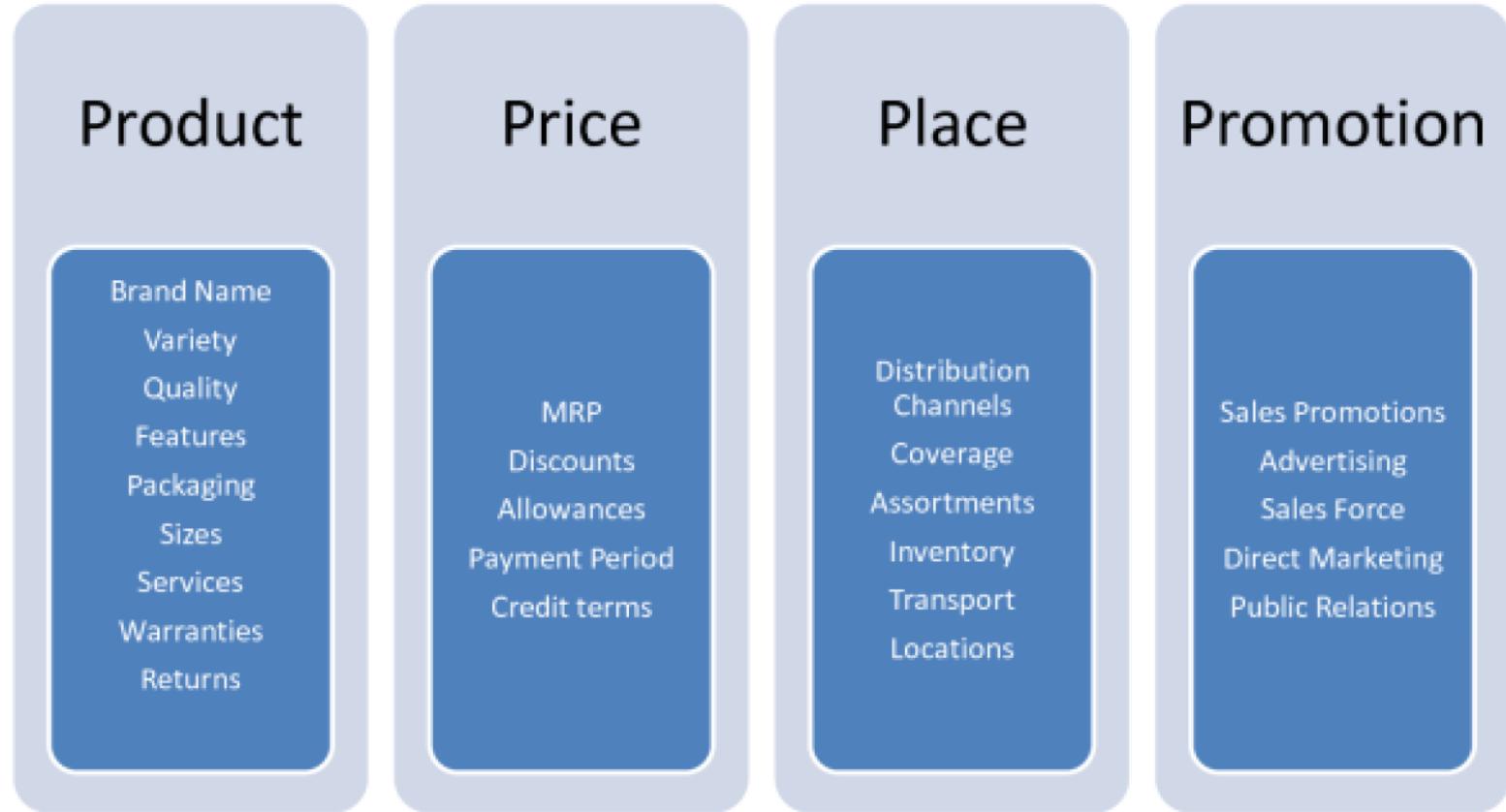


Session 13 / 26 : Sales & Distribution for Entrepreneurs

3

- Some Basics of Selling
- The Channel Landscape : India
- Selling & Distribution Choices / Decisions for Entrepreneurs

The 4 P's of Marketing



Source: Marketing Management : A South Asian Perspective; Kotler, Keller, Koshy, Jha

What is selling all about ?

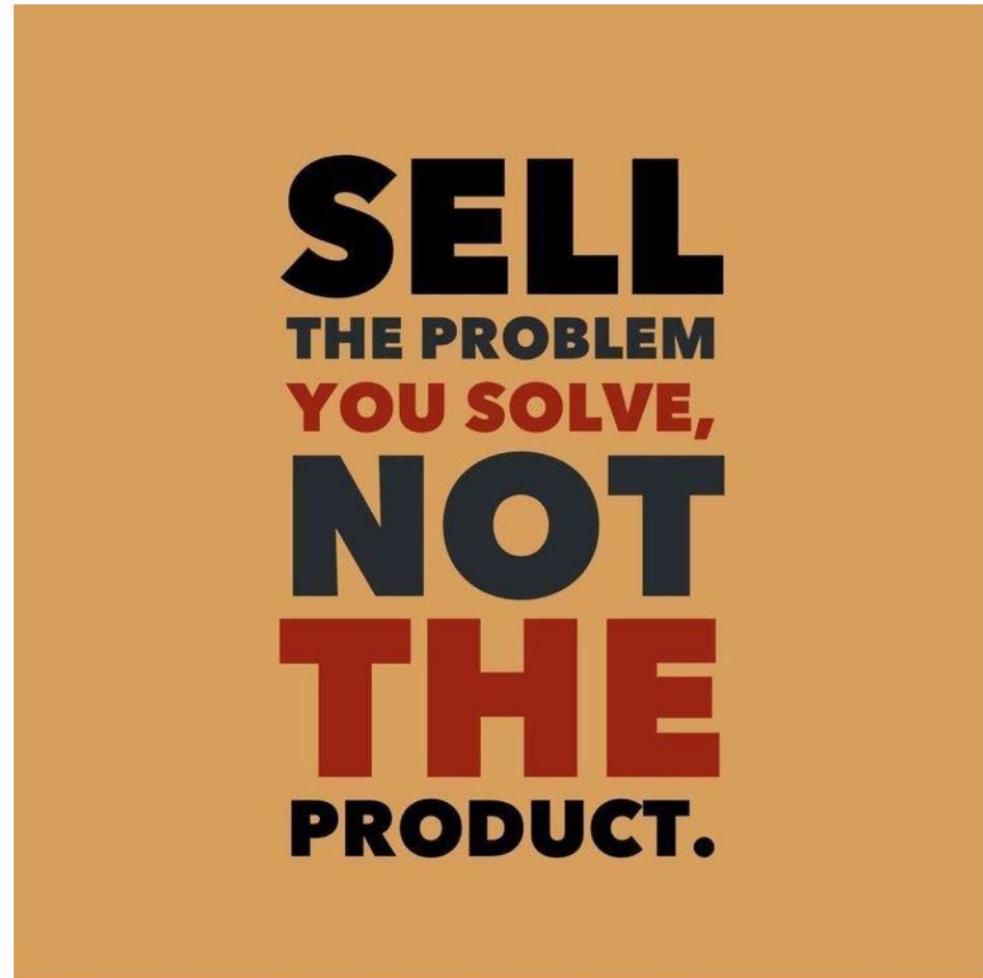


Selling is not about....

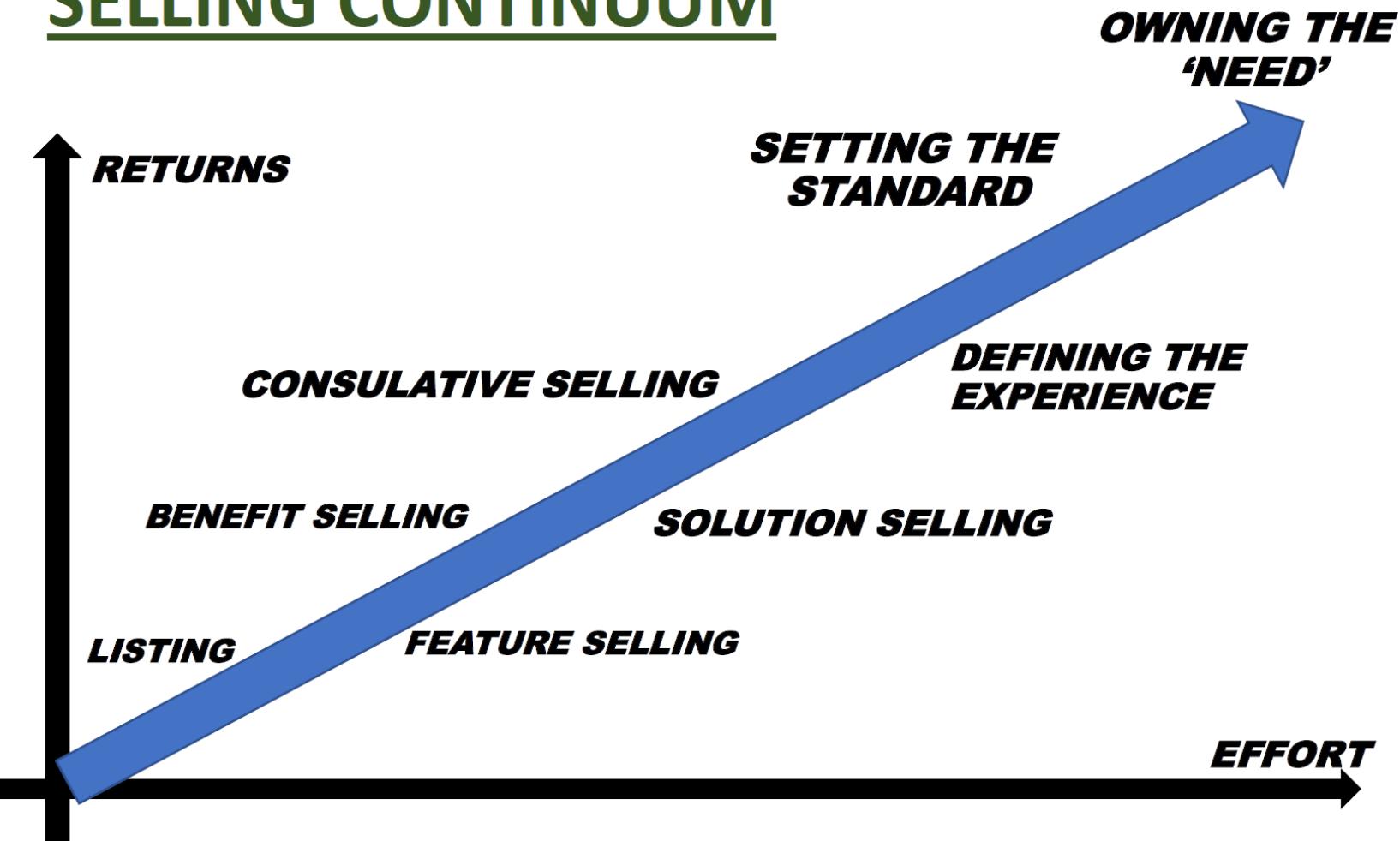
- Fast talking
- Tricking
- Lying
- Pushing product to everyone

Selling is about...

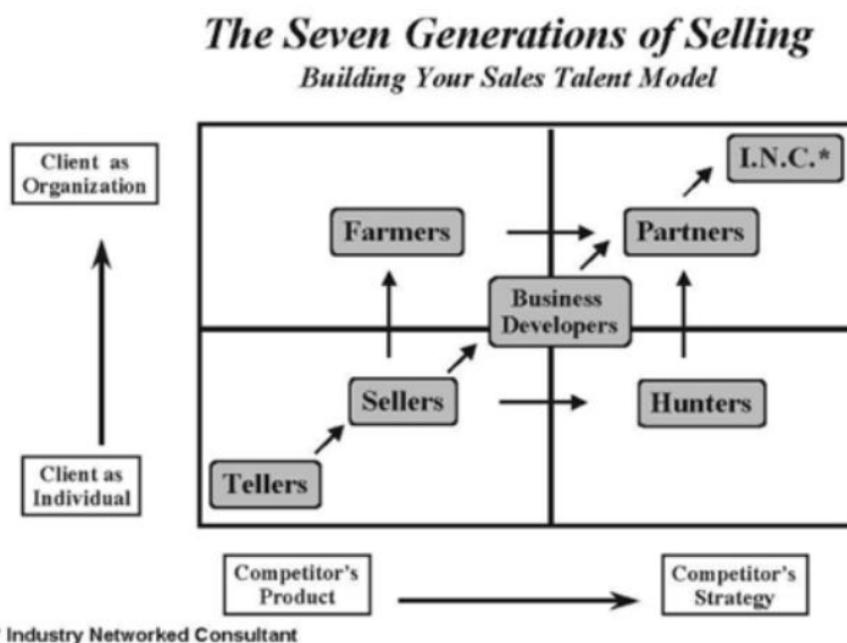
- Understanding your customer
- Solving problems
- Building relationships



SELLING CONTINUUM

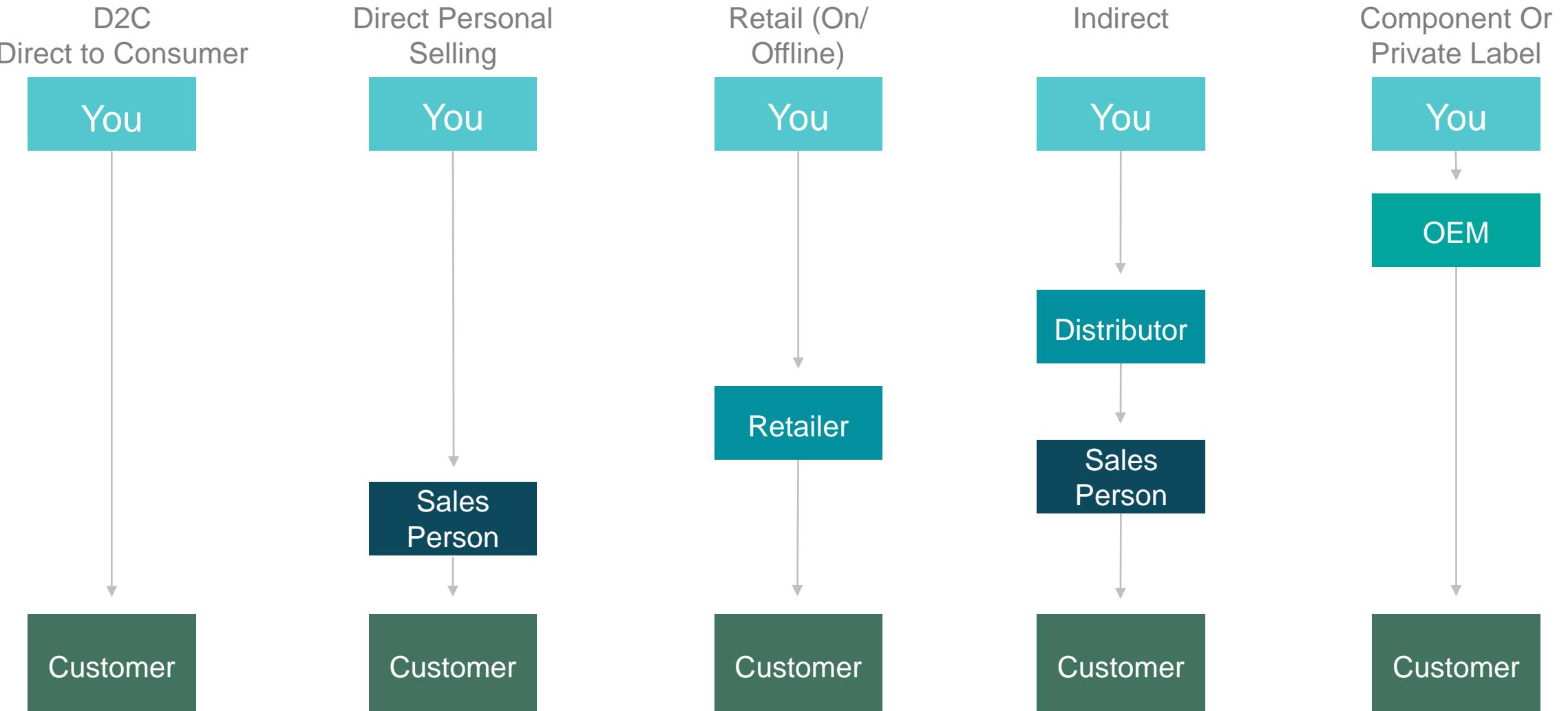


The Art of Selling

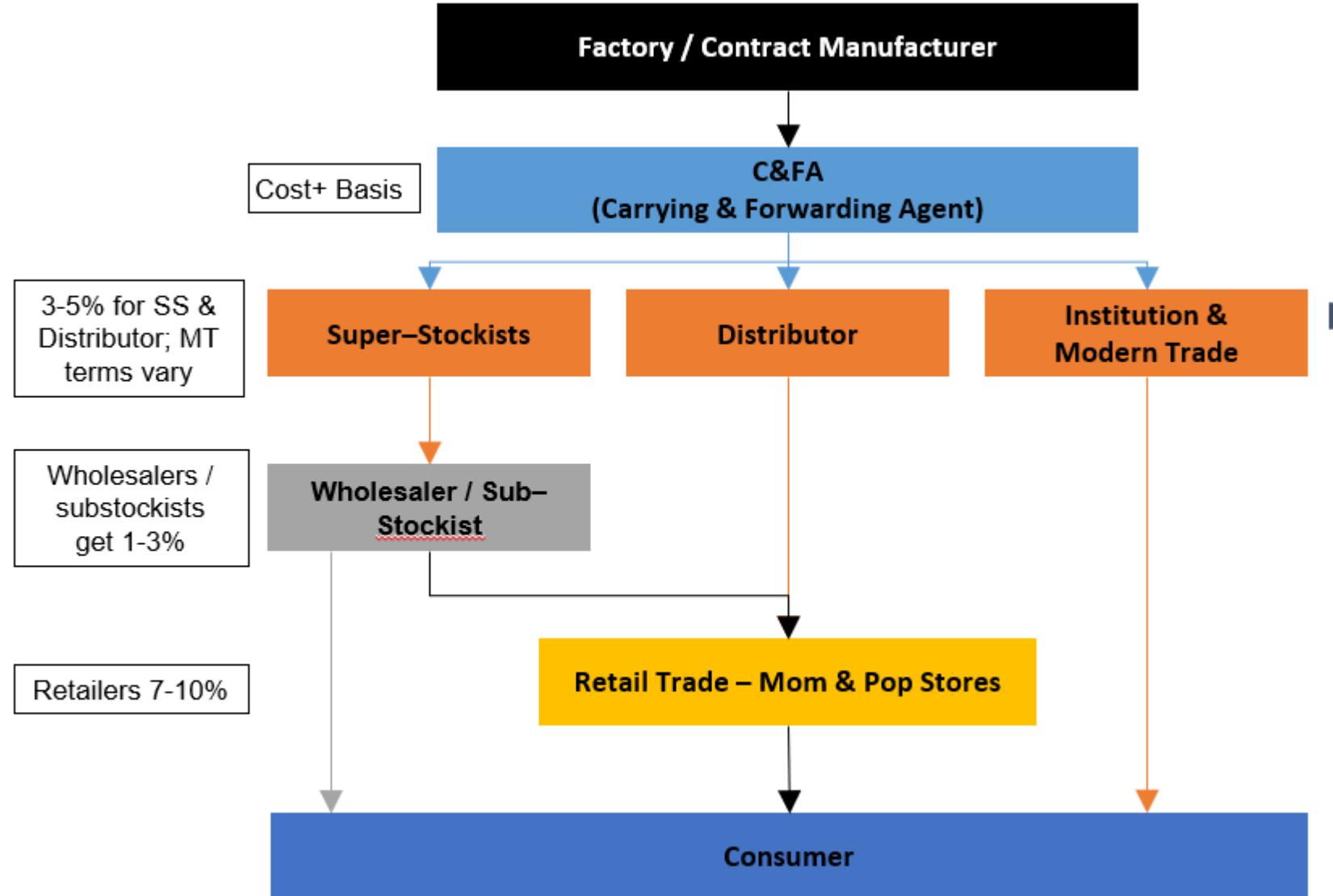


- Maps Selling skills and talent to the kind of products a Salesman will be successful at
- Teller: who can only describe Product Features
- Seller: who sell Product Benefits
- Hunter: who can defeat competitive strategy
- Farmer: who can proactively sell within an existing customer
- Business Developer: who can create demand and be a rainmaker
- Partner: who creates a collaborative buy-sell situation and becomes a trusted advisor
- Industry Networked Consultant: who has executive and operational contacts throughout the organization and is a trusted advisor and resource

Sales & Distribution Channels



Distribution Channel in India : Consumer Goods



Logistics Channels : Factory / C&F Agent / Distributors



Offline Sales Channels in India



WHOLESAILING



MODERN TRADE



TRADITIONAL TRADE

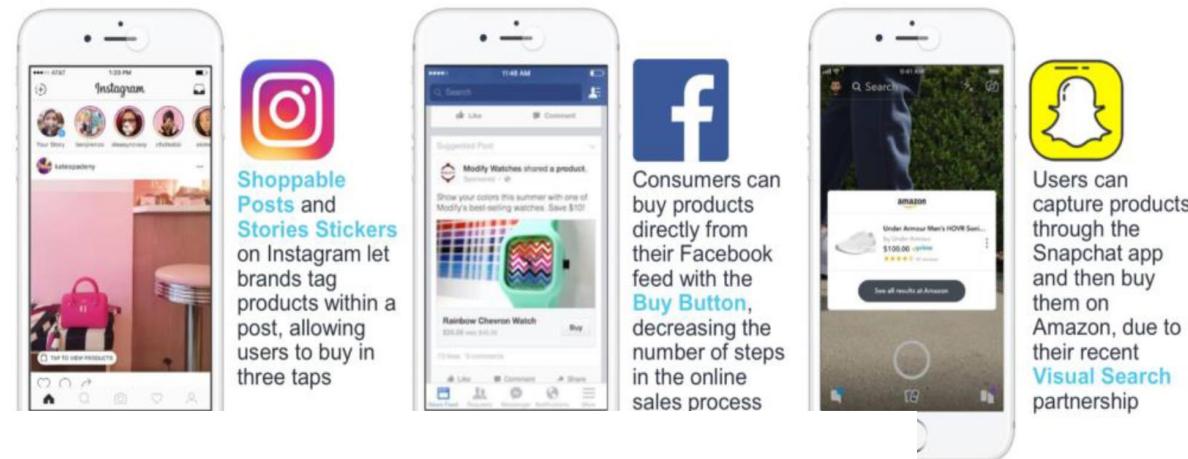


Online Sales Channels

The screenshot shows the Flipkart website interface. At the top, there's a search bar with placeholder text "Search for products, brands and more" and a magnifying glass icon. To its right are "Login" and "More" buttons. Below the search bar is a navigation menu with categories: Top Offers, Grocery, Mobiles, Fashion, Electronics, Home, Appliances, Travel, and Be. A large promotional banner for the "realme 8i" is displayed, featuring a stylized phone and the text "India's 1st Helio G96". It also mentions "Launching On 9th Sep, 12:30PM". Below the banner, there's a "Deals of the Day" section with a timer showing "00:28:44 Left" and a "VIEW ALL" button.

SOCIAL-COMMERCE

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

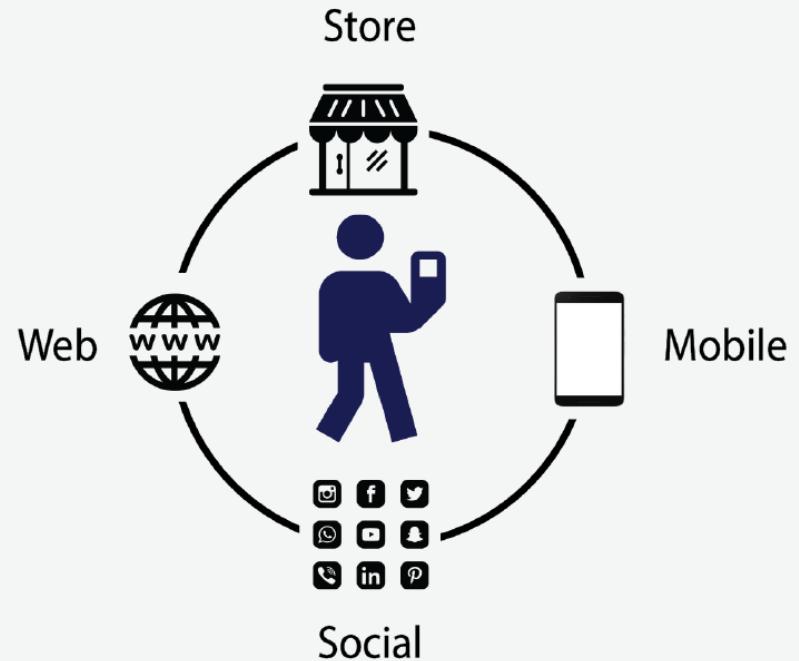
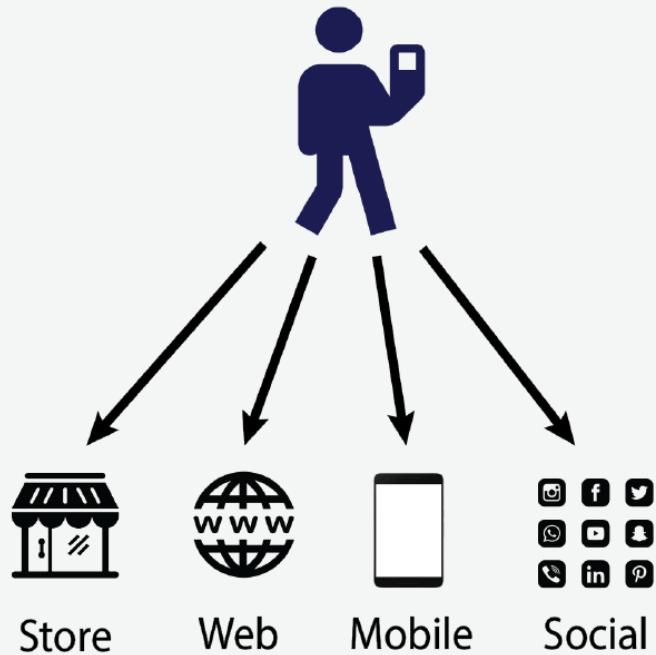




Multichannel

vs.

Omnichannel



Types of Selling

TRADITIONAL STORE SELLING



MODERN TRADE SELLING



TELE-SELLING



B2B / SOLUTION SELLING



EXHIBITIONS



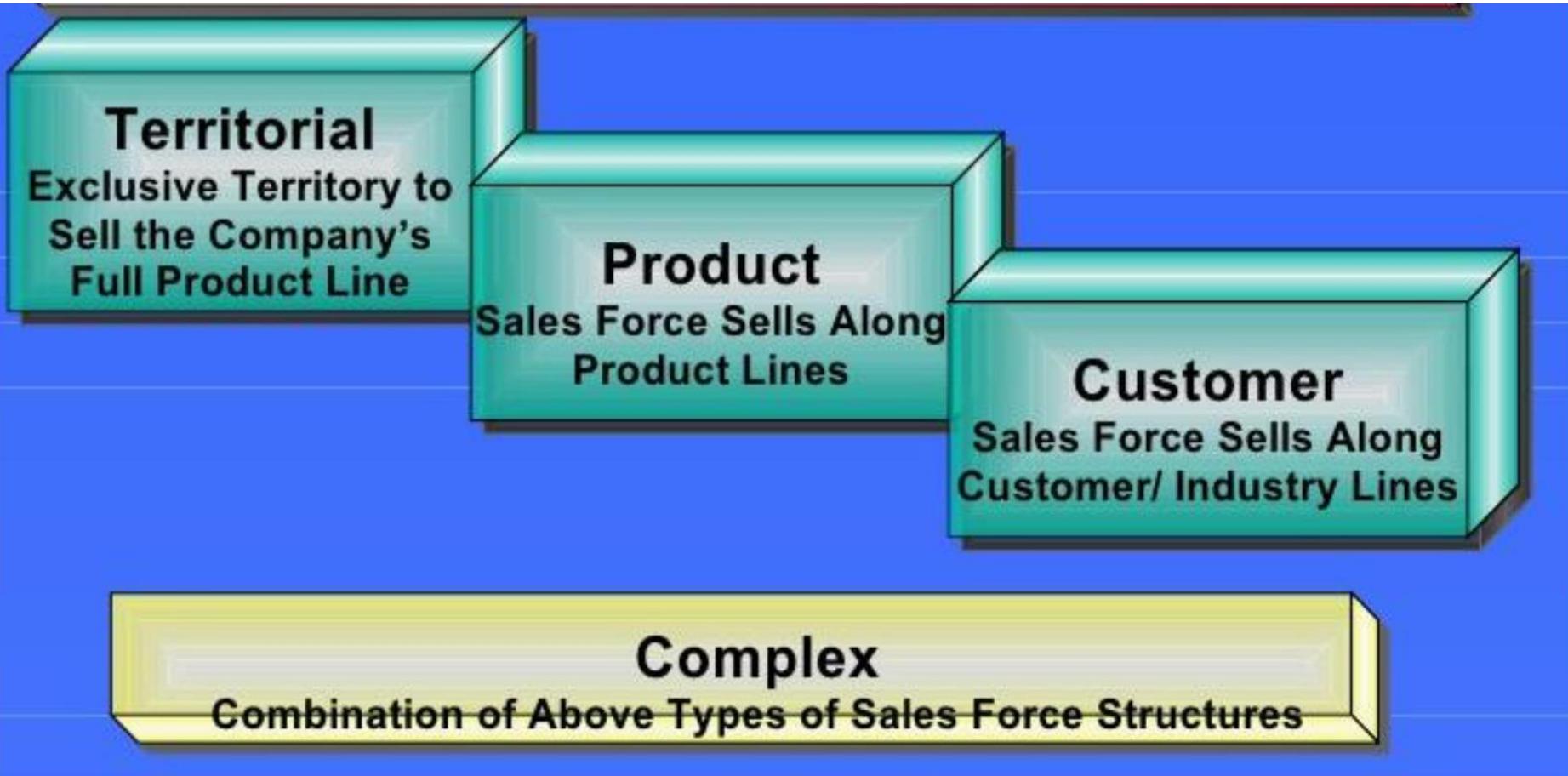
NETWORK SELLING



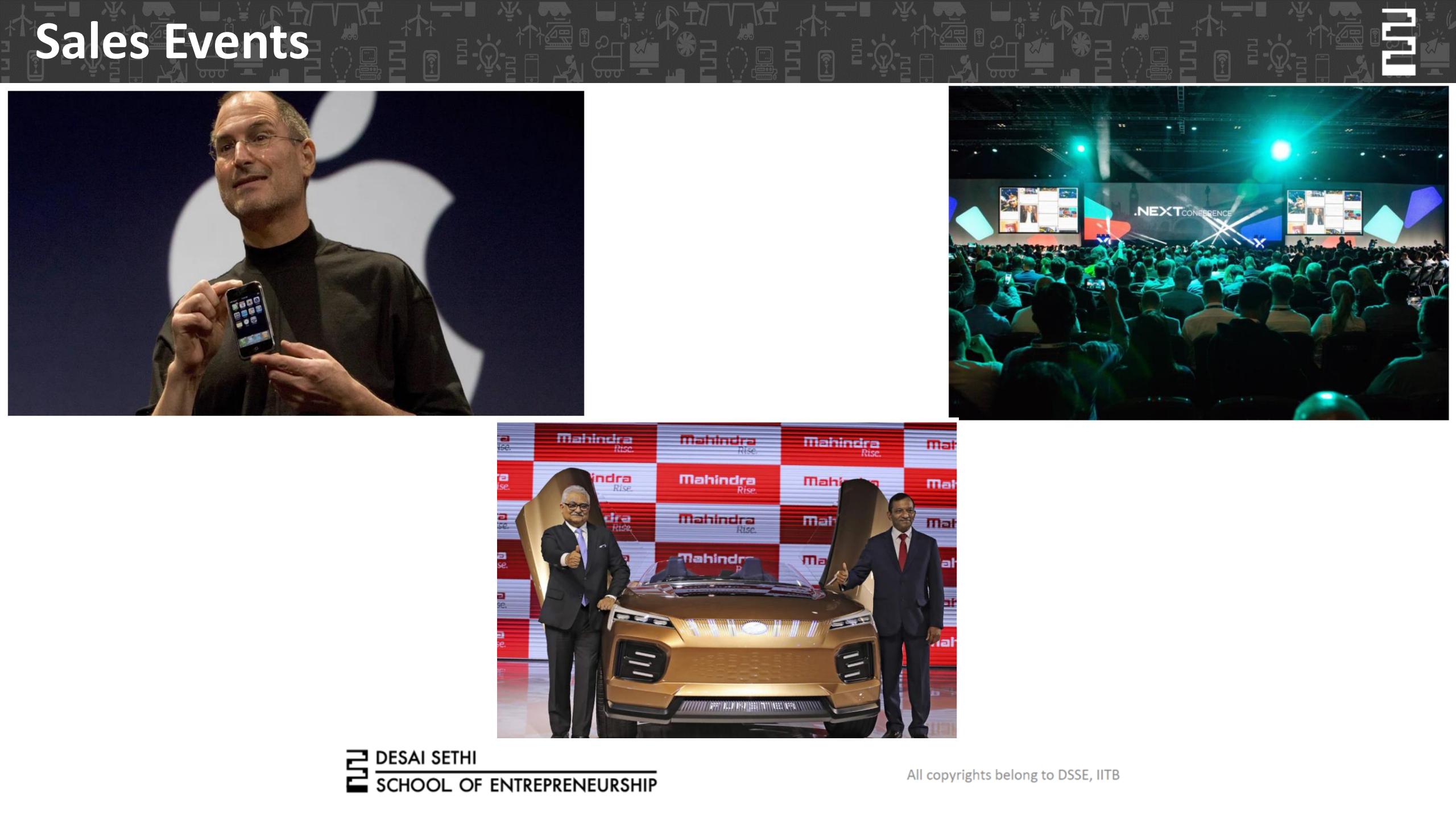
Selling Skills

- Persistence
- Persuasiveness
- Practiced
 - Clinically
 - Analytically
 - Financially
- Listening
- Questioning
- Objection Handling
- Gain Commitment
- Varied presentation skills
 - Small group
 - Committee based
 - Executive-level
 - Staff-level
- Analytical
- Org Skills
- Focused- Hone brevity of interactions

Types of Sales Force



Sales Events



Today's Selling Systems



Today's Selling Systems





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

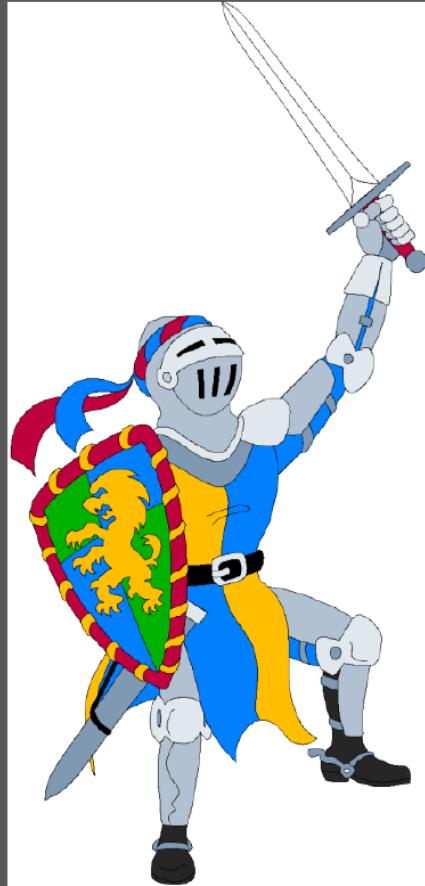


What are the kinds of salespeople?

- “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



Types of salespeople – Professionals

“Professional Salesperson”

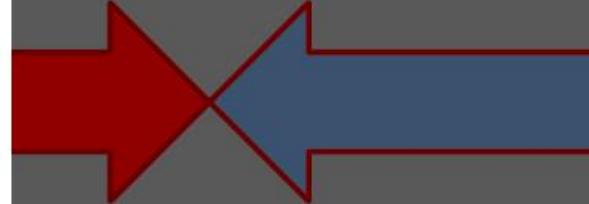
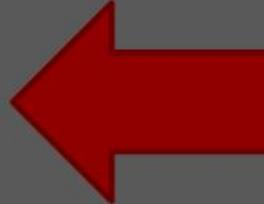
- Usually trained at a big company
- Require support staff to succeed
- Good at taking orders and building relationships
- Expensive



Timing – Need different types of salespeople at different stages



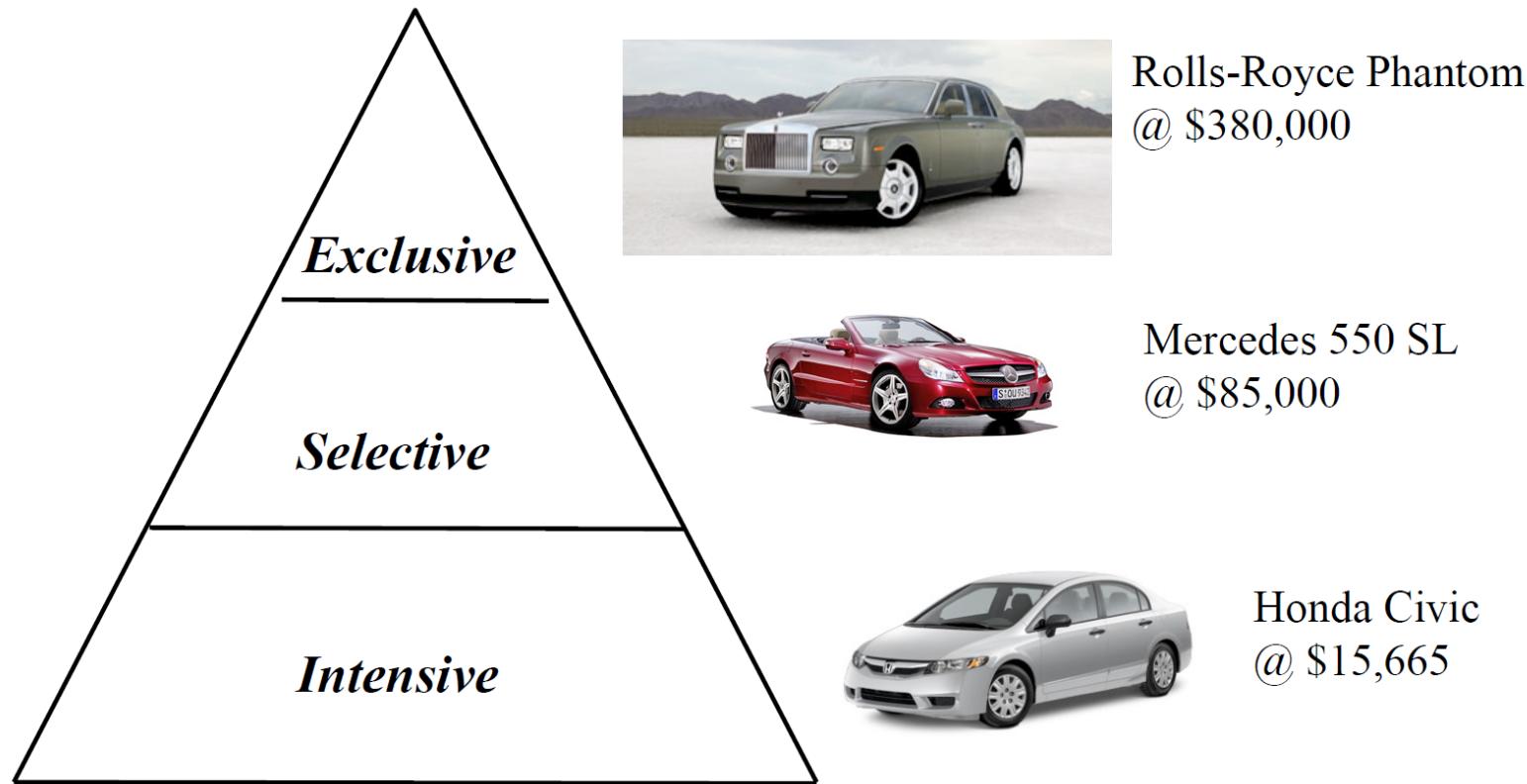
Bootstrap seed series A series B series C exit





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

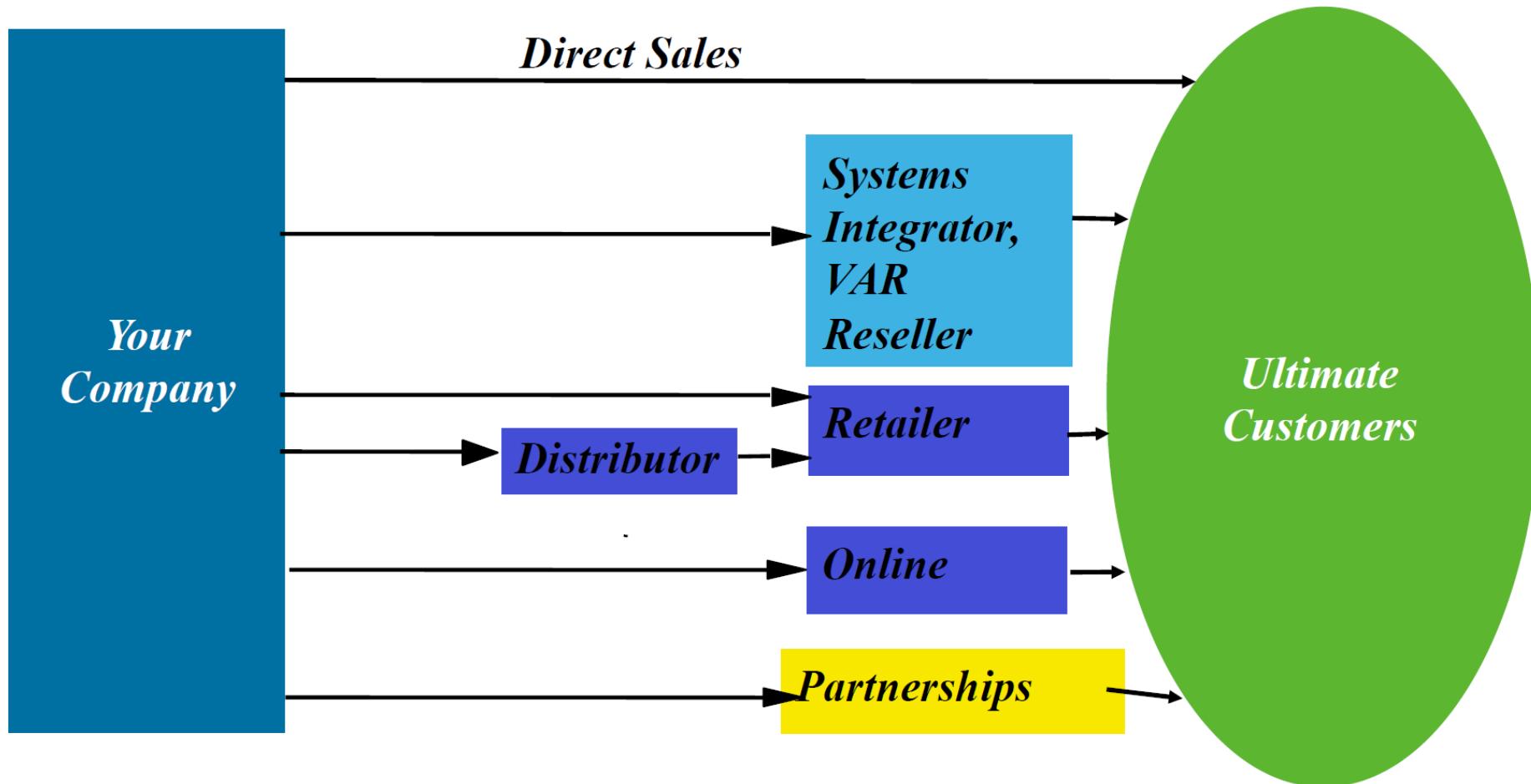
of Outlets





Distribution Channel Decision 2: Channel Mix

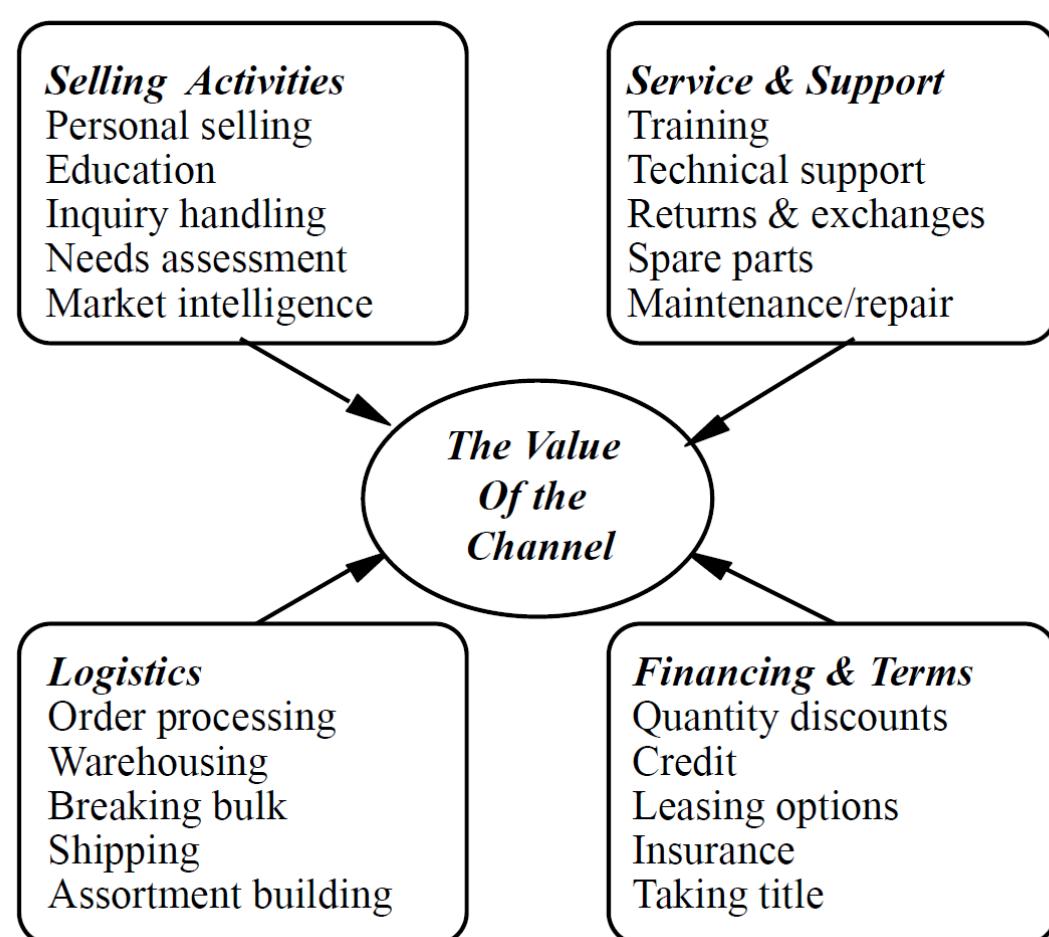
STVP
Stanford Technology
Ventures Program





Distribution Channel Decision 3: Channel Functions

STVP
Stanford Technology
Ventures Program





Distribution Channel Decision 4: Channel Margins

STVP
Stanford Technology
Ventures Program

<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				



Thank you