

## **SALES MANAGEMENT & MARKETING PROGRAM**

### **STUDY GUIDE FOR MODULE ONE**

(A full 'Study & Training Guide' will accompany the Study or Training Manual(s) you will receive soon by airmail post.)

This Study Guide - like all our Training Materials - has been written by professionals; experts in the Training of well over three million ambitious men and women in countries all over the world. It is therefore essential that you:-

- \* Read this **Study Guide** carefully and thoroughly BEFORE you start to read and study Module One, which is the first '**Study Section**' of a CIC Study or Training Manual you will receive for the Program for which you have been enrolled.
- \* Follow the **Study Guide** exactly, stage by stage and step by step - if you fail to do so, you might not succeed in your Training or pass the Examination for the CIC Diploma.

#### **\* STAGE ONE**

Learning how to **really STUDY** the College's Study or Training Manual(s) provided - including THOROUGHLY READING this **Study Guide**, and the full '**Study & Training Guide**' which you will soon receive by airmail post.

#### **\* STAGE TWO**

Studying in accordance with the professional advice and instructions given.

#### **\* STAGE THREE**

Answering Self-Assessment Test Questions/Exercises.

#### **\* STAGE FOUR**

Assessing - or having someone assess for you - the standard of your answers to the Self-Assessment Test/Exercises.

#### **\* STAGE FIVE**

Preparing for your Final Examination.

#### **\* STAGE SIX**

Sitting the Final Examination.

Remember: your CIC Program has been **planned** by experts. To be certain of gaining the greatest benefit from the Program, it is **essential** that you follow precisely each one of the **SIX stages** in the Program, as described above.

**STAGE ONE is your thorough reading of this 'Study Guide'**

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## **ABOUT CIC STUDY and TRAINING MANUALS**

A CIC Study or Training Manual (which comprises 4 or 6 Modules - the first Module of which follows) supplied by the College as part of your Course or Program is **NOT** simply a text book. It must therefore **not** be read simply from cover to cover like a text book or another publication. It **MUST** be **studied**, Module by Module, exactly as explained in the following pages. Each CIC Study or Training Manual has been designed and written by specialists, with wide experience of teaching people in countries all over the world to become managers, administrators, supervisors, sales and accounting personnel, business-people, and professionals in many other fields.

Therefore, it is in **your own best interests** that you use the Study or Training Manuals in the way CIC's experts recommend. By doing so, you should be able to learn easily and enjoyably, and master the contents of the Manuals in a relatively short period of time - and then sit the Final Examination with confidence. Every Study Manual and Training Manual is written in clear and easy to understand English, and the meanings of any "uncommon" words, with which you might not be familiar, are fully explained; so you should not encounter any problems in your Studies and Training.

But should you fail to fully grasp anything - after making a thorough and genuine attempt to understand the text - you will be welcome to write to the College for assistance. You must state the **exact** page number(s) in the Study or Training Manual, the paragraph(s) and line(s) which you do not understand. If you do not give full details of a problem, our Tutors will be unable to assist you, and your Training will be delayed unnecessarily.

Start now by reading **carefully** the following pages about Stages Two, Three and Four. Do **NOT**, however, start studying the first Study or Training Manual until you are **certain** you understand **how** you are to do so.

## **STAGE TWO - STUDYING A CIC MODULE**

### **STEP 1**

Once you have read page 1 of this document fully and carefully, turn to the first **study section** - called **Module One** - of **Study or Training Manual One**. (Note: In some Manuals the term "Chapter" is used instead of "Module").

Read the whole of Module One at your normal reading pace, without trying to memorise every topic covered or fact stated, but trying to get "the feel" of what is dealt with in the Module as a whole.

### **STEP 2**

Start reading the Module again from the beginning, this time reading more slowly, paragraph by paragraph and section by section. Make brief notes of any points, sentences, paragraphs or sections which you feel need your further study, consideration or thought. Try to absorb and memorise all the important topics covered in the Module.

### **STEP 3**

Start reading the Module again from its start, this time paying particular attention to - and if necessary studying more thoroughly - those parts which were the subject of your earlier notes. It is best that you do **not** pass on to other parts or topics until you are **certain** you fully understand and remember those parts you earlier noted as requiring your special attention. Try to fix everything taught firmly in your mind.

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**Note:** You may not wish to, or be able to, carry out Steps 1, 2 and 3 one after the other. You could, for instance, carry out Steps 1 and 2 and then take Step 3 after a break.

## **STAGE THREE - ANSWERING SELF-ASSESSMENT TESTS**

### **STEP 4**

When you feel that you have **fully understood and learned everything** taught in the whole Module (and if necessary after a further careful read through it) turn to the Self-Assessment Test set at the end of it, and read the Questions/Exercises in it carefully. You do not have to attempt to answer any or all of the Questions/Exercises in the Test, but it is **best** that you do so, to the best of your abilities. The reasons for this are:-

- ❁ By comparing your answers with the Recommended Answers printed in the Appendix at the end of the Module, you will be able to assess whether you **really have** mastered everything taught in the Module, or whether you need to study again any part or parts of it.
- ❁ By answering Questions/Exercises and then comparing your attempts with the Recommended Answers, you will gain experience - and confidence - in attempting Test and Final Examination Questions/Exercises in the future. Treat the Self-Assessment Tests as being “*Past Examination Papers*”.

### **Professional Advice on Answering Self-Assessment Test (and Examination) Questions and Exercises**

1. You may answer the Questions/Exercises in a Self-Assessment Test in any order you like, but it is best that you attempt **all** of them.
  2. Read very carefully the first Question/Exercise you select, to be quite **certain** that you really **understand** it and what it requires **you to do**, because:
    - ★ some Questions/Exercises might require you to give full “written” answers;
    - ★ some Questions/Exercises (e.g. in English) might require you to fill in blank spaces in sentences;
    - ★ some Questions/Exercises (e.g. in bookkeeping) might require you to provide “worked” solutions;
    - ★ some Questions/Exercises (called “multiple-choice questions”) might require you only to place ticks in boxes  against correct/incorrect statements.
- In your Final Examination you could **lose marks** if you attempt a Question/Exercise in the wrong way, or if you misread and/or misunderstand a Question/Exercise and write about something which is not relevant or required.
3. Try to answer the Question/Exercise under ‘**true Test or Examination conditions**’, that is, **WITHOUT** referring back to the relevant section or pages of the Module or to any notes you have made - and certainly **WITHOUT** referring to the Recommended Answers. Try to limit to about two hours the time you spend on answering a set of Questions/Exercises; in your Final Examination you will have **only two hours**.
  4. Although you are going to check your Self-Assessment Test answers yourself (or have a friend, relative or colleague assess them for you) practise writing “written” answers:-

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★ in clear, easy-to-read handwriting;

and

★ in good, grammatical language.

The Examiner who assesses your Final Examination answers will take into account that English might not be your national or main language. Nevertheless, to be able to assess whether you really **have** learned what we have taught you, he or she will need to be able to read and understand what you have written. You could lose marks if the Examiner cannot read or understand easily what you have written.

5. Pay particular attention to neatness and to layout, to spelling and to punctuation.
6. When “written” answers are required, make sure what you write is **relevant** to the Question/Exercise, and concentrate on **quality** - demonstrating your knowledge and understanding of facts, techniques, theories, etc. - rather than on quantity alone. Write fully and clearly, but **to the point**. If you write long, rambling Final Examination answers, you will waste time, and the Examiner will deduct marks; so practise the **right** way!
7. When you have finished writing your answer, read through what you have written to see whether you have left out anything, and whether you can spot - and correct - any errors or omissions you might have made.  
**Warning:** some Questions/Exercises comprise two or more parts; make **certain** you have answered **all** parts.
8. Attempt the next Question/Exercise in the Self-Assessment Test in the same manner as we have explained in 1 to 7 above, and so on until all the Questions/Exercises in the Test have been attempted.

**Note:** There is no limit on how much time you spend on studying a Module before answering the Self-Assessment Test set on it, and some Modules are, of course, longer than others. You will, however, normally need to spend between twelve and fifteen hours on the thorough study of each Module - and that time may be spread over a number of days if necessary - plus approximately two hours on answering the Self-Assessment Test on each Module.

## **STAGE FOUR - ASSESSING YOUR ANSWERS**

### **STEP 5**

When you have answered all the Questions/Exercises set in Self-Assessment Test One to the best of your ability, compare them (or ask a friend, relative or a colleague/senior at work to compare them) with the Recommended Answers to that Test, printed in the Appendix at the end of the Module. In any case, you should thoroughly study the Recommended Answers because:-

★ As already explained, they will help you to assess whether you have really understood everything taught in the Module;

and

★ They will teach you how the Questions/Exercises in subsequent Self-Assessment Tests and in your Final Examination **should** be answered: clearly, accurately and factually (with suitable examples when necessary), and how they should be laid out for maximum effect and marks.

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## MARKS AND AWARDS

To assist in the assessment and grading of your answers, the **maximum number of marks** which can be earned for each answer to a Self-Assessment Test Question/Exercise is stated, either in brackets at the **end of each one**.

**The maximum number of marks for any one Test is 100.**

Your answers should be assessed fairly and critically. Marks should be awarded for **facts** included in your answer to a Question/Exercise, for presentation and for neatness. It is **not**, of course, to be expected that your answers will be identical to all those in the Appendix. However, your answers should contain the **same facts**, although they might be given in a different order or sequence - and any examples you give should be as appropriate to the Questions/Exercises as those given in the relevant "Recommended" Answers.

Add together the marks awarded for all your answers to the Questions/Exercises in a Self-Assessment Test, and enter the total (out of 100) in the "Award" column in the **Progress Chart** in the middle of the full '**Study & Training Guide**' when you receive it. Also enter in the "Matters Requiring Further Study" column the number(s) of any Question(s)/Exercise(s) for which you did not achieve high marks.

## GRADES

Here is a guide to the grade your Self-Assessment Test Work has achieved, based on the number of marks awarded for it:

50% to 59%	PASS	60% to 64%	HIGH PASS
65% to 74%	MERIT	75% to 84%	HIGH MERIT
85% to 94%	DISTINCTION	95% to 100%	HIGH DISTINCTION

## STEP 6

Study again **thoroughly** the section(s) of the Module relating to the Question(s)/Exercise(s) to which your answers did not merit high marks. It is important that you understand where or why you went wrong, so that you will not make the same mistake(s) again.

## STEP 7

When you receive the complete Study or Training Manual One\*\* from the College by airmail post, '**revise**' - study again - Module One printed in it, and then turn to **Module Two** and proceed to **study it thoroughly** in exactly the same way as explained in Steps 1, 2 and 3 in this '**Study Guide**'.

When you have completed your **thorough study**, follow steps 4, 5 and 6 for the **Self-Assessment Test on Module 2**.

Continue in the **same way with each of Modules 3, 4, 5 and 6** until you have attempted and assessed your work to Self-Assessment Test 6, and have completed the study of Study or Training Manual One. But - and this is **important** - study the Modules **one by one**; complete Steps 1 to 6 on **each** Module **before** you proceed to the next one (unless during the course of your reading you are referred to another Module).

**\*\*Note:** When you receive Study or Training Manual One by airmail post, it will be accompanied by a 20-page '**Study & Training Guide**' (containing a '**Progress Chart**') which you **MUST read very carefully** before starting your study of Module Two.

## TRAINING ON

# SALES MANAGEMENT & MARKETING

## Module One

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## **THE IMPORTANCE OF SELLING AND SALESMANSHIP IN THE MODERN COMMERCIAL WORLD**

### **Introduction**

Virtually everybody has had contact with selling activities in one form or another since a very early age, and most people - perhaps unknowingly or unconsciously - have made use of one of the prime ingredients involved in selling: **persuasion**.

The small child who has *persuaded* a parent to buy him a toy or an ice-cream or a packet of sweets has, in effect, “sold” the parent the *idea* of buying the item in question; it is then up to a professional salesperson to actually complete the sale. So it is all through life - a candidate has to *persuade* an examiner that his or her knowledge is of a satisfactory standard to merit a pass, a wife might *persuade* her husband to take her to a particular restaurant, a politician might *persuade* electors to vote for him, a television announcer might *persuade* viewers to watch a particular programme, and so on.

You will have noted that in the foregoing examples the “persuasion” resulted in a person or a group of people **taking action** which might not otherwise have been taken. In other words, the “effect” of the persuasion was that people **did something** which they might have had no intention of doing, or were unaware that they could do, or did because they were prompted to take the action. In general, the examples given and the many thousands of similar situations which occur daily - and which we tend to accept as a matter of course - involve the selling of an “idea” or a “concept” to another person or group of people, and there might be **no** question of financial incentive by either party.

However, here we are concerned with COMMERCIAL SELLING activities, which involve persuading people to BUY PRODUCTS (goods and services). In other words, people have to be persuaded **to pay money in exchange for products**. Such activities require the exercise of what is commonly called “commercial salesmanship”.

The planning, organising and controlling of commercial selling activities - and the various types of personnel engaged in performing them - are the prime responsibilities of modern sales and marketing managers. In order to be able to carry out those responsibilities effectively, they need to know:-

- ✳ The importance of commercial selling in the modern commercial world.
- ✳ The “environment” in which commercial selling might be carried out.
- ✳ The work performed by the various groups of people directly engaged in various aspects of commercial selling.
- ✳ The types of products which might be the subjects of commercial selling.
- ✳ The types of people at whom the commercial selling activities are directed.

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Our first three Modules are therefore devoted to the foregoing matters - to lay the foundation for the examination of the "management" of commercial selling activities in later Modules.

## **Profit and the Profit Motive**

The modern world of commerce is very complex. It still revolves around the EXCHANGE of the work and production of people or groups of people for the work and production of other people or groups of people. It is not, however, as simple a matter as it might, perhaps, have been in the dim past when a hunter, for example, might have exchanged - or "bartered" - some of his meat for the produce of a farmer or for the products of a weapon maker.

Today, products - that is, goods and services - are rarely exchanged directly for other goods or services. Instead, they are exchanged for MONEY. Money is simply the "medium" which makes commercial exchanges possible; TO SELL means **to exchange for money**. Money has no "value" in its own right; its value is what it can be exchanged for. No business can survive unless its goods or the services it provides reach those who need those goods and/or services - and who are prepared to **pay for them**.

What is referred to as the "private sector" is made up of many different organizations or enterprises called BUSINESSES. Such enterprises can survive **only** if sufficient of their respective products can be sold - **and at a profit**. The selling of products for money is the **very foundation** of modern business and industry. If, for example, the products of a factory are not sold, then all the effort and the work of the people who designed and made the products would be wasted, and the money invested to make the production possible would be lost.

Businesses must do **more** than simply sell their goods or services. They must receive in exchange for their products **sufficient** money to meet the total value of the many and varied **expenses**, that is, their **expenditure**, they have to incur:-

1. in order to **produce** their goods or to **provide** their services;

and

2. in order to **sell** their goods or services (including salaries and commissions paid to sales personnel, advertising and publicity).

Any business is established and run to achieve a GAIN from its activities for its owner(s). That "gain" is called PROFIT; and those who establish and run businesses are said to have a "**profit motive**".

It is important that you understand clearly what profit is and how it arises. After all, the success of large numbers of sales personnel - both managerial and nonmanagerial - who are employed and paid, is judged not only by the volume of the sales they make, but **also** by how profitable their selling activities are to their employers.

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A simple example will help to make clear to you the concept of profit:

A shoemaker sells a pair of shoes which he has made. With the money he receives for it he buys food or clothing or buys materials or pays the rent of his workshop. What he has done, in effect, is to *exchange* his materials and labour for the materials and labour of **other people**; you should note and remember that money is only the “medium” which makes the exchange easier.

In order to produce his shoes, the shoemaker had to make use of three items: land, labour, and capital, which jointly are called the **‘factors of production’**:

- ★ without **land** there would be no place or workshop for the shoemaker to work;
- ★ without his **labour** no shoes would be made;
- ★ without **capital** there would not be the money which he needs to pay the rent of his workshop, to buy leather, tools, nails, etc, from which to produce more shoes, and to feed and clothe himself until the next pairs of shoes are made and sold.

The shoemaker needs to be sure in advance that his production will bring “back” the money he spent on materials, on labour and on rent - **and** bring a “return” on the capital employed. And it is this **return** which is called profit.

A **return on capital** in the form of profit is **ESSENTIAL**. For capital is nothing more than the results of previous production. If the shoemaker works so well that he sells his products for more money than his immediate needs, he can use that extra money as capital to finance more production.

Exactly the same applies to larger organizations, although on a larger scale, of course, and with the factors which are involved in making profit being more complex. In order to “finance” a business, money must be provided; and the people and organizations who provide the finance - who **‘invest’** in the business - do so with the expectation of receiving a return in the form of profit or interest, some of which can be used to finance further business. However good the products of a business might be or however efficient are the services it provides, **NO** return and **NO** profit can be made **unless they are sold** - hence the vital importance of effective selling and salesmanship.

Some countries, for political or economic reasons, limit (or indeed virtually eliminate) “private enterprise” - the private sector - preferring state control over many, all or most commercial activities. Other countries might actively encourage the growth of their private sectors, although for reasons of national security, economic viability, lack of sufficient capital in the private sector or a lack of profitability for private businesses, their governments might control a “public sector” which provides goods and services for the benefit of their whole populations.

In some countries state-owned organizations might have to compete with privately owned businesses, and might even have to compete between themselves. For example, the state-owned gas corporation might compete with the state-owned electricity corporation to sell cookers and other appliances and to supply heating, etc. State-owned organizations might not have the same “profit motive” as do privately owned businesses, but they still need good and effective sales personnel.

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## Goods and Services

The range of products available “on the market” today - for sale and purchase - can be enormous in many countries. Products can be categorised broadly into being either goods or services.

**Goods** are “tangible” or “physical” items which can be seen and touched; and many of them can be smelt or tasted or heard. Items of goods range from food and drinks to clothes and medicines, from simple items such as paperclips to complex motor vehicles, aeroplanes, computers, satellites and space vehicles, from doorknobs to bridges and oil refineries - the list is endless.

**Services** are often said to be “intangible” because they generally involve the performance of work, only the **results** of which might be seen or perhaps felt. Examples of services include the provision of electricity, the maintenance and repair of machinery and equipment, transportation, insurance and banking services. (Other services are provided by “professionals”, such as doctors, dentists, lawyers, accountants, etc, who do not look upon themselves as being “in business” and who might not actively sell the services they provide.)

In most countries there are usually organizations which produce similar or identical goods, and others which provide similar or identical services. They **vie** or **compete** with each other to sell **their** goods or services to the often limited numbers of customers or clients who are willing or who can afford to buy them. Unless businesses **do** sell their products, they **cannot** survive. By now you will therefore appreciate just how **vital** effective salesmanship - in whatever form(s) it is practised - is to the prosperity of any business, and of course to all those people employed by that business.

## Types of Enterprises

In order to provide the huge variety of goods and services expected by consumers in many countries today, there exists a multitude of enterprises (some of which are privately owned businesses, whilst others are state-owned or run organizations) of many different sizes. Despite the differences in their activities, ownership and sizes, they can all - broadly - be classified into three groups:-

### \* Industrial enterprises

Into this group fall enterprises such as mines, which **extract** raw materials such as oil, coal, iron, etc, which are in general sold to other enterprises for use as power or for use in manufacture. Agriculture and fishing are also classified as extractive. Other enterprises in this group are classified as **processing** or **refining** because they process the raw materials and in so doing alter their original forms into more useful or saleable forms. Other types of industrial enterprises are involved in using the raw or processed materials in the **manufacture** of the wide range of goods available on the market today, or in producing **components** which will form parts of the final or end products of other manufacturers. In addition, there are industrial enterprises involved in **construction** and allied fields.

### \* Trading and Distributive enterprises

The range of enterprises in this group is very wide, but the common activity is the **buying and selling** of the raw materials, components and goods produced by the industrial enterprises. Organizations involved in trading and distribution range from small one-man shops to huge

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supermarkets, department stores and hypermarkets.

Some trading and distributive organizations are involved in **wholesaling**; they purchase products from the producers in large quantities and sell them in smaller quantities to **retail** businesses, which in turn sell them, generally in even smaller quantities, to their customers, who might or might not be the final consumers. Some larger trading and distributive concerns might eliminate wholesalers - often called "middlemen" - by buying direct from producers.

### \* **Service enterprises**

As we have already explained, frequently the services such enterprises provide are "intangible", involving the performance of some work, only the results of which can be seen or felt; examples include banking, finance, transport, maintenance of machinery, etc. Besides those already mentioned, services are provided by such diverse businesses as estate agents, computer bureaux, travel agents, tailors, electricians, barbers, hotels, laundrettes, beauticians, restaurants, and many others.

There are, of course, some enterprises which fall into more than one of the above groups. For example, a business might run a factory and sell the products of its factory from its own shop(s), and is thus both industrial and trading/distributive. Another organization might sell, say, office machines and also provide a maintenance service for those machines, and so is involved in both trading/distribution and in providing a service.

All three classifications of enterprises are *dependent upon each other*. For instance, if there were no industrial enterprises there would be no raw materials available, and there would be few, if any, goods for the trading and distributive enterprises to buy and sell. At the same time, most industrial enterprises depend on trading and distributive businesses to buy and sell to consumers the raw materials, components or manufactured goods they produce. Few, if any, industrial enterprises could operate without services provided by service enterprises (and even most service enterprises require services provided by other service enterprises), and of course if there were no industrial enterprises or trading/distributive businesses there would be few if any customers to buy the services provided by the service organizations.

### **The Vital Role of Commercial Selling**

Depending on its nature, a product might have to pass through a number of stages of development before it is finally SOLD as an "end product" to the **consumer** - the person or organization who will actually make use of it.

The product - or parts of it in one form or another - might have been subjected to "commercial selling activities" at a number of other, earlier stages. For example, the raw materials might have had to be SOLD to a manufacturer of components, and those components might have had to be SOLD to a manufacturer of final products. The latter might then have SOLD the products (in bulk) to a wholesale business, which in turn SOLD them (in smaller quantities) to a retail business.

In this example, the sale to the consumer was therefore the **fifth** sale in what we can call the "*chain of distribution*", involving sales personnel of five different enterprises (and we have not even included the sales of all the varied equipment and services necessary in order to extract the raw materials, manufacture the products, and in their distribution, etc.)

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What you must appreciate is that had any of the sales personnel - whether managerial or nonmanagerial or both - of any one of the enterprises **failed** in their respective selling tasks, the “chain” would have been **broken**. That would, of course, have resulted in “lost” sales and the **income** of money therefrom. That, in turn, could have damaged the finances of some or all of the enterprises in the “chain”, and even the livelihoods of their employees.

It clearly follows, therefore, that the great majority of enterprises - be they industrial, trading/distributive or service - **require** the services of trained and efficient sales personnel of one kind or another. That fact means opportunities in commercial selling are very great for the right people. The importance of **good** sales personnel is well recognised in the modern commercial world, and they are usually in great demand; the really successful sales people (both managerial and nonmanagerial) can command - and can earn - high salaries, commissions and other forms of remuneration, as well as respect.

Having said that, it is necessary to consider what SALESMANSHIP is, and why the standard of salesmanship displayed by the sales personnel - of whatever category - employed by an enterprise can have such an important bearing and impact on its success or failure.

First of all, salesmanship is an ART which requires many **skills**:-

- ★ It takes **skill** to persuade a person (or a group of people) to part with money in exchange for something which he or she might not have intended to buy, or might not even have known about!
- ★ It takes **skill** to persuade a person - or a group of people - to pay for one specific type or brand or make of product - and particularly so if there are competitors offering similar or identical goods or services at similar - or even lower - prices!
- ★ It takes **skill** to counter or overcome objections and hesitations, and to convert “potential” customers who might only be considering buying, into actual **paying** customers.

Those skills, and others required by successful sales people, as well as the techniques which are used to put those skills into practice, are discussed in the following Modules. In addition, advice is given on how those skills and techniques can be developed. It is very often the sales or marketing manager who must train his team of sales staff, as well as encourage them - often by example - to develop those skills which will aid them to succeed in their respective selling tasks.

But first, a word of warning. It is very easy - but very dangerous - to think of SALESMANSHIP as involving or having to be applied **only** by those who actually deal directly with customers - because they are commonly called “salesmen” and “saleswomen”. But that is definitely **not** the case. ALL whose livelihoods depend directly on the SALE of products are of necessity involved, in one way or another, with salesmanship.

## **Why People Buy**

Basically people buy because they have **wants** or **needs** to be filled, and because they expect to secure some BENEFIT from what they buy.

We use the term ‘**motives**’ to describe what prompts people to take certain actions and to behave in certain ways. What are often called ‘**buying motives**’ are the reasons people have for buying

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products - what prompts them to make purchases. There are many different buying motives, and we discuss them in detail in Module 2.

At this stage you should note that the buying motives of consumers - who are the end users of goods or the receivers of services, remember - are very different from those of people who buy for reasons of trade or business. The **selling approach** must be adapted to fit each buyer's motives, and that requires sales personnel to use, or make greater use of, different skills and techniques in selling to different buyers.

Some "wants" are basic in nature, such as food, clothing, medicines, etc, and they are often called **necessities**, and a salesperson's task is mainly to ensure that a customer buys the products which he or she is selling - and not those being sold by competitors. Other "wants" might have to be created, either by advertising and/or by publicity or by sales personnel - potential customers have to be made aware of what is available and the benefits which can be obtained from a particular product, and then the desire - the "want" - to possess or use it has to be created.

### **The Benefits of Products**

From the point of view of the selling process, a **benefit** is something which promotes the welfare of a customer who buys goods or a service. In other words, it is what the product **can do for the customer**. Unless a customer is convinced that a product will provide a benefit, he or she will not buy it.

Benefits of different products might be profit or the saving of time, work or money, or make life more comfortable, enhance appearances, add to status, and so on. Therefore, benefits are closely allied to peoples' motives or reasons for buying.

Instead of trying to sell actual products themselves, a salesperson might have to "sell" their **benefits** to a prospective customer. For example, a sales lady for cosmetics "sells" her customer the benefits of the products - aids to beauty or youthfulness or sex appeal. Although a sale of a "tangible" product might be made, in the mind of the customer she has paid for **what the product can do for her** - its benefits to her - rather than for the product itself.

### **That is the skill of salesmanship!**

There are many different methods which can be employed in selling: from shops, stores, showrooms, etc, either personally or by "self-selection"; by commercial travellers or representatives calling on prospective and established customers, by appointment or going door-to-door; by mail-order; by direct mail; using advertisements and/or catalogues; by websites on the Internet, and so on.

However, unless the sales personnel employed by an enterprise are skilled in the methods used and the techniques needed to sell the **specific** goods/services of that enterprise, many sales will be lost, and the prosperity of the enterprise will be endangered.

To summarise, we can say that salesmanship is the *vital link* between the producers of goods/providers of services and the consumers of the goods and services. Salesmanship is an art which requires many skills in order to create a demand for products, to convince prospective customers that what is being sold will provide them with benefits for which it is worth paying money, and to

persuade them to actually buy.

Never lose sight of the fact that SALESMANSHIP must be practised by ALL whose livelihoods depend directly on the **sale** of products.

That being the case, we now turn our attention to sales personnel, whose success - or otherwise - has such an important bearing on the prosperity and even survival - of the businesses by whom they are employed. As you will see, there are many different types of sales personnel: sales assistants, commercial travellers, those who sell by post (mail-order or direct mail) or by telephone or email, as well as more senior categories, e.g. sales team leaders, sales managers and marketing managers.

Whatever their specific occupations - and those can change at different stages in their careers - they **must** all understand the principles and the importance of "salesmanship", and the qualities which must be possessed for continuous success in selling.

And this applies even to the most senior sales or marketing manager (or director), whether or not he has actually been a salesman at some stage in his career. He cannot expect to be able to train, control, guide and assist effectively the members of his sales team - in short, to get the best from them - if he does not fully understand the nature of their work, the problems and difficulties which they might have to overcome, and the personal qualities which they must develop in order to succeed in their work.

## **SALES PERSONNEL IN 'PERSONAL SELLING'**

### ***The Three Ingredients***

Three basic *ingredients* are necessary before a sale can be contemplated:

1. There must be a **seller** (frequently represented by a salesman or saleswoman).
2. There must be **something to be sold** - a product.
3. There must be a **customer** willing and able to buy.

A simple example will show how the three ingredients must "mix" together if a sale is to take place:

A man goes into town to buy a new shirt. If he finds the menswear shops closed, no sale can take place because there is no seller. If the shops are open but he cannot find the size or colour or style of shirt he wants, no sale will take place because the product is missing. If he does find the right shirt which he wants but the price of it is higher than he is prepared to pay, no sale will take place because there is no customer.

In the modern world of commerce it is not always necessary for all three ingredients to be physically present at the same time but, nevertheless, they must exist or be available. For example:-

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\* Nowadays many products are sold from shops, stores, supermarkets, hypermarkets, etc, on a “self-selection” basis, customers selecting their requirements from products displayed conveniently on shelves or in trays, display cabinets, open-top freezer units, and so on.

Sales personnel might not be available to actually serve customers (although in do-it-yourself and garden centres sales personnel might be available to give advice and guidance if called upon), but salesmanship in one form or another is still very necessary in various circumstances:-

- \* To design attractive packaging which appeals to the eyes of prospective customers.
- \* To lay out the premises and the various units for the greatest convenience of customers.
- \* To decide what products to display.
- \* To design posters, notices, and other publicity materials, to attract the favourable attention of potential customers to specific products.
- \* To create advertisements, promotional campaigns, etc, to attract potential customers into the shop or store, etc, in the first place.

\* In some countries an increasingly wide range of products is sold by mail-order. A prospective customer sees details and/or illustrations of products advertised in newspapers or magazines or in attractively printed (often in colour) catalogues or on the Internet, and orders the items of interest by telephone or by post, fax or email. The goods are despatched to the customer, often on a “buy or return basis” (that is, if the customer does not like any or all of the goods ordered they can be returned by post to the seller within a certain set period). In such cases the seller and the customer might never see each other, and the customer does not see the actual goods until they are delivered. However, considerable selling skill is necessary to design the advertisements and/or catalogues or websites and to offer inducements to the customer to keep the goods ordered - and to pay for them!

\* There are cases in which potential customers require specially made or “custom made” products to a specific design. Such products might not already exist, or have ever existed. The producer’s representatives might have to negotiate with the customer - personally, by telephone, in writing (by post, fax or email) or even through a third party - before agreement is reached. Although the customer ‘wants’ the products, there might be a number of competitive organizations able to produce them. Therefore each must use selling techniques to convince or persuade the customer that it can produce them best, at the best prices, etc.

\* There are also property developers who try to sell houses, apartments, flats, etc, **before** they are even built! Such activities call for the highest skills in selling.

\* Certain services, such as insurance cover, do not exist physically and again great skill is necessary in order to sell them; this aspect is dealt with later in this Module.

In this Section we are concerned mainly with “*personal*” selling, in which a salesperson deals directly (face to face) with customers and potential customers. However, it is most important that personnel engaged in such work appreciate that **there are other people** engaged in **other** - just as important - methods of selling, or in providing assistance or “backup services” which give their own

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personal selling efforts that much more chance of success. Indeed, from time to time in their careers, people engaged in personal selling, particularly those ambitious for promotion, might find it necessary to become involved in, and have knowledge of, other forms of salesmanship or ancillary selling activities.

### **What is meant by 'Personal Selling'**

A person who works in a shop or a kiosk and who attends to or "serves" customers who *know exactly what they want* and who *select it or ask for it by name and/or brand*, is **not** really engaged in personal selling. To be sure, sales in their simplest form - i.e. exchanges of products for money - are made, but such work does **not** require the exercise of the skills of salesmanship. Such work can best be called "*order taking*".

Personal selling takes place:-

- ◆ when the *influence of a salesperson* is exerted "directly" on a potential or prospective customer - or '**prospect**';
  - ◆ when the *art of salesmanship* has to be used to convince that '**prospect**' that the benefits of the product **will** fill his or her wants;
- and
- ◆ when the '**prospect**' *has to be persuaded* to buy - to actually become a CUSTOMER.

Personal selling might be undertaken from shops, stores, showrooms, etc, or by visits to customers and prospective customers in their homes, places of work, etc. In Module 3 we discuss those two types of personal selling, the differences between them and the special qualities required by those involved in the latter type in order to overcome the particular problems they can encounter.

First, however, we examine briefly some of the personal qualities and personality traits which in general are needed for success in personal selling.

**Note:** Purely for simplicity, we often use the word "he" rather than "he or she", and the term "salesman" rather than "salesman or saleswoman", when referring to a salesperson; no disrespect whatever is intended to the many, many excellent saleswomen, and women sales managers and marketing managers!

Whilst reading the following Sections, bear in mind what we stated earlier. Frequently a sales or marketing manager must **train** his or her staff to acquire and/or to develop those qualities and traits which will ensure their success in the sale of the products for which they have been engaged to sell. It follows, therefore, that a sales manager **must** know what those qualities and traits ARE, and why they are needed!

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## **Qualities needed for Success in Personal Selling**

The very essence of personal selling is contact by the salesperson *with people*. It is essential that he (or she) makes a **favourable impression** on all whom he meets right from the onset - even before he starts to talk about the products he wishes to sell. A favourable impression can best be created by presenting a neat and tidy appearance - this does not mean that he must always wear new or expensive clothes, but that what he does wear is neat and clean. Hair should be neat and of a modest style, and men should be properly shaven (if a beard and/or moustache is worn, it should be neatly trimmed). Flashy or brightly coloured clothes should (except perhaps in selling "fashion goods") be avoided - they might attract attention, but the impression created might not be favourable! Attention must also, of course, be paid to personal hygiene.

- \* **Stamina** is required in personal selling, by "outside" salespersons in particular. Sales personnel need to be able to work long and hard without undue stress or strain. But it is not necessarily physical fitness which is essential as much as mental fitness (although one might lead to the other).
- \* Personal selling involves dealing with people, and of course every person is an "individual" with his or her own temperament and character, likes and dislikes, etc. Therefore, **mental alertness** is vital so that a salesperson can react quickly and adapt his approach and his **sales talk** - sometimes called "sales pitch" or "presentation" or "proposition" - to each prospect (prospective customer) with whom he comes into contact. He must be ready and able instantly to counter any objections put forward by prospects, and to answer without hesitation any questions asked about what he is selling.
- \* A salesperson needs **judgement** in order to quickly judge the buying motives which each prospect might have. That decision will indicate the sales talk most likely to appeal to that particular prospect, and the benefits to stress to that person; and also when to move from one step to the next in the process leading to a sale (see Module 2). Personal selling therefore calls for an **adaptable** and **flexible mind**.
- \* **Amiability** is important, as prospects with many different temperaments will be encountered. Many will be friendly, polite and reasonable; but some, unfortunately, will be unreasonable, unpleasant and rude. A salesperson needs to sell to people **whatever** their temperaments, and so no matter what the provocation offered him he must keep his temper and remain calm, polite and amiable. To do that calls for **self-control**, as to repay rudeness with rudeness (however momentarily satisfying it might be for the salesperson) will only result in a lost sale.
- \* **Courtesy**, in speech and manner, shows a consideration for others and creates a friendly atmosphere in which the prospect is likely to reciprocate by listening attentively to the salesperson.
- \* The ability to **speak well** is the vital "tool" of all those who are involved in personal selling, as their task is to persuade and to convince - which must mainly be done through the medium of speech. It is therefore necessary for a salesperson to cultivate a pleasant speaking voice and a confident manner of speech. In addition, a salesperson must be able to speak well and clearly the language(s) of prospects. If a prospect cannot understand, or if he or she misunderstands, what a salesperson says, there is little chance of being able to persuade that prospect to buy or having the confidence to do so.

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The use of “slang” or colloquial terms and expressions can create an unfavourable impression and even cause offence, and so should be avoided by sales people. Unintentional and unwitting offence can easily be given in speaking, particularly if the language being used is “foreign” to one or both of the parties.

- \* Sales people must remember that some face to face “communications” might **not** be just oral (spoken) alone. Thoughts and feelings can be conveyed, both consciously and unconsciously, by facial expressions, such as smiles, yawns, grins, grimaces, frowns, raised eyebrows, etc - and by gestures of a variety of kinds. Even the movement of the eyes can convey an impression; for instance, looking at a speaker implies interest, whilst looking away from him might imply disinterest. All these “unspoken” forms of communication can emphasise or contribute to what is actually being spoken, or even in some cases replace speech; and a wrong facial expression, gesture or movement at the wrong time can cause offence or annoyance.
- \* Unfortunately, a minority of sales people, in their anxiety to make sales, bring the profession into disrepute by making exaggerated and/or misleading claims or statements about what they were selling, ‘pressurising’ people into buying, and by persuading people to spend more or to agree to spend more (e.g. under hire purchase agreements) than they could afford. **Honesty and integrity** are very important in selling, both for the individual salesperson and for the profession as a whole. A salesperson who builds a reputation for honesty in his dealings with his customers/clients is likely to gain the respect and confidence of other prospects, and is likely to be recommended by satisfied customers or clients. A salesperson must also be honest in all dealings with his or her employer; and must keep confidential any information about the employer’s business which is obtained during the course of work.
- \* Coupled with honesty and integrity go the necessity for **consideration** for other people and a **sense of responsibility**. A good salesperson needs to be able to “balance” the effects of his or her activities between the natural desire and vocation to sell, and the real needs and the financial positions of those to whom sales are to be made. To persuade a person to buy more than he needs or can really afford, can harm the salesperson and/or the employing business in the long run, despite the short-term satisfaction of making a large sale. For example, to persuade a shopkeeper to buy more of a product than he can expect to sell in a reasonable time, might cause him financial problems for which he will “blame” the salesperson or the product, and he will be reluctant to buy that product - or to buy it from that salesperson - in the future.

In some cases a sensible salesperson might actually have to persuade customers to buy **less** than they suggest; he will gain in the long-term by his consideration as he will have built up a fund of “goodwill” and “customer loyalty”. An individual who is persuaded by a salesperson to buy a more expensive piece of equipment (a television set or a DVD player, for example) than he can afford, or to buy so much on hire purchase that he will be financially stretched, is hardly likely to recommend that salesman to friends, relatives or colleagues. These matters are referred to again in Module 8.

A salesperson must remember that he has responsibilities to those to whom he sells; for example, he must never knowingly sell anything which could cause harm to a customer, such as suspect electrical goods or toys which contain components harmful to children. He has responsibilities towards his employers: to protect their reputation and those of the products they market. He has responsibilities to others employed in the enterprise for which he is selling; after all, if he fails in

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his selling work, or if in the course of his work he damages the reputation of the enterprise or the products it is marketing, the time and work of the entire workforce could be wasted and their jobs put in jeopardy.

- \* **Reliability** in a salesperson is important, particularly if he is to be able to secure and retain “regular” customers. By reliability we mean the willingness to make only promises - relating to delivery dates, availability, etc - which the salesperson knows **can** be kept. The temptation to make promises which cannot be kept or which the salesperson is doubtful about being able to keep should always be resisted. Frequently the **proven** reliability of a salesperson and the enterprise by which he or she is employed is the deciding factor between him obtaining an order and it going elsewhere.
- \* **Punctuality** is closely allied to reliability, and it is important particularly for sales people who have to make appointments to meet prospects and established customers. Nothing annoys such people more than being kept waiting - except perhaps a salesperson who fails to appear at all! Few people, and particularly busy business people or “professional buyers”, have the time to waste waiting for sales people who do not keep appointments, and they will show their displeasure by refusing to see them at a later time and by placing their orders elsewhere.
- \* A **willingness to learn** is a very necessary attribute for success in personal selling.

A detailed knowledge of *what is being sold* is essential - and this important matter is dealt with at length later in this Module.

In addition, a salesperson needs to learn about his (or her) customers: their likes, dislikes, preferences, buying motives, and so on. He needs to learn from failures - for example, *why was a sale lost?, did he say or do something wrong?, did he misjudge his timing?* - so that he will not make the same mistake again. He needs to learn about his “territory” - who and where his most likely prospects are, what their wants are, etc. He needs to learn about his competitors - what they are selling, in what ways their products are better than those he is selling or vice versa, what techniques they use, what prices they charge, what discounts or credit terms (see Module 8) they offer, and so on.

Furthermore, goods and services are altered or replaced from time to time, new ones are added to the “range” a salesperson sells and, of course, if he changes employers he will have to learn all about different products, new territories, new customers and prospects, and much more.

Knowledge and information are the “*breath of life*” to a salesperson.

- \* Possibly the most important personality trait required by sales people is **enthusiasm**. A salesperson who displays enthusiasm for his work and for what he is selling instils confidence in those to whom he is trying to sell, and thus increases his chances of making sales, because his enthusiasm vitalises his sales talk/presentation. Enthusiasm can also help a salesperson deal successfully with even the most awkward or difficult prospect or customer, and also prevents him becoming discouraged or dispirited by failure. Not every sales talk or presentation - however well done - will result in a sale, and a salesperson must be able to “shrug off” disappointments, to learn from failures and to carry on with the determination to succeed next time.

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## Personality

The various character traits and abilities which we have described, and others, jointly make up a person's **personality**; that is something which is particularly difficult to define and describe. Personality is sometimes said to be the "essence of a man himself", the stamp of his or her own individuality. Personality is most noticeable in the impression which a salesperson makes on the people with whom he or she comes into contact. But personality cannot be rigid, as what might appeal to one person might not appeal to another, and therefore a salesperson must be able to **adapt** his or her manner and approach - and hence personality to some extent - to different people.

There is **no** such thing as a "standard" personality which ensures success in salesmanship. No two salesmen or saleswomen, in fact no two people, have identical personalities, and therefore every successful salesperson has a different personality. However, most successful sales people are aware of their personality traits and have consciously taken steps to improve the "images" they present, by developing their good traits and by suppressing the less favourable ones. And that is what every person engaged in, or intending to become engaged in, personal selling should do.

It is **not** as difficult to do as it might seem.

The first step is for each person to take a long, hard and honest look - perhaps prompted by his or her sales managers - at him or herself and to decide:-

- ★ which good personality features and qualities are possessed and which can be developed, extended and "capitalised upon";
- ★ which traits or qualities are lacking - and so need to be acquired and/or developed;
- ★ what bad habits or faults need to be consciously corrected or suppressed.

The next step is to **take action**. The action that needs to be taken might be physical or mental, or a combination of both. Take a simple example - of self-control. Some people take umbrage very easily, become annoyed quickly and lose their tempers in a flash. Such a "*recipe for disaster*" in salesmanship **can** be overcome; the old saying "*count to ten before you answer*" is very valid, as is "*think before you speak*". Of course, the "counting" must be done mentally in a relaxed fashion so that the customer does not become annoyed by the salesperson's rigidity and silently moving lips. Similarly, a person who is casual about his or her appearance needs to make a conscious effort to appear neat and tidy and to remain so throughout the working day. If speech is not clear, it might be necessary to consciously speak more slowly; in some cases tuition on improving clarity of speech and vocabulary is necessary.

Wherever possible, a sales manager will try to recruit sales staff who **already** possess the personality traits *best suited to selling the particular products concerned*, OR those who appear to have the **potential** to develop those traits. Care and tact must be taken in dealing with these matters, as no person likes having "unfavourable" traits pointed out! How that will be done will depend on circumstances and on the people concerned; each person **must** be treated as an "individual", and be handled accordingly. You should not overlook the fact that the development of "good" character traits in a manager's subordinates can be encouraged if that manager sets them **good examples** to follow.

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The personality and/or physical characteristics which need to be displayed by a salesperson might be “dictated” by the types of products being sold. Such characteristics might not **really** be needed by a particular salesperson, but it might well be that customers **expect** him or her to possess them. In other words, a salesperson will be expected to “match” or suit the products which are being sold.

For example: customers might expect a sales assistant in a sports shop to be physically fit and athletic-looking, in fact “sportsman-like”. Customers of cosmetics expect the ladies selling the products to be attractive and well “made-up”. Customers of a store selling fashion clothes for “teenagers and the twenties” expect the sales assistants to be vivacious and dressed in the latest fashions; conversely, if a clothing store caters for more mature and conservative people, its customers would expect the sales assistants to be well but more soberly dressed and to sell in a quiet, tactful manner.

Salesmen and saleswomen must often, therefore, be capable of displaying - and appearing to possess - the personality traits *expected of them*. On the other hand, some sales people can be more successful than their competitors by being “refreshingly different”. For example, most people have a mental image of door-to-door salesmen as being flashy, aggressive sellers who are hard to get rid of; so a quietly dressed, well spoken, courteous salesman is more likely to be admitted to the homes of prospects. It can therefore be seen that personal selling requires the ability to **adapt** one’s personality to provide the best chances of making sales to different people.

As we have already explained, the task of a person involved in personal selling is to *persuade people to buy* - to persuade them that what he is selling fills their “wants” and provides “benefits” for them. In order to carry out that task successfully a salesperson needs the **power of persuasion**. Some people might be born with a “talent” for convincing and persuading others, but most people have to develop the ability.

There is no one single character trait which gives a person the “power” to persuade others; that comes from the combination of many traits, such as enthusiasm, confidence, consideration, integrity, and so on, which are embodied in a person’s personality.

Persuasion does **not** mean that a salesperson should be aggressive, overbearing or intolerant of others’ views. On the contrary, he or she needs to deal with each customer in a calm, reasoned, confident manner. If a salesperson is **convinced** that what is being sold meets a customer’s wants and will provide benefits for that customer, then he or she stands a good chance of persuading that customer to buy.

## **PRODUCTS**

### **Goods and Services**

Having now considered the salesman or saleswoman - who “represents” the vendor in personal selling in particular - we now turn our attention to what sales people might sell - the **products**. The range of products which might be sold is vast but, as we have already mentioned, they can all broadly be classified into being either goods or services.

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## \* Goods

As we have already explained, are tangible items which prospects and customers can generally see and/or touch - they exist or can be made to exist. Sales people selling goods generally have the advantage of being able to appeal to one or more of the human senses. For example, prospects and customers can be encouraged to taste a food product or a drink; or to smell a perfume; or to listen to a recorded tape or CD; or to look at a painting or a picture on a television set; or to feel the quality or texture of cloth or a carpet.

Even if a salesperson does not have readily to hand a “sample” or a “specimen” of the goods for sale (and, for example, a travelling salesman is limited as to what, if anything, he can carry with him) he or she will probably have printed literature containing pictures or photographs of the goods which can be shown to prospects or customers. (Note the letter ‘s’ at the end of the word “goods”; the word “good” without the final ‘s’ is not used, even for a single item being sold - although of course it can be used to describe the item, e.g. “a very good buy”.)

## \* Services

As we have also already explained, are generally **intangible**, and only their **results** might be seen or felt. A householder, for example, who is sold insurance cover will only “realise” or feel the effect of the insurance if his house is burglarised or damaged by fire, flood, etc - he will, however, have the intangible benefit of security or “peace of mind” afforded by the insurance.

Because of the intangible nature of most services, it is often claimed that it is more difficult to sell them than it is to sell goods. On the other hand, most people **need** many services (electricity, banking, communications, insurance, and many more) and are already **aware** that they are available, so actual selling skills might only be needed when similar services are provided by competitors. Be that as it might, sales people for services require not only detailed knowledge about what they are selling, but they also have to rely heavily on their powers of description, their powers of persuasion and their personalities.

Just as products can be divided into goods and services, they can each be further subdivided into two groups:-

***necessities or essentials***

and

***luxuries or nonessentials***

It is most convenient to look at the two groupings from the point of view of selling first to “individual” consumers, and then to “corporate” users, e.g. businesses and other organizations.

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## **Necessities and Luxuries**

To consumers, NECESSITIES are primarily products which they NEED to buy in order to keep themselves and their families alive and healthy - such products are **essential** to their lives and wellbeing.

In this group we can include foodstuffs which form the “*staple*” diets of large proportions of the populations of various countries, for example rice in many countries in Asia, and yams and maize in different African countries. In other countries people consider reasonable quantities of meat, fish, salt, bread, sugar and various fruits and vegetables as necessary parts of their diets.

Reasonable standards of clothing, appropriate to the climates of different countries, medical and dental services and education might also be classified as necessities or essentials.

Any products which consumers buy which are NOT ESSENTIAL, but which **add to the quality and comfort of life**, might by definition be classified as nonessentials, and thus as LUXURIES.

However, the demarcation line between necessities and luxuries is by no means a clear-cut one, and varies considerably between community and community within countries, and also between countries. Take for example a suit of clothes - to a peasant farmer it would be a luxury, but to a salesman in the same country a suit might be an essential, as he could not perform his work successfully (and thus be able to afford to pay for necessities, and some luxuries) if he did not present a smart, well dressed appearance. Similarly, to the majority of housewives living in some countries an electric cooker or a refrigerator are considered great luxuries, whereas in other, more affluent or developed countries such items are regarded by the majority of housewives as being indispensable, and thus necessities.

As standards of living in a country rise, more and more products once regarded as luxuries become “accepted” as necessities by its population as a whole, or by sections of its population. From the viewpoint of a sales- person, it can be said that:

★ A necessity is any product a consumer buys in order to maintain himself - and/or his family - at the standard of living to which they have **become accustomed** - although that same product might be considered a luxury to other people.

whereas

★ A luxury is anything that the same consumer buys which is **intended to improve** the quality of life and comfort still further (there are, of course, other motives for the purchase of luxuries by consumers, and they are discussed in the Module 2.)

## **The ‘Choice’ Factor**

In general, necessities are products which people buy and use as a matter of course. In the cases of real “basics” very little, if any, salesmanship is needed, as consumers know what they want and can afford, and simply ask a shop assistant for what they want or take it from the shelves of, say, a supermarket.

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However, whenever consumers have a **CHOICE** of makes or brands of necessity items - and that is not always the case with all such products or in all countries - the selling task is for each manufacturer or producer (or the sales force employed) to persuade consumers to purchase **their** products, rather than the products of competitors.

Any product which a consumer does not need or have to buy but can afford to buy, must be regarded by a salesperson as a luxury - as far as **that** consumer is concerned. In general, demand has to **be created** for luxury products, and people have to **be persuaded** to buy them. Therefore, it is with luxury products that the art and skills of salesmanship are required, and indeed are vital.

One area in which a salesperson needs to be able to use **judgement** is in assessing a consumer's *probable standard of living*, and thus what he or she *can afford to pay*.

Take as an example, a salesman selling electric cookers from a showroom. A lady enters the showroom and asks him about the possibility of "trading-in" her present cooker for a new one. He can learn a great deal by finding out from her when she bought her present cooker - if it is old then a new one might be a necessity; but if it is fairly new, the one she is now considering purchasing is a luxury. But the salesman probably sells a range of makes and models of cookers, variously priced. If he first shows the lady a very expensive one, she might be embarrassed because she knows she cannot afford to buy it; but on the other hand if he shows her a bottom-of-the-range cooker, she might be indignant or even insulted.

Therefore, from tactful and amicable conversation - rather than by "direct" questioning which could sound rude - he must quickly try to judge what she can afford to pay for a new cooker. If he makes a mistake, he can easily lose a sale to a more perceptive competitor; but if his judgement is sound, he immediately improves his chances of making a sale.

Before leaving the foregoing example, a word of warning is in order. Sales people must **never** judge a person's probable standard of living by his or her appearance. A poorly dressed person might, in reality, be quite affluent; whereas a well dressed person might not be as affluent as he "appears". It is better to base judgement on what information the prospect volunteers or provides in the course of the "initial" conversation.

When selling luxuries to consumers, it is important for sales personnel to remember that many potential customers have limited incomes. After they have spent or set aside sufficient money to pay for the necessities which they **must** have, they have only restricted sums of money "left over" with which to purchase products which - by them - are considered luxuries. Customers therefore frequently have to make a **CHOICE** between the possibly wide range of products on which they can spend their limited resources.

Many will have "priorities" and they will know what they want or need to buy (although there might be competitive makes or brands for them to choose from), and it might require considerable selling skill to persuade them to change their minds and buy different types of products. Others might not have specific products in mind, but nevertheless will need considerable convincing of the benefits of products offered before they will part with hard-earned money. Yet other people might have decided to save what additional money they have, and again considerable persuasion might be necessary to get them to spend that money after all.

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This very element of **choice** with luxuries (which might hardly exist, or not exist at all with necessities) is why skilful salesmanship and sales personnel are vital. Personnel selling products which are considered to be luxuries by some, if not all, of their prospects, must never forget that if they do not satisfy their prospects, those people can choose not to buy from them, and can buy other products or similar products from competitive sales people.

### **Essentials and Nonessentials**

There is an important distinction between essential and nonessential products which are sold to **corporate users**, e.g. enterprises (or businesses), whether they are engaged in industrial, trading or service-providing activities. The demarcation line between essential and nonessential products is in some cases much clearer with such customers; for example, certain raw materials and components are **essential** for most manufacturers. Efficient services such as electricity, telecommunications, banking, transport, etc, are **essential** for the success of most enterprises, and adequate insurance cover is also **essential** if they are to be able to continue to operate in the event of losses due to fire, theft, flood, etc, or if accidents occur to employees or members of the public.

Although certain products might be essential to certain enterprises, there might be keen and fierce *competition* between those suppliers who are able to meet their requirements. And the larger the customer, the larger the sizes of orders might be, calling for the greatest skills of experienced sales people. Although organizations supplying electricity and butane gas might be state-owned or run (and thus face no competition within their own fields) they might compete with one another and with oil companies, supplying oil or petrol or gasoline (which might also be state-run in some countries), to supply fuel or power to run machinery, plant and equipment in factories, particularly large complexes.

Other products which might be sold to enterprises might not always be readily recognised as being essential or nonessential, and the classification will depend on the nature, size, activities and methods of operation of each enterprise. For example, an organization which hopes to attract affluent and discriminating clients/customers to its premises would find it essential to have those premises well-appointed and furnished, possibly even luxuriously so. On the other hand, an enterprise in a similar line of business but catering for less affluent clients/customers would find more utilitarian and "everyday" furnishings essential - as their clients or customers might feel ill at ease in luxurious surroundings with which they were not familiar.

As another example, consider modern office equipment. Many items, such as electronic calculators, photocopiers, computers, fax machines, and so on, have become essentials in many enterprises. But there are still many other enterprises which do not use some or all of them; either because they cannot afford the equipment, or because their respective managements consider the item(s) nonessential to their operations.

Sales personnel involved with products which can be either essentials or nonessentials to different enterprises, must always be on their guard to ensure that they determine quickly the status of a product to a particular enterprise. Once that has been ascertained, the correct sales approach can be made, concentrating on those "benefits" of greatest interest or importance to the management of that enterprise. Frequently a salesperson can obtain, from various sources, some "background" information about an enterprise to whom he or she hopes to sell and, in any case, observation and attention to what information is provided by representatives of the enterprise can give a good guide on the approach to take which might give the best chances of concluding a sale.

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Some sales people sell only goods, whilst others sell only services (although the types of goods or services they sell might vary as they secure promotion, or change their employers, and as products are changed, new ones introduced, etc.) However, there are some posts in which sales people are employed to sell **both** goods and services.

For example, a salesman for an office equipment business will be expected to sell not only office machines, but also to try to sell *contracts* for the *regular maintenance* of those machines (i.e. mechanics will visit the premises of customers at regular intervals to service and maintain the machines, and will perhaps repair them at little or no cost should they break down). The machines are the goods - physical items, whilst the maintenance (or service) contract is the agreement that the mechanics will provide a service.

The fact that regular servicing facilities are available might be a good *selling point* for the salesman, and help him to sell the machines. At the same time, an office manager who has purchased expensive new machines will want to ensure that they are always in good working order and that they will be repaired speedily should the need arise. Therefore, the salesman has a good chance of selling **both** goods and a service at the same time.

## **Product Knowledge**

Those whom we described as *order takers* need to know very little about the goods which they sell - perhaps just their prices (which might be marked on them in any case) and the sizes or quantities in which they are sold. However, those who must use the art and skills of salesmanship in order to persuade and convince people to buy **need FULL PRODUCT KNOWLEDGE**. That is, **they need to know ALL about the products they are selling**.

Any prospect who has to be persuaded and convinced to buy a particular product is likely to want to obtain information about it before making a decision on whether to buy or not. In personal selling, much of that information must be supplied by a salesperson. Therefore, the prospect will ask **questions** - and will want **answers** to them.

It is essential that those answers are given **fully, clearly and accurately** by the salesperson, and **without hesitation**, so that the prospect will gain confidence in the salesperson and, in turn, in the product. Without confidence a sale is unlikely.

It follows that to be able to answer fully, clearly, accurately and without hesitation any questions asked about his products, a salesperson requires detailed knowledge about them - that is, he needs **full product knowledge**.

The sources from which information will be obtained and learned will vary according to the products being sold and the organizations for whom they are being sold. Some sales people will be given full product knowledge during training provided by the manufacturers/suppliers of the products and/or by their sales managers and supervisors. Information on new products or changes to existing ones might be supplied in printed circulars, leaflets, etc, and in cases in which new products are being "launched" on the market, sales people expected to sell them might have to attend organised seminars or conferences during which full information is provided.

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Some organizations unfortunately leave their sales staff to “pick up” what information they can about the products to be sold, perhaps from leaflets, pamphlets or catalogues supplied by manufacturers/suppliers, or even from colleagues. Such an attitude is very definitely **not** recommended; it shows a lack of understanding of the salesperson’s needs. And worse, sales can be **lost** if the salesperson cannot overcome the problem on his or her own initiative.

A salesman who **knows** that he knows all about what he is selling has greater confidence in himself and in his products; and that confidence will be communicated to prospects - increasing the chances of sales. The wise sales manager will do everything possible to ensure that his sales team members:

- \* have FULL product knowledge;
- and
- \* know HOW TO USE it advantageously.

### **Using Product Knowledge Correctly**

Product knowledge is essential, but it must also be provided to prospects in the RIGHT manner. Here are some points about answering prospects' questions which should be **impressed** upon sales people at regular intervals:-

- \* Answers should be given fully and clearly, *but briefly* - long, rambling and involved answers will only confuse and bore prospects and make them go elsewhere.
- \* Answers should be phrased in an *interesting style* - so that prospects will listen.
- \* Answers must **never** be give in an offhanded or indifferent tone as though the salesperson is *doing a favour* by divulging the information.
- \* Sales people should **never** *talk down* to prospects, who will only become embarrassed by their lack of knowledge.
- \* Answers should **never** be given in a *condescending tone of voice*, which will only annoy prospects.
- \* Answers should **never** be recited in *parrot fashion* or be *rattled out* like a machine gun.
- \* *Mumbled answers* can be misunderstood and can cause annoyance.

You might well recognise some of these “off-putting” faults you have noticed in sales people who have tried - probably unsuccessfully - to sell to you!

Prospects must gain the impression that the salesperson **welcomes** their questions and is happy to answer them. Indeed, the salesperson **should** be, as unless he or she **does** answer the questions to the prospects’ satisfaction, a sale is unlikely to be made.

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In many cases prospects have to be **encouraged** to ask questions, as some people might want to do so but might be shy or embarrassed to display ignorance. An experienced salesperson who knows all about the products for sale will also know the questions most commonly asked about them. He or she can cleverly use that knowledge to answer questions even **before** they are asked! This ability is particularly valuable when it is noted - or sensed - that a prospect wants answers to questions but is shy or nervous about actually asking them. An amiable, understanding approach to the imparting of information can gain an astute salesperson "friends" - and customers.

A salesperson who is hesitant in **giving** answers to questions, or who 'ums' and 'ahs', immediately gives the impression that he is unsure of himself and of his products. And prospects who gain such an impression (which in reality might be entirely false) will **not** gain confidence in the products, and so will probably not buy.

Sales people must be **trained** to reply to questions in a confident and enthusiastic manner, without any hesitation or any display of uncertainty. One effective training method which can be used to achieve the foregoing, is called *role playing*, and is discussed in Module 4.

### **Sales Demonstrations**

The successful sale of many goods requires more than knowledge about them alone. Prospects require **assurance** that what is being offered for sale *lives up to the claims made about it*, that is, that it will perform the function for which it will be purchased. Its ability to do so must be **DEMONSTRATED** to prospects, and the act of doing that is called **DEMONSTRATION**.

When sales personnel are required to participate in demonstrations, they **must** be given adequate training in doing so. It is essential that they are able to demonstrate their products in an **efficient** and **skilled** manner, which will both impress prospects as well as give them confidence in the products concerned. We consider demonstrations fully in Module 2, but at this stage you should note that a demonstration can be defined as:

*"The efficient and skilled handling of an item to convince a prospect that the item is capable of fulfilling the claims made about it - in advertisements and in oral remarks made by the salesperson."*

The word *handling* in the above definition might have slightly different meanings when applied to different products. For example, a salesman of electrical tools must know *how to operate* the electric drill he is selling: how to use it, how to change its attachments and accessories, what the drill can do and what it cannot do, e.g. it might only be able to bore through certain thicknesses of wood or metal. Similarly, it is useful if a computer salesman can type on the keyboard, and it is essential for a car salesman to be able to drive, and so on. In some cases salesmen might also need 'technical' knowledge, that is, knowledge not only about what products can do, but how they do it - how they work. Circumstances will, of course, vary considerably from product to product, which are reasons why sales people need flexible minds and adaptability.

Another important matter which sales people must not be allowed to overlook, is that different prospects might want different information about the same product. For example, a husband considering the purchase of a new car or automobile might ask the salesperson questions of a technical nature about its performance, its new or special features, its fuel consumption, etc. His

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wife, however, might be more interested in the colours of the car and the upholstery available, and will ask the salesperson about those matters.

In the course of his work, a salesman might meet prospects who know little or nothing about what he is selling, and others who know a great deal (and the latter situation applies in particular to “professional buyers”, to whom reference is made again in the Module 2) and so the salesman must be prepared and able to *adapt* his style of giving information to the demands of each individual prospect.

### ***Product Knowledge in Practice***

Bearing in mind all the matters covered so far, let us now consider what information a salesperson employed to sell butane gas operated cookers from a showroom would need to know - to be taught - about **each model** for sale. The following list is by no means exhaustive, but gives you a good example:

- ★ Its model name.
- ★ The name of its manufacturer.
- ★ Whether it was manufactured in the country concerned or whether it was imported - if the latter, the country in which it was manufactured.
- ★ The features of the particular model; e.g. its dimensions, the number and sizes of its gas rings, the size of its oven, whether it has a timing device, a thermostat, or a self-cleaning oven, etc, the range of colours in which it is manufactured (and which are available in stock), whether it operates on ‘mains’ or ‘bottled’ gas and, if necessary, whether it can be converted from using one to the other to suit a customer’s requirements, and so on.
- ★ In what respects the model is superior - or otherwise - to other models on display and/or being sold by competitors, whether produced by the same manufacturer or others; for instance, is it particularly economical in the usage of gas, or does it incorporate without additional charge features for which extra will have to be paid if required with other makes or models - or vice versa in either of the two cases.
- ★ The period of validity of the manufacturer’s *warranty* or *guarantee* (see Module 7) and what after-sales service is provided.
- ★ Service and repair facilities available, and the cost of service contracts; the availability of spare parts, especially if the cooker is imported.
- ★ The price of the model, and how it compares with the prices of other makes or models (including those being sold by competitors).
- ★ What discounts - reductions in price (see Module 8) - are offered for cash payment or what special price reduction is being offered.
- ★ What accessories are available; for instance, rotisserie, smell extractor, wheels or castors, etc,

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and their prices.

- ★ Whether the trade-in of an old cooker would be arranged and/or whether hire purchase facilities are available (see Module 8).
- ★ How quickly delivery and/or installation can be arranged, and whether there are any additional charges for either or both.

Of course, the salesperson will probably be employed to sell a number of different models of cookers, possibly produced by different manufacturers, so he or she will need to learn - to be taught - at least as much as we have listed about **each one!** Furthermore, special features, prices, etc., change frequently, and therefore the salesperson must always be provided with the most up to date information to pass on to prospects.

In order to sell one of the cookers, a salesperson will have to do more than just talk about it to prospects; he or she will have to demonstrate it, and be able to do so skilfully and efficiently. To show how that might be done, we take this same example a stage further in Module 2.

### ***Product Knowledge of Services***

Full product knowledge is as important, if not more so, with services as it is with goods. Services are intangible and cannot be seen or touched, and a salesperson therefore has nothing to show to prospects, except perhaps printed pamphlets, etc, explaining the benefits of the services concerned. Rarely is a demonstration possible with a service, and therefore those selling services have to rely on their **knowledge** and on their **powers of speech** and **persuasion** to a greater degree than do other sales personnel.

The benefits of many services are well known and accepted, such as banking (although in countries in which banks are privately owned and run they might compete with each other for customers, although mainly through advertising and not by using personal selling), and the maintenance of machinery and equipment mentioned earlier. However, that is not the case with all services which are nowadays available.

As an example of the high calibre of salesmanship required to sell a service, let us consider *life assurance* or *life cover*.

This is a specialised form of insurance, designed to reduce - as far as money can do - the effects which the death of a person will have upon members of his or her family or on other people, and/or as a form of saving. Motor vehicle insurance is compulsory in most countries, and most people appreciate the necessity for burglary, fire, travel, accident, and many other forms of insurance in the right circumstances, and will contact an insurance company or broker when cover is required. But life assurance is generally a "voluntary" matter, and people have to be made to understand the benefits which can accrue from the different types of life cover which are available nowadays.

Life assurance salesmen and women (or *agents* as they are commonly called) generally try to sell to youngish people - those who are perhaps just getting married, or couples expecting babies or who have young children, and so on. Consider these problems or forms of "sales resistance" which are likely to be encountered by agents:-

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- \* Many young people cannot conceive of an early death, and so they need considerable convincing of the necessity to provide for members of their families in the events of their untimely deaths.
- \* It is young people, too, who can probably least afford to commit themselves to paying sums of money month after month for anything between ten and fifty years, even though to do so can also be a method of saving for retirement and old age.
- \* Very many people have a superstitious aversion to providing against the contingency of their own deaths or of those of close relatives.

A life assurance agent has few tangible items to show to his or her prospects; except perhaps for statistics and tables of how small premiums paid can result in large payments being made by his or her company in years to come, or if death should occur earlier. A sale of a life assurance policy can therefore only be made if the agent can convince prospects by fluent and descriptive speech - which will enable them to “visualise” (to see in their minds’ eye) - of the importance and the advantages of “providing for the future”.

The agent needs to be able to speak well and at length, in a pleasant manner. Great patience and perseverance are required as it might be necessary for the agent to call on and meet the same prospects a number of times before a sale is made, going over the same points again and again (perhaps using different wording each time).

An agent needs to be mentally alert and physically fit. And above all, considerable knowledge of the various types of assurance cover provided by the company is needed, so that he or she can advise the most suitable policy to meet the circumstances and pocket of each different prospect, and so that **every** question that might be asked about life assurance in general and about specific types of policy or cover can be answered convincingly.

Agents are generally given thorough training by the assurance companies by which they are employed or whose policies they will be attempting to sell. Nevertheless, they need the help of their sales managers in developing the art and skills of salesmanship, and their own personalities, to very high degrees if they are to succeed in this exacting - but very rewarding - area of selling.

## SELF-ASSESSMENT TEST ONE

You will find **Recommended Answers** - against which you may assess and compare your own answers to the Questions in this Test - in the **Appendix** on page 35. The maximum mark which may be awarded for a Question in this Test appears in brackets at the end of that Question. Do **NOT** send your answers to these Questions to the College for assessment.

**No.1.** Explain briefly the importance of the selling function to any enterprise in the private sector.  
(maximum 20 marks)

**No.2.** Explain clearly the differences between goods and services. For what reasons is it often claimed that it is more difficult to sell services than it is to sell goods?  
(maximum 20 marks)

**No.3.** Why must a salesperson:

(a) be mentally alert, and (b) be able to use judgement?

Why are (c) punctuality and (d) reliability essential in personal selling?

(maximum 30 marks)

**No.4.** Why do you consider that it is important for a salesperson to possess full product knowledge? Assume that, as a sales manager, you are training sales personnel to sell bicycles, and list ten different pieces of important information you would need them to have about each make or model of bicycle they are employed to sell.  
(maximum 20 marks)

**No.5.** Place a tick in the box  against the **one correct** statement in each set.

(a) *The "profit motive":*

- 1  applies mainly to businesses which are involved in transporting goods and passengers.
- 2  is what impels religious people to foretell the future.
- 3  is what drives the wheels of commerce and industry and encourages people to establish and run businesses.
- 4  is more important in the private sector than in the public sector.

(b) *Service enterprises:*

- 1  do not require the exercise of salesmanship in the selling of their products.
- 2  offer products which are intangible, and only the results of their provision can be seen or felt.
- 3  are mainly involved with the security and defence of a country.
- 4  offer for sale a very wide range of goods.

(c) *A "benefit" of a product in the selling context is:*

- 1  what it can do for a customer who purchases it.
- 2  an advantage in price or quality it has compared to similar products.
- 3  the amount of gain or profit resulting from the sale of it.
- 4  its demonstration to a prospective customer.

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(d) The term “personal selling” refers to:

- 1  the conduct at an interview of a prospective new member of the sales team.
- 2  the method of selling by customer self-selection commonly used in supermarkets.
- 3  advertising for the services offered by a recruitment agency.
- 4  a situation in which the influence of a salesperson is exerted directly on a prospective customer to persuade him or her to buy.

(e) A “staple” product:

- 1  produces a regular volume of sales, which does not vary greatly.
- 2  is one which many people consider to be a luxury item.
- 3  is necessary to sustain the lives of large numbers of people in a particular country.
- 4  is sold to offices and used to affix papers to one another for ease of filing.

(2 marks for a statement correctly ticked - maximum 10 marks)

## **RECOMMENDED ANSWERS TO SELF-ASSESSMENT TEST ONE**

**No.1.** No enterprise in the private sector can survive unless its products are sold and at a profit - as only the proceeds from the sales of its products will enable it to pay and/or recover its operational expenses and to finance future operations. Whether an enterprise is involved in industrial, trading/distributive or service-providing activities, it is only the selling function which can convert its products "back" into money. The selling function cannot alone ensure the profitability of an enterprise; but unless sales are made, that enterprise stands no chance at all of prospering or surviving.

**No.2.** Goods are tangible products which can be seen and generally touched, and some may be smelt or tasted or heard; in other words they are discernible by the human senses.

Services are also products but they are generally intangible in that only the results of the services provided can be seen or felt; for example, insurance cover may provide a person with peace of mind, but the effect of the service paid for will only be felt should the event insured against become reality. It is often claimed that it is more difficult to sell services than it is to sell goods because of the intangible nature of services.

A salesperson selling a service has nothing physical to show a prospect, except perhaps for printed literature, and cannot appeal to any of the prospect's senses: sight, touch, taste, smell, hearing, as might be done with goods. A service cannot be demonstrated to prospects, as can many types of goods. A salesperson selling a service therefore has to rely heavily on his or her powers of description and persuasion in order to convince prospects to pay for that service.

**No.3.** (a) A salesperson needs to be mentally alert so that he (or she) can react quickly to different prospects and customers, who have different characters, buying motives, etc, and so that he can adapt his approach and presentation to each person's requirements. Prospects may not volunteer information about themselves, and so a salesperson must be alert for any signs or indications in a prospect's manner or response to his approach which will guide him on how to modify - rapidly - his presentation, to give himself the best chance of selling to that prospect.

(b) A salesperson needs to be able to judge a prospect's buying motives, to judge what benefits or features of a product to stress to a particular prospect, and to judge when the time is right to move from one step to the next in the process leading to a sale.

(c) Many sales people have to make advance appointments to meet their prospects and customers, at specific times on stated dates. If they do not arrive on time for their appointments they will annoy, indeed infuriate, those on whom they had arranged to call. The prospects/customers are likely to refuse to see the offending sales people at later times, may refuse to buy from them and go so far as to place orders elsewhere, and may even make a complaint to the sales manager concerned. Punctuality in keeping to promised delivery dates, etc, is also important if the goodwill of customers is to be nurtured and retained.

(d) Business relationships, and particularly regular customers, are built up on trust; trust that a salesperson will not make false promises about delivery dates, trust that a salesperson will not make false or exaggerated claims about products, and so on. Customers can place trust in sales people who demonstrate their reliability by never making promises which they cannot keep, and by never making claims or statements which cannot be substantiated; and customers

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will not only keep buying from reliable sales people, but will also recommend others to buy from them.

**No.4.** A person considering, or being asked to consider, the purchase of a nonessential item may well require information about it, and in personal selling will turn to a salesperson to provide that information. Unless a salesperson can answer fully, clearly and without hesitation any questions asked about the products for sale, it is unlikely that prospects/customers will be satisfied or be convinced enough to buy. Furthermore, full product knowledge gives a salesperson confidence, which is “transferred” to the product and to prospects and customers, giving them the confidence to buy the product.

Information your sales personnel would need about each model of bicycle for sale would include:-

- \* Its model name, the name of its manufacturer, whether locally made or imported and, if the latter, from which country.
- \* Information about the manufacturer, e.g. its reputation for reliability, warranty or guarantee offered.
- \* Special features of the model, the materials of which it is made and how the materials affect quality, reliability, durability, and price.
- \* How the model is superior, or otherwise, to other models made by the same manufacturer or by competitors.
- \* Sizes in which the model is made, which sizes are in stock, whether available for males, females or both, what accessories are included in the price.
- \* Price, discounts, credit terms, any part-exchange or hire purchase facilities available, costs of any accessories not included in the price of the bicycle.

(**Note:** Your answer should have included at least ten types of information which your sales people might have to provide, and the above list is not exhaustive.)

**No.5.** The right statement from each of the sets selected and ticked:

- (a) 3  (b) 2  (c) 1  (d) 4  (e) 3

## **WHAT YOU WILL LEARN IN MODULES 2 TO 12 OF THE CIC SALES MANAGEMENT & MARKETING PROGRAM**

### **Module 2 - Buyers**

Differences between:  
consumers and  
commercial buyers  
Buying motives of consumers  
The importance of recognising buying motives  
Adapting sales presentations to appeal  
to different buying motives  
Buying motives of commercial buyers  
Commercial buyers who are also sellers  
Professional buyers  
The characters of buyers:  
appealing to and dealing with different  
temperaments encountered in buyers  
Securing and retaining regular customers

### ***The Steps in a Selling Transaction***

Attracting favourable attention to a product  
Arousing and maintaining interest in the product  
Creating and fostering a desire to buy the product  
Convincing prospects of the benefits of the product  
Persuading the prospect to buy - creating a customer  
Leading prospective consumer customers and  
commercial buyers through the five steps  
practical examples

### ***Sales Displays and Demonstrations***

**59**

The importance of attractive displays:  
essentials for effective displays  
Window displays:  
construction  
important features  
Interior displays:  
important features  
security precautions  
Displays as sales aids  
The meaning and importance of demonstration  
The steps in a demonstration examined  
Practical example of a demonstration

### ***Related and On-going Sales***

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What related sales:  
their value to sales personnel

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When and how to try to make related sales  
 When not to attempt to make related sales  
 Incentives to customers to buy related items  
 Possibilities for making on-going sales  
 Regular custom discount

### **Module 3 - Travelling Sales Personnel**

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Comparison between the work of internal sales personnel and travellers:  
 environment  
 hours  
 prospects and customers  
 sales aids  
 assistance  
 Special personal attributes required by travellers  
 Finding prospects:  
 sources and leads  
 Researching the territory and prospects  
 Getting to see new prospects:  
 making appointments  
 telephone techniques  
 follow-ups  
 Planning sales journeys  
 Follow-ups  
 Journey cycles  
 Sales reports and records

### **Module 4 - Basic Principles of Management**

What management is  
 The purpose of management  
 The technical aspect of a manager's job  
 The managerial aspect of a manager's job  
 The general functions of management:  
 planning  
 organising  
 co-ordinating  
 motivating  
 controlling  
 Objectives and policies:  
 interpretation

### **Recruiting and Training Sales Personnel**

Sources of recruitment:  
 internal recruitment  
 external recruitment  
 Job descriptions  
 Employee specifications  
 Advertising for sales personnel  
 Employment application forms

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Employment interviews:  
    why they are held  
    their aims  
    why they must be planned  
    matters to consider in conducting them  
        if their aims are to be achieved  
Selection and appointment  
The induction process:  
    what it should seek to achieve  
    what is involved  
    the importance of good procedures  
Training sales assistants and travellers:  
    types and methods of training:  
        classroom training  
        practical training  
        role playing

### ***Module 5 - The 'Market' and Market Research***

What the market comprises:  
    ready-made markets  
    market creation:  
        practical example  
What market research seeks to ascertain  
Consumer research  
Market surveys  
Advertising research  
Test marketing  
The need for and the cost of market research  
The affect of competition on the market:  
    determining its strength:  
        present and future  
How some businesses can overcome competition

### ***Pricing Considerations***

Factors which affect the prices of consumer products  
Costs involved in manufacture and distribution  
Costs of storing and safeguarding products  
The product and the demand for it  
Prices of competitive products  
Profit considerations:  
    long-term or short-term  
Government intervention:  
    buying and price restrictions  
    customs duties  
    import or exchange controls  
The psychological attitude of buyers  
Brand image and loyalty

### ***Module 6 - Sales Forecasting and Planning***

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What forecasting involves  
Why it is necessary  
The relationship between forecasting and planning,  
and other stages in the business cycle  
Factors to be considered in sales forecasting:  
limitations of forecasts  
Forecasting sales of durable products  
Forecasting sales of fashion goods

### ***The Product Life Cycle (PLC)***

The meaning of PLC  
Stages in a typical life cycle examined:  
introduction  
growth  
maturity  
decline  
Implications for management of PLCs

### ***Budgets and Budgetary Control***

What budgeting is  
Benefits which can accrue to the sales department and  
the enterprise as a whole from accurate budgeting  
Limiting factors to consider in budgeting  
Obtaining data for sales budgets:  
the relationship with sales forecasts  
Production and cash budgets:  
the interrelationship with sales budgets  
Budgetary control by the sales/marketing manager  
Budget review statements:  
factors to be taken into account  
Dangers of an inflexible attitude to budgets

### ***Module 8 - Credit Terms***

Monthly accounts  
Fixed periods of credit  
Budget accounts  
Credit cards:  
issued by banks  
issued by credit card companies  
In-store credit cards:  
building customer loyalty  
Leasing, contract hire/rental  
Instalment selling:  
credit sale agreements  
Hire purchase:  
special features  
Consumer protection acts  
The importance of credit to industry and commerce:  
how it helps consumers too

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Dangers in allowing credit  
Credit policy and credit limits  
Credit control by the sales manager:  
    keeping sales staff up to date with credit policy  
    ascertaining creditworthiness of new customers

### **Discounts**

Trade discount to wholesalers and retailers:  
    why it is offered  
    RRP and list prices  
Quantity discount:  
    why it is offered  
    possible dangers  
Distinguishing between trade and quantity discounts  
Cash discount:  
    circumstances in which it might be offered  
Regular custom discount:  
    retaining regular customers  
Prompt payment discount:  
    why it is offered  
Trade-in or part exchange  
Keeping sales staff fully informed about discounts

### **Module 9 - Advertising & Publicity, PR and Sales Promotion**

The aims of advertising and publicity  
Media:  
    selecting the most suitable and effective  
Indirect advertising and publicity  
Direct advertising and publicity  
Advertising to suit the product, features to stress  
The essentials of advertising  
Guidelines for advertisement content and design  
The importance of effective packaging  
Countering falling sales:  
    advertising research  
Advertising agencies:  
    services offered  
    advantages and disadvantages to their employment  
    costs and charges  
The aims of sales promotion campaigns  
Special offers:  
    price reductions  
    extra quantities  
    making use of wrappers and sections of packages  
    discount vouchers  
    trading stamps  
    competitions  
    sponsorship  
The loss leader concept  
Keeping subordinates in the picture  
Public Relations:

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- the scope and objectives of PR
- the meaning of “publics”
- how PR differs from advertising
- how PR differs from sales promotion

Holding ‘sales’:

- price reductions

Exhibitions:

- designing stands
- training sales personnel to “man” stands

### **Sales Letters, Circulars and Literature**

- Objectives of sales letters
- Layout, appearance and contents of sales letters
- Styles of writing
  - training sales staff to write good letters
- First approach sales letters
- Follow-up letters - the offer of something more
- Circulars - personalising circulars, word processing
- Catalogues
- Leaflets
- Price lists

*This section includes eight specimen letters and circulars*

### **Module 10 - Sales Records**

- What sales records are:
  - their importance and their uses
- Maintaining sales records up to date:
  - sources and methods of obtaining data
- The sales office:
  - organization and control
  - sources of information
  - processing data received
- Sales graphs and statistics:
  - types and uses
  - practical examples
- Computerised sales records:
  - advantages in using computers
  - tailor-made and applications programs
  - database packages:
    - report design
  - practical example of computers in sales recording
  - bar-codes and their uses
  - magnetic strips and smart cards

### **Module 11 - Developing a Sales Team**

- What diversification entails
- Expansion into new areas
- Locating new market areas
- Becoming established in a new area:

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- selecting the premises
- recruiting sales staff
- the area/branch sales manager
- the sales team leader - duties
- surveying the area
- setting sales territories
- advertising and publicity
- sale or return terms
- training the new sales force
- allocating sales territories
- Encouraging and supervising the sales team
- Setting sales targets
- Assisting sales team members to achieve targets
- Controlling sales teams
- Sales conferences and conventions
- Sales seminars
- Communication
- More complex sales organizations,  
the 'group' sales manager

### **Sales Force Remuneration**

Methods of remuneration:

- salary-only terms
- overtime or alternatives
- commission:
  - varying sizes according to circumstances and products
- commission-only terms:
  - assurances sales personnel need
  - variations to the basic method
- salary plus commission terms
- methods of remunerating sales team leaders/supervisors

Bonuses:

- individual and collective
- practical example

Benefits

Allowances:

- for transport
- for accommodation/meals
- for entertainment
- for travel
- the need for control over expenditure/claims

Fringe benefits:

- what they might be and why they are provided

Remuneration policy:

- the sales/marketing manager's concern
- top management's problem in formulating an acceptable policy

Promotion of sales personnel:

- vertical promotion
- horizontal promotion
- promotion opportunities as motivating factors

## **12. Export Selling**

Reasons for engaging in export selling  
Visible trade and invisible trade  
Balance of trade  
Balance of payments  
Import controls  
Exchange control  
Rates of exchange  
Customs duties  
Researching and determining overseas markets:  
    local demand  
    social and economic standards  
    factors which increase prices in export markets  
Special problems in overseas selling  
Advantages to enterprises of exporting  
Methods of selling overseas:  
    buying agents  
    export houses  
    overseas agents  
    licensing overseas manufacturers  
    export departments  
Methods of payment for exports:  
    documentary bills of exchange  
    letters of credit  
Internet export selling/trading

### ***The Marketing Concept***

Customer orientation  
Co-ordinated selling efforts  
Customer satisfaction  
Conclusion