

UNIT-I

Introduction to Personal Selling

CHAPTER OUTLINE

- 1.1 Evolution of Personal Selling
- 1.2 Meaning of Personal Selling
- 1.3 Nature of Personal Selling
- 1.4 Objectives of Personal Selling
- 1.5 Importance of Personal Selling
 - 1.5.1 Changing Role of Personal Selling
- 1.6 Difference between Personal Selling, Salesmanship and Sales Management
- 1.7 Types of Selling Situations and Sales Persons
- 1.8 Characteristics of a Good Salesman
- 1.9 Types of Buyer-Seller Relationships
- 1.10 Process for Relationship Selling
- 1.11 Myths of Selling
- 1.12 Relationship Marketing and Role of Personal Selling
- 1.13 Career Opportunities in Selling
- 1.14 Measures for Making Selling an Attractive Career.
 - Summary
 - Test Questions

Under the traditional production-orientation approach, business firms created products that could be made economically and easily. They engaged in selling almost as an afterthought. The focus was on the product which was conceived and designed in isolation from the market place. This traditional relationship between the producer and the consumer was a one-way traffic as shown in Fig. 1.1.

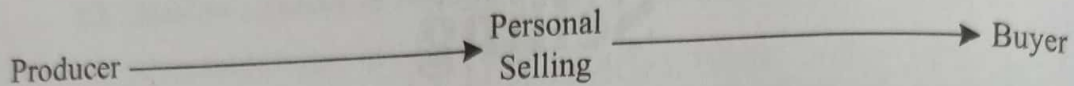


Fig. 1.1. The Old Concept of Marketing.

Under the old concept of marketing the consumer was essentially the passive recipient of a producer's creation rather than an active participant in the process of product development. Henry Ford of USA exemplified this concept by refusing to offer his Model T car in any colour but black so as to ensure economies of scale. Sales management in this concept plays a limited role of finding buyers for the product. Selling was an auxiliary function to production. This concept might have succeeded in a seller's market or when the firm enjoyed a virtual monopoly. But in a free market and competitive economy, customer-oriented marketing concept became necessary. The focus shifted from the product to the satisfaction of consumer needs and wants.

Under the new concept, the premium is on sales management's ability to identify, sell and service prospects. Sales management became an active and prominent participant in the firm's managerial decision-making process. Business firms now create products for markets not markets for products.

The sales function provides an organisation with its most vital link to the market place. It connects the marketing system with the customers the business serves and from which it derives its ability to, survive and grow. "In a well-conceived and executed sales management programme, both sides benefit in the long run. The sales function attunes the seller to the buyer's needs and shows the buyer that the seller is able to and willing to satisfy them."¹

Personal selling is the oldest and the most effective form of selling. In good old days peddlers moved from door-to-door to sell their products. They used to carry the goods on their heads. Gradually, they started

1. Eugene M. Johnson, *et al.*, *Sales Management: Concepts, Practices and Cases*, 1987, P.4.

moving in carvans and began to sell goods on credit. These travelling merchants were later on replaced by local merchants, and fairs. But their main function was physical distribution not personal selling. With the introduction of the modern factory system goods began to be produced on a mass scale. Mass production necessitated mass distribution. Advertising gained significance. But personal selling continues to be necessary for a complete job of selling.

1.1 EVOLUTION OF PERSONAL SELLING

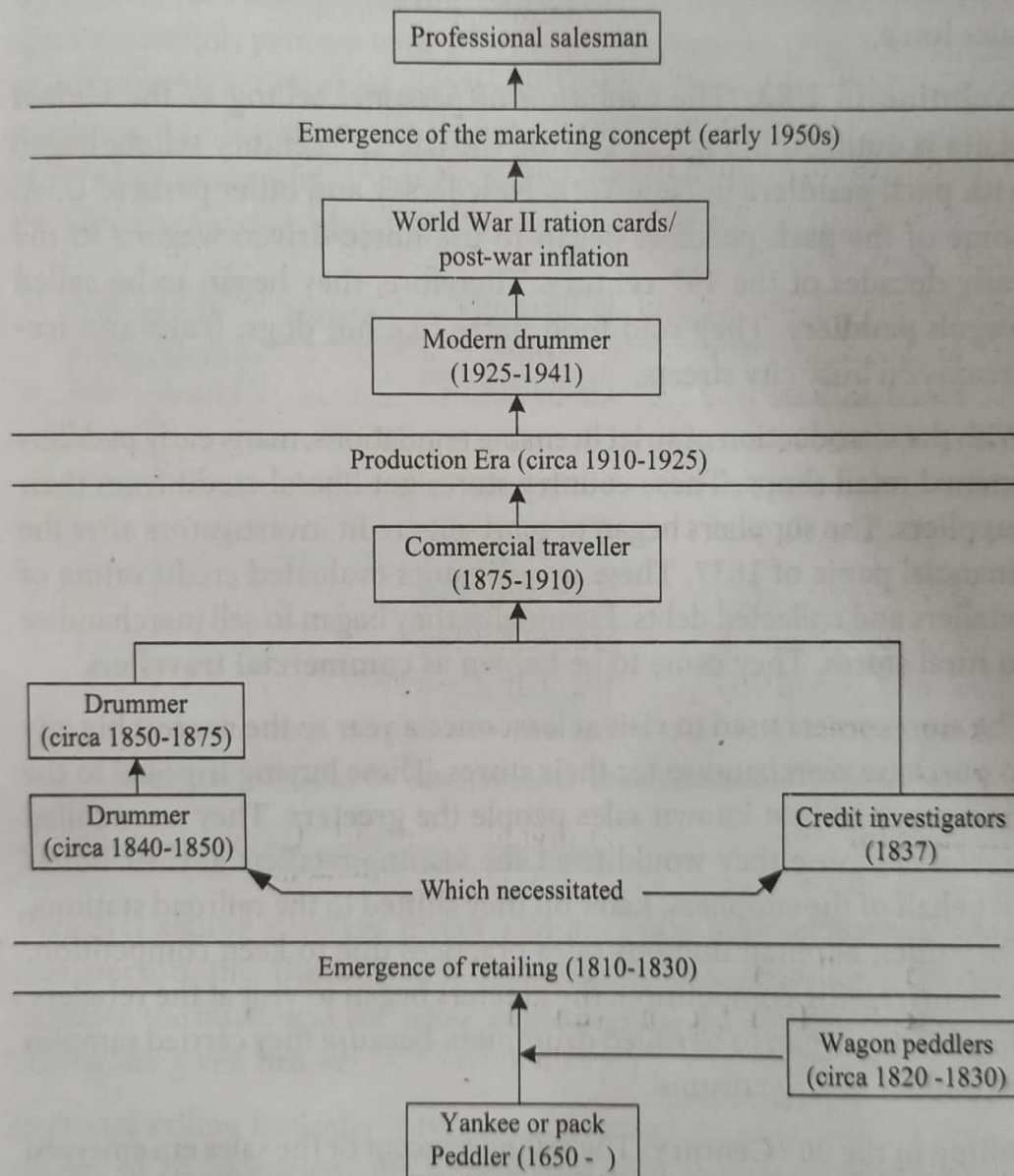


Fig. 1.2 The History of Personal Selling in the United States

Source : David L. Kurtz, "The Historical Development of Professional Selling." *Business and Economic Dimensions*. (August 1970), p. 17)

Early Beginning: The sales function has been an integral part of commerce for thousands of years. It was the natural outcome of surplus production. In ancient times trading was confined to local towns and was not considered very respectable. After the Industrial Revolution in England, the first true salespersons appeared in the late 18th century. These sales people called **bagmen** sold goods produced in the developing factory system. They were called bagmen because they were the first to sell from bags of samples. They were also called **Manchester Man** because the textile firms of Manchester were the first to employ sales force.

Evolution in USA: The evolution of personal selling in the United States is outlined in Fig.1.2. During the late 17th century selling began with **pack peddlers** in New York, New Jersey and other parts of USA. Some of the pack peddlers began to use horse-driven wagons in the early decades of the 19th century. Therefore, they began to be called **wagon peddlers**. They sold food items like hot dogs, fruits and ice-creams on busy city streets.

With the introduction of strict licensing regulations, many early peddlers opened retail shops. These country stores got liberal credit from their suppliers. The suppliers began to send out credit investigators after the financial panic of 1837. These investigators evaluated credit rating of retailers and collected debts. Eventually, they began to sell merchandise to rural stores. They came to be known as **commercial travellers**.

The storeowners used to visit at least once a year to the nearest big city to purchase merchandise for their stores. These buying trips led to the emergence of best known sales people the **greeters**. They were called greeters because they would meet the visiting retailers at their hotels on behalf of the suppliers. Later on they shifted to the railroad stations. They often adopted dubious sales practices due to keen competition. With increasing competition, the greeters began to visit at the retailers' shops. They began to be called drummers-because they carried samples of product in large drums.

Selling in the 20th Century: The selling concept or the sales era emerged in the 20th century. Canned or memorized presentations was popular until the beginning of Second World War. The Great Depression of 1930s compelled the sales function to assume a more aggressive posture. Professionalism in selling marked the beginning of the modern sales era.

In the 1950s the marketing concept or customer orientation emerged. Sales persons adopted the problem solving approach in the 1970s.

Modern Professional Selling : Today sales persons help customers to buy rather than trying to sell them something. In times to come, the selling function will become more and more professionalized due to increasing awareness among buyers, adoption of the marketing concept, better training of sales people and stricter consumer laws.

The modern view of selling considers selling an interpersonal communication process with a feedback mechanism (Fig. 1.3). In this view the prospect plays an active role in the sale process. The prospect responds, and interacts with the sales person. The salesperson is likely to be more successful, if he/she better understands the customer and the customer knows about the salesperson and the company.

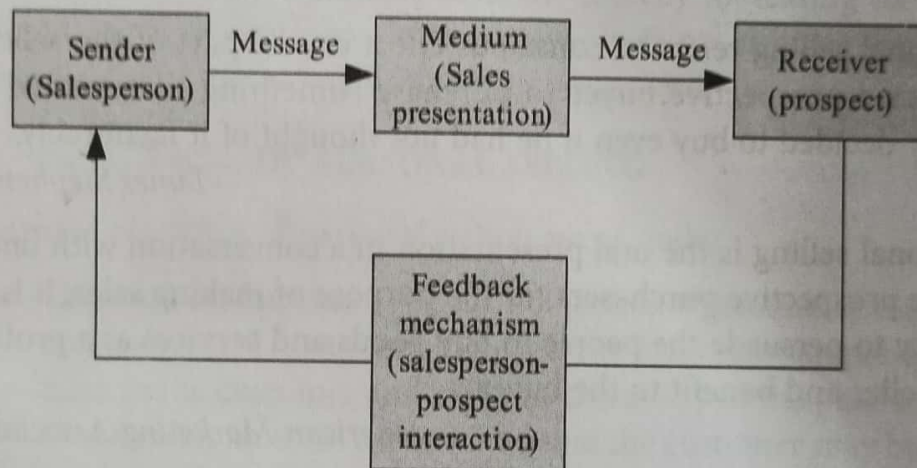


Fig. 1.3 Selling as an interpersonal communications process

1.2 MEANING OF PERSONAL SELLING

Personal selling involves direct and personal contact between the salesperson and the buyer. It means face-to-face communication between the buyer and the seller. Some popular definitions of personal selling are given below:

Personal selling basically is the art of persuading somebody either to accept or to follow our ideas, and thus lead them to the action we desire.

—Cyril Hudson

Personal selling is the science of creating in the mind of your prospective customers a desire that only possession of your product will satisfy.

—D.D. Couch

1.6

Personal selling is the ability to persuade people to buy goods or services at profit to the seller and benefit to the buyer.

—National Association of Marketing Teachers of America

Personal selling is the process whereby the seller ascertains and activates the needs or wants of the buyer and satisfies the needs and wants to the mutual continuous advantage of both the buyer and the seller.

—C.A. Pederson and M.D. Wright

Personal selling consists of winning the buyer's confidence for the seller's house and goods, thereby winning a regular and permanent customer.

—Garfield Blake

Personal selling is the art of so presenting an offering that the prospect appreciates the need for it and that a mutually satisfactory sale follows.

—C.F. Philips and D.J. Duncan

Personal selling refers to conscious effort on the part of the seller to induce a prospective buyer to purchase something that he had not really decided to buy even if he had not thought of it favourably.

—James Stephenson

Personal selling is the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales; it is the ability to persuade the people to buy goods and services at a profit to the seller and benefit to the buyer.

—American Marketing Association

Successful selling is "the art of inducing conscious, willing agreement, resulting in a sale mutually beneficial to buyer and seller".

—Sheldon (1924)

1.3 NATURE OF PERSONAL SELLING

These definitions reveal the following *characteristics* of personal selling:

- (i) Personal selling involves direct personal contact between the seller and the buyer.
- (ii) It is face-to-face and oral communication.
- (iii) It is the art of persuasion that converts human needs into demand.
- (iv) It is the science of winning the buyer's confidence in the seller and his product.

- (v) It is both an art as well as science.
- (vi) Its real purpose is not to induce or trap people to buy goods which they do not need or cannot afford. It is rather to build up a mutually advantageous and permanent relationship between the seller and the buyer.
- (vii) It involves contact with a limited number of buyers.
- (viii) It requires a flexible approach as different people react differently.

Personal selling is a broader concept than salesmanship. Personal selling, along with other elements of marketing mix, is a means for implementing marketing programmes. Salesmanship is one aspect of personal selling. It is one of the skills used in personal selling. Salesmanship is the act of successfully persuading customers to buy products or services from which they can derive suitable benefits, thereby increasing the total satisfaction. Now the focus in salesmanship is on creating mutually beneficial long term relationships with customers.

1.4 OBJECTIVES OF PERSONAL SELLING

The main *objectives* of personal selling are as under :

1. **Creation of Demand :** The basic objective of personal selling is to create demand for a product or service. The salesman personally talks to the customer and explains the utility of the product. He tries to convince the customer so that the customer may buy the product. The salesman induces immediate buying action on the part of the customer.
2. **Handling Objections :** Customers express their doubts and objections about the quality of a product. The aim of salesman is to listen the grievances of customers patiently and to solve them so as to retain existing customers and to create new customers.
3. **Exploring Hidden Wants :** A salesman studies the hidden desires of customers. He helps them appreciate their needs and take action to satisfy them. In this way personal selling converts hidden wants into demand. A salesman demonstrates the product and explains its uses to increase sales.
4. **Educating Customers :** A salesman informs and educates customers about new products and their uses. He guides the customers in the selection of suitable products.

5. **Building Relationships** : Salesman is aimed at developing permanent relationships with customers for the benefit of both the buyer and the seller.
6. **Providing Feedback** : Personal selling are in direct touch with customers. They collect information about tastes, preferences and attitudes of customers. Such information helps the producers in improving product quality and distribution s system.

Table 1.1 : Objectives of Personal Selling

Quantitative Objectives	Qualitative Objectives
<ol style="list-style-type: none"> 1. To obtain a particular sales volume. 2. To capture and retain a certain market share. 3. To obtain a certain number of new accounts of a given type. 4. To secure a target percentage of the business of certain accounts. 5. To keep personal selling expenses within set limits. 	<ol style="list-style-type: none"> 1. To do the entire selling job. 2. To service existing accounts. 3. To search out and obtain new customers. 4. To keep customers informed on changes in the product line. 5. To secure and maintain cooperation of dealers. 6. To assist dealers in selling the product line. 7. To provide technical advice and assistance to customers. 8. To assist in the training of salesforce of dealers. 9. To collect and report market information.