 1) A transaction between two parties where the buyer receives goods (tangible or intangible goods), services and/or [assets in exchange for money](#).
- 2) An agreement between a buyer and [seller](#) on the price of a security.



Figure3

Sales = Sell What's in Stock

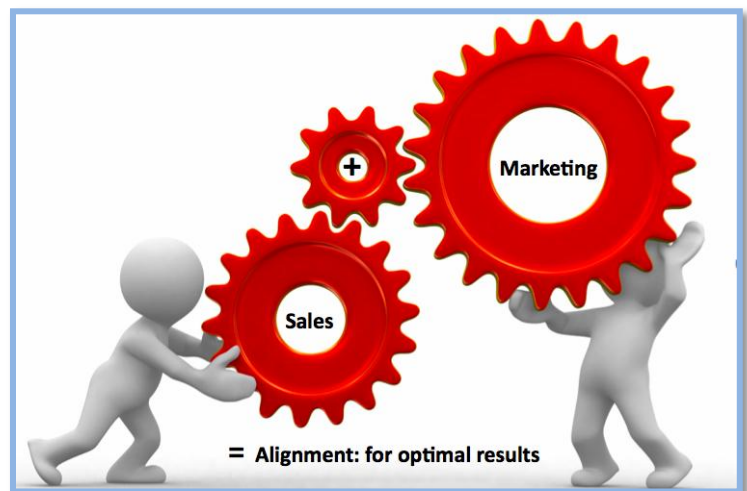
The job of Sales is to “sell what's in stock”. The company has their specific products or services and the job of Sales is to sell those things which are in stock. Sales develops relationships with customers and/or channel partners. They knock down the doors, overcome any objections raised by the customer on account of the product or services, negotiate prices and terms and often work internally to be sure their customer's orders are filled.

The Sales is seen from inside the company out towards the customers. Their horizon is focused entirely on sales and the revenue which has to be achieved for this week, this month or this quarter.



Marketing = Align with the Customers, Now and for the Future

A key job of Marketing is to understand the marketplace from the perspective of the customer looking back towards the company and helping the company to lead where it should be in the future. Marketing's job is to direct the organization toward the segments, or groups of customers and channels where the company can profitably compete. It should help the organization see how it needs to modify its product offerings, pricing and communication so that it meets the needs of the distribution channel or end customers.



Without Marketing, Sales Suffers

This can be best understood with the help of the following example. The best hunter even cannot bring home dinner if they are shooting blanks at decoys. We

know that markets are rapidly changing. The job of marketing is to stay ahead of the changes, and help the hunters see where they should be hunting and provide them with the right ammunition. If Marketing is only focused on delivering the ammunition for today, nobody will see where the industry is moving or where the company needs to hunt next. This limits growth.

Sales needs to be focused on the now. You can't run a company unless your sales team is focused on bringing in today's business. But you can't really ask your Sales leaders where the company should go next and to develop the 18 month plan to get there without losing focus on today's revenue.

IMPORTANCE OF SALES

In any business organization, be it medium or large, it is the sales department that generates revenue. No matter how good your manufacturing and production operation are, how latest your technology is, how tight your financial goals are or how progressive your management thinking and techniques are, you must still have a sales mechanism in place, or everything else is useless. The Sales department consists of persons working together for the effective marketing of products manufactured by the firm. It is the sales department which coordinates and provides an efficient, economic and flexible administrative set up to ensure timely movement of products from the buyers to the sellers. A sales organization has a number of departments and performs the functions of planning, organizing and controlling marketing and distribution of products.

NEED FOR A SALES ORGANISATION

"Sales are the life blood of business," Sales organization is part and parcel of any business firm. All the departments are carefully placed in a good sales organization to achieve the best results.

A small firm does not need any sales organization as the proprietor himself can sell all the products or in certain cases, he is assisted by one or two salesmen, under his direct control. But when the firm or the business expands and diversifies itself which may be due to extension of markets, production in large-scale, competitive market etc., the need for a sales organization is felt.

The need arises because of the following factors:

1. When seeing the production in anticipation of demand, which must be sold.
2. To create demand for the products through efficient salesmen.
3. Orders have to be executed without delay.

4. Satisfactory action to be taken against complaints received from customers.
5. Timely collection of credit sales if any.
6. Keeping stock in hand for the future demand.
7. Maximum contribution to profit.
8. To enforce proper supervision of sales-force.
9. To divide and fix authority among the subordinates.
10. To locate responsibility.

IMPORTANCE OF SALES ORGANISATION:

A sales organisation is the mechanism through which a sales manager's philosophy is translated into action. The sales organisation provides the vehicle for making decisions on planning, organisation, selection and training of salesmen, their motivation, directing and controlling them. It also provides vehicle through which these decisions are implemented.

“A sale organisation is like a power-station sending out energy which is devoted to the advertising and selling of particular lines and there is a tremendous waste of energy between the power station and the points where it reaches the consumers. Therefore, there arises the necessity of organizing the sales department.” —Boiling

Assignment 2.

A. Explain the concept of utility?

B. What do you mean by sales?

C. How is sales important in business?

D. Give reasons why need for sales organization is felt?

E. Multiple choice questions:

a. The form of business organization that has the maximum sales in terms of volume is the

- partnership
- corporation
- Cooperative
- multinational

b. The simplest form of business ownership is

- Proprietorship
- Partnership
- Corporation
- Cooperative

c. Which is advantageous for a sole proprietor

- Ease of starting a business
- Being your own boss
- Proud of being an owner
- All of the above.

UNIT II: CONCEPT OF MARKET

Location	Duration:			
Class Room	<u>SESSIONS</u>			
	Concept of Market			
	Learning outcome	Knowledge Evaluations	Performance Evaluation	Teaching and Tracing method
	<p>Define the meaning of concept market.</p> <p>Understand the importance of exchange.</p> <p>Need to segment the market.</p>	<p>Learner will be able to state the meaning and definition of market.</p> <p>Understand the need of market place.</p> <p>Understand segmenting of market.</p>	<p>- Importance of concept of exchange in market.</p> <p>- Importance of segment.</p>	<p>Interactive Lectures.</p> <p>Power-point presentation.</p>
	<u>Competitions</u>			
	<p>(1) Definition of competition.</p> <p>(2) Need for a competition market in a market place.</p>	<p>(1) Importance of competition in marketing and selling</p> <p>(2) Describe the needs of innovation and importance of research in a</p>	<p>(1) Understand need of competition.</p> <p>(2) Understand about the emerging needs of the customer in the market place.</p>	<p>Interacting lecture sessions</p>

		competitiv e market.		
	<u>Product Market</u>			
	(1) Definition and meaning of product market. (2) Understanding difference in product market and service market.	Understand Impact of indirect and direct competition in the market.	Understand effects of rivalry of product market.	Interactive Lecture Session. Visit a market place like vegetable mandi Role play in class.
	<u>Service Market</u>			
	(1) Definition and meaning of service market (2) Understand the features of service market.		Distinguish between tangible services and intangible services (1) Explain service users - individuals or institutions.	Interaction Lecture sessions Power-Point Presentation

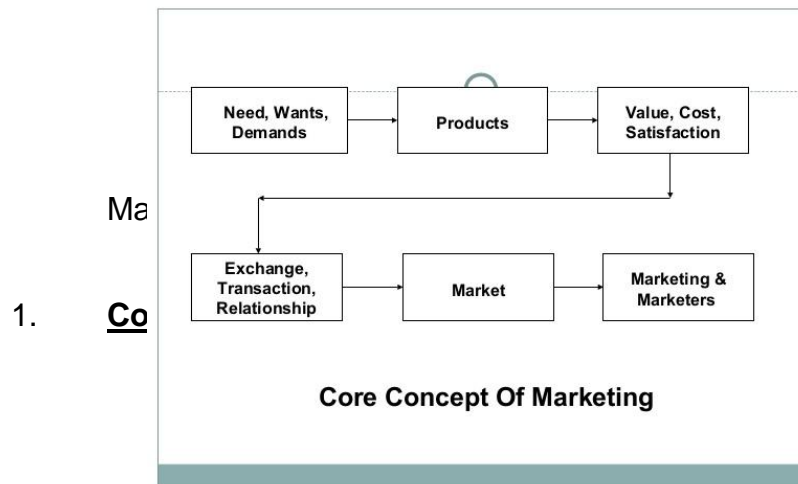
UNIT-II

CONCEPT OF MARKET

LEARNING OBJECTIVES

After reading this unit the learner would be able to:

- (a) Understand the concept of market.
- (b) Know the importance of exchange in a market place.
- (c) Appreciate the importance of competition in the market.
- (d) Understand the need of product market and service market.
- (e) Understand the meaning of market segment.
- (f) Distinguish between product and service market.



INTRODUCTION:

The concept of market is a failure of most enterprises.

Buyers and sellers come together to exchange.

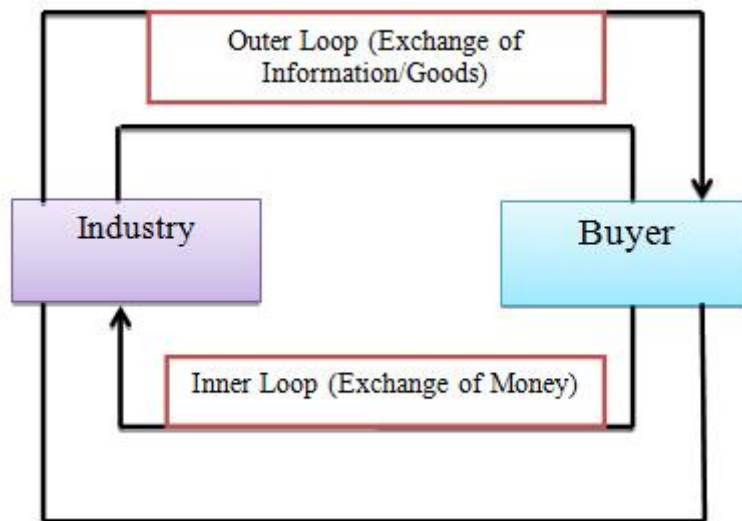
Buyers and sellers come together in the market place. In simple words, "A market consists of all potential or prospective customers sharing a

particulars need or wants who might be willing and able to engage in exchange to satisfy that needs and wants". Thus markets are seen as collection of buyers and sellers – sellers as constituting the industry and buyers as constituting the market. It means the concept of exchange is an important factor that leads into concept of market.

What is an Exchange: Exchange is an act of obtaining a desired product or service from someone by offering something in return. However, every business transaction cannot be called Exchange. Following conditions must be fulfilled only then a business transaction can be called an Exchange.

- (1) At least two persons should be there to undertake a business transaction.

- (2) Both the parties should be able to communicate and interact freely with each other in order to seek information regarding the deal and delivery.
- (3) Each party to the transaction must have something of value and utility to offer to the other party.
- (4) Parties should be free to accept or reject the offer.
- (5) Intention of parties should be to enter into the exchange of goods and services.



Market Structure

The inner loop shows an exchange of money for goods and the other loop shows an exchange of information about the product from the industry with the feedback from the buyers. Whenever these two exchanges take place, the place is called a Market. Markets are numerous. One can identify a market with a **product** (whole sale cloth market); a **demographic market** (children wear and toys market) or a **service market** (hospitals, schools, tuition centres).

These days most of the companies producing products or providing services, instead of targeting the goods to masses, are trying to provide utmost satisfaction to the needs and wants of a well defined group of target customers such as senior citizens or disabled groups or surgical instruments for hospitals or clothes and toys specifically for children etc. For this a marketer needs to understand what will he sell in a market (a product or service) and to whom? At this stage the students should also know in brief about market segment (to whom to sell).

Market segment: A market segment is that portion of a larger market which individuals, groups or organization share one or more characteristics that causes them to have relatively similar products needs. “ Market segment is such dividing of a market into homogeneous sub-set of customers where any sub-set may be

selected to be reached out, with a distinct marketing mix” Take the example of a “SOAP Industry’ which provides different types of soaps to be used for different purposes by different customers such as –

- (1) **Laundry Soap**: An expensive detergent to wash things i.e. cloths, curtains, bed sheets, cotton carpets etc. Such soaps have larger market and good demand - Rin, Surf, Nirma to mention to few;
- (2) **Low-grade toilet Soap**: For washing hands and the body for example lifebuoy – low price, medium quality and for a wider market.
- (3) **High quality body Soap** : It is generally required by high income groups preferably among high income customers such as younger girls and women - Lux, Dove, Dettol Soaps to mention a few.
- (4) **Industrial Soap**: It is normally used by manual workers for washing hands after working on machines like car engines, turbines, commercial paints etc. Such soaps are specifically produced for the industries where it is required for the workers.

Every businessman tries to make money by selling goods or providing a service at the market place. Here is a list of few businesses that one can find in a market.

- (1) Grocery Stores
- (2) Clothing Stores
- (3) Jewellery Stores
- (4) Discount Stores
- (5) Drug Stores
- (6) Car repair shops
- (7) Hair cutting Saloons
- (8) Beauty parlor
- (9) Doctors office/clinic
- (10) Dentists Office/ Clinic
- (11) Lawyers office/Chambers
- (12) Chartered Accountants Office
- (13) Dry cleaners
- (14) Automobile dealers
- (15) Banks

(16) Multi-complex theater.

(17) Travel and Tourism.

Virtual Market/Online Market: A New Market Concept

Apart from the physical market that exists in stores and shops, a new type of market has started emerging in the business world. Virtual markets are also known as non-physical markets. Its a market place where buyers purchase goods and services through internet. The basic nature of virtual market is the absence of physical interaction between buyers and sellers i.e. they do not meet or interact physically, instead the transaction is done through internet. The buyer does not move out of his home to buy the product. The product is delivered at home only and the payment can be made either through debit or credit card or cash can be paid on delivery. The products are sold at heavy discounts because of lesser operational costs involved. Of late this type of market is becoming very popular for buying and selling of goods especially amongst the youngsters because of the convenience factor and economy factor. Examples - Rediff shopping, eBay etc.



SESSION – 1 Concept of market

ASSESSMENT

A: Fill in the blanks

- i. Market is a place where buyer gathers to
- ii. Every business transaction cannot be called _____

iii. Concept of _____ that leads to concept of _____

iv. A market segment is the parties of _____

B. True or false:

1. In a business transaction there should be at least these parties.
2. Parties to the business deal cannot reject the offer.
3. Markets are seen as collection of buyers and sellers.
4. Intention of parties should be to enter into the exchange of goods and services.
5. Both the parties to the deal cannot interact freely.
6. Buyers and prospective buyers are one and the same thing.

Answer: 1. False, 2. False, 3. True, 4. True, 5. False, 6. False.

C. Do you agree with the following statements?

1. Buyers and sellers create the market place.
2. Persons who pay for goods and services are called purchaser.
3. There is no difference between beauty parlor and hair salon.
4. Sellers earn profit or money by selling goods and services.

Answer: 1. Yes, 2. Yes, 3. No, 4. Yes.

D. Which one of these are not examples of 'clinic'.

1. Beauty Parlor.
2. Drug and chemists.
3. All India Institute of Medical Services.
4. None of the above:

Answer: 4.

COMPETITION

A businessman operating in a marketplace should have a clear understanding of the fact that selling goods is not a cakewalk. He will have to face many challenges and one very important being the competition from rival businesses. The producers and the service providers are all fighting amongst themselves to capture the market. A business man should be capable enough to either give competition or to face it.

What is a competition?

Have you ever run a race? Have you ever entered a painting or an art contest? Races, painting or art contests games are all competition. The, competition is one where people try their best to do something better than other people so they can win. When two or more business sells similar items of goods or services they are called competitors and identifying competing business in their community.



Definition:

Competition is the rivalry between companies selling similar products and services with the goal of achieving revenue, profit and market share growth.



Competition in the market place: Today market activities are performed under highly competitive situations. It changes as per the changes in consumer's attitude, demand, interest or other considerations. For example, fountain pen was in demand at one point of time but now the demand is more for ball pens. Since the demand of ball pen was increasing the focus of the manufactures had also changed to ball pens productions for serving the customers' needs and their wants better. They will have to face the competition also from the other manufactures of ball pen in the market.

Can you think of two stores that sell candy? These two stores are competitors. They are competing for your money. Both stores want you to buy their candy.

When two or more business sells the same goods or services, they are competing for the same market. When businesses compete, they try to find ways to whereby the buyers are attracted to buy their product. This is called competition in the market place. There is competition in communities as well there are competitive businesses all around us. Let us take the example of Burger.

- (a) Burger King and MC Donald's are two hamburger restaurants.
- (b) Both sell soda, French fries and hamburgers.
- (c) Both want you to eat in the same restaurants.
- (d) Both want you to spend your money at their restaurants.

Because they sell similar items/ things they are called competitors.

Today's marketing activities are performed under higher competitive situations. It changes as per the changes in consumer's attitude and interest. It focuses on serving consumer's needs and wants better than competitors.

If you are faced with lot of competition in the market, it is the time to start looking for a unique angle with less competition. Focus on what makes your business unique. For example, change your credit policy or ways to handle orders or even relaunch products. Find out what make your stand out from other competitors.

If you want to stay in the competitive market, you should be seriously looking at the viability of your business and how can you promote it better is a good thing. Always remember not everyone is going to have a strong work ethic and be willing to put the time and energy into making the business a success.

TYPES OF COMPETITION:

Direct competition:

A direct competitor is another company that offers the same products and services aimed at the same target market and customer base, with the same goal of profit making and marketing share growth. A direct competitor who comes to our mind is the one when we refer to term 'competition'.

It is always seen that customers will shop for a variety of price points, locations, product features and service levels when determining their purchases. In comparison, though, customers will not similarly choose the same mix of these options and this is where competition becomes a factor. It is the right time to recognize where your competition is positioned visa vis other competitors in the market. It is a key factor in understanding the potential of your business solution can fulfill the need of the customers.

Indirect competitors:

Indirect competitors are another company that offers the same products and service much like direct competitors but goals are different. These competitors are in the market to earn revenue with a different strategy. Nearly in every company in our country is involved with some form of indirect competition. For example air lines in our country face indirect competition. The aim of air lines companies is at satisfying customer needs and desires. This can be done by utilizing a different – market mix, (product, place, price and promotions). Find out the best marketing mix or potential ways to mix through which customers needs can be met and you can generate an advantage for your product and services.

Benefits:

- Competition encourages creativity as the companies evolve and new ideas flourish in the market place.
- Competition also benefits the buyers who have the opportunity to choose the product or service from different companies at affordable price.
- Customers always gain if there is competition in the market.
- Fair and open competition means lower prices and greater choice.
- Competition is the critical driver of performance and innovation. Companies set up research and development (R & D) centers to find new methods of production

and use latest technology to improve the quality of the product and that too at a reasonable price.

- Fair trade and open competition in the market enable vendors and manufactures to deliver a better variety of competitive products to their customers not only in their own country but around the world – (Coca Cola, Pepsi Cola, MacDonal food chains, Sony LCD) and often results in lower prices and higher performance i.e. create the demand of the product to large segment of consumers.
- In a competitive market there is no single firm and company cannot dictate prices to the consumers whereas a single company in the market can become a sole judge of the price (determine the price) and quality sets a dangerous precedent. In simple words, limiting consumers' freedom of choice stalls innovation.
- Impediments to innovations are setback for anyone who wants tomorrow's computing technology or any other technology for that matter to be better than it is today.

Can you avoid competition?

It is often said that explore a new product or untapped market, still you cannot avoid competition in business of that product. Even if no one else is selling or offering you a particular service, you are still, in a sense competing for the same customers. We see advertisement of different travel and tourism agencies and firms offering different prices for the same destination. Travelling agencies organizing group travel, to say to Bangkok or U.K. or Australia or Sri Lanka or Dubai announce different rates for the same/similar destinations.

A business man should always remain worried about competition in the market. A new competitor to establish business in market can cut profits, create fewer customers and, at best cause you to have worked harder to promote your own business. If a businessman is struggling with this situation, he has to find some way-out to remain in the business and to face competition.

How to deal with this situation in competition in the market;

- List the names of the firms who may be targeting your segment of customers or audience – it is always good to be informed. One should gather information and data to analysis what is happening in the market place. Sometimes, your competitors can be helpful to you by highlighting tactics that may work and perhaps that may give you a new sales tactics that a competitor with no luck. Use your observation of your competitor as a learning exercise.
- Some business people think rumors will help facilitate more business but such things shall be ignored. Remember not every business men are ethical. These tactics are only to divert the attention. Rumors and gossips eat up your creating time and make you less productive. Ignore such things and show that what they are spreading in the market does not stop your efforts on promoting your business. Such rumours are commonly appreciable to local small business.

- One should focus on one business more intensely. Wherever one feels the punch (stress) about the competition or it hits the business, use that energy to put in some extra time working on promoting your business instead. Henry Ford, a successful name in automobile business in the world said it best, “the competitors to be feared is one who never bothers about you at all but the one making business better all the time”. The whole idea is – good to know what is going on in your industry, you can change your business strategy, so focus on them.

These days companies aim is not targeting goods and services to masses. Instead they are trying to provide utmost satisfaction to the needs and wants of a well defined groups of targets customers needs and wants better than that of competitors.

SESSION – II Competition

Assessment

A. Fill in the blanks:

- (1) Competition is the rivalry between firm selling _____
- (2) Competition encourages limiting consumers _____
- (3) Business competitor's in business set up R&D Centre for _____
- (4) In competition there are at least _____

B. True or false.

- (1). In a competitive market the competitors should remain well informed about the competitor's tactics.
- (2) Rumours and gossips are important component of competition.
- (3) Henry Ford was in Scooter manufacturing business
- (4) Coca Cola and Pepsi Cola are not competitors.

Answer: 1. True, 2. False, 3. False, 4. False.

Assessment:

- (1) Are these firms' competitors?
 - A B and C firms sell clothing, food and toys.
 - All these firms offer low prices.
- (2) Do the following business compete in the market for the same customers?
 - Pizza Hut selling Pizza and burgers.

- Bata shoe sells boots and sneakers.

(3) Can you suggest five competitive businesses in your community?

How do you know that they are?

(4) Do a sweet seller, car repair workshop and chemist shop compete in the same market?

If not, who does compete in those markets?

(5) A business transaction entered into under threat cannot be called exchange. Why?

PRODUCT MARKET

Product Market: In order to satisfy their needs and wants, people require products. A product is a set of tangible and intangible attributes that can be offered to someone to satisfy a need or want. For example, if one purchases an orange to satisfy one's want, the orange is called a product. Thus product is anything that can be offered to market for attention, acquisition (ownership), use or consumption. A product is the sum of the physical and psychological satisfaction it provides to the buyers. A product market consists of all potential and existing consumers sharing a particular need or wants who might be willing and able to engage in exchange to satisfy their needs or wants.

In simple words, product market is where products produced by business houses are sold to households. The households use the income that they earn from different occupations or vocations to purchase the product they need or want. (1) These products includes (1) the fast moving consumer products and (2) durables products. For example vegetables, groceries, milk and edible oils are consumer goods etc., whereas A.C., Washing Machine, Steel Furniture's, and T.V. etc. are called durable products. Product marketing is a sub field of marketing, which can be split into true areas i.e. product market and service market.

In contrast services market includes services such as telecommunication services, health care services, car rental services etc. But they do not take, normally ownership of any physical element involved (we shall discuss service market after the product market).

Product market is a dynamic exchange system defined by sellers, products and customers. In its simplest form, a product market is a single seller providing a single offering product to a single customer. But, the position will change as the number and diversity of competition increases, as the number of diversity of products/increases and the number and diversity of customers also increase. In such a situation product market is synonymous with industry, with multiple competitors offering diverse portfolios of offering (products) that will satisfy the diverse needs of multiple segment market. It suggests that in such a complex situation, a meaningful product market analysis has to done to know the clear picture of the target market i.e. where our product is sold and that of competitors products are sold. Accordingly, the competition strategy will change. The product has to be designed, developed and priced keeping in mind the diverse competitions and the products offered by the competitors in the market.

In the product market there are *direct competitors and indirect competitors*.

- Direct competitors are those who use the same technologies to deliver comparable products i.e. a single product market.
- Indirect competitors are those who use different technologies to deliver substitute products.

It means product market differently for different level of strategic decisions making.

Geographic markets and types of channels used to reach the customers are also considered in defining a product market. For example, soft drink companies like Coca-

cola and Pepsi create different products that satisfy the beverage preferences of different global market. In super market large bottles are also available whereas in small retail stores single small bottles also can be purchased. (Sufficient for one time drink).

A product market will have to take into consideration Four P's i.e. Product, Price, Place or Promotion and several other variables such as quality, availability, brand or trade mark, styling packing and regulations in order to satisfy the needs of the consumers. Take the example of raising excise duty on the production of Cigarettes. The production cost will increase due to this regulation. It will also affect price directly or indirectly. But the existing buyers will not switch over to other product if price rise is not significant or find a next best substitute.

A product has great importance also in all other areas of market management. Therefore it is necessary to plan and develop products which meet the specification of the customers. For example, market research is mainly directed to-wards knowing the needs of the customers and increasing the sale of the product. Also the storage and transport activities depend upon the nature of product. For example for poultry products, milk products, and perishable vegetables etc. one has to maintain cold storages facilities. Thus the success of marketing and sales deptt. depend upon the nature of the product offered to the customers in the market.

PRODUCT MARKET:

Assessment:

- A.**
1. Do you agree that; (yes/no)
A product is a set of tangible attributes that can be offered to any person to satisfy a need or wants.
 2. Product cannot be stored for a longtime.
 3. Transfer of ownership can be done for a product.
 4. Products can be mass produced and be homogenous.
- B.**
1. The product concept holds that consumers will favour those products that are widely available at low cost.
 2. We are to produce that product which customers wants and not what we can sell.
 3. Change in price of the product may shift the customer to other substitutes.

SERVICE MARKET

Definition and meaning:

In the earlier sub-unit we have discussed about the marketing of physical products which are tangible in nature. Basically, services are intangible, irreparable, variable and perishable products. They do not have physical existence. Hence, services cannot be touched tasted or smelt. For example, you purchase a chocolate or buy a banana, you can touch it and eat it because it is tangible in nature whereas you cannot touch or eat services offered by an insurance company or a bank or a post office.

Definition:

“A service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”.

According to the American Marketing Association - Services are activities, benefits, or satisfactions which are offered for sale or provided in connection with the sale of goods. For example, transportation service by carrier of goods or insurance of goods by an insurance company.

Service marketing is an organizational function and a set of process for identifying or creating communication and delivering values to customers and for managing customer's relationship in a way that benefits the organization and stake holders.

If analysis above definitions then few important characteristics of services market will emerge:

Nature and characteristics of services:

Intangibilities in Nature: Services are intangible and do not have physical existence. This is the most important feature of a service which primarily differentiates with product. For example, services rendered by a lawyer to client. He may or may not be happy or satisfied with the quality of the services of the lawyers that is a different matter. Similarly a patient may not be satisfy with the performance of the end result of the doctor.

Service Variability: Services vary in nature. Each service offering is unique and cannot be exactly repeated even by the same service provider. Their quality and level of satisfaction delivered to customer also varies from one situation to another. For example, these days banks provide various schemes and financial services to customers to mobilize there savings and to attract customers for investment in these schemes. Similarly, travel and tourism agencies firms/operators design tour packages for different customers groups with different objectives or motives. But it is not necessary that every customer or member of the group is satisfied with the package of services. For some group members it may be uncomfortable experience or for some it may be expensive.

Service Perishability: Services cannot be stored, (like product saved, returned or re-sold) once they have been used. For example, you go to a hair cutting saloon for your haircut but you are dissatisfied with the services of the saloon. Obviously, the saloon owner cannot return the service of the haircut that was rendered to customer. Similarly during winter season or rainy season most of the seats in aircraft may remain empty – cannot be saved to be used for the next flight.

Simultaneous generation of service and its consumption: This characteristic is that services are attached to the service provider. It means that services are generated and consumed by a customer simultaneously. The above example of haircut by a saloon barber shows that service provider (saloon barber) is providing the service to the customer who is always present and the provider (barber) and customer interaction becomes the essential part of service marketing i.e. Barber is necessary a part of the service of a haircut that he or she is delivering to the customer. It raises a very valid question i.e. the efficiency with which the services is going to be delivered depends to a large extent on the degree of satisfaction delivered by the service provider to the customers.

Service users: The users of services may be called client (for a lawyer). One engages a lawyer to fight a case in the court of law. It is a relationship between a client and a lawyer. A patient (for Doctors), A Master (for Domestic servant). Users of services may be an individual or an institution or a group. For example, Group Insurance Scheme of LIC for Employees of Central Government or CGHS health scheme for the Employees

Central Government through approved Hospitals/ Clinics. The Central Government employees are to be called users of such facilities.

Service Payment: Services rendered are paid in the form of fee, charge or rent. The user or client can also pay to the service providers as commissions, premium to an insurance company for insurance policy and salary for hiring the staff. Service charges also depend on the qualities of service and the staff responsible.

Alternative View: Services are (usually) intangible economic activities offered by one party to another. Often time based services performed by the service providers bring about desired results to the recipient (customer) for which purchasers have responsibility. In exchange for money, time and efforts, service customers expect value from access to facilities, goods, labour, professional skills and network system etc., but they do not normally take ownership of any physical elements. For example, – take a cab on rent, as customer you obtain temporary ownership right to use the car. Similarly, you can hire a servant for cleaning the house instead of doing yourself as you lack expertise or skills. Sometimes you hire a driver to drive the car as you can't drive.

This is also an important view that services involve a form of rental through which customers can obtain benefit of services. Here the term rent, can be used as a general term to describe payment made use for something or access to skills and expertise, facilities instead of buying it outright which is not even possible in many instances.

These days service sector is contributing a lot towards the economic growth and development of India. Services have become necessary as they provide in valuable and immense services to people, government and manufacturing sectors. In future demand of service marketing in India will grow if quality services are provided to customers and consumers.

Marketing mix for services: In earlier unit we have discussed the marketing mix for goods or products i.e. 4P's – Product, Price, Place and Promotion. Now, we talk about the marketing mix for services. Here three more P's are added in the list – People, Process, and Physical environment along with 4P's.

People: Customers always look for efficient service. This can be provided by the people who are employed in the organization. Let us take the example of the hotel where customers are using its services will ultimately form their opinion about the hotel on the basis of services which are provided to them by the hotel staff. If the staff is well trained, efficient and committed they can build a good reputation of the hotel.

Process: These days home delivery service system has become popular among the consumers/customers. A large number of restaurants and super markets serve the customers through online orders. They process your order(s) within a specific time frame. For example, well reputed Pizza restaurants deliver pizza or hamburger order to customers within 30-40 minutes only as they have efficient processing mechanism and technology both for processing the preparation and for its timely delivery.

Physical Evidence: Taking the above examples of hotels and restaurants, the customers also take into account the physical environment of the place. For example, if you visit a restaurant, besides menu options available, you will be very much concerned and about the hygienic standard, ambience and service by the staff.

Types of Service

1. **Core Services:** A service that is the primary purpose of the transaction. Eg: a haircut or the services of lawyer or teacher.
2. **Supplementary Services:** Services that are rendered as a corollary to the sale of a tangible product. Eg: Home delivery options offered by restaurants above a minimum bill value.

Difference between Goods and Services

Given below are the fundamental differences between physical goods and services:

Goods/Products	Services
A physical commodity	A process or activity
Tangible	Intangible
Homogenous	Heterogeneous
Production and distribution are separation from their consumption	Production, distribution and consumption are simultaneous process
Can be stored	Cannot be stored
Transfer of ownership is possible	Transfer of ownership is not possible

REVIEW QUESTION

Assessment

Answer in four – five lines

- (1) Explain the concept of service marketing
- (2) List of few important services available to customers.
- (3) Under what cases the term rent is used as payment for service.
- (4) Why are services perishable in nature?

SESSION IV Services Marketing

A. State whether the following statements are true and false.

- (a) Services are intangible economic activities offered by one party to another.

- (b) Services do not have physical existence.
- (c) Service, can be smelt and touched.
- (d) Can you separate a service from the service provider?

Answer: 1. True, 2. True, 3 False, 4. False.

B. Services cannot be -

- (a) Stored
- (b) Re-sold
- (c) Measured
- (d) Non of the above.

- C.**
- (i) List three important services offered by Government.
 - (ii) List out two unique feature of services.
 - (iii) Name the various P's of service marketing mix.

- D.**
- i. Define the word 'service' and its features.
 - ii. Marketing of services is different than marketing of product". Do you agree? Give suitable examples.
 - iii. Name any two important services by business houses.
 - iv. Why services are perishable in nature.
 - v. State three P's in service marketing.

UNIT III Basic Concept of Sales and SELLING

Learning Objectives

- (a) Describe the concept of Selling
- (b) Understand the importance of acquiring selling skills
- (c) Explain the various types of Selling
- (d) Identify the various types of Selling tasks
- (e) Appreciate the role and importance of Selling intermediaries

Location:	Session 1	Concept of Selling		
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
Classroom, retail store or Mall or local vendor or Online websites	1. Describe the concept of Selling	1. Describe the importance of selling in marketing 2. Explain how selling is important part of marketing	1. Identify a selling 2. Find out the requirements of an effective selling	Interactive Lecture: Introduction to Selling Activity: Make a PowerPoint presentation on selling of product in market
	2. Identify the characteristics of selling	1. Explain the various features of selling 2. Understand broader scope of selling	1. Learn to apply the various features of selling 2. Identify the scope of selling in actual business world	Interactive Lecture: Selling Activity: Pick up a product of your choice and identify how the product is being sold in the market.

Location: Classroom, retail store or Mall or local vendor or online websites	Session 2	Types of Selling		
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
	1.Describe the concept of types of selling 2.State the various types of selling used to sell products and services in the market	1. Explain the importance of different types of selling 1. Comprehend the difference in the various selling tasks 2. Understand that different types of selling techniques used by marketer	1.Understand application of different selling types 2. Analyse how a product can be sold using different selling types 1. Classify the various types of selling 2. Differentiate between the different types of selling	Interactive Lecture: Introduction to types of Selling Activity: Make a presentation on the importance of selling types Interactive Lecture: Selling types Activity: Give a list of products to the students and ask them to identify different selling types used is selling the products

Location: Classroom, retail store or Mall or local vendor or online websites	Session 3	Selling Tasks		
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
	1.Describe the concept of Selling tasks 2.State the various selling tasks	1. Explain the importance of selling tasks 1. Comprehend the difference in the various selling tasks 2. Understand that different types of selling tasks used to sell products in the market	1.Understand how to use selling tasks 2. Analyse how a product can be sold in the market through different selling tasks 1. Classify the various selling tasks 2. Differentiate between the different selling tasks	Interactive Lecture: Introduction to Selling tasks Activity: Make a presentation on the importance of selling tasks in selling Interactive Lecture: Selling Tasks Activity: Identify a product or service from the market and different selling tasks used to sell the product or service in the market

Location: Classroom, retail store or Mall or local vendor or online websites	Session 4	Intermediaries of Selling		
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
	<p>1.Explain the concept of intermediaries</p> <p>2.State the various types of selling intermediaries</p>	<p>1. Describe the importance intermediaries in selling</p> <p>2.Explain the role of selling intermediaries</p> <p>1. Explain the various types of selling intermediaries</p> <p>2. Understand that different types of intermediaries and how they interact with each other</p>	<p>1.Understand how intermediaries make selling possible</p> <p>2. Analysing how a intermediaries work</p> <p>1. Classify the various intermediaries</p> <p>2. Differentiate between different intermediaries according to their functions</p>	<p>Interactive Lecture:</p> <p>Introduction to Intermediaries</p> <p>Activity:</p> <p>Make a presentation on the concept of intermediaries</p> <p>Interactive Lecture:</p> <p>Types of selling intermediaries</p> <p>Activity:</p> <p>Choose a product or service of your choice and identify what kind of intermediaries are selling the product in the market</p>

Session 1

Introduction

Existence of business would be in danger, had there been no sales. It probably wouldn't exist for long! If producer has produced the goods but not selling the same then what would be the purpose of producing the goods. Therefore, the common thing among every business is "selling" i.e. goods and services must be sold in order for business to exist. The basic purpose of producing the goods or services would be defeated if no one is ready to buy them. For example, if cars are not demanded then cars will not be produced. If people don't need mobile phones then why would companies produce mobile phones? Similarly, if no one ever went to the movies, the theaters would go out of business.

The point here is that all goods and services must be sold by businesses otherwise businesses would vanish.

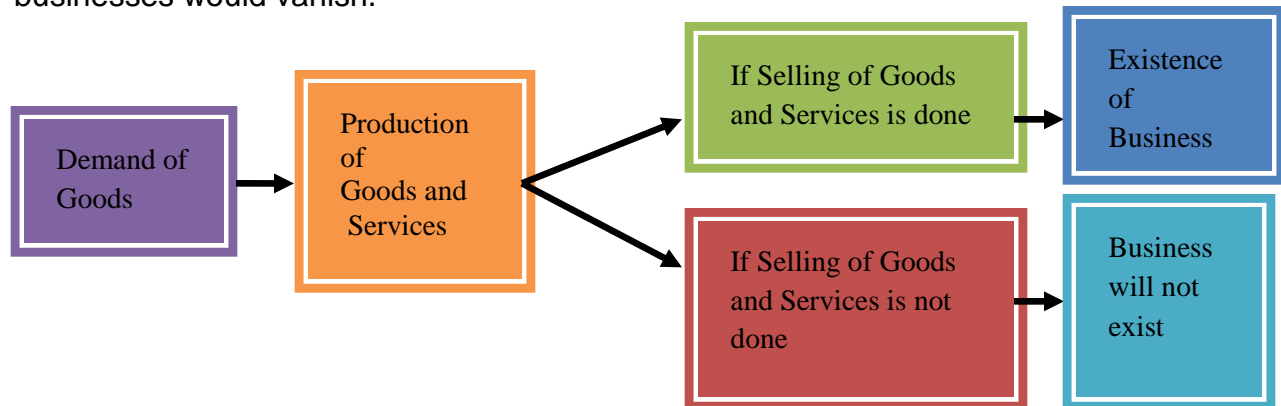


Figure: Why to Sell?

Concept of Selling

Selling is a one of primary function of marketing that involves determining needs of customers and wants and aims at responding through planned, personalized communication that influences decision making of customers and provides more opportunities of business in future.

Selling is planned and sometime customized because in today's world of cut throat competition it is necessary to provide customized services to customers. It goes way beyond mere order-taking or customer service.

Features/ Characteristics of Selling:

1. Selling enables the buyers and seller to undertake a business transaction.

2. Selling is a form of communication to inform prospective customers about the utility of product and making the product available at the right time at the right place.
3. Selling helps customers to determine their needs. Selling creates two-way communication between customers and salespeople.
4. Process of selling enables customers to receive help with their buying problems. Therefore, it can be said that through selling customers can determine their needs and can select products that are right for them.
5. Selling creates desire for products. Skilled salespeople can create desire for new or established products. They do this by determining clients' needs, wants, and buying motives. Then, salespeople explain product features and benefits to clients and heighten their desire through the use of demonstrations. For example, if you know a business is looking for a software program that will help its accounting department manage data and save time, you could talk about how your company's easy-to-use software will make the accounting staff's lives easier. Since you understand the company's buying motives, you would be sure to focus on the time-saving features of your product in your sales presentation.
6. Goods and services are sold for ultimate consumption, for resale, or for use in the operation of a business. Every business has something to sell—either tangible products or intangible services.
7. Selling can occur wherever person-to person contact is made, either directly to the consumer or indirectly through the use of intermediaries.
8. Selling helps in keeping our economy moving, promoting competition, affecting employment, adding utility, helping customers determine needs, and creating a desire for products.

Hence, Selling plays an important role in our society and economy. Some people believe that selling is a manipulative process but in reality it is informative process that aims at solving the problems of customers.

Scope of Selling

Selling is an art that helps in making sales and generate profits for the concern. For that matter the salespersons should have perfect selling skills to be able to handle all types of customers. Selling different types of products to different types of customers require different types of skills. Hence, the scope of selling involves the following activities:

- i. **To generate sales:** The main purpose of selling is to generate generic sales for the organization. It involves planning the sales, making presentations, handling objections, closing the sale; deliver the products and collecting the payments.
- ii. **To provide services to customers:** Providing services to customers is also an integral part of selling. Providing management consultancies, repairs and

maintenance, checking inventories, providing merchandise assistance, shelf-space management and so on.

- iii. **Managing competitors:** Gathering information about competitors, equipping one to face competition, having full knowledge about one's own product and customers etc. this helps the sellers to manage competition which is a part of their job.
- iv. **Professional development:** The art of selling needs to be polished with the change in business environment. For that participation in sales meetings and training programmes is mandatory in order to make selling personnel more knowledgeable and ready to face challenges.

Assessment

A. Fill in the blanks:

- i) Selling is one of function of marketing.
- ii) Selling creates for products.
- iii) Selling is not a process.

B. Multiple Choice

- i. The scope of selling does not include
 - a. Making sales
 - b. Managing competitors
 - c. Publicizing about the product
 - d. Providing services to customers
- ii. Selling creates
 - a. Need for product
 - b. Marketing for product
 - c. Desire for product
 - d. None of the above
- iii. Selling is form of communication
 - a. Planned
 - b. Coordinated
 - c. Personalized
 - d. All of the above

C. True or False

- a. Selling is same as marketing.
- b. Selling can be performed by unskilled people also.
- c. Selling is an informative process.
- d. Managing competitors is not a part of selling process.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i. What do you mean by Selling? Explain the characteristics of selling.
- ii. Explain the concept of selling in detail.
- iii. Why selling is important for an organization?
- iv. Explain in detail the scope of selling.?

Part B

Class Activity

Ask the students to pick up a product of their choice and try to sell it in the class by applying the characteristics of selling.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance standards	Yes	No
The Ability to comprehend the concept of selling and be able to actually understand the characteristics or features of selling.		

Session 2

Types of Selling

Selling is a process by which one person guides other people's purchase behaviour along a path in a desired direction, leading in the purchase of a product or service. Keeping in view the wide variety of selling activities, one can categorise the various selling activities into the following broad categories-



- i. **Selling in local markets:** The selling done at the local shops in a local or community markets. The local retailers sell the variety of products to the local public residing in a particular locality. Selling by vendors and pheriwallas also come under this category. Products sold are daily routine products like grocery, vegetables and toiletries.
- ii. **Selling in Malls and Markets:** This type of selling is done by the salespersons at various shops and malls. They possess better selling skills to convince the customers as people from far and wide places to come and buy from the markets and malls. Products sold are clothes, household products, shoes etc.
- iii. **Selling through selected distribution outlets:** Some products are sold through selected distribution outlets e.g. Cars, electronics. The salespersons selling in these outlets should have complete and thorough knowledge of the product being sold. Customers do a lot of research before buying such products.
- iv. **Selling at customer's workplace:** For selling highly technical products, the salespersons have to reach out to the professionals and their organisations at

their workplaces. This type of selling requires a lot of hard work and knowledge about the technical products being sold. This type of selling is targeted to the professionals like, doctors, teachers etc.

Based on the above mentioned various types of activities; following types of selling can be identified:

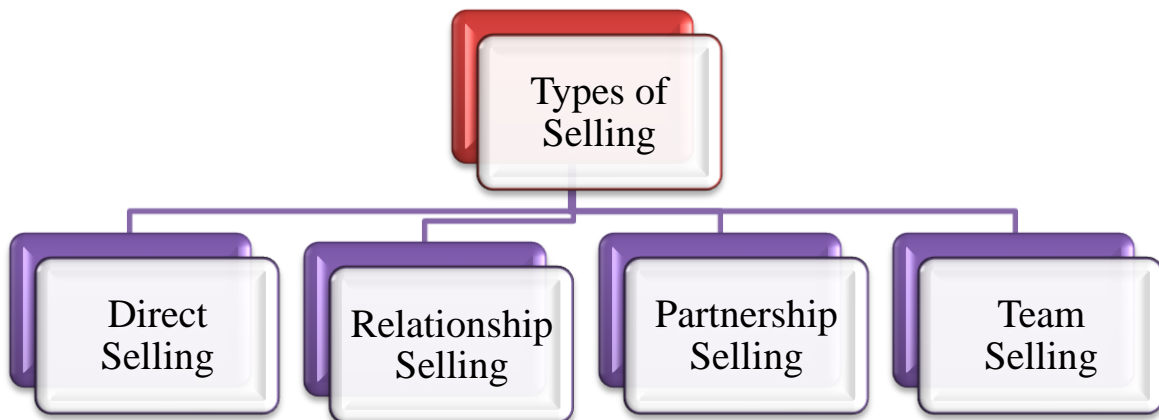


Figure: Types of Selling

1. Direct Selling

Direct selling is a commercial practice where products and services are sold by the producers directly to the consumers. Online selling, Network marketing, selling through televisions and direct mail are the examples of direct selling.

2. Relationship Selling

Relationship selling is the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time. This type of selling may or may not lead to a sale as the purpose is to build relationships with the customers and nothing else.

3. Partnership Selling

Partnership selling is where buyers and sellers combine their expertise and resources to create customized solutions; commit to joint planning; and share customer, competitive, and company information for their mutual benefit, and ultimately the customer.

4. Team Selling

Team selling is a group of people representing the sales department and other areas in a firm, all sharing a common goal of increased sales. They do the selling job together.

Assessment

A. Fill in the blanks:

- i) Selling through a group of people is called.....
- ii) The products of daily use are sold in..... markets.
- iii) selling refers to convince the customer to buy the product.

B. Multiple Choice

- i. Online selling is a form of
 - a. Partnership selling
 - b. Relationship Selling
 - c. Direct Selling
 - d. None of the above

- ii. Partnership selling is used to find
 - e. Customised Solutions
 - f. New customers
 - g. New market
 - h. All of the above

- iii. Which of the following type of products are generally sold at customer's workplace?
 - a. Groceries
 - b. Toiletries
 - c. Highly technical products
 - d. Bikes

C. True or False

- a. Direct selling means face to face communication between seller and customers.
- b. Team selling refers to selling to a team of buyers.
- c. Selling guides the behaviour of customers.
- d. Cars and electronics can be sold through selected distribution outlets.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i. What do you mean by selling types?
- ii. Explain different types of selling types.
- iii. Explain difference between relationship selling and partnership selling.
- iv. Explain direct selling..

Part B

Class Activity

- a. Ask the students to select a product and identify the selling type of the product .

Part C

Performance Standards

1. The performance standards may include but not limited to:

Performance standards	Yes	No
Able to understand the concepts of selling types and its application		

Session 3

Selling Tasks

After understanding the various types of selling, one needs to understand the various selling tasks that a sales person might have to undertake for selling a product. The type of selling task they will have to undertake would depend on the type of product being sold and the amount of money involved in buying that product. Following are the various types of selling tasks:



Figure: Types of Selling Tasks

1. Missionary Selling

The missionary selling refers to build goodwill, educate and ultimately influence the actual or potential customer rather than focusing on sales only. Sales personnel who undertake this task just keep visiting the customers and keep them updated about the product besides taking up promotional activities. For example, a sales person occasionally visits doctors informing them about the new CT scan machine or simply to exchange greetings.



2. Technical Selling

The technical selling refers to explaining the function of a product to a customer and adapting it to individual customer needs. 'Sales engineers' use their expert knowledge of product capabilities and design during selling process. Their customers on the buying side are also often technically very strong and hence getting an order is a major task. For example, a team of sales persons showing a presentation on the new CT scan Machine. In fact, missionary selling builds the base for technical selling.

3. Creative Selling

Creative selling tends to require the greatest sales 'skills'. Customers often do not realise that they have a 'need' for certain product or service. The creative salespersons are expected to demonstrate their creative side and convince the customers. The need is aroused through effective communications.

4. Trade Selling

In this type of selling, mostly found in the case of consumer products, the products are sold through channels of distribution/ intermediaries, such as, wholesalers and retailers. The intermediaries handle their products and sell them. They also offer promotional and merchandising support to the producers.

5. Consultative Selling

The salesperson learns about customer needs before talking product. Product knowledge is transformed into a tailored solution when the solution is delivered and positioned based on the customer's needs and language. This is done where product customization is required. For example, a tailor making a suit for a customer or a barber giving a customized haircut to his customer or a car manufacturer making a car for his customer according personal needs. Houses are also built on consultative basis.

6. Developmental Selling

The developmental selling aims to convert prospects into customers i.e. seeks to create customers out of people who don't currently like the product of the company. Here, the salesperson has to try hard to convert non-users of the products into users. They have to do competitive selling, that is, to use selling tactics that will portray his product better than the competitors' in all respects.

Assessment

A. Fill in the blanks:

- i)selling refers to explaining functions of the product
- ii) selling refers to building goodwill of the product
- iii) requires the use of creative skills of a salesperson.
- iv) selling refers to convincing the customer to buy the product.

B. Multiple Choice

- i. Missionary selling is used to
 - a. Educate build
 - b. goodwill
 - c. Influence customer
 - d. All of the above
- ii. Consultative selling is used to
 - e. Personalised solution
 - f. Convert non-user to user
 - g. Sell through channels of distribution
 - h. All of the above

C. True or False

- a. Developmental selling aims to convert prospects into customers

- b. Service selling refers to obtain sales from existing customers whose habits are already known to producer
- c. Trade selling refers to offering promotional and merchandising support.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i) What do you mean by selling tasks?
- ii) Explain different types of selling tasks.
- iii) Explain difference between missionary and technical selling tasks.
- iv) Give three differences between developmental and consultative selling.

Part B

Class Activity

- b. Ask the students to select a product and identify the selling tasks related to the product .

Part C

Performance Standards

- 2. The performance standards may include but not limited to:

Performance standards	Yes	No
Able to understand the concepts of selling tasks and its application		

Session 4

Intermediaries/Channels of Distributions

Producers of products have two choices when selling their products – either they sell directly to the customers or through an intermediary. For a producer, it may be more appropriate to focus on manufacturing the products than to do selling himself. Selling to

the customers requires specialized selling skills and a complex distribution network to deliver small quantities to customers in every nook and corner of a country.

The intermediary charges a fee -- usually a commission based on the amount of the order. The advantage of selling through intermediaries is to tap into their already established network of customers. Hence, it is wiser to assign the task of distribution to intermediaries. But it is equally important to choose the most appropriate intermediary or sales channel for the business to be successful so that the products reach the customers at right place and at right time.

Intermediaries, also known as distribution intermediaries, marketing intermediaries, or middlemen, are an extremely crucial element of a company's product distribution channel. Without intermediaries, it would be impossible for the business to function at all. This is because intermediaries make it possible for the company to deliver their products to the customers who are residing over a vast geographical area. For example, retailers sell the products in the local markets while the products are produced in the industries and factories located far away from the local markets. To make these products available, the services of retailers are used by the producers.

Types of Intermediaries

There are four generally recognized broad categories of intermediaries: agents, wholesalers, distributors and retailers.

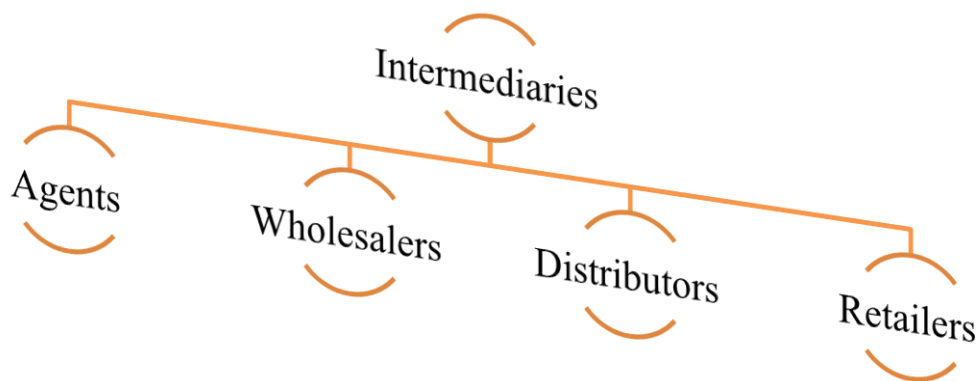


Figure: Types of Intermediaries

1. Agents/Brokers

Agents or brokers are individuals or companies that act as agents of the manufacturing company. Their main job is to represent the producer to the customers in selling a

product. They do not own (or take title of) the product directly but they take possession of the product in the selling process. They make their profits through fees or commissions.

2. Wholesalers

Unlike agents, wholesalers take title (ownership) of the goods and services that they are selling. That means that they own the products that they sell. Wholesalers do not work with small numbers of product: they buy in bulk, and store the products in their own warehouses and storage places until it is time to resell them. Wholesalers rarely sell to the final customer; rather, they sell the products to other intermediaries such as retailers, at a profit. Thus, they do not operate on a commission system, as agents do but on profit basis.

3. Distributors

Distributors function similarly to wholesalers in that they take ownership of the product, store it, and sell it off at a profit to retailers or other intermediaries. However, the key difference is that distributors ally themselves to complementary products. For example, distributors of Coca Cola will not distribute Pepsi products, and vice versa. In this way, they can maintain a closer relationship with their suppliers than wholesalers do.

4. Retailers

Retailers come in a variety of shapes and sizes: from the corner grocery store, to large chains like Wal-Mart and Target. Whatever their size, retailers purchase products from market intermediaries and sell them directly to the end user for a profit.

The following figure shows the various levels/chains of distribution that a producer can opt for to make the product available to the customers. The producer can opt for any one of the following chain depending upon the nature of the product and the customers.

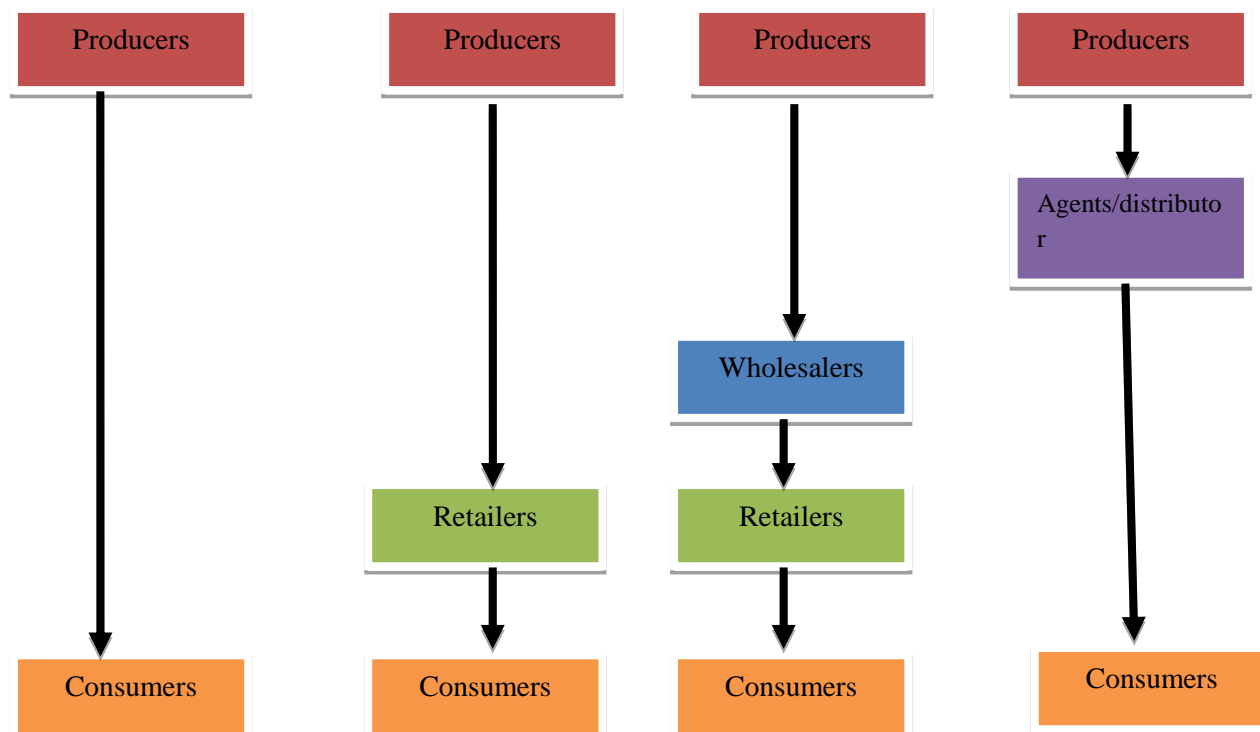


Figure: Levels/ chains of distribution

Functions of Intermediaries

The intermediaries perform a variety of specialized functions.

- i. Intermediaries provide specialized services like transportation, storage and other customer support services.
- ii. They help in providing economies of scale through specialization and division of labour.
- iii. They also help in creating time, place, and possession utilities.
- iv. Intermediaries also facilitate exchange processes.
- v. They help in promoting the products.
- vi. They are in direct contact with the customers and hence play an important role in selling.

Factors affecting the choice of Intermediaries

Once we know what functions the intermediaries can perform, it would be easier to select the intermediaries that best match the requirements.

However, the following factors affect the choice of Intermediaries:

- i. **Availability of Intermediaries:** The employment of a particular intermediaries or distribution channel is directly governed by their availability. For instance, when a company wants to distribute its products through wholesalers and retailers, but they are not available, then it will have to do direct selling.
- ii. **Services by Intermediaries:** The intermediaries that can provide the specialized services such as assembling, storage, transportation, market intelligence should be hired by the producers.
- iii. **Agreement between the company and the intermediaries:** Intermediaries that do not agree with the policies of the company will not be selected by the producers.

- iv. **Cost involved:** The cost involved in the employment of a particular intermediary is an important consideration in the selection of a distribution channel. If an intermediary is charging high cost/commission, the producer will not hire him.
- v. **Customers and competition:** Sometimes the choice of a particular channel is dictated by the customs that characterise a particular trade. For instance, if locks have traditionally been sold through hardware stores, use of general merchants may not be desirable. In the same manner, the channel selection is also governed by the competitors' policies.
- vi. **Legal restrictions:** Sometimes the intermediaries have to be selected according to the legal requirements. For instance, medicines can only be sold through chemists.

Online Intermediary Models

Selling through the Internet has changed traditional sales models by making some intermediaries obsolete and bringing new structures into picture. Affiliate marketing, in which commissions are paid to agents who may also promote products on their own websites, is an effective alternative for some producers. Online stores such as Amazon can take over many intermediary functions but may only pay you when your products are sold. Many producers stick with traditional intermediaries but open a parallel online channel to experiment with new sales models.



Assessment

A. Fill in the blanks:

- a. Intermediaries charge for their work.
- b. Agents do notthe product.
- c. Wholesalers take the of the goods and services.

B. Multiple Choice

- i. Retailers sell products directly to
 - a. Distributors
 - b. Customers
 - c. Wholesalers
 - d. Agents
- ii. Functions of intermediaries are
 - a. To keep record of invoices
 - b. Promote the product
 - c. Determine the price
 - d. All of the above

C. True or False

- i) Intermediaries are essential for selling.
- ii) Wholesalers deals with retailers only.
- iii) Daily routine goods are sold through retailers and wholesalers.

D. Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- a. Who are intermediaries? Explain with the help of an example.
- b. Explain the factors that the affects choice of intermediaries.
- c. List out the various functions of intermediaries
- d. What do you understand by online selling intermediaries? Explain.

Part B

Class Activity

Divide the class into groups and ask them to assume that they are selling different products of an organization and then ask them to select the correct intermediary/ies to sell the product and decide which one would be least costly; in the form of a presentation to be presented in the class.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance standards	Yes	No
Understanding the concept of intermediaries and understand their functions and criteria to choose correct intermediary		

UNIT IV: understanding customer and consumer

After this unit a learner would be able to:

1. Know the meaning of customer and the consumer
2. Distinguish between customer and consumer and inter relationship.
3. List the types of customer and consumers and understand the key differences between these two.
4. Discuss the meaning and understand the importance of buyer's behavior
5. Understand consumer's motivation to buying behavior.
6. Describe the various factors that influence buyer's behavior.

UNDERSTANDING CONSUMER AND CUSTOMER:

Introduction:

One of the common features among all of us is that we are all buyers of either products or services irrespective what we are. As buyers, we play a vital role in the economy. As buyers, we need to study buyers (our own) behavior to gain insight into our own consumption related decisions like what we buy, why we buy, how we buy and the influence of advertisements in newspapers and television that persuade us to buy. Similarly, marketers too need to adopt and to design their strategies by taking buyers' aspirations into consideration.

In this unit, we shall discuss the meaning of customer, buyer and consumer. The types of buyer's, various dimensions of buyer's behavior, factors influencing buyer's behavior and the buying decision process. At this stage the student should also understand that the term buyer and consumer are used interchangeably to avoid confusion.



Customer occupies a pivotal position and place in the process of marketing and sales. It is, therefore, important for the marketers to first identify or find out who are their customer or buyers.

WHAT IS A 'CUSTOMER OR KNOW YOU CUSTOMER'

A customer is an individual or business that purchases the goods or services produced by a business. It means that the customer is the end goal of a business. It is the customer who pays for supply and creates demand. Thus, the demographic, geographic and psychographic profile of the customers must be clearly known to the marketers. Without understanding the actual needs, wants, and preferences of the customers, it will be difficult for the marketers to suggest the company or the firm what type of goods or service be designed and produced.

Customer and consumer: At this stage it is also important for the students to understand the difference between the customer and consumer. The word consumer is derived from the word 'consume' which means to use. A consumer is a person who is the end user of the product. The line of demarcation between customer is very thin and blurred. For example, A purchases a baby milk bottle to be used by his two years old son. Here A is the customer and the baby is an user or consumer. If A purchases a bottle of cold drink for his own use then A is a customer as well as a consumer. In this sense the word consumer means a person who purchases the product or service for his own use or consumption.



Differences between business v/s individual buyers.

People buy various kinds of product and services for their own use or consumption with different purposes or objectives in their minds. There are mainly two types of such consumers.

- (1) **Personal consumer:** These types of consumers buy products and services purely for their own use or for the use of the family members. For example, Tooth paste, Soap, TV, Milk etc. they buy these products for their own consumption i.e. they are the final user of the product and services.

- (2) **Organizational consumer:** The products or services which are purchased either to re-sale to earn profits or by the government departments, schools hospitals to run their respective entities. A school or a college buys black board, chowk pieces, office stationery, computers as these are important or basic items for a school. Similarly, industries also purchase raw-materials to manufacture finished

products or ancillary tools or instruments or any other items and parts for the industry.

Key differences between customer and consumer : The following are the major differences :

1. The person who buys' the goods and services from the seller is known as a customer. The person who uses the goods and services is known as a consumer.
2. Customer is also called or known as buyer or client whereas the consumer is the ultimate user of the goods and services for direct use or ownership rather than for re-sale or use in production and manufacturing.
3. Customer can be an individual or a business entity. A consumer can be an individual or a family or a group of people. For example a father buys a T.V. Set (Customer) that will be used by all family members including father. (consumers).
4. Customer pays the price of the product or service, he may recover the price from the other party on whose behalf he (consumer) has purchased it. In some cases consumer not necessarily pays the price of the product, when the products or goods are gifted or if they are purchased by the parents of a child.
5. The customer purchases the goods for the purpose of re-sale or to add value. He can do value addition in the goods for his personal use or on behalf of another person. In contrast to the consumer who purchases the goods only for the purpose of his/her consumption.

In the business world, these two words are used many times in a day and most of the time they are used interchangeably. These two terms signify different meanings, customer refers to a person who buys the goods or product or commodity or service and pays the price but a consumer is the ultimate user of goods or services. It should be clear now that the person who is a customer or a buyer is not necessarily a consumer and vice-versa'.

Now, a tricky question arises in the mind of many marketers or marketing managers to whom they focus their attention to a customer or to a consumer. The general policy of the companies or enterprises is or must be to focus on the two as they should take care of what product is demanded by the consumer as well as they should advertise the

product(s) so well that it will also attract the attention of millions of customers instantly. They know that the buying decision is taken by the two (consumer and customer) together or by keeping in view of the other. So companies should give equal importance to both. Businesses will often compete through advertisements or sales in order to attract a large customer base. But we should also know that the customers will buy your products or services only if consumer demands your product.

TYPES OF CUSTOMERS:

Customers play the most significant part in the business. In fact, customer is the actual boss and most significant person in a business deal and is responsible for the actual profit for the organization. It is the customer/consumer who uses the products and services and also judges the quality and availability of those products and services. Customers are very important as they use the product and services and judge the quality of those products. Hence, it is important for an organization to retain such customers and also make new customers and to flourish business. It requires sincere planning and design proper strategies to manage customers. The company should follow some sort of approach like regimentation or divisions of customers into groups because each customer has to be considered valuable and profitable. But you should always remember needs and wants of the various types of customers that you have to deal with while attempting to sell your products or services are important part of marketing selling process.

Customer can be of following types: We need to break down customers into five main types:



1. **Ready to buy customers or need based customer:**

Such type of customers are often driven by specific need and have a sense of urgency. They at least have an idea regarding their needs based on their prior knowledge of something they need to purchase. As the customer is in need, the salesperson or service provider has to find out what the specific requirement is and how to meet. Once you are able to understand the client's needs, he will become your customer. If you can fulfill his needs satisfactorily only then he could become a valuable repeat customer. Therefore, a salesperson should handle the situation in the best way possible in order to gain customer confidence so that he becomes your repeat customer.

2. **Potential customers:** When a person enters a departmental store or visits a website has the potential of becoming a customer. It is always possible that these types of customers are simply gathering information or doing window shopping. These kind of customer are not in a hurry to purchase. However a good skilled salesman knowledge and understanding can work as he can present few positive features or points about the products, so that customer can develop a sense of interest and then can and make a purchase of the product or sign up

for some service. Perhaps, these wandering customer may be big in number to visit store while at the same time they make up the smallest percentage sales.

3. **Repeat customer or loyal customer:** The most loyal customer is a repeat customer or one who regularly uses company's services and purchases its products. These type of customers are so important for the organization, they are called life blood of the business so they deserve due respect, whenever they visit the firm or organization or office for any enquiry. As they were satisfied with your dealings on the first visit, they return for more services or products. Therefore, as long as long as you continue to satisfy their needs, he will come to you again and again. He will be called a repeat customer. It has been established through market research that it can take up to five times more work to replace such a loyal customers' as it would be simple continue to service them well enough to keep them intact. An organization should always focus on loyal customers and expand the product range to retain such loyal customers.
4. **Sales and Discount customers:** Such brand of customers always shop for the best deal on items they want to purchase. They are regularly read newspapers advertisements, store's circulars and pay attention to local dealers. They always conduct price comparisons on line before going to the store to purchase. The interest of such customers are purely based upon the size of the *markdown* in a sale at any given time. It has become quiet popular in Malls, Big Department Stores and Big Bazaar in the metropolitan cities as well as in other cities and towns in India.
5. **Impulse buying customers:** These customers make purchasing decision only upon their whims or an impressive sales presentation by a skilled salesman. It is neither easy nor difficult to convince such types of customers but most of the times a good presentation about the product or service can inspire the customer to purchase the product or service. These type of customers also take decision on the spot for some reason that product(s) seems good to them at that point of time for no need based upon. This segment of customers are those to whom the store will always like to serve. There is nothing more exciting than to assist an

impulsive shopper having responded favorable to our sales presentation or recommendations.

REVIEW QUESTIONS

ASSESSMENT:

A. Very Short Answers:

1. Define the term 'customer'.
2. Distinguish between customer and buyer.
3. When A is a customer as well a consumer.
4. A customer buys the product only for the use of consumer. Is it correct.
5. What is the difference between goods and services.

B. Fill in the blanks:

1. The person who uses the goods and service is called _____.
2. A customer is called as a _____.
3. The word consumer is derived from the word _____ which means _____.
4. A consumer purchase the product _____.

C. Short Answers:

1. List types of consumers.
2. List types of customers.
3. Distinguish between potential customers and loyal customers (not more than 4 lives)
4. Do you agree that the two words, 'customer' and consumer are used interchangeable? Illustrate with examples:
5. Who is a final customer?
6. Distinguish between personal consumer and organizational consumer.

III. **Meaning of buyer's behavior:**

The aim of the firm or company is to satisfy the needs and wants of the actual users and potential users of their products or services. It can be fulfilled only if marketers understand the tastes, preferences, likes, dislikes, financial position and consumption pattern of the users; For example – one buyer may like to use colgate tooth paste and lifebuoy toilet soap and clinic shampoo while your friends or other family members prefer to buy Lux Soap and pepsodent tooth paste and Halo shampoo. Similarly, if one member of your family prefers to purchase a Life Insurance policy from LIC, you may like to purchase from ICICI Prudential Life Insurance Company or Post Office, Life Insurance policy, your father prefer to open a savings banks account in state bank of India but your sister prefers to open her savings banks account in bank of Baroda. This clearly shows that each buyer has his/her own preference to decide.

In simple meaning, consumers or buyers behavior are always revolving in searching or purchasing those products or services that they expect will satisfy their needs. This can be discussed under the following phases'

1. **Acquisition Phase:** It refers to why and how buyers buy the product and services for their consumption. This is important phase so the marketers should analysis the factors that influence the choice of the buyer.
2. **Consumption Phase:** This refers to how buyer is going to use the product and services and his/her experiences after its consumption.
3. **Disposition Phase:** It will provide information what buyers do with the product once it is being consumed fully.

The above stated phases will help the marketers in understanding the buyers behavior towards the products and services. It will also help the marketers in designing and developing the right product and services.

Consumer's motivation to buying: People are motivated by many things, some positive others not. Some motivating factors move people only for a shorttime, like hunger or thirst which will last until you are fed and served with a glass of water. A consumer may be interested also to buy a specific product or service. The question that

may come to our mind is that why she/he wants to buy that product or service. The answer is simple that she/he is motivated to buy this product.

Needs are the essence of the marketing concept. Marketers do not create needs or desires or wants but can make consumers aware of needs. A need is something that is necessary or necessity for life for human beings to live – need for a shelter to live, food to survive, clothes to wear, air and water for a normal healthy life and they can be subjective and psychological such as need for self esteem. It is necessary for the students, to understand needs, and its types.

Types of Needs:

1. **Innate Needs:** These are physiological needs that are considered primary needs or motives, food, water, medicine and education etc.,
2. **Acquired Needs:** They are generally physiological and considered secondary as the consumer's buying behavior also depends on factors like, social (affection friendship) culture (belief, value, religion etc.) or environment, safety needs, (physical damage), security (losing a job), esteem (Power, status), Self actualization (achievements and growth).

Consumer is the most important person in every business – small or big. The success or failure of any enterprise depends to a very large extent the way they are able to handle and deal with their present and potential customers.

Why to understand buyer behavior or importance of understanding buyer behavior :-

An organization has to study and understand the beliefs about buyer behavior. This will help firms and organizations to improve marketing strategies and tactics by understanding issues such as:

- (a) How is the buyer's behavior influenced by his or her environment such as culture, social factor, family and media?
- (b) How buyers thinks, feels, reasons and selects between different alternatives such as brands, products and services?.
- (c) How can marketers improve their promotional activities and change marketing strategies to target the buyers more effectively?

For example: Social factors influence on buyer's behavior. Family status of a person, professional associations and friends circle do affect the behavior. They have distinct life style and values.

In today's world of high technology, buyer's tastes are changing rapidly. They find different alternatives to choose. A firm has to constantly understand the latest consumers, trend and taste. For example, consider the advent of black and white TV in India, when the colour TV came in the market, we switched over from black and white transmission to colour transmission. Now the buyers are exhibiting desire to switch to LCD's for closure –to life picture view

These changes in preference, tastes, income, social circle will force organizations to develop appropriate promotional marketing strategies to target buyers more effectively.

REVIEW QUESTIONS

ASSESSMENT:

A. Short answers.

1. Why a markets wants to know buyers behavior?
2. Who is a potential buyer?
3. What is the different between wants and desire? Which is more important/essential.
4. What do your understand by the term ' consumption' phase.

B. Fill in the blanks:

1. Needs are the essence of _____.
2. State two baise needs of a human being _____.
3. Study of buyers buying behavior is required to _____and to face _____
4. Innate needs refer to _____.

C. Short Answers.

1. Why do you want to buy product or service?
2. What do you understand by acquired needs?
3. What do you mean by buyer behavior?

4. Why is understanding of buyers' behavior important for marketers?

D. Short Answers:

1. Do you agree that consumers' decision making varies with the type of buying behavior in different buying situation.

DIGRAM NEXT PAGE:

FACTORS INFLUENCING BUYER BEHAVIOR :

The most important question before the marketer or firm is how to use consumer's respond to various market efforts. In purchasing various products and services buyers or consumers are influenced by the following major factors:-

Psychological factors: These factors influence consumers in differential way, from product to product and from time to time. They are motivations, perceptions, personal, occupation, economic, culture and social etc.

(a) **Motivation:** Motivation is the driving force within individuals that impels or compels them to take action. Simple stated, this driving force is produced by a state of tension which exists as the result of unfulfilled needs. Then what is motivation.

Motivation is the activation or energization of goal oriented behavior. It provides awakening and creates desire to act. According to various theories developed by psychologists, motivations may be rooted in the basic needs to minimize pain (Roti, Kapra and Makan just for an example), as well as safety needs, esteem needs and maximize pleasure (comforts and luxurious life style). It may also include specific needs such as to purchase a particular house hold items or any other desired object or goal. (Self –actualization needs)

(b). **Perceptions:** We often find that two people with the same level of motivation and in the same situation act differently because of different perception. Perception is an individual process. It depends on personal beliefs, experience, needs, moods and expectations. For illustration, two consumers A and B visits an electronic goods show room for the purpose of purchasing a washing machine. A, may come across, 'X' salesperson who is keen and too pushy to sale the washing machine without understanding 'A' needs; whereas 'B' may perceive the same salesperson 'X' being

genuine and sincere and place order to purchase the washing machine. This shows the difference in the perception of the salesperson by the two consumers.

(c). **Personal Factors:** These refer to age, life style, occupation, financial position and overall personality. A buyer's decision is always influenced by personal characteristics. The product and service needs always differ from consumers age. Marketers have found age as an important and useful demographic variable (factor) for distinguishing segments. Each stage in family life presents unique needs and wants. For example - Builders construct houses specially keeping in mind the necessary facilities required for senior citizens. Many food items contains nutrition contents more for the growing children. Similarly, types of clothes, we wear are always age related.

(d). **Occupation:** A person's occupation is an important social status indicator. Marketers always keep this factor while targeting market for their products or services. For example – the buying pattern of professionals like lawyers, doctors, a taxi driver, a medical representatives and a teacher will not be alike. Here the occupation is an important criterion than income in segmenting some markets. Some departmental stores only specializes in selling children wears and toys like dresses, footwear's, toys and other miscellaneous items to be used only by children.

(e). **Economic situation :** It is an important factor which also affects buyer's choice of a product. Economic Position of the people do determine the market. It is, therefore, important for the marketers to find out the spending pattern of people with different income groups. People with the same income per month will spend their income in a different way. For example – a school teacher earning Rs.25000/- per month and an junior accountant working in a bank also getting the same salary of Rs.25,000/- per month spends their income keeping in mind the social factors, values, emotions, life styles needs and attitude.

Culture Factors. It is the most basic and influencing cause of a persons wants and their behaviors. We note that beliefs, values and customers have direct bearing on buyer's behavior belonging to a particular society. Cultural factors exercise a deep influence on consumers behavior by his or cultural back grounds. Cultural values are always transmitted from one generations to other. The behavior patterns of some buyers are based on such factors like-race, religion, nationality, low calories foods, fast

food, health and fitness, language and urban rural identification etc. Marketing firms should know that cultural values also changes slowly overtime as well as fast on account of internal and external events such as technological advances, foreign influence heavy expenditure on promotional campaign from competitors and war etc. They have to take timely steps to recognize the culture shifts in order to meet the emerging demands of the new products or services that might be wanted.

Social Factors: According to marketing Guru, Dr. Philp Kotler, a person reference group consists of all groups that have a direct or indirect influence on the persons attitudes and behavior. It is often noticed that friends, family members, colleagues and neighbor with whom person interact quiet frequently on regular basis are such reference groups that influence the buyers behaviour to a large extent. They create a certain pressure on them. We often notice that young boys and girls would like to emulate sport heroes and film actors. The influence of these persons may have positive or negative influences they have on his or her values and behavior. For example – Once upon a time Bata Shoes were popular brand among people of difference income groups. But over the years the brand choice decision of some people have changed to liberty shoes, Nike Shoes, Adidas, Reebok and Puma etc. to mention a few. These days advertisers play an important role to influence all sections of society. Of course parents can still significantly influence on the behavior of their children while they are taking buying decisions.

REVIEW QUESTIONS

ASSESSMENT:

A. Short Answer Questions.

1. List Factors Influencing buyer behaviors
2. Define the term 'Motivation'.
3. Explain the term perception in three lines.
4. What do you understand by reference group?

B. Write these lines or any of two products.

Write factors which will influence your in purchasing the following products:

- (a) Colour Television or LCD

- (b) Washing Machine.
- (c) Motorbike or Scooter
- (d) Tooth Paste

C. State whether following statements are true and false.

- (1). Film stars and sport heroes influence old people.
- (2). A child learns basic values from the behavior of her/her friends.
- (3). Some needs are more basic than others.
- (4). Persons factors are also called cultural factors.

UNIT V: ACTIVITIES IN SALES AND MARKETING

Learning Objectives:

- (a) To understand various tasks and activities related to sales
- (b) To comprehend order getting and order taking
- (c) To learn about step-wise progress of order processing
- (d) differentiate between selling activities and non-selling activities in sales and marketing
- (e) Know about various cash collection methods
- (f) learn to prepare daily sales report
- (g) Differentiate between the role of marketers and the role of sales professional
- (h) Explain the meaning of certain keywords used in sales

Unit Code: Classroom , retail store or Mall or local vendor or Online websites	UNIT TITLE: ACTIVITIES IN SALES AND MARKETING			
	SESSION I: SALES TASKS			
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
	1. Methodical classification of various sales tasks- -Order getting and order taking -Order processing	1. Difference in Order getting and order taking 2. Activities related with order getting, order taking and order processing	1. Distinguish and validate activities of order getter and order taker in selling 2. Step-wise progress of order processing	Interactive Lecture: Explain jobs associated with order taking and order processing Activity: Distinguish the order processing activities in direct sale or an on-line order
	-Order delivery -Support Personnel activities	1. Acknowledge different modes of order delivery 2. Enumerate support personnel activities in selling	1. Explicate various methods of order delivery in selling 2. Substantiate the role of support personnel activities in selling	Interactive Lecture: Clarification on importance of timely and proper order delivery and different methods of order delivery Activity: Enlist support personnel activities at a Shopping Mall

	SESSION II: MONEY COLLECTION AND SALES REPORTING			
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
2.	<p>Money Collection in different types of sales i.e.</p> <ul style="list-style-type: none"> -Over the counter sales -Business to Business sales -Online sales <p>Sales Report Preparation</p>	<p>1.Enumerate different methods of money collection in different types of sales</p> <p>2.Explain the purpose of daily sales report and its interpretation</p> <p>3. Major components of a Sales Report</p>	<p>1.Identify the tools used for payment collection in sales and their justification.</p> <p>1. Classify the main heads involved in the preparation of sales Report</p>	<p>Interactive Lecture:</p> <p>1.Acquaint with different ways of making payment by buyers in sales</p> <p>2.Give a brief overview of the concept of sales report preparation and its implication.</p> <p>Activity:</p> <p>Collect few specimens (Xerox copy) of invoices and payment instruments used by buyers in selling</p>

SESSION III: ROLE OF MARKETER				
	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
3.	Conceptual understanding of Marketer and his role in Marketing	1. Define marketing and Marketer. 2. Explain role played by Marketer in marketing of goods and services. 3. Marketing Professional helpful to company, customers and society	Substantiate the role of Marketers in the marketing of goods and services	Interactive Lecture: Discussion of 'Customer satisfaction approach' adopted by Marketer keeping in view role of Marketer Activity: Prepare production plan of a product of your choice keeping in view role of Marketer
SESSION IV: ROLE OF SALESMAN				

4.	Learning Outcomes	Knowledge Evaluation	Performance Evaluation	Teaching and Training Method
	Conceptual understanding of Sales Professional and his role in Marketing	<p>Meaning and role of salespersons in selling process</p> <p>Sales Professional helpful to company and customers</p>	Assess the significance of salespersons	<p>Interactive Lecture: Discussion of 'Product Focus approach' adopted by Sales man keeping in view role of Salesman</p> <p>Activity: Prepare 'Product Promotion Plan' of a product of your choice keeping in view role of salesman</p>

(Note: The location would depend upon the topic under discussion, wherein it will be the classroom for the theoretical interactions and the student will be required to visit field/retail outlet or the marketing department of an organization to observe and comprehend the concepts related to salesmanship.)

UNIT V: ACTIVITIES IN SALES AND MARKETING



INTRODUCTION:

Selling is an art of winning hearts of consumers and persuading them to buy the firm's products and services. It is perhaps the most important activity in marketing as it generates revenue and enables firm to stay in business. Salesmen act as a link between the firm and the customers for mutual gain namely, satisfaction to the buyer and profit to the seller. Their aim is to increase sales volume on the one hand and customer satisfaction on the other. In selling, be it personal selling i.e. business to customers, or corporate selling, i.e. business to business selling; salespeople have to perform many selling activities and non-selling activities. The selling activities include various steps in selling process, whereas non-selling activities consist of preparation of daily sales reports, collection of payments, gathering information about market and competitors etc.

SESSION I: SALES TASKS

In selling endeavour seller or his representatives try to win over a prospective buyer to purchase something that he had not really decided to buy, even if had thought of it favourably. In business and industry, there are many types of salespersons like- Manufacturer's Salesmen, Wholesaler's Salesmen, Retailer's Salesmen or Sales Engineer. Manufacturer's Salesmen are employed to sell products either directly to the customers or to wholesalers or retailers; like salesmen appointed at company's outlet or representatives sent to wholesalers by the company. Wholesaler's Salesmen call on retail dealers at regular intervals to inform them about various products offered, help in selection and book the order. Retailer's Salesmen are of two types, (a) counter salesman: who attends to customers that call at the store and (b) outdoor salesman: who visits prospective customers with samples of goods to persuade them to buy goods from him, e.g. door to door selling. Sales Engineers meet potential customers and explain the usefulness of their company's products, thereby persuading them to buy. They are also called 'speciality salesmen' who generally deal in high value goods like computers, automobiles or refrigerators etc.

SALES TASKS:

A Selling process involves certain important tasks undertaken by salesmen to complete an order. Some major selling tasks are- order getting and order taking, order-

processing, order delivery and Support Personnel Activities



Basic Sales Tasks



Order-Getting

Order-Taking

Supporting

ORDER GETTING AND ORDER TAKING:

Before an order is placed, a salesman indulges in 'creative selling' for getting an order. Creative selling means the assessment of situation with a customer, determining his/her needs and presenting the product in a way that will convince the customer to buy it. He attempts to increase his firm's sales by selling product to new customers or by convincing the existing customer to buy more of a company's products. Order-getting is important to a company as it develops business. Salespeople in electronic stores or fancy clothing stores are often order getters. Their job is to convince the customer to

purchase an expensive electronic gadget or a fancy outfit. These type of salesmen focus on benefits and do not keep on describing features of products only. They have talent to convert prospects into customers and companies pay salary plus commission to the people who have this ability.



Order-taking is completing transaction after customer has already decided to buy. Once the customer is convinced, he/she places an order for the product and the salesman notes down this order for his record. Order taking involves the tasks related to routine completion of the sales transaction like processing and delivery. An order taker requires significant clerical training. For instance a sales clerk in a supermarket is an order taker as he does not have to persuade anyone to buy anything but facilitates sale. In retail selling an order getter may not waste his valuable time with routine matters such as completing the order. In business to business sale also the role of order taker is relatively casual as it requires only writing down order and assuring customer of processing and delivery of order in time.

ORDER PROCESSING:

Order-processing is a sequential process, in which procurement department and finance department of the firm team up to complete the order. It is very crucial for retail selling or wholesale selling; field selling or telemarketing sale orders. The salesman identifies customer's need, writes order and checks with the store manager. Order-processing requires following steps-

- i) **Verification:** It involves verifying the stock of goods to see if the products ordered are actually available and in stock. In case of deficiency suppliers are informed and confirmed about 'as and when' availability of the product.
- ii) **Picking:** It consists of taking and collecting products in a specified quantity before delivery or shipment to confirm customers' orders.
- iii) **Sorting:** It is a process that separates the products according to destinations where they have to be delivered. It ensures that the delivery-process takes place in an organized way.



- iv) **Packaging:** A product is properly packaged before delivery to prevent damage and to keep the product safe. Different products are packaged in a different manner, depending upon their size, shape, value and nature. Large, bulky products are packed in cartons and boxes, while smaller products may be packed in sheets or plastic. Similarly, products of high value will be packed with great caution and usually have many layers of packaging along with 'Handle with care' mark; while less valuable products are packaged in a single layer.
- v) **Consolidation:** Once the products are packaged and ready, they are joined or stacked together for delivery near billing counter. If products are to be transported and delivered at buyer's doorsteps, they are stacked together on the basis of common regions and areas of delivery, or on the basis of similarity of products into loading units .

ORDER DELIVERY:



Getting products to the customers, after the order is processed and deal is closed is called 'order delivery'. The products must be packaged securely and delivered to the customer within the time frame promised. Failure to efficiently manage any of above mentioned tasks may increase the chances of disappointing the customer, and thus losing any possibility of repeat business.

A company performs the delivery of products through these ways:

- (a) The consumers collect the products themselves
- (b) They make use of courier-services, logistical-service providers and drop shippers

Larger companies often operate multiple distribution centres that are strategically located, allowing for the shipment to be delivered to the customer as soon as possible. Once the order is received by the customer, he/she completes the order processing, by inspecting the items that are delivered. If the goods are actually what the customer has ordered, and are not damaged in any way, then the order processing cycle is considered complete.

Support Personnel Activities:

Support personnel do not make any sales, but help in facilitating selling functions. There are two major types of support personnel: (i) Missionary salespeople and (ii) Technical specialists. Missionary salespeople spread information regarding new goods or services, describe attributes and leave material to educate customers. They build goodwill of the firm, but do not close sales; e.g. medical representatives may go to doctors clinics and persuade them

to recommend their Pharmaceuticals products. There are trade salespeople who spend much time helping customers at retail stores, restocking shelves or setting up displays. Similarly technical salespersons offer technical assistance to current customers. They are usually trained engineers appointed by the company.

Assessment

C. Fill in the blanks:

- i) An -----assesses the situation with a customer, determines his/her needs and presents the product to convince the customer buy it.
- ii) The Support personnel do not -----but build goodwill of the firm.
- iii) The company uses courier-services, logistic-service providers and drop shippers to -----the products to the customers.
- iv) Order-taking relates with completing -----after customer has already decided to buy.
- v) After packaging the products are joined or stacked together for delivery near the-----.

Answers: i) Order-getter, ii) close sales, iii) deliver, iv) transaction v) billing counter

D. Multiple Choice

- i) Larger companies often operate ----- distribution center located at different places.
 - e. single
 - f. two
 - g. multiple
- ii) Support personnel include-
 - e. missionary salespeople
 - f. technical specialists
 - g. both
- iii) Order-taking is -----transaction after customer has already decided to buy
 - e. completing
 - f. starting

C. True or False

- e. Sorting is a process that separates the products according to destinations where they have to be delivered.
- f. Selling can be performed by unskilled people also.
- g. Large companies operate only one distribution center located at head office.
- h. Picking step in order processing consists of taking and collecting products in a specified quantity before delivery or shipment to confirm customers' orders.

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- v. Differentiate order getting and order taking in Selling?
- vi. Explain the concept of order getting.
- vii. Why are the Support Personnel Activities important for an organization?
- viii. Explain in detail the process of order delivery.

Part B

Class Activity

Ask the students to pick up a product of their choice and try to sell it in the class by applying various steps of Order-processing in selling.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance standards	Yes	No
The Ability to comprehend the concept of order getting, order taking, order processing and order delivery in selling and be able to actually understand their significance.		

SESSION 2: MONEY COLLECTION, SALES REPORTING

SESSION II: MONEY COLLECTION, SALES REPORTING

MONEY COLLECTION:

The activity of receiving payment from the customer in exchange of the product delivered is called money collection. It is the primary job of the person responsible for collections, to collect the money according to the terms of obligation in the transaction. When goods are sold over the counter the customer may make payment in the form of either cash or may use credit card/ debit card for payment. Organizations sometimes facilitate customers and allow paying in equated monthly instalment (EMI) for their purchases. But it requires keeping a follow up on a strict schedule by the person responsible for the collections.



In case of e-commerce transactions, the customers select products online and place orders with the company. These types of orders are normally processed and delivered within seven working days. Most of companies prefer advance payments by use of credit card or electronic fund transfer by the customers. Cash on Delivery (COD) is also one of the popular modes of payments amongst Indian buyers, wherein the salesman/ delivery boy collects money when he hands over the product to the buyer. At

times he even carries the credit card swipe machine, to facilitate customers in making payment.

In case of business to business sales, the person responsible for money collection may get payments through cheque or electronic fund transfer. When large payments are to be collected, he asks for only account payee cheques or RTGS (Real time gross settlement). These are most preferred modes of payment with the organizations, because as per income tax law large payments cannot be made in cash. Good business requires that collection of bill should be made promptly without causing any displeasure or damage to customer relationship. For this method of collection also a strict follow-up is essential, otherwise the money collection effort may become ineffective.



DAILY SALES REPORTING - This is the process of reporting to the superiors about the day's sales performance by the salesmen. As the salespeople are mostly in the market, it is difficult to see them working. The daily sales report serves as a tool to supervise the sales personnel in matters such as: whether they are calling on and selling to pre-identified customers for a particular area; or whether they are making the proper number of calls. These types of reports help sales managers sitting in firm to ascertain how to secure more and larger orders and also plan for meeting the pre-determined sales targets.

The daily reports can be of different types for different companies, depending on the nature of products, but the basic information in these remains the same. It contains the name of the sales personnel, his code number, the date, the market where he/she worked during the day, names of customers met, the products for which the sales

person met customers or the codes of the products, presentation made or not, orders taken during the day and observation/feedback. In competitive market where profit margins are low and loss of even a single customer matters a lot to the company, this type of report helps in changing its marketing strategy in general or for a particular area. Salesperson being away from the company's office, this report acts as a communication link between the salesperson, customers and the market in general, with the company. Thus, daily sales report is a tool for continuous monitoring of sales activity of salesman by his superiors vis-a-vis planned targets.

DAILY SALES REPORT: A SAMPLE

Name of the Salesman:		Serial Number:		
Market Covered:		Date:		
Representative Code:		ASM Code:		
Name of customer	Product	Product Code	Order Taken	Competitors' activity in the market
Work started at:		Signature:		

Daily sales reports are the basis for comparing actual results against the benchmarks established for each activity. These help in designing future schedules for salesmen and keep sales process as well as cash flow moving in order to achieve the organizational objectives.

Assessment

A. Fill in the blanks:

- i) -----is a tool for continuous monitoring of sales activity of salesman by his superiors
- ii) In Cash on Delivery method the salesman/ delivery boy collects money when he -----the product to the buyer.
- iii) In an efficient and effective money collection effort a -----is very essential.

Answers: i) Daily sales report ii) hands over iii) strict follow-up

B. Multiple Choice-

- i) In case of business to business sales, the person responsible for money collection may get payments through -----.
 - a) cheque
 - b) electronic fund transfer
 - c) both
- ii) When goods are sold over the counter the customer may make payment in the form of ----- for payment
 - a) Cash
 - b) by credit card
 - c) by debit card
 - d) any of above
- iii) In case of -----transactions, the customers select products online and place orders with the company.
 - a) e-commerce
 - b) physical

C. True or False

1. When large payments are to be collected, the salesman asks for only account payee cheque or RTGS (Real time gross settlement).
2. 'Daily Sales Reporting' holds salespeople accountable for the deals they intend to close.

3. A marketing professional undertakes the activities related to production and distribution of the product.
4. The activity of receiving payment from the customer in exchange of the product delivered is called sales closing.
5. A salesman has focus to achieve sales volume targets to bring in more revenue for the firm, while keeping good relations with buyers.

Answers: 1. True, 2.True, 3. False, 4. False, 5. True

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- i) What are different modes of payment in sales over the counter?
- ii) Explain the concept of 'equated monthly installment' of payment collection.
- iii) When does salesman ask for RTGS (Real time gross settlement) mode of payment
- iv) Why is 'Daily Sales Reporting' necessary in sales?
- v) What are major components of Daily Sales Report?

Part B

Class Activity

Suggest students different products for mock sales activity and tell them to identify the best suited payment collection method for the same. Tell them to prepare a Sales Report of the hypothetical transaction.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance standards	Yes	No
The Ability to comprehend different modes of money collection in over the counter sales, on-line sales and business to business sales.		

SESSION III: ROLE OF MARKETING PROFESSIONAL

Marketing is the process of creating value for customer and delivering goods and services for earning profit. It is an action which attracts a customer to give up his money willingly to a business. A marketer is a person who identifies goods and services desired by a set of consumers, as he has true understanding of the target market. He focuses on customers' needs and wants and facilitates marketing process even before the production starts. Customer satisfaction is given vital importance when the product is produced and changes are made as per customer expectations. In fact marketing is a long chain of activity, which comprises production, packing, promotion, pricing, distribution and then the selling. Profits are not ignored but they are built up on a long run basis by creating company's reputation and brand. Marketers by following the steps like identification of target customers of target market; understanding of needs and wants of customers; developing products or services as per the needs and wants of customers, help in satisfaction of needs of customers

Marketers focus on four P's of marketing i.e. product, price, place and promotion. Being capable to read other's mind-set, he gives inputs to the company to develop those desired goods and services. Then the strategy for deciding price is made according to purchasing capacity of customers. Marketers help in creating public awareness of the product through advertisement and promotion. And then its distribution and supply is planned to maximize sales and profits for the company. With their experience they attempt to predict what will be important in the future of marketing. For example Patanjali is producing, promoting and selling 'Herbal' and 'Swadeshi' products, to address Indian market's requirements.



ROLE OF THE MARKETERS:

Marketers play crucial role for the customers, company and society in the following manner-

1. Marketers create value for money and larger choices to the customers:

By identifying the customers' need Marketers help in production of want satisfying goods and so create value for buyer's money. They also try to maximize satisfaction through offering variety of product choices. If one wants soap, there are numbers of varieties available; e.g. Lux, Pears, Rexona, Dove are range of soaps offered by HUL.

2. Marketers promote and create product awareness to the public:

The primary task of marketers is to get the product or service recognized by the market. It is important that public awareness of product and company information is spread to the buying public, this is possible if heavy advertising, sales promotion, personal selling, direct marketing is done for creating awareness. There is no fixed rule for all but obviously the use of a particular technique depends upon the nature of product, market and the financial conditions of the company.

3. Marketers Help in Increasing Sales and Market Share

Once the public learns the product through various modes of advertisements like TV, radio commercials, newspaper ads, online ads etc, it will generate sales. More the people know a product or a service; more interested they would be in buying the products and higher will be sale and market share.

4 Marketers provide more convenience to customers in purchase:

With the advent of technology, the marketers are offering customers both offline and online platforms to purchase. Now marketers are serving more number of customers through different ways, reminders of sales comes through sms, e-mail, facebook, whatsapp. Even customers have become smarter as they search for information from different online platforms and buy the best deal.

5. Marketers help in Building Company Reputation

Marketers continuously aim to create an image of the company in general public eyes. They tend to create brand name recognition with which consumers can easily associate the brand name with the images, logo, or caption that they hear and see in the advertisements. For example, McDonalds is known for its arch design which attracts people and identifies the image as McDonalds. With an established name in the industry, a business continues to grow and expand because more and more customers purchase the products from a trustworthy and reputed company.

6. Marketers create welfare in society: Though profit maximisation is main motive of every business but many marketers have taken up corporate social responsibility in order to give back to society in different forms. For example, promotion of Dettol byReckitt Benckiser has created hygiene awareness in the society.



7 Marketers help in building relationship

The marketers aim to build stronger relationship with customers and its business partners. Good behaviour and better after sale services given by marketers create satisfied customers and repeat orders. B Similarly by developing strong relationship with its partners who are suppliers and distributors, the company gets higher levels of cooperation and increased efficiency.

Assessment

A. Fill in the blanks:

- i) The marketer aims to build stronger -----with customers and its business partners
- ii) The marketers are offering customers both offline and online platforms to purchase with the advent of-----.
- iii) Marketers help in creating -----of the product through advertisement and promotion.

Answers: i) relationship ii) technology iii) public awareness

B. Multiple Choice

- i) Marketers focus on four P's of marketing, namely-----
 - a) product, price, place and promotion
 - b) people, price, place and planning

- ii) Consumers can easily associate the brand name with the images, logo, or caption that they hear and see in the -----
 - a) books
 - b) advertisements

- iv) More the people know a product or a service; more -----they would be in buying
 - a) interested
 - b) disinterested

C. True or False

- i) Expectations of customers always match with the actual performance of the product

- ii) Selling is only a part of process of marketing.

- iii) Marketing is customer focused and selling is product focused.

- v) By identifying the customers' need Marketers help in production of want satisfying goods and so create value for buyer's money.

Answers: 1. False 2. True 3. True 4. True

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

1. Discuss about the focus area of a Marketer.
2. How does a Marketer create product awareness in public.
3. Marketers are increasing welfare in society. Do you agree?
4. How is technology making purchase of goods and services easy?
5. How is a Marketer helpful in increasing sale of company's products?

Part B

Class Activity

Ask the students to prepare production plan of a product of your choice keeping in view role of Marketer

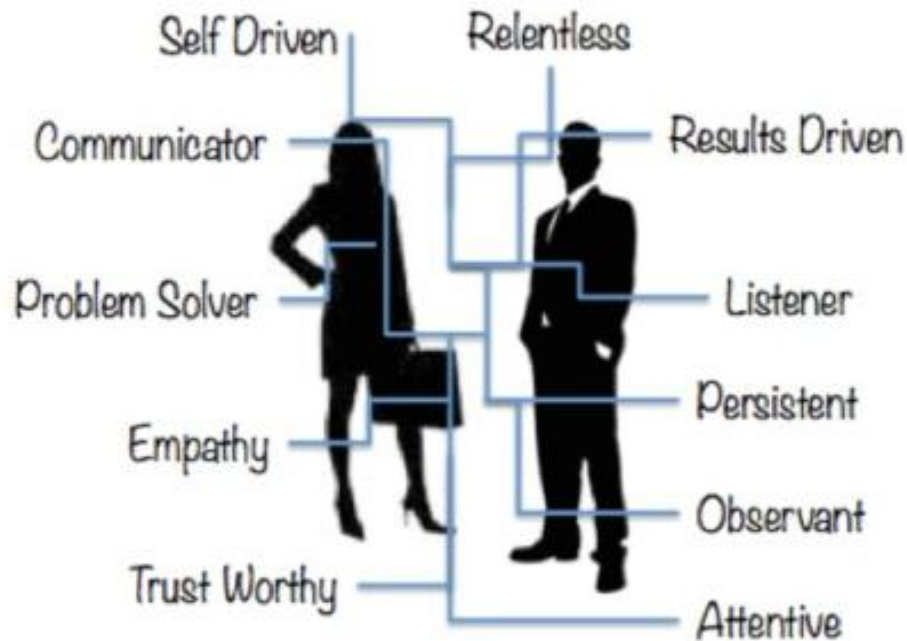
Part C

Performance Standards

The performance standards may include but not limited to:

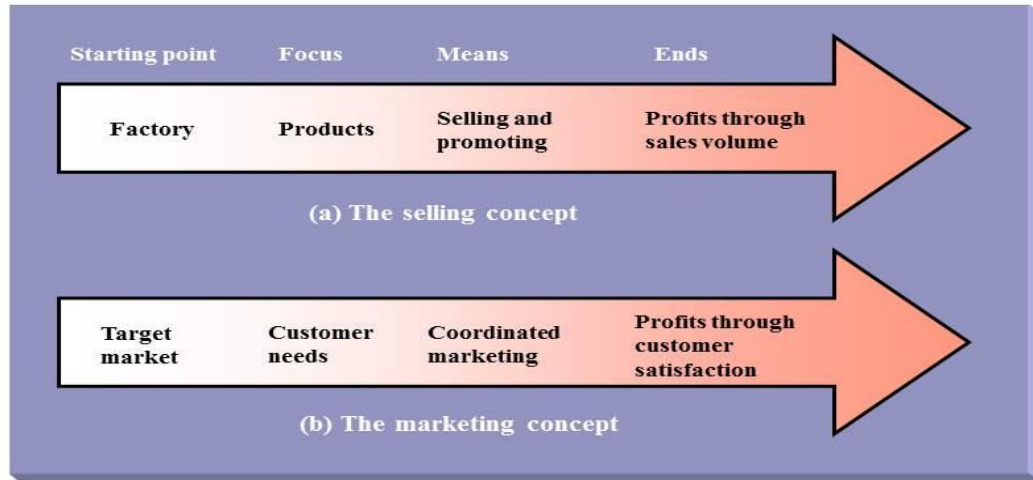
Performance standards	Yes	No
The Ability to comprehend the concept of 'Customer satisfaction approach' adopted by Marketer keeping in view role of Marketer to company, customers and society		

SESSION IV: ROLE OF SALES PROFESSIONAL



Many people confuse selling and marketing as one and the same thing. In reality, both are quite different from each other. Selling is an important part of marketing, but it is not marketing. In fact, marketing has a much wider scope than selling. Once the production process is completed, the task of the sales force begins; and it becomes the duty of the salesmen to sell whatever has been produced by the company. The ultimate goal of salesmen is to maximize profits through sales maximization. They adopt aggressive selling techniques and attractive promotional offers for achieving the sales targets for their company. There is a difference in marketers' 'customer satisfaction approach' and salespersons' 'product focus approach'.

The Selling and Marketing Concepts



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Salesman enters the scene, when production has already taken place, and now he has to convert the goods into cash. With a focus on 'his product', he tries to sell whatever is produced. With short term sales targets he approaches customers or channel partners, identifies their need, suggests and demonstrates the products. He persuades customers match their demand with the products the company is currently offering in a very convincing manner. By overcoming their objections and negotiating prices and other terms, he often converts prospects into buyers. Unlike a marketer who undertakes multiple processes, sales professional in sales usually follows 'one to one process', be it 'over the counter sales', 'business to business sales' or 'field selling'. But in spite of an opportunistic manner of approach salesmen are successful in building customer relationships.

Role of Sales personnel: A salesman is a friend and a guide to the consumer on the one hand and a supporter and an aid to the producer. He is useful for the company and consumers in the following manner-

a) Helpful in increasing sales:

The main aim of a salesman is to maximize sales of the company's products. Unlike a marketing professional who tries to get the firm produce what customers want; a sales professional in a very manipulative manner tries to get customer want what firm produces. This helps in increasing sales and profitability for the company.

b) Helpful in distribution of goods and services:

Salesman, especially in 'Business to Business' sales or in 'Field selling' cater to the needs of existing customers and prospective buyers. This helps in increased orders as well as better distribution of goods and services, which is helpful in business growth.

c) Helpful in sales promotion:

Salesman is a flexible tool of sales promotion as he can present his ideas or message to fit the needs of the buyer. He can observe the customer's reaction to a particular sales approach and makes necessary adjustment in his way of presentation, right on the spot.

d) Feedback to company:

Salesmen take feedback of the products and services from the customers and give it back to the company. This helps the organization to know better about the customers' need and incorporate the necessary changes in product development for better customer satisfaction.

e) Helpful in framing pricing policies and credit policies of the company:

Salesperson is in fact a link between the firm and the buyers. He provides his company the information about different market segments, their needs and purchasing power, which again is helpful in framing pricing policies and credit policies of the company

f) Helpful in building image of the company:

A salesman objective is not to fool the customers but to gain their confidence, convince them about the product or service and its superiority over competitors. This builds trust in company and improves its image.

g) Guide to customers:

The salesmen inform the customers about the new products introduced to the market, suggest them the use of a product that will best satisfy their needs. This helps buyers to make a purchase decision conveniently and save on time and energy. If they have any doubt about the product or its use, they can ask him directly and get solutions/clarifications.

h) Enhancing customer satisfaction :

Customers are also provided information about the instructions in use and warranty by the salesman. To keep customer happy the necessary support to install, maintain or operate a particular product is also provided. For example sales professionals selling laptops generally ensure that windows are configured in the system and customers are able to use net without any difficulty.

i) Building relationships:

By demonstrating 'care about his customers', salesman builds a good relationship with the customers which can bring them back to his organization again.

In short, we can say that the marketing professional and the sales professional play very crucial role and the growth of a business is possible by combined strategic efforts of both.

Assessment-

A. Fill in the blanks:

- i) The ultimate goal of sales-men is to -----through sales maximization
- ii) A Salesman -----customers match their demand with the products the company is currently offering.
- iii) Salesmen adopt -----and attractive promotional offers for achieving the sales targets

Answers: i) maximize profits ii)persuades iii) aggressive selling techniques

B. Multiple Choice-

- i) Salesman----- the scene, when production has already taken place
 - a) enters
 - b) exits
- ii) Salesman provides his company the information about different-----, their needs and purchasing power, which again is helpful in framing pricing policies
 - a) suppliers
 - b) market segments
- iii) In sales to make customer -----the necessary support to install, maintain or operate a particular product is also provided.
 - a) happy
 - b) unhappy

C. True or False

- 1. Customers are provided information about the instructions in use and warranty by the salesman.
- 2. Salesman is a flexible tool of sales promotion
- 3. A salesman is a friend and a guide to the consumer on the one hand and a competitor to the producer.

Answers: 1.True 2.True 3. False

Checklist for Assessment Activity

Use the following checklist to check whether your students could meet all the requirements for assessment.

Part A

- 2) Explain “Customer satisfaction approach”
- 3) Explain “product focus approach” in marketing and selling
- 4) How does a salesman act as a guide to customers?
- 5) Explain how does a salesman help in deciding price and credit policy?
- 6) ‘Salesmen help in building relationships in business’. Comment.

Part B

Class Activity

Ask the students to Prepare ‘Product Promotion Plan’ of a product of your choice keeping in view role of salesman

Part C

Performance Standards

The performance standards may include but not limited to:

Performance standards	Yes	No
The Ability to comprehend the concept of ‘Product Focus approach’ adopted by Sales man keeping in view role of Salesman in Marketing		

EXERCISE QUESTIONS:

1. "Personal selling is the personal communication of information to persuade somebody to buy something." Comment.
 2. What is the difference between selling activities and non-selling activities?
 3. Why is 'follow up' by salesperson necessary in selling?
 4. What is the basis of putting persons, families or organizations into different categories of prospects by a salesman? Discuss.
 5. 'Daily Sales Reporting' holds salespeople accountable for the deals they intend to close. Do you agree the statement?
 6. Would you call the person at the coffee shop a sales person or an order taker? Why?
 7. The order taker doesn't actually have to sell; instead they survive on "low hanging fruit." Comment.
 8. How is 'order getting' different from 'order taking'?
 9. What are different components of daily sales report?
 10. What type of activity do technical people perform in selling? Explain.
 11. Discuss the job of a Missionary salesperson.
 12. Which is the most popular method of making payments in case of e-commerce transactions and why?
 13. Explain various steps of 'Order-processing'.
 14. Substantiate various modes of 'Money collection' in selling
 15. How is the role of a Marketing Professional different from a Sales Professional? Discuss.
 16. Differentiate "Customer satisfaction approach" and "product focus approach" in marketing and selling.
 17. Discuss the role played by a Marketer for his company, customers and society.
 18. What role does a salesman play for his company and customers? Explain.
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