ANSWER KEY

SALES MANAGEMENT (Internal Assesment Test – I)

MBA-4 SEM (MARKETING) SUB. CODE: 16MBA MM401

Part A - Answer Any Two Full Questions (16*02=32 Marks)

1(a) Define Sales Management.

ANSWER: Sales management is the process of developing a sales force, coordinating sales operations, and implementing sales techniques that allow a business to consistently hit, and even surpass, its sales targets.

Sales management is the coordination of people and resources to effectively produce the desired goal. These long term goals can be wide ranging, however they are generally increased sales volume, contribution to profits, and continuous growth. To achieve these objectives, sales managers have vast responsibilities including, but not limited to: demand/sales forecasting, establishing quotas/objectives, budgeting, organization, recruitment, training, compensation, and sales performance evaluation. In the end of the day, however, the most important role of sales management is not to manage sales, but to manage the people who make the sales.

1(b) Classify the types of Sales Organizations with suitable examples.

ANSWER: Sales organization is a part of the total business organization of a firm. This unit of the firm is concerned with the distribution of goods. These products may either be produced by the organization itself or may be purchased from manufacturers for resale.

The sales organization is concerned with planning, controlling of activities such of recruitment of employee, training the employees, equipping, assigning, rating, supervising, paying and motivating the sales force.

TYPES OF SALES ORGANISATION:

1. LINE ORGANISATION:

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

Lines of authority run vertically through the structure. And all persons on any one organizational level area independent of that level.

The basic simplicity of line organization is the main reason for its use. Because each department member reports to only one superior, problems of discipline and control are small. Lines of authority and responsibility are clear and logical, and it is difficult for individuals to shift or evade responsibilities. Definite placement of authority and responsibility saves time in making policy changes, in deciding new plans, and in converting plans into action. The simplicity makes it easy for executives to develop close relations with salespersons. With this working atmosphere, it is not surprising that executives who come up through a line organization are frequently strong leaders. As the typical line sales department has few organizational levels, administrative express are low.

2. LINE AND STAFF SALES ORGANISATION:

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

If the top sales executive is not equipped, through prior training or experience , to handle certain problems, staff specialists assist in increasing over all effectiveness of the department study or providing detailed analysis to staff executives. The top sales executive has more time for planning and for dealing with higher priority matters.

3. FUNCTIONAL SALES ORGANISATION:

Some sales departments use Functional sales organization. This type, derived from the management theory developed by Frederick W. Taylor, is based upon the premise that each individual in an organization, executive and employee, should have as few distinct duties as possible. The principle principle of specialization is utilized to the fullest extent. Duty assignments and delegation of authority are made according to function. No matter where a particular function appear in the organization, it is in the jurisdiction of the same executive.

4. COMMITTEE SALES ORGANISATIONS:

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

Thus, many firms have a **sales training committee** (comprised of the general sales manger, his or her assistants, the sale training manager, and perhaps representative divisional or regional sales mangers) that meets periodically to draft training plans and formulate sales training policies. Implementation of these plans and polices, however is the responsibility of the sales training manger, if the company has one, or of the line and or staff executives responsible for sales training in their own jurisdictions.

1© Explain the concept of Sales Presentation and discuss the essentials for effective sales presentation.

ANSWER: In selling technique, a **sales presentation** or **sales pitch** is a line of talk that attempts to persuade someone or something, with a planned **sales presentation** strategy of a product or service designed to initiate and close a sale of the product or service.

A good sales presentation can influence customers to buy from you instead of the competition

ESSENTIALS FOR AN EFFECTIVE SALES PRESENTATION:

1. Make the presentation relevant to your prospect.

One of the most common mistakes people make when discussing their product or service is to use a generic presentation. They say the same thing in every presentation and hope that something in their presentation will appeal to the prospective customer. I have been victim to this approach more times than I care to remember having been subjected to many "canned" PowerPoint presentations.

The discussion of your product or service must be adapted to each person; modify it to include specific points that are unique to that particular customer. If you use PowerPoint, place the company's logo on your slides and describe how the key slides relate to their situation. Show exactly how your product or service solves their specific problem. This means that it is critical to ask your prospect probing questions before you start talking about your company.

2. Create a connection between your product/service and the prospect.

In a presentation to a prospective client, I prepared a sample of the product they would eventually use in their program. After a preliminary discussion, I handed my prospect the item his team would be using on a daily basis – instead of telling him about the item I placed it in his hands. He could then see exactly what the finished product would look like and was able to examine it in detail. He was able to ask questions and see how his team would use it in their environment. Also, remember to discuss the benefits of your products, not the features. Tell your customer what they will get by using your product versus your competitors.

3. Get to the point.

Today's business people are far too busy to listen to long-winded discussions. Know what your key points are and learn how to make them quickly. I remember talking to a sales person who rambled at great length about his product. After viewing his product and learning how much it would cost I was prepared to move ahead with my purchase. Unfortunately, he continued talking and he almost talked himself out of the sale. Make sure you know what key points you want to discuss and practice verbalizing them before you meet with your prospect.

4. Be Specific

It's OK to have a general outline for a sales presentation. However, the outline should only be used as the foundation for a presentation that's customized to your prospects. You should create a presentation that speaks directly to the challenges and pain points faced by your prospects. Use the time to explain exactly how your services address those points in ways that other services don't. Showing that you have a deep understanding of the problems they face, and are able to predict future problems and solutions will set you apart from the crowd.

5. Keep it Simple

Your presentation should not focus on marketing to the prospect, or giving them an overview of your entire line of products. By the time they sit down for a sales presentation, your prospects should have gotten all of that information through nurturing. The presentation should be all about what you can do for them, not what you can do for everyone. If the presentation is overly complex, or strays into complex issues that aren't immediately relevant, you stand a good chance of losing their attention. Remain focused on the problems, and solutions, at hand. If other problems come to light during the presentation, it may be best to address those directly in another presentation.

6. Don't Overload

It's not unusual for a company to have several interrelated issues that they want to deal with. Trying to address all of them in single presentation could lead to information overload. The prospect will hear so much information that they won't have time to absorb all of it in a single sitting. When preparing for the presentation, create a list of known and potential issues, and arrange them in order of importance.

7. Present at the Right Time

Like every other step in the sales funnel, a sales presentation only works if the prospect has been properly nurtured. The presentation is about solving problems and closing the deal; it's not about marketing and product descriptions. Having prospects sit through a presentation too early in the sales cycle is often a waste of time. Until they're ready to buy from somebody, it's not time to show them why they should buy from you. Make sure that your marketing and nurturing efforts aren't putting prospects into sales presentations prematurely.

8. Don't Lecture

Nobody likes to be lectured to. Prospects attend presentations to get useful information and to find out if you're the person to address their needs. If they feel like you're telling them how to run their business, or ignoring their concerns, they'll simply move on to another vendor. Be prepared to answer questions, and to engage in a dialog, if that's what the prospect prefers. Have a script and materials prepared, but don't be afraid to abandon them if the prospect would rather have a conversation. Remember, the sales presentation is about laying their fears to rest; it's not about showing off your presentation skills.

METHODS OF SALES PRESENTATION:

1. Research, Research, Research

To effectively meet your prospects' needs, you need to know more about them. Getting as much information as you can before the sales call is one of those tried-and-true sales presentation methods that will never become outdated. Research the client, the company, and anything relevant that you can find online. Don't be afraid to ask a lot of questions, too, such as what their current challenges are, why the previous provider couldn't meet their needs, what their expectations are, what their budget is, and who the main decision makers are. With information in your arsenal, you'll be well equipped once the time for the sales presentation comes. Being unprepared will only lead to failure.

2. Speak to the Buyer's Challenges and Opportunities

As a sales person, you need to solve a problem or challenge that a buyer is having. Large or small, this challenge should be the core of your presentation. If you lose sight of this, start to speak about your own awards and accolades, the company's history, or anything else, you might very well lose the sale.

Put the buyer's problem at the forefront of your sales presentation and outline exactly how your product or service can solve the challenge he's facing. Show them the light at the end of the tunnel—the opportunities they could gain from closing the deal with you.

3. Leverage Personal Stories and Case Studies

Your prospective clients will be hesitant to buy because they fear regretting the purchase. Show them, with proof, that it'll be a great business decision to sign on that dotted line and work with you. Personal stories and case studies can help you sell more—they're sales presentation methods that will allow you to build trust, showcase your ability to deliver value because you've done so in the past, and put their fears at ease, breaking down the barriers to the sale.

4. Showcase Your Knowledge

Though you should only be speaking about yourself approximately 10% of the time, use those moments to showcase your knowledge. Buyers these days want information, advice, and guidance from trusted sources. Establishing yourself as a subject-matter expert or thought leader can build much-needed credibility and trust.

5. Be Prepared for Rebuttals

No matter what sales presentation methods you use, there will always be some objection that you're going to need to overcome. Be prepared for any rebuttals that the prospects might have. Make a list in advance and get your answers ready so you don't end up being a deer in the headlights.

6. Use a Call to Action

Every sales presentation should end with a call to action—ask the prospect for something, whether it's scheduling another meeting with higher-ups or straight-up asking for the sale. For some reason, sales people are often too scared to ask for the sale, but sometimes, it's all you need to do to get the party moving. Build up your confidence, rehearse so it's delivered smoothly, and go ahead and just ask for the close as the next logical step.

7. Don't Pitch

The most important of the sales presentation methods for you to try is to ditch the pitch. Effective sales presentations aren't pitches per say, they aren't focused on selling—rather, they're conversations. By definition, the sales pitch is a one-way conversation. And that's not what you want. You want a two-way discussion with the buyer. Be conversational and friendly and allow room for questions—both for you to ask and for the buyer to ask.

2(a) Cite examples of any two companies offering best customer support.

ANSWER:

Ritz-Carlton: T he folks at Ritz-Carlton know how to deliver an outstanding customer experience, that much is certain.

In order to justify their premium prices, Ritz makes sure that it's customers receive painstakingly good and personalized service whenever they stay at their hotels.

They take things to the next level in this story covered on Business Week: a family that had been staying in the Ritz-Carlton in Bali had brought specialized eggs and and milk for their son who had numerous food allergies.

Upon arrival, they saw that the eggs had broken and the milk had soured!

The Ritz-Carlton manager and dining staff searched the town but could not find the appropriate items. Luckily, the executive chef at this particular resort remembered a store in Singapore that sold them.

He contacted his mother-in-law, and asked that she buy the products and fly to Bali to deliver them, which she agreed to do.

2. Warby Parker: Warby Parker has revolutionized the pricey glasses industry and made itself a beloved brand, thanks to its affordable frames and home try-on program.

One of Warby Parker's most famous customer service stories is a very unique case: A customer abandoned a pair of glasses on a train and got home to find his glasses and a replacement pair waiting for him -- thanks to his seatmate on the train, former Warby Parker General Counsel, Anjail Kumar.

This is fantastic customer service -- but it's obviously hard to replicate on an everyday basis. Some of the bigger customer service lessons can be drawn from Warby Parker's mission and business model.

Upon arriving at Warby Parker's website, visitors can immediately take a quiz -- which is a) fun, and b) get customers excited about the variety of glasses types they can choose from. From there, visitors can browse the selection of frames, and they can choose five options to try on, free of charge, at home. From there, customers can completely customize frames and lenses to suit their needs -- all the while saving moneycompared to a traditional eyeglasses retailer.

2(b) **Discuss in detail the skills required for successful selling.**

ANSWER: **SELLING SKILLS:**

1. Product Knowledge

A sales rep who doesn't perfectly understand the product they're selling is a completely ineffective rep. Product training should be one of the very first things you teach new reps – they should be able to explain in detail how each product works, what business value it offers, and the reasons it appeals to your company's ideal customers. This will help ISRs (Inside Sales Reps) craft their sales pitch effectively, and ensure they highlight each product's strongest features. Deep product knowledge is honestly one of the few things that separates the top 1% of repsfrom the rest

2. Strategic Prospecting Skills

Once ISRs have the product knowledge to sell, it's time to do some prospecting. However, while many sales leaders have their quota-carrying reps also do early cold-calling, I actually don't suggest for ISRs to do cold calling. From a unit-economics perspective, it is obviously considerably more cost-effective to have your Sales Development Reps (SDRs) do cold calls, while your quota-carrying ISRs should be doing more sophisticated prospecting – what I call "strategic prospecting". This means searching for referrals through existing connections to new prospects that fit the target buyer or ideal customer profile. It's also important for reps to go back to Closed-Lost opportunities with whom they already had previous conversations and try to revive them. Another strategic prospecting activity is to ask for referrals from existing customers, and even talk your investors (VCs) for referrals to their portfolio companies. All of this is fair game for the quota-carrying ISRs to do prospecting.

3. Rapport Building on the Call

ISR's have a disadvantage over outside sales in that they're not meeting with prospects face-to-face. This means they have to work harder to build a connection with busy and sometimes hostile strangers over the phone. Some sales reps already have a natural ability to create an instant rapport with a prospect, and only have to finesse it. Other reps can learn to research prospects in advance and find common ground to empathize with the person on the other end of the line. Whether you're chatting about sports, attending the same college, or just the weather, rapport should not be underestimated.

4. Buyer-Seller Agreement

In order to set mutual expectations and to make your prospects more comfortable, sales reps should learn how to create a Buyer-Seller Agreement, (aka "Upfront Contracts" as Sandler Sales Training calls them), to set the tone for all calls and meetings. These are verbal agreements at the beginning of the sales process that outline expectations for both sides. For example, a sales rep can ask a prospect, "Is it OK to ask a few questions about your business and then I will show you a demo of our product to see if there is a potential fit for both of us?" It allows the prospect to feel comfortable and understand what is coming next, so no one feels ambushed by the next step.

It also allows the sales rep to open up a two-way street in the selling process so that both parties get to a win-win conclusion.

5. Active Listening

Most sales reps feel comfortable talking to prospects, but listening is another story. ISRs need to become proficient in active listening, or listening with a strict focus and asking intelligent follow-up questions. People can usually tell if you're really listening to them, rather than just thinking about what you'll say next – and most people appreciate a good listener. Great listening skills can help reps empathize with prospects to learn more about their business and pain points. With that knowledge, they can then sell more effectively and offer a better solution.

6. Communication

On the phone, the tone of voice, volume and pace of a sales rep's speech are surprisingly important sales skills. In sales, how you say things to a prospect matters more than what you say. According to Sandler Sales Training, only 7% of communication relies on the content of what you say, whereas 38% of communication is about other attributes of communication such as tonality, etc. As you may have heard before, it's not what you say but how you say it. Reps should try to subtly mirror a prospect's tone of voice and style of talking – if a prospect is more formal and polite, speak similarly; if they're more informal and joke around, do the same. This helps prospects feel familiar with you, and relate to you more easily to create rapport. Reps also need to speak clearly, not too quietly, and not in a monotone. You need to let your emotion and personality shine through, so that the person on the phone knows you're a human, and is interested in talking to you.

7. Qualification Questioning

ISRs need to start off every sales conversation by asking questions during the Discovery phase to analyze a prospect's business needs (i.e. Needs Analysis). It's important to not just throw random features and benefits at the prospect hoping something will stick. In fact, I tell ISRs to stop sharing all of your product's capabilities all at once. This is a bad tactic. Instead, you need to delve deep to discover your prospect's business pain and how your product can help them solve it by asking qualifying questions. These questions help you determine what you should share about the benefits and value in your product based on what is going to be most important for them. Beyond the Discovery stage of the selling process, over time, ISRs will need to qualify prospects for Budget, Authority, Need, Timeline, Competition and Buying Process in order to get all the key criteria that will help them get to the purchase. Being good at qualification is critical to be a successful ISR.

8. Time Management

The most effective ISRs are able to make the most of their time, with more dials and more connects than other reps. The key to being highly productive is using good time management skills. You need to train each rep to sort through leads to find the most promising ones, and not waste too much time on a deal that isn't going anywhere. You can use analytics to identify the industry, business size, and other characteristics of ideal leads, and share the information with your team. It's vital to make the most of the hours in the day to bring in more deals per rep.

9. Objection Prevention

Great sales reps practice the art of proactive "Objection Prevention" and not merely "Objection Handling" and can thus reduce some of the most basic objections by way of how they approach a sale. Train your reps to be strategic and think ahead by studying what typical objections come up in most cases. For example, there is no reason to get to a point when a prospect can say, "I don't have a need for this" or "Call me again in a few months".

It is possible to be proactive and address a common objection before it even comes up. For example, at InsightSquared, many of our reps hear people say "You do reports for sales but I can get reports from Salesforce anyway." Instead, we preempt that objection by sharing during our Discovery Call that our cross-object sales reports are impossible to run in the CRM and yet these reports can save time for the Sales VP or CEO to run and can help grow revenue significantly and all this is possible in a few clicks of a mouse button instead of days spent in Excel with data that will be antiquated by the time you're done.

10. Objection Handling

Even the best reps can't prevent every objection, so it's important to help your team prepare for objection handling when they do hear one. Reps have to be on their toes so that the sales process doesn't end abruptly and they lose the opportunity at the deal. On our sales team at InsightSquared, we coach reps to empathize, soften and ask good questions to understand what is genuinely at the core of what the prospect is concerned about. Reps need to learn to sincerely understand the prospect's problem, ask for more information, and offer clarity to help the prospect overcome their objections. You should do extensive role play and training to help prepare your team for this.

11. Demo skills

For many B2B products, the demo is critical to starting a sales process. Sales reps need to not only understand the product, but must be able to show off it's capabilities to a prospect effectively through a demo. Demos are challenging in that reps need to first discover what benefits will be most important to solving a prospect's pain, and highlight the business value of those features during the demo.

Throwing too many features at the prospect is a bad tactic and can overwhelm and confuse them. This is another skill that you should practice with your reps, so they can practice their demo presentation, and clearly be able to show off the product.

12. Gaining Commitment

Great ISRs can get a prospect to commit to a deal fairly quickly. The key is making sure the right people with the right approval power are bought in to the process as the sale progresses. Reps must continually ask questions, assess the prospect's needs and reinforce what the prospect is interested in buying. Reps should ask "Is this helpful? Is this how you envision it?" and more. By forcing the a prospect with buying power to acknowledge again and again that you're offering them real value, it helps push them to commit to a deal.

13. Closing Techniques

Now that the ISR has convinced the prospect that their company needs the product, it's time to close. Managers have to train reps to push prospects, ask for the order and get it signed fast. A lot of prospects will try to push the closing date back a few weeks or a few months, and your rep may be trying to reach a monthly or quarterly goal for the team. In this case, reps have to establish a timeline, and push the prospect to sign using a compelling event. This shows how the prospect is missing out on revenue by not having the product in place now. With the right combination of pressure and value offered, reps can learn to close deals sooner.

14. Post-Sale Relationship Management

Many of us forget to thank customers and to continue building and maintaining the relationship after the sale. Firstly, it's important to be appreciative for the business regardless of whether the customer will buy from you again. This is just common sense and common courtesy. And those sales reps who are genuinely appreciative are the ones who typically grow professionally and become masters of their craft. Furthermore, you don't want your customers churning later and going to a competitor. Additionally, your customers can and will refer you to other customers. Finally, even ten years later you can still go back to the individual to whom you sold years ago and they may still become a customer even when both of you are in a new and different company. Relationships really matter; it's that simple. Yet some reps don't engage in post-sale with their customers.

2© Elaborate the trends in Sales Management.

ANSWER:

Global Perspective

Global competition is intensifying. Domestic companies who never thought about foreign competitors are suddenly finding them in their backyard. This is a challenge which sales managers and salesperson must take on, they have to improve their personal selling efforts not only in their countries but also in foreign countries. Selling goods and services in global markets presents a challenge due to differences in culture, language, needs and requirements.

Technological Revolution

Digital revolution and management information system have greatly increased the capabilities of consumers and marketing organizations. Consumer today can get information about products, compare it with other brand, place an order and place an order instantly over the internet. This has led to a different kind of sales force who collects information about internet users, markets and prospects of internet buyers. It is mandatory for all companies to have their website now.

To compete effectively, sales person and managers will have to adopt the latest technology.

Customer Relationship Management [CRM]

Combining information technology with relationship marketing has resulted in customer relationship management. Interestingly, the concept of relationship marketing came about earlier by bringing quality, customer service and marketing together. Relationship marketing aims in building long term satisfying relations with key customers distributors and suppliers in order to earn and retain their long term preference and business. CRM enable companies to provide excellent real-time service by focusing on meeting the individual needs of each valued customer, through the use of CRM software packages.

Sales Force Diversity

The demographic characteristics of sales force is changing and becoming more varied. For example, more and more women are taking up careers in sales management and selling. Also the education level of sales people is going up most of them holding a college degree or a post graduate degree. Sales managers now have to handle a sales force of these varied demographic, expectations of each and every individual is different and sales manager needs to use different motivational tools against each one of them.

Team Selling Approach

The practice of team selling is more widely followed by most companies in recent years. Team selling approach is used when company wants to build a long term mutually beneficial relationship with major customers, who have high sales and profitable potential. It is used for selling a technically complex product or a service to a potential customer. The composition of team may vary depending upon the customer from top management, technical specialist, customer service, etc…

Managing Multi-Channels

Multi-channel marketing system occurs when organization uses two or more marketing channels to target one or more customer segments. Major benefits of multi-channel marketing system are:

1. Lower channel cost
2. Increased market coverage
3. Customized selling

Multi-channel may also lead to conflicts and control problems, as two or more channels may compete for same customer. A successful sales manager will have to effectively manage conflict between the channels.

Ethical and Social Issues

Sales managers have ethical and social responsibilities. Sales people face ethical issues such as bribery, deception (or misleading) and high pressure sales tactics. Today's sales managers have no choice but to ensure ethical standards from sales force otherwise they may be out of business or even land up in legal problems.

3(a) What is Follow-U-Action?

ANSWER: Monitoring a job, enquiry, sale, etc., to get feedback on the schedule, requirements, effectiveness, or other such factors. Following up is a part of following through.

A sound sales follow-up strategy is a great way to boost your revenues by selling more to existing customers and by getting referrals to new customers.

3(b) Elucidate the qualities and responsibilities of a sales manager.

ANSWER: Sales managers are the conductors of a company's revenue engine. They create and nurture high performance sales teams, and lead them to generate hit revenue forecasts and meet customer needs.

ROLES OF A SALES MANAGER:

1. People manager: Recruit, build and nurture a team.
2. Customer manager: Strategically foster customer engagement.
3. Business manager: Steer the business.

SKILLS OF A SALES MANAGER

1. Communication:

Just like any other profession, communicating with the team is extremely vital. Effective communication helps bridging the gap between a sales manager and his clients and also with his team members. Without this, you cannot convince your clients, or can instruct your team.

2. Managing the performance:

As a great sales manager, your seniors expect the best foot front of each and every member of their team. It implies, that you not only have to manage your own performance, but also the performance of each member of your team. You therefore, have to track the progress of your team to ensure that you successfully achieve your personal as well as team goals.

3. Team Leader:

A sense of working in a team can generate a remarkable difference to your success and failure. A sales manager must have the potential to successfully achieve its sales target and at the same time should wisely manage the team. It is vital to ensure that you share information, successes, and tips to maintain a progressive work approach within your team.

4. Pleasing personality:

It does not imply that you have to be handsome like a movie actor, but yes your personality must be pleasing in appearance. A sales manager is supposed to carry meetings with the clients, and it is the front face of the company to the client. Hence, he must have good appeal and must be able to serve others for all essential requirements.

5. Decision Making:

Fair decision making skills is another vital trait required in sales manager. Whether you are working alone, or in a team, it is essential that you take a fair decision under all state of affairs.

If individuals around you senses unfairness then it could be harmful for your personality and may make you lose all the respect that you may have earned over time.

Consistently performing well is not possible, but you can maintain a decent work track to gain appreciations from others.

6. Resilience:

At times, things may not go fine and may end you with difficulties. Things may go wrong on unreasonable grounds, and may make you face complex disappointments. But you have to be strong and don’t allow such things to let you go down. You must be able to combat each and every problem, and may carry on driving your own objectives.

7. Motivation:

It is one such trait that is most difficult to learn and perform. Self-motivation is something quite simpler, but motivating others and that too on different grounds can increase your complexities to great heights.

Some sales manager end up giving great speeches, and hence, lose on their team. You don’t have to give such speeches, as simple smiles, friendly gestures, and appreciations can also boost motivation in employees on regular basis.

8. Delegation:

As a sales expert, whether you will succeed or fail, that totally depends on your personal skills. The result is the reward of your efforts. So to be on safer side, act wise, and don’t get prepared to do everything by your own. If you wish to achieve really good results then you must learn to delegate effectively.

9. Passion:

It is also one of the top qualities for every profession, and even for a sales manager. Without passion you can’t achieve success in what you do, and hence, you have to be passionate about being a sales professional and loving what you are doing. Without passion, it is not only difficult to head your team, but it is also impossible to set an inspiration to others.

3© Summarize the techniques of handling consumer objections with suitable examples. Also Highlight the importance of CRM in an organisation.

ANSWER: TECHNIQUES OF HANDLING CUSTOMER OBJECTIONS

1. Direct Denial Method:

Normally a salesman should avoid confrontation or contradiction with the prospects. However, at times, it is essential to do the same while meeting objections. As the name implies, under this method the prospect is told that he is mistaken. This method is an offensive form of handling objections. Therefore, there remains a greater possibility of offending or hurting the feelings of the prospects.

This is particularly true when the customers are sensitive and belong to the fairer sex i.e. ladies. Therefore, this method can be used only in select cases while meeting objections. This method can be used successfully only when the prospects are broad minded and frank.

While using this method, every care must be taken so that the customer is not offended. No doubt, this type of direct denial of meeting objections becomes necessary in some select cases.

For example, if the prospect questions the genuineness of the product or the validity of its utility, it becomes almost essential for the salesman to directly contradict the same. The salesman can politely tell the prospect that this idea is wrong. Thus, direct denial based on facts and logic and presented sincerely and politely can be an effective method of answering objections of the prospects.

2. Indirect Denial or Yes… But Method:

This is one of the most popular and widely used methods of overcoming objections raised by the prospects. It is also often termed as side-stepping method. Under this method, initially the salesman agrees with the objections raised by the prospect but subsequently differs in a humble and polite manner.

No doubt, most people hate to be contradicted or denied on their faces but can be conquered through convincing. This method suits such situations. This method is popularly known as 'Yes ….but method ' or 'you are right but … method', or 'I agree but …method'. This method has the inherent strength of making the prospect understand that the salesman clearly realises the objection.

To satisfy the customer, the salesman meets the objection with further explanations and additional demonstrations. For example, the salesman may say, i agree with you Mr……… But in this case ….or You are quite right sir, but don't you also think that …'. This method is nothing but denying tactfully and politely the objections without offending the prospect.

3. Reverse Position Method:
This is also known as 'why method' or 'question method'. Under this method, instead of explaining the objections, the salesman asks the prospect questions relating to the objections such as 'why' and 'what do you really mean, Sir?' In other words, the prospect is asked as to why he thinks like that. The prospect when confronted with such a question not only hesitates to raise further objections but is also made to answer his own objection.

If the prospect's objections are based on fake grounds or silly in nature this method makes the prospect realise and accept that. However, the effectiveness of this method depends on the sincerity of the salesman and his eagerness to understand the reasons behind the prospect's objections. Of course, the salesman under this method gets a golden opportunity to clarify the doubts of the prospects.

4. Boomerang Method:
In this method, the objection of the prospect is converted into a reason in favour of a purchase. This method is also known as 'translation method' because it converts the objection in the minds of customers into a reason for making a purchase.

In other words, when the prospect raises an objection, this method converts the objection into boomerang. For example, the prospect may create an objection about the price of the product saying price is too high.

Under such circumstances, the salesman can hit back saying, this is exactly the reason why I believed you need the article. The manufacturer provides a five year guarantee and after sales services. He can inform about the discount and other related services associated with the purchase.

Though this is an effective method of handling objections, it requires accurate and through knowledge of the product and its selling points. Only skilled and experienced salesmen are found using this method successfully in meeting objections.

5. Superior Point or Compensation Method:
In this method, the salesman frankly admits the validity of the objection raised by the prospect, but simultaneously, offsets the objection by a superior point of greater advantage. In other words, the salesman points out an advantage which is supposed to compensate the objection.

For instance, when the prospect raises the objection that, 'This cloth does not seem to be of high quality', the salesman can reply that 'You are right, sir, had it been of high quality, the price would have been considerably higher'. Here low price compensates the low quality. In this method, the prospect's objection is not really disposed off. Only his attention is drawn from the objection to a compensating advantage of the product. Thus, when the attention of the prospect is diverted, it automatically minimises the importance of a reasonable and valid objection.

Under indirect denial method, the salesman does not admit the validity of the objection. Whereas in compensation method, the salesman admits the objections raised by the prospect but provides adequate justification or compensation for the same.

6. Interrogation Method:
This method has some similarity with the reverse method. Under this method, the prospects are asked questions tactfully so that their objections are answered by themselves. For example, a prospect may say that he wants to buy a cheap suit.

In this case the salesman can put a question to him saying whether he would like to throw away the suit in one year or wants a suit that lasts longer. Most of the customers will opt for the latter one and in that case the salesman can suggest a better alternative.

Similarly, when the prospect raises doubt about the durability of the product, the salesman can ask as to why he thinks that the product will not last long. This method can be used tactfully in meeting objections.

7. Pass up Method:
Under this method, the salesman clearly passes up most of the objections. The salesman just smiles or merely shrugs his shoulder or uses any other method to avoid answers to objections.

However, such dodging can successfully be applied only while meeting minor objections, false excuses and trivial things having little base. In fact, such objections are not worth meeting. This method is not recommended for use in case of objections based upon valid grounds.

Part B - Compulsory (01*08=08 marks)

4 (a) With reference to the case above analyze the need and importance of personal selling in an organisation.

ANSWER: Personal Selling is a personal form of communication where direct face to face conversation takes place between the buyer and the seller for the purpose of exchanging goods and services. Salespersons are appointed by the companies to create awareness and develop preference about their products with the eventual aim of making sale.

IMPORTANCE:

Persuading Prospects

Sales representatives use their personal selling skills to increase the chances of a successful sale. They aim to understand a prospect's needs and offer a solution to those needs in the form of a product or service that provides strong benefits and represents value for money. If prospects pose objections, sales representatives use their powers of persuasion to overcome the objections and convince prospects that they are making the right choice by buying a product or service.

Selling Complex Products

Companies that sell complex products must be able to demonstrate or explain products to potential customers and deal with questions or queries. Sales representatives can present products in a logical way, focusing on the benefits that are relevant to different decision-makers, such as technical managers, purchasing officers or finance executives. Representatives use their experience to gauge a prospect's response to their sales pitch and adjust their presentation to individual prospects' levels of understanding or interest.

Managing the Sales Cycle

Personal selling is important to companies marketing products that require a long sales cycle. In business-to-business marketing, prospects move through a buying process that involves a number of stages, including identification of a need, development of a specification, selection of potential suppliers, evaluation of suppliers' offerings and a final purchasing decision. Sales representatives can influence each stage of the process by ensuring that prospects are fully aware of a supplier's capability and product benefits. They also ensure that prospects receive the product, pricing and technical information they need to make a decision, and they maintain contact with the important decision-makers throughout the sales cycle.

Developing Customer Relationships

To build long-term revenue for the future, representatives use personal selling skills to develop strong relationships with customers. By contacting customers after they make a purchase, for example, representatives can demonstrate that their company offers high levels of customer care. They also maintain contact between sales to ensure that customers consider their company when they are planning their next purchase.

4(b) Explain the process of personal selling.

ANSWER: PROCESS OF PERSONAL SELLING:

- **Prospecting**

The first step in the process involves prospecting. With this step in the process, sales representatives look for new customers that they can potentially sell their products to. This can be done by cold calling or by going out into the market and talking to people. This part of the process is a numbers game, and the sales representative has to contact many people.

- **Pre-Approach**

The pre-approach is the second step in the personal selling process. At this time, the sales representative prepares for the first contact with the potential customer. During this stage, the sales representative looks at any information that he may have about the customer. He may practice his sales presentation and do anything necessary to prepare for it.

- **Approach**

The approach is the next step in the process and it is also one of the most important. During this step, the sales representative takes a minute or two to try to get to know the prospect. This phase usually involves some small talk to warm up the prospect and help them open up.

- **Presentation**

During this stage of the process, the sales representative makes a presentation. This can involve demonstrating the product or service and showing the customer why they need it. The sales rep should focus on the features and benefits of the product or service during this part of the process.

- **Overcome Objections**

In some cases, the sales representative will have to overcome objections by the customer. Many customers have questions and concerns at this point of the sales process. If the sales representative can answer the questions and overcome any objections successfully, the barriers for a successful sale will be removed.

- **Closing**

After the objections have been removed, the only thing left to do is close the sale. This can involve writing up an invoice and providing any final information to the customer. At this stage of the process, you may need to negotiate the final sales price and any payment terms.

- **Follow Up**

The follow up is the last stage in the personal sales process. After the product or service has been delivered, the sales representative follows up with the customer to find out if they are pleased. If there were any issues with the product, the sales rep can work with the customer to get them resolved. If the customer is happy, the sales rep can also try to obtain additional referrals from the customer.