

Personal Selling

Meaning of Personal Selling

Personal selling is also known as face-to-face selling in which one person who is the salesman tries to convince the customer in buying a product. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale.

Personal selling is a face-to-face selling technique by which a salesperson uses his or her interpersonal skills to persuade a customer in buying a particular product. The salesperson tries to highlight various features of the product to convince the customer that it will only add value. However, getting a customer to buy a product is not the motive behind personal selling every time. Often companies try to follow this approach with customers to make them aware of a new product.

The company wants to spread awareness about the product for which it adopts a person-to-person approach. This is because selling involves personal touch, a salesperson knows better how to pitch a product to the potential customer. Personal selling can take place through two different channels – through retail and through direct-to-consumer channel. Under the retail channel, a sales person interacts with potential customers who come on their own to enquire about a product. The job of the salesperson is to make sure that he understands the need of the customers and accordingly shows various products that he keeps under that category. Under the direct channel, a salesperson visits potential customers in an attempt to make them aware about a new product that the company is launching or it may have a new offer which the customers may not get from the open market.

Objectives of Personal Selling

The major objectives of salesmanship are as follows:

(i) Attracting the Prospective Customers:

The first and foremost objective of a salesperson is to attract the attention of people who might be interested to buy the product he is selling.

(ii) Educating the Prospective Customers:

The salesman provides information about the features, price and uses of the product to the people. He handles their queries and removes their doubts about the product. He educates them as to how their needs could be satisfied by using the product.

(iii) Creating Desire to Buy:

The salesman creates a desire among the prospective customers to buy the product to satisfy specific needs.

(iv) Concluding Sales:

The ultimate objective of personal selling is to win the confidence of customers and make them buy the product. Creation of customers is the index of effectiveness of any salesperson.

(v) Getting Repeat Orders:

A good salesperson aims to create permanent customers by helping them satisfy their needs and providing them product support services, if required. He tries for repeat orders from the customers.

Personal Selling Process

The process of personal selling includes prospecting and evaluating, preparing, approach and presentation, overcoming objections, closing the sale and a follow up service.

1. Prospecting and evaluating:

The effort to develop a list of potential customers is known as prospecting. Sales people can find potential buyers, names in company records, customer information requests from advertisements, telephone and trade association directories, current and previous customers, friends, and

newspapers. Prospective buyers predetermined, by evaluating (1) their potential interest in the sales person's products and (2) their purchase power.

2. Preparing:

Before approaching the potential buyer, the sales person should know as much as possible about the person or company.

3. Approach and presentation:

During the approach, which constitutes the actual beginning of the communication process, the sales person explains to the potential customer the reason for the sales, possibly mentions how the potential buyer's name was obtained, and gives a preliminary explanation of what he or she is offering. The sales presentation is a detailed effort to bring the buyer's needs together with the product or service the sales person represents.

4. Overcoming objections:

The primary value of personal selling lies in the sales person's ability to receive and deal with potential customers' objections to purchasing the product. In a sales presentation many objections can be dealt with immediately. These may take more time, but still may be overcome.

5. Closing the sale:

Many sales people lose sales simply because they never asked the buyer to buy. At several times in a presentation the sales person may gauge how near the buyer is to closing.

6. Follow up:

To maintain customer satisfaction, the sales person should follow up after a sale to be certain that the product is delivered properly and the customer is satisfied with the result.

Theories of Personal Selling

There has been a lot of research by behavioural scientists and marketing scholars to examine whether selling is an art or science and various theories have been developed to explain the

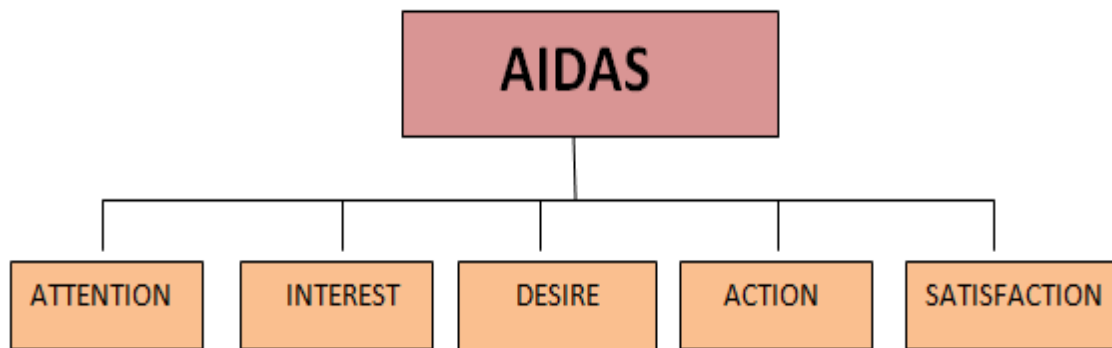
buyer-seller buying process. The process of influencing others to buy may be viewed from four different angles on the basis of different theories: thus there are four theories of selling viz.

1. AIDAS theory of personal selling
2. “Right Set of Circumstances” theory of selling
3. “Buying Formula” theory of selling
4. “Behavioral Equation” theory

The first two of the four above-mentioned theories, are seller oriented and the third one is buyer’s oriented. The fourth one emphasizes the buyer’s decision process but also takes the salesperson’s influence process into account.

1. AIDAS Theory

– The proponents of this theory believe that a salesperson should design his presentation in such a manner which takes care of all these stages of the process of selling.



Attention: The salesperson should attract the prospect to his presentation before he actually goes into the details of the same.

Interest: Once the salesperson has successfully gained the prospect’s attention, he/she should maintain interest of the prospect throughout the presentation.

Desire: The next step in the sales process, as per the AIDAS theory, is to create a strong desire in the prospect's mind to purchase his product.

Action: Once the salesperson has been successful in taking his prospect through the three stages. It would be interesting for us to understand that even after going through three stages attention, interest and desire; the prospect may still have some doubt or some inertia which will stop him for taking the final decision of actually buying the product. Now it's important task to salesperson to help his prospect in taking the final decision.

Satisfaction: Once the prospect has placed an order, the salesperson ensures that the prospects carry the impression of having the right decision. He should always thank the prospect and even go to the extent of saying "I appreciate your choice sir, you have taken an excellent decision".

This is how AIDAS theory works to become a successful salesperson.

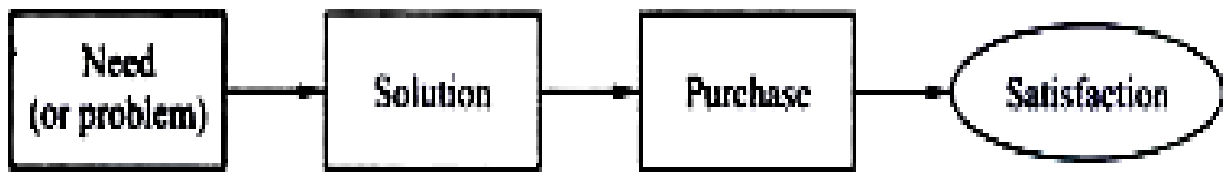
2. Right set of circumstances

It is also called the "situation-response" theory. It has its psychological origin in experiments with animals. The major emphasis of the theory is that a particular circumstance prevailing in a given selling situation will cause the prospect to respond in a predictable way. The set of circumstances can be both internal and external to the prospect. This is essentially a seller-oriented theory and it stresses that the salesman must control the situation in such a way as to produce a sale ultimately.

3. Buying Formula

The buyer's needs or problems receive major attention, and the salesperson's role is to help the buyer to find solutions. This theory purports to answer the question: What thinking process goes on in the prospects's mind that causes the decision to buy or not to buy? The name "buying formula" was given to this theory by strong.

The theory is based on the fact that there is a need or a problem for which a solution must be found which would lead to purchase decision, as shown below:



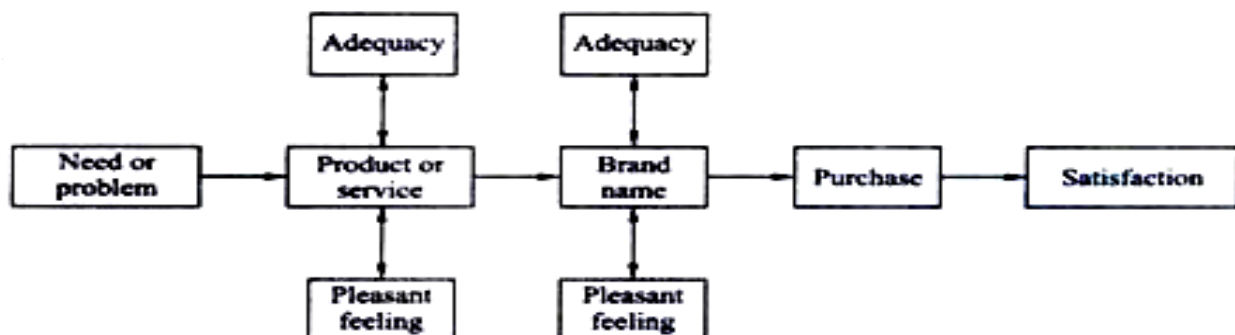
Whenever an individual feels a need, he is said to be conscious of a deficiency of satisfaction. The solution will always be a product or service or both and they may belong to a producer or seller. The buyer develops interest in buying a solution.

In purchasing, the “solution” involves two parts:

1. Product or service or both,
2. The brand name, manufacturer or the salesperson of the particular brand name:



The product or service (Brand name) must be considered adequate to satisfy the need and the buyer must experience a pleasant feeling or anticipated satisfaction. This ensure the purchase.



4. Behavior Equation Theory of Selling:

This theory is a sophisticated version of the “right set of circumstances” and this theory was proposed by Howard, using a stimulus response model and using large number of findings from behavioral research. This theory explains buying behavior in terms of purchasing decision process, viewed as a phase of the learning process, four essential elements of learning processes included in the stimulus response model are drive, cues, response and reinforcement, which are given below, in brief:

1. Drive is a strong internal stimuli that impel buyers’ response. Innate drives stem from psychological needs and learned drives such as striving for status or social approval.
2. Cues are weak stimuli that determine when the buyer will respond. Triggering cues activate the decision process whereas new triggering cues influence the decision process.
3. Response is what the buyer does.
4. A reinforcement is any event that strengthens the buyers’ tendency to make a particular response.

Howard believed that selling effort and buying action variables are multiplicative rather than additive.

Therefore, Howard incorporated these four elements into a behavioural equation that is:

$$B = P \times D \times K \times V$$

P = Response or internal response tendency, i.e. the act of purchasing a brand or a particular supplier.

D = Present drive or motivation level

K = “Incentive potential” that is, the value of product or brand or its perceived potential value to the buyer.

V = Intensity of all cues: triggering, product or informational.