

Sales & Distribution

12th Sep 2024, Session 13

Some Basics of Selling

The Channel Landscape : India

Selling & Distribution Choices / Decisions for Entrepreneurs

Go To Market Effectiveness : Input – Outcome Continuum



Mktg Mix Elements

- **Proposition**
- **Product + Price + Packaging + Quality**
- **Advertising Inputs**
- **Distribution Inputs**

Consumer Mind Measures

- **Advertising & Brand Awareness**
- **Brand Preference**
- **Differentiation & Brand Equity**

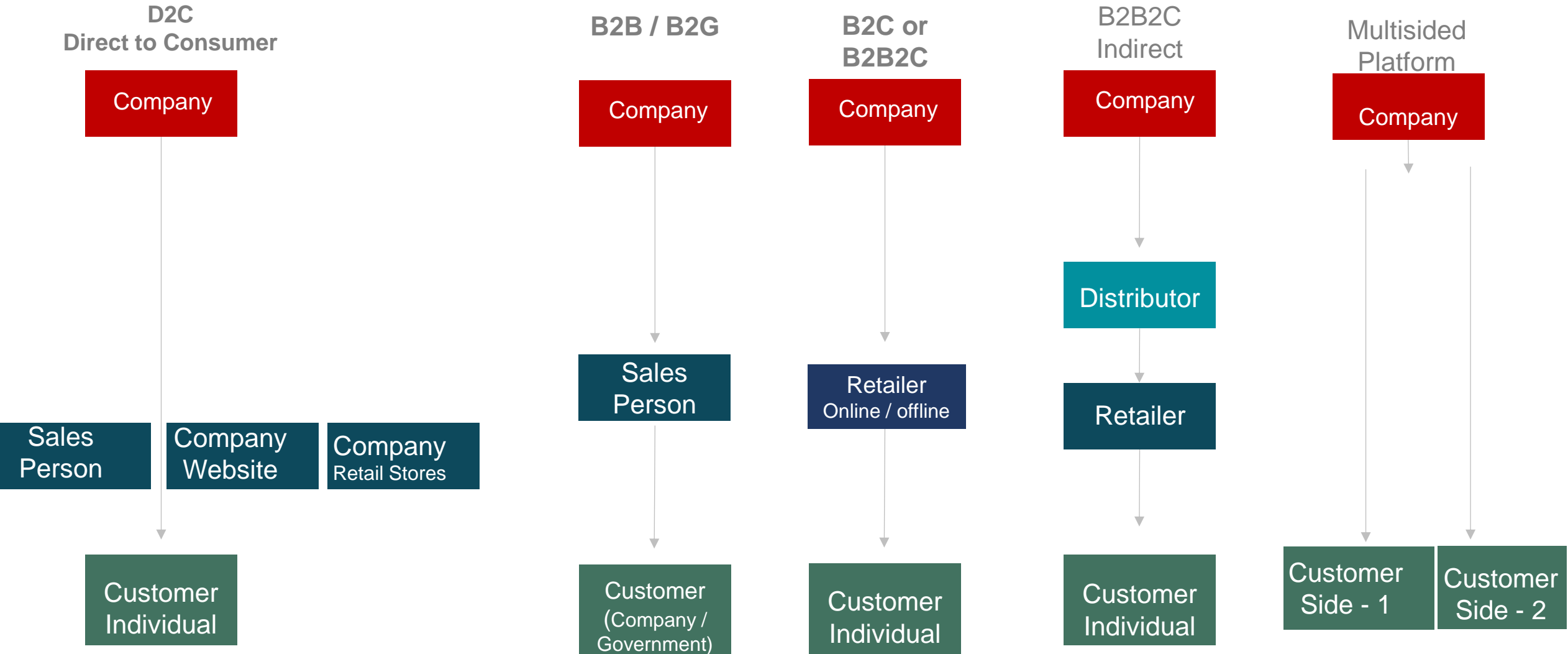
Consumer Behaviour

- **Purchase**
- **Sustained Usage**
- **Referrals & Reviews**

Business Outcomes

- **Sales**
- **Market Share**
- **Customer Satisfaction**
- **Profits**

The Place “P” : Sales & Distribution



What is selling?



What is Selling NOT About

- **Fast Talking**
- **Tricking**
- **Lying**
- **Pushing Product to everyone**

What is Selling About

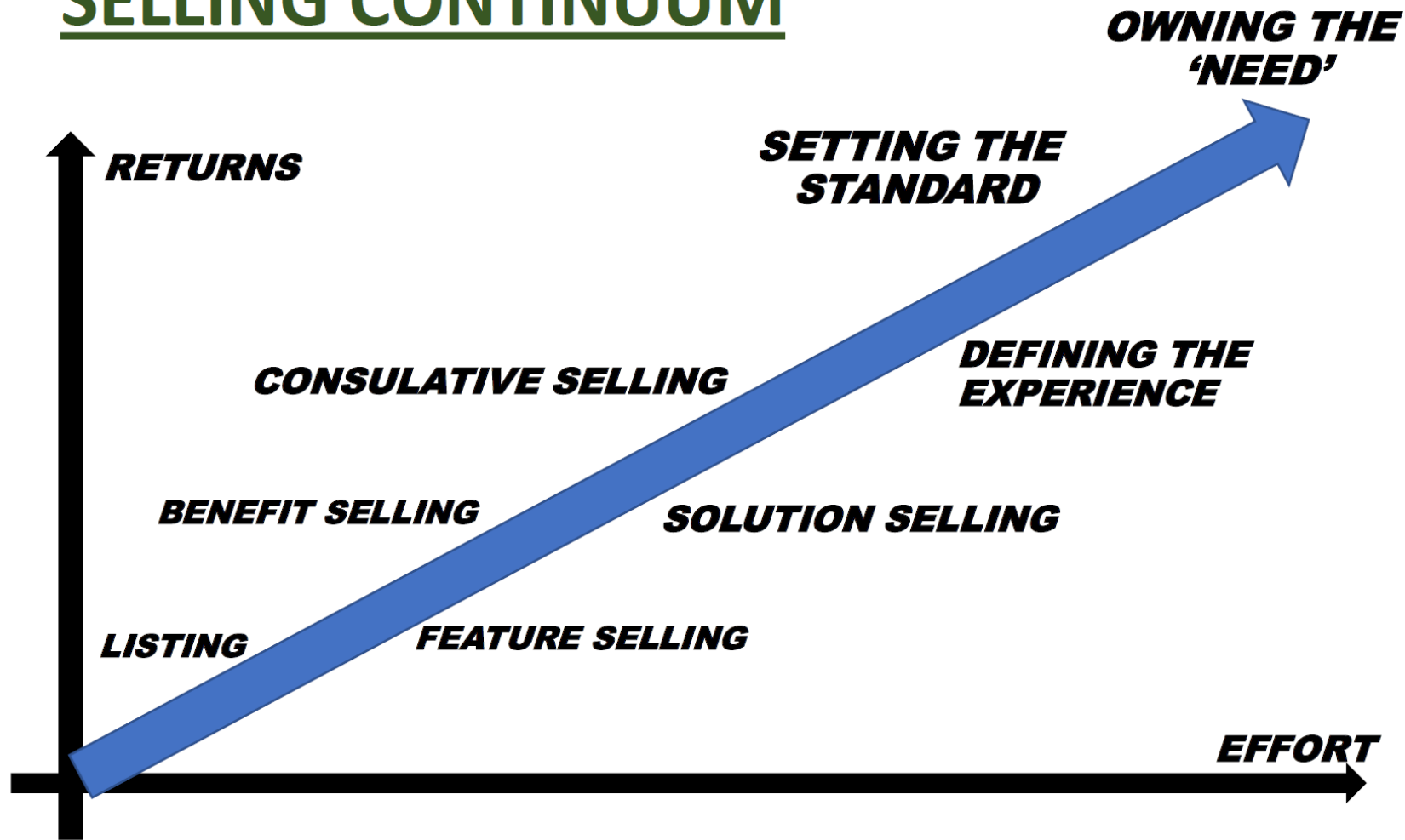
- **Understanding Customers**
- **Solving Problems**
- **Building Relationships**

The Mantra of Selling

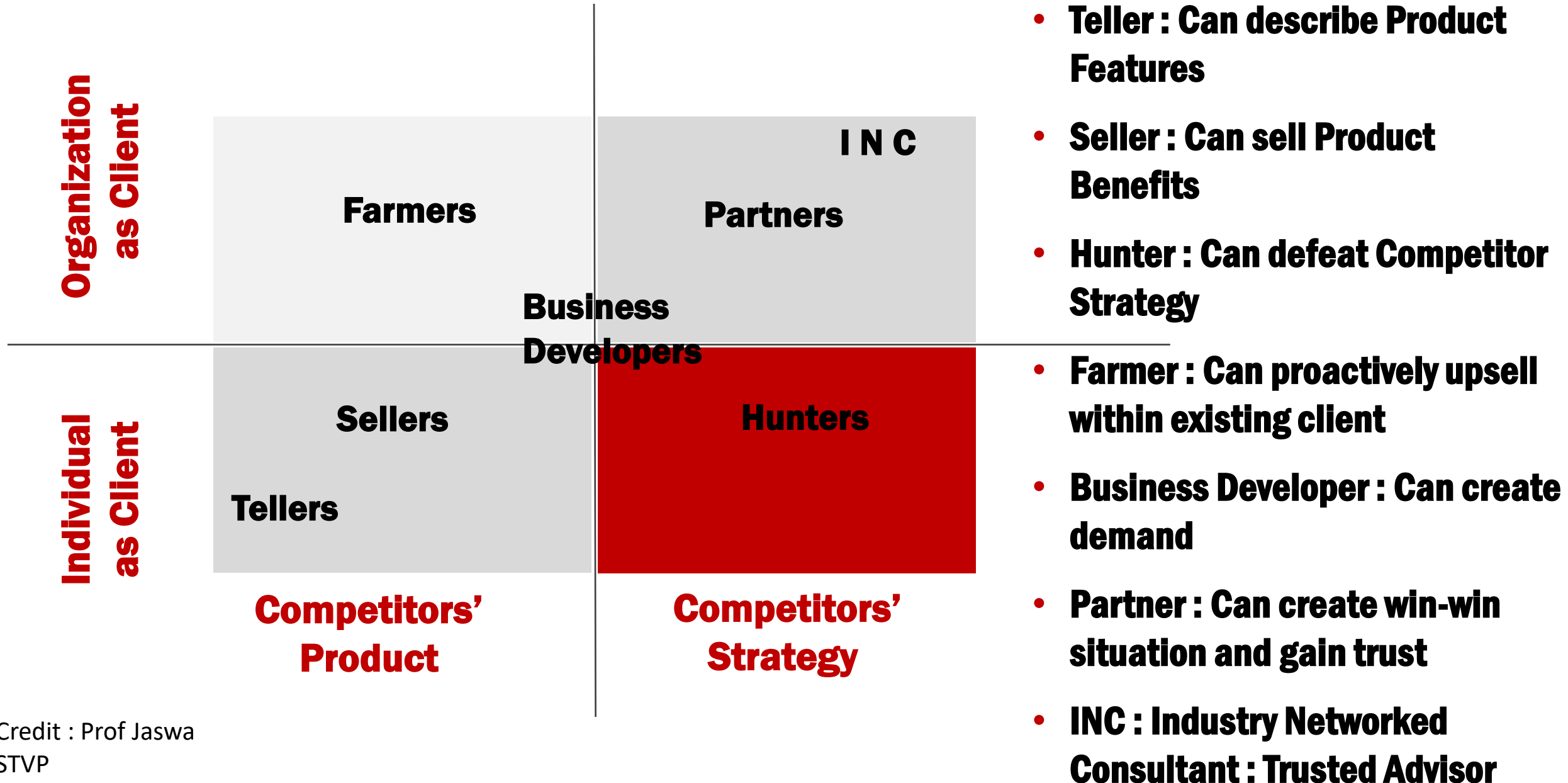


SELL
THE PROBLEM
YOU SOLVE,
NOT
THE
PRODUCT.

SELLING CONTINUUM



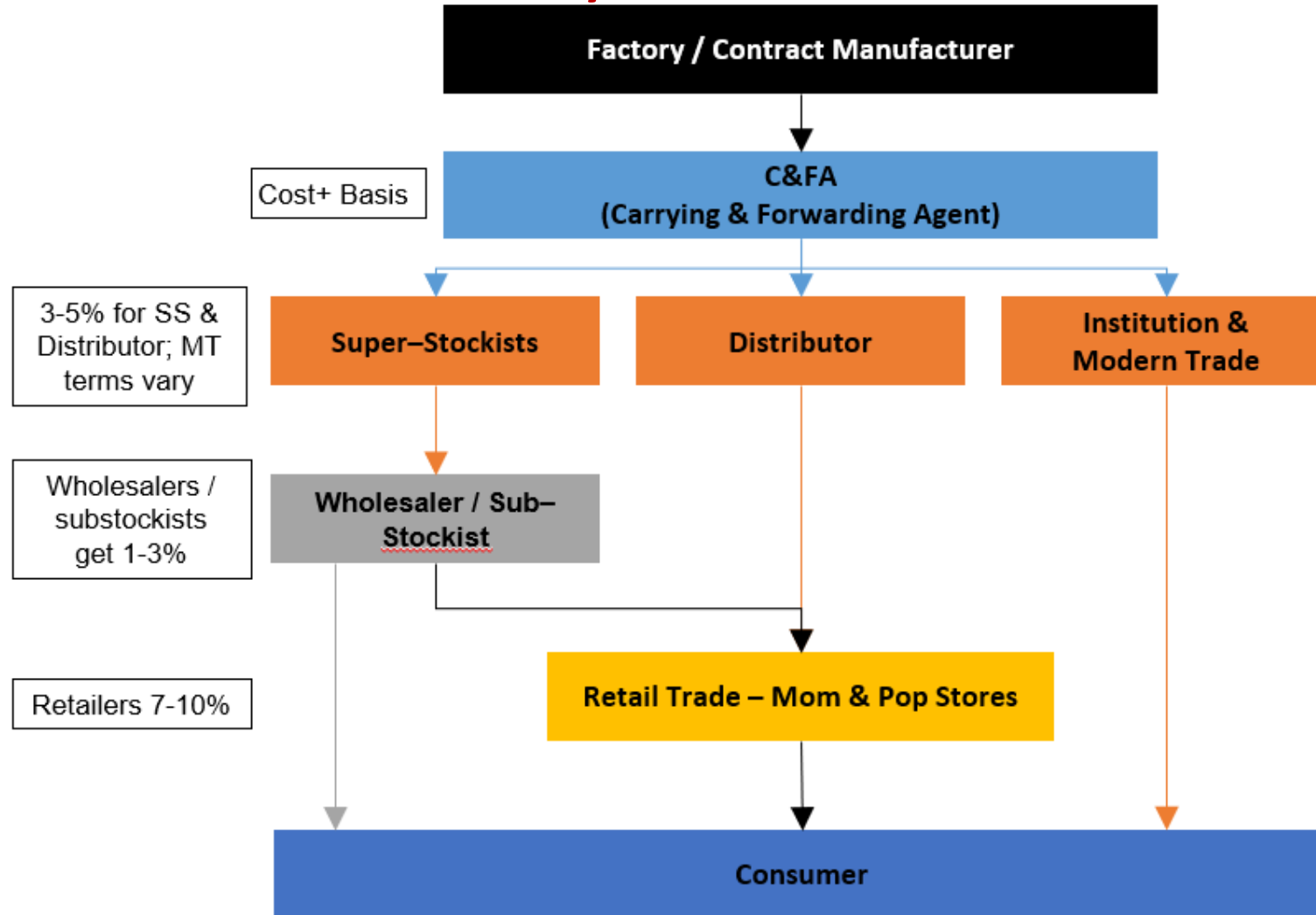
Building your Sales Talent Model : 7 Generations



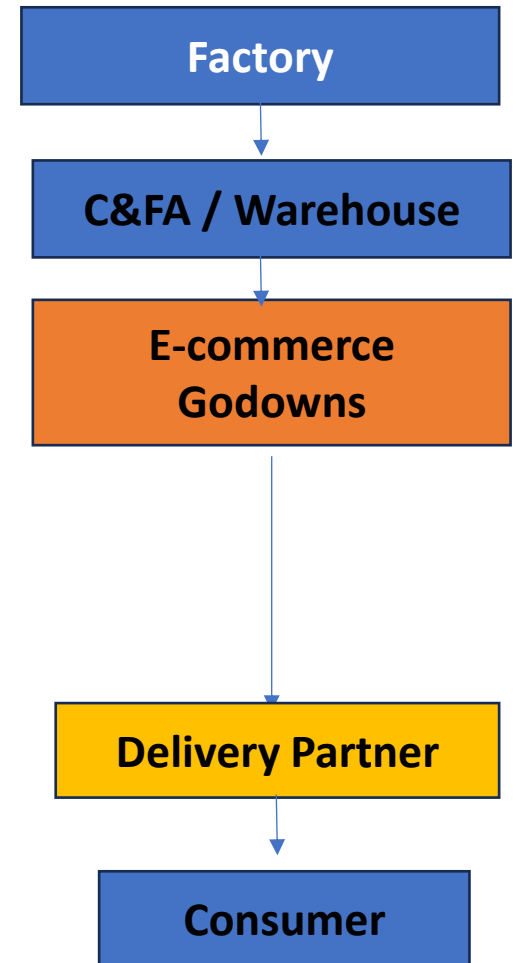
Distribution Channel in India : Consumer Goods



Physical Channels



Online Channels



Biggest Role of Distribution Channels is Breaking Bulk

Channels providing Opportunity

India D2C opportunity: Niches @ scale



\$100B addressable D2C market by 2025

Fashion



Women and Kids under-served

Emergence of differentiated needs such as **environment conscious consumers**, active wear

F&B



Consumer willingness to pay for convenience and niche needs

Health, supplements, gourmet e.g. healthy snacks

Beauty



Rise of the online beauty shopper (135M by FY25)

Focus on Unmet needs: e.g. Organic, natural, ethnic, niche formulations

Consumer electronics



Gen Z internet-first generation

Looking for **trendy, edgy, high performance** products

zoom

Logistics Channels : Factory / C&F Agent / Distributors



Offline Sales Channels in India

WHOLESALE



TRADITIONAL TRADE



MODERN TRADE



Online Sales Channels

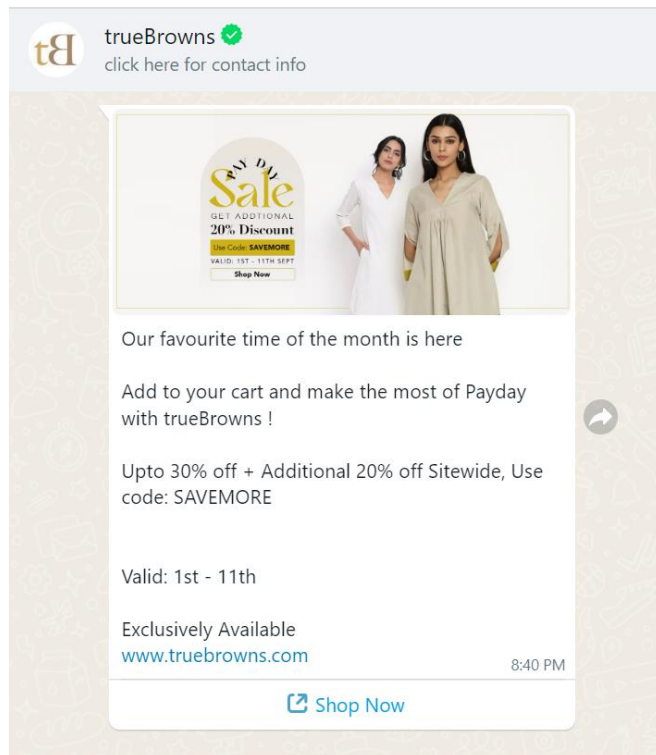
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realme C30s
Naye Zamane Ka Entertainment
Launching on 14th Sep, 12 PM
5000mAh | Fast Side-Fingerprint

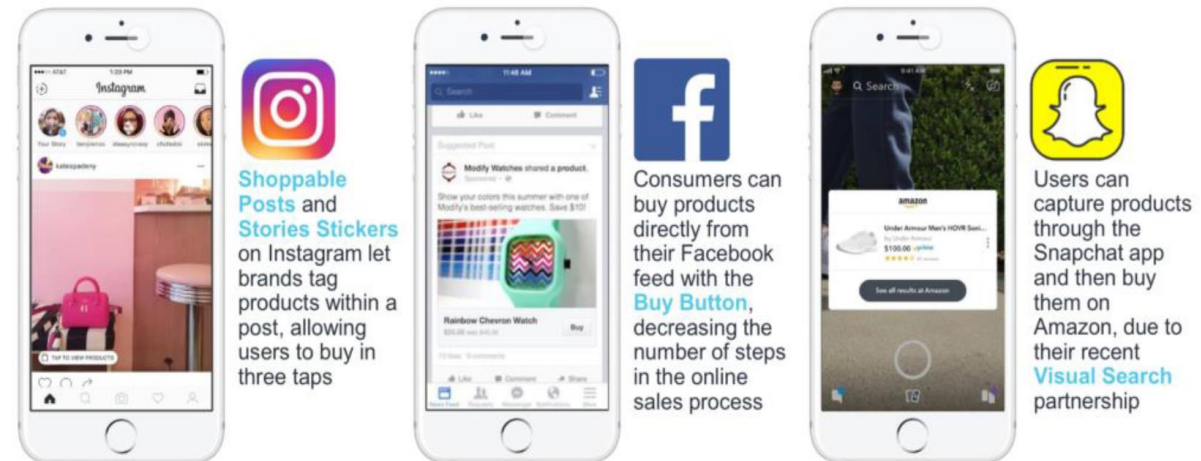
E-COMMERCE

Whatsapp Commerce



SOCIAL-COMMERCE

Social media apps are expanding digital commerce capabilities, creating new ways for customers to shop online



Types of Selling

TRADITIONAL STORE SELLING



MODERN TRADE SELLING



TELE-SELLING



B2B / SOLUTION SELLING



EXHIBITIONS



NETWORK SELLING



Sales Events



Selling Skills



- **Passion, Persuasiveness, Persistence**
- **Listening, Questioning, Objection Handling**
- **Communication Skills – presenting at various levels**
- **Depth of Practice needed**
- **Focusing on Win-Win**

Today's Selling Systems



The top of the slide features a dark grey header bar. On the left, there is a repeating pattern of small, light grey icons representing various business and technology concepts like lightbulbs, gears, and people working. On the right side of the header bar is a white logo consisting of the letters 'E' and 'S' stacked vertically.

Selling & Channel Choices for Entrepreneurs

Sales Strategy Decisions for Entrepreneurs

- **Who should be the seller ?**
- **When should founders hire sales people ?**
- **What kind of sales people to hire ?**
- **How to sell to a prospect ?**
- **What kind of channel partners / alliances are needed ?**

Building Sales Organization

- Founders must be the first sales people
- Do not hire too soon
- Sales people hardest to hire
 - But easiest to fire



What are the kinds of salespeople?

- “Gladiators”
- “Professional Sales” people

“Gladiators”

- Solo hunters
- They go away, don't check-in frequently
- Bring back customers having sold the product
- They sell stuff you don't quite have
- They ask for forgiveness, not approval



“Professional Salesperson”

- Usually trained at a big company
- Require support staff to succeed
- Good at taking orders and building relationships
- Expensive



Timing – Need different types of salespeople at different stages

Bootstrap

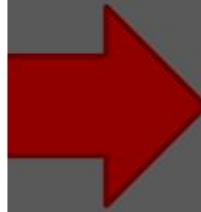
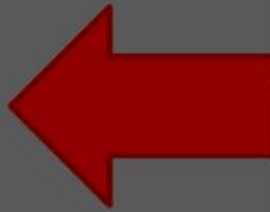
seed

series A

series B

series C

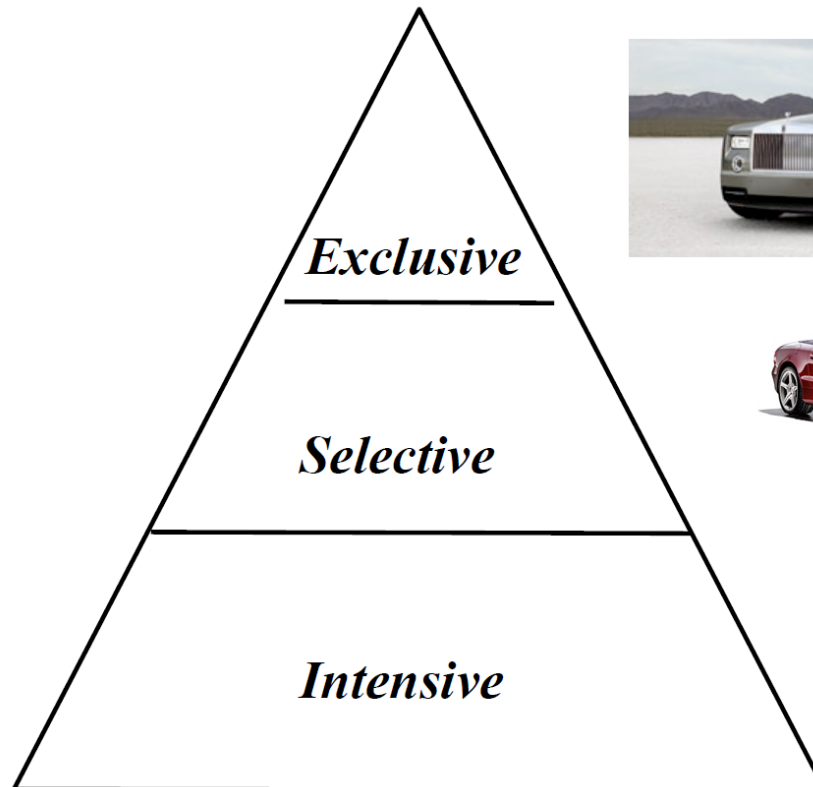
exit





Distribution Channel Decision 1: Channel breadth (# of outlets)

of Outlets



Rolls-Royce Phantom
@ \$380,000



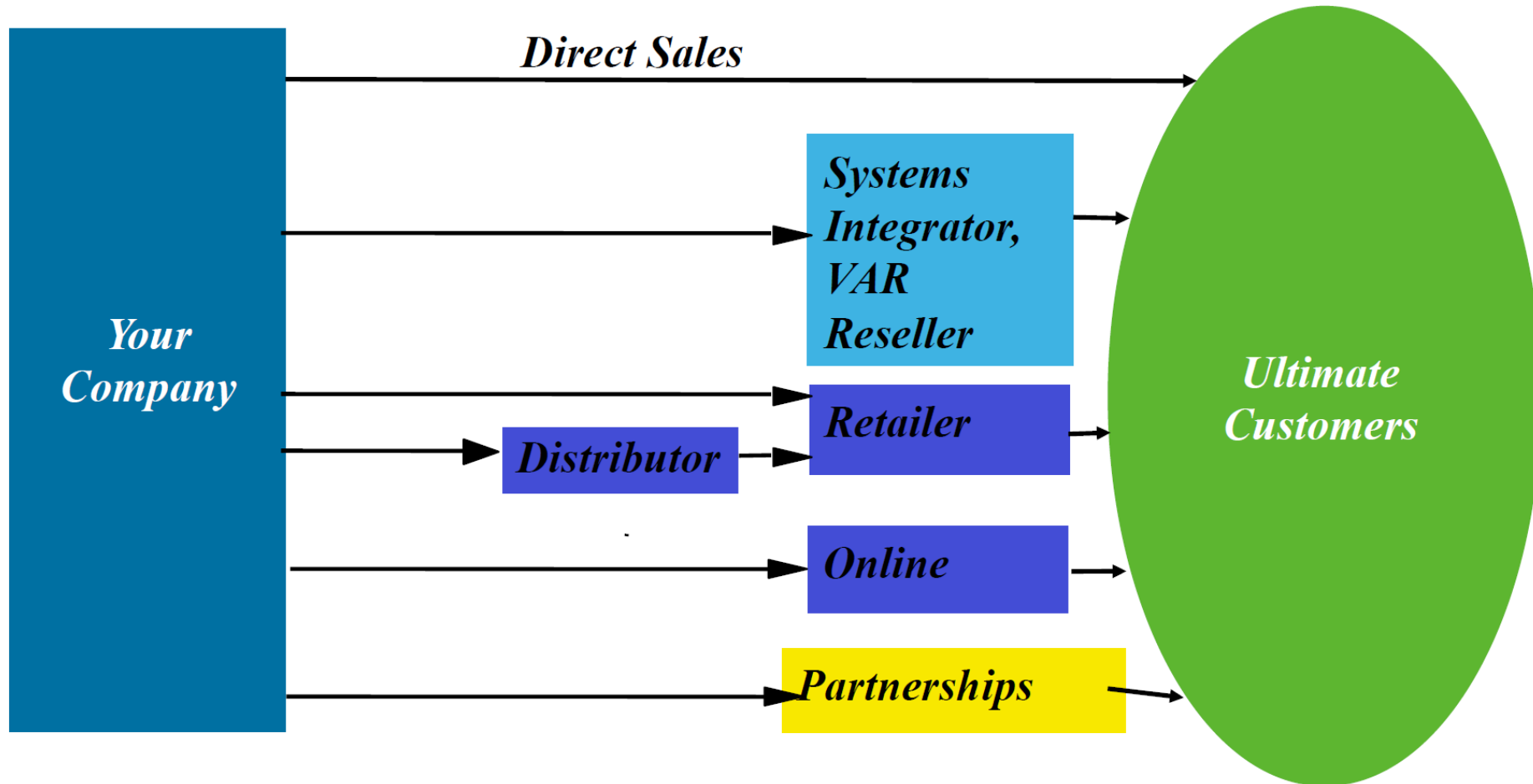
Mercedes 550 SL
@ \$85,000



Honda Civic
@ \$15,665

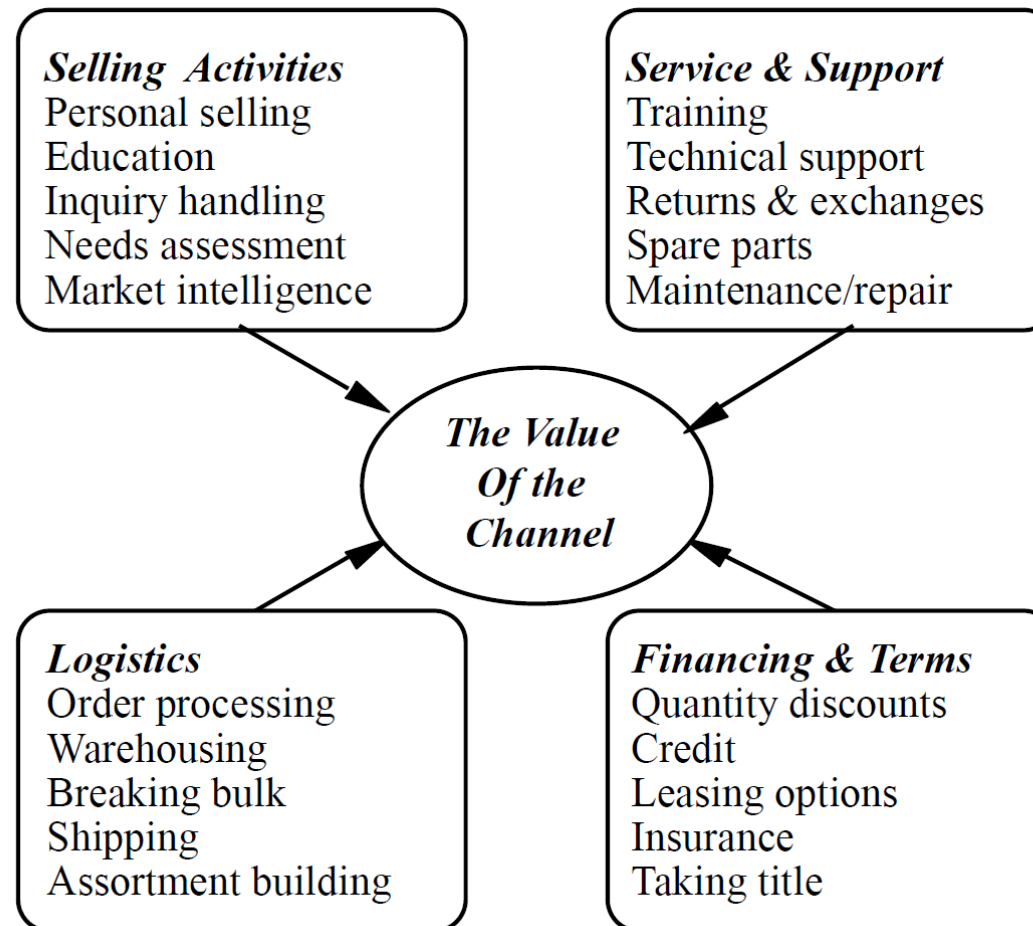


Distribution Channel Decision 2: Channel Mix





Distribution Channel Decision 3: Channel Functions





Distribution Channel Decision 4: Channel Margins



<u>Channels</u>	<u>Unit Cost</u>	<u>% Margin</u>	<u>Selling Price</u>	<u>\$ Margin</u>	<u>% Markup</u>
Manufacturer	\$100	40%	\$167	\$67	67%
Distributor	\$167	20%	\$208	\$42	25%
Wholesaler	\$208	15%	\$245	\$37	18%
Retailer	\$245	20%	\$306	\$61	25%
Customer	\$306				

Mid Sem Exam – 20th Sep, 8 30 to 1030 am, 20%



Classrooms : LH 301 and LH 302

Seating arrangement will be provided by us

Mid Sem Exam

- Answer sheet based, Hand-written exam
- One long question , 5 short questions
- Open Book, We will provide the class slides in a booklet in **12th Sep class**

Instructions to Students

- Reporting time : 8:15 am, Carry your **I-D Card in physical form (printout)**
- No laptops to be brought, Phone switched off and in bag on dias
- You can bring handwritten / typewritten material you have created incl **Course-issued Booklet**
- Any talking / sharing with other students will be considered cheating and reported

Feedback on IDEAS Presentations



Common Feedback

- Good Quality of Tech Ideas
- Team work vs One-Person work

Customer Discovery Presentations : 19 / 20 Oct (Online)
Business Plan Presentations : 7 Nov (In Class)

Need to focus on

- Need to do a Competitor Analysis
- Who is likely to be the Paying Customer
- Who all will be you be speaking to as part of Customer Discovery ?

Customers / Stakeholders

- Need to read about Tech, One Stakeholder in Customer Discovery has to be **Tech Expert**

Feedback on IDEAS Presentations



Concerns about some teams

- Ability to do even decent Customer / Stakeholder Discovery
 - 5-7 for B2B and 20-25 for B2C
- Technology in the realm of Feasibility
 - Some idea of product / solution is needed for building Business Plan which is next stage
- Specific teams
 - Posture Mate, FinWiser, Innosense, MedTech Innovators, Sync, Nebula, Alzolve,
- Concerns about some students for being absent at IDEAS presentation
 - Dinesh Kumar, 23B2404, Care Connect
 - Sandhita Das, 23B2257, Curo Med Tech
 - Himanshi Meena, 23B0362, Nebula
 - Sai Harsh Vardhan, 23B2526, NextTech AI