

Selling skills (of products/ services)

Direct selling – advantages and disadvantages (can I and do I know how to sell my own products?)

The organization and management of such forms of distribution shall be based on the finding of ingenious and efficient solutions capable of ensuring the manufacturer's direct contact with the end-user, such as:

- Own network of shops and/or warehouses;
- own staff specialized in the distribution of products directly to end-users;
- the use of a direct communication technique with the end-user, which would require a rapid or at least short-term response by providing the means to send this response directly to the undertaking.

Relatively few producers are tempted to organize their own and extensive network of warehouses and/or outlets, mainly due to problems with their management and questionable economic efficiency.

Manufacturers usually set up at the gate a store for the presentation and sale of their own products and, in certain situations, can expand through warehouses and/or sales outlets implemented in areas of particular commercial interest. Consumer attraction is mainly achieved through the slightly lower prices practiced by such sales outlets.

The use of own personnel specialized in the distribution of products directly to final consumers is also known as **direct selling**. The paid representative (salespeople) goes to the potential buyer (home, job, etc.), can provide and perform demonstrations on the use of the product.

Techniques and ways of selling (to whom will I sell?)

The salespeople visit to the client/ consumer may be replaced by a technique of direct communication with the end-user, through which he receives the necessary information about the offer and can send a possible order directly to the manufacturer. **This is known as distance selling.**

in this case, the seller is using several multiple communication techniques. This constitute the main element of **differentiation of the methods used:**

Advertising letter;

mail sale by means of a catalog, floppy disk, CD, or, more rarely,

Videochat;

distribution of unaddressed prints;

announcement in the press, possibly accompanied by a response coupon;

telephone call;

message on the Internet;

selling on platforms such as Amazon,

fax message; teletext; television (sale by means of television broadcasts), etc.

Distance selling does not imply the physical presence of the seller (manufacturer) and the buyer in the same place and proves to be effective due to the partial replacement of the physical distribution of the products with the distribution of the information about the offer.

Direct selling is often used by some producers, artists, painters

Indirect selling systems (what are they? under what conditions is it good to call them? how much does it cost me?)

Two types: 1. wholesale intermediaries; 2. Functional intermediaries

Wholesale intermediaries are present in distribution channels with intermediaries, they mainly connect the manufacturer with retail intermediaries.

The nature and subject-matter of the functions undertaken within the distribution channel differentiates wholesale intermediaries into functional intermediaries and wholesale companies.

Functional intermediaries are limited only to performing certain wholesale functions, such as contacting customers, transporting products and prospecting the market.

Wholesale companies buy large quantities of products from the producer (importer), store and sell them in smaller quantities to retail companies, industrial users and, less often, other wholesale companies.

Compared to functional intermediaries, wholesale companies offer a much wider range of services to both retailers and manufacturers, such as: Buying products; taking risks and properties on products; transportation, sorting and storage; financing operations; market prospecting.

At present, there are **several organizational variants of wholesale intermediaries** on the market, differentiation according to the services offered to suppliers and customers.

General goods wholesale companies provide full services to customers and producers, offering for sale several product groups, but in a relatively narrow assortment at the level of each group.

Specialized wholesale companies provide complete services to customers and producers, offering for sale a small number of product groups, but in a very wide range at the level of each group.

Cash and carry is an adaptation of the traditional form of wholesale trade by introducing self-service at the warehouse level. Customers have access based on identification cards (they are only legal entities), pay with cash (cash) and carry their own products (carry).

Rack jobber, provides complete services to retail companies, supplying them with products on which they continue to hold the title of ownership, payment being made as the sale. Sometimes it can provide market information to suppliers.

Truck jobber, small wholesale company that distributes everyday products, especially in the agri-food sector: Bakery products, fruits, vegetables, dairy products, meat, Sugary products, etc., move to customers and the payment of the delivered products is made on the spot. It does not provide credit to customers or market information to suppliers.

The agent (representative), an intermediary who, under a contract, is charged with operating on behalf of a particular buyer or seller. The agent visits the customer, negotiates, takes orders and sends them, and for the services performed they receive a certain amount or Commission expressed as a percentage of the value of the transactions. They do not become the owners of the goods in question. The use of commercial agents or representatives is the form that is most used for implantation in a new market.

The broker, an intermediary who usually organizes meetings between the seller and the buyer. Brokerage is mainly used in the agri-food field to cope with market fluctuations.

Retail intermediaries

They are the final link in the distribution chain and are always present in intermediary channels where a set of activities are carried out aimed at selling products or services directly to final consumers. The final consumer’s contact with the products or services offered for sale can be made at retail outlets, at the consumer’s home, by telephone, by correspondence, on the street, through computer networks, etc.

| | | |
|--------------------|---------------------------|-------------------------------|
| Sales in shop | Shop with personal seller | Traditional specialized store |
| | | Big store |
| | | Popular store |
| | Self-service shop | Supermarket |
| | | Hypershop |
| Proximity shop | | |
| Mini-self service | | |
| Sales without shop | Personal sale | - by phone |
| | | - Home visit |
| | | - Mail sale |
| | Impersonal sale | Electronic sale (on-line) |
| | | Commercial vending machines |

The innovation process in retail continues to this day. The development of computer networks at local, national or international level, combined with multimedia techniques and interactivity led to the development of online business. The web page on the Internet has become both an advertising page and an offer page, by activating the order form the visitor becomes a customer.

Retail outlets

In terms of spatial mobility, retail outlets can be mobile or fixed. Mobile outlets are space-moving and provide a solution for areas or localities that do not have an adequate network of fixed outlets or where, temporarily or seasonally, there is a significant increase in demand (tourist areas, areas where there are temporary manifestations, etc.). Most of the retail outlets are fixed and are represented by shops.

Which selling method I choose

Regardless of the chosen form of sale, the design and choice of sales forces includes a series of activities prior to their formation, and the main problems relate to:

- Setting the objectives of the sales force
- substantiating the strategy of organizing sales forces;
- establishing the structure of the sales force
- determining the size of the sales force
- choosing how to reward sales agents.

(A) the objectives of the sales force

Their objectives must be **based on the characteristics of the target market and the position that the firm wishes to acquire in this market.**

Sales agents may perform **one or more of the following tasks:**

- **market prospecting** – involves identifying new customers and cultivating relationships with them;
- **targeting** – salespeople decide how to divide their time resources between customers and potential buyers.
- **communication** – refers to the transmission of information about the products / services offered for sale;
- **sale** – includes the sale of the products sold by the company, the timely delivery of orders and the collection of money from customers at the established deadlines, the weekly deposit to the bank of the money resulting from the receipts, the operation of invoices or receipts and the completion of the road maps;
- **service provision** – you can offer your customers various technical, financial assistance or some advice on their problems;
- **information gathering** – information on market developments and competition actions can be collected;
- **allocation** – sales agents can decide which customers to be allocated, as a priority, certain products, if the company does not have sufficient quantities.

B) the strategy of organizing a sales force

There are two strategic alternatives to the organization of sales forces: the company may choose to set up its own (internal) sales force or to engage one on the basis of a (external) service contract.

C) structure of sales forces

Depending on needs and interests, sales forces can be structured on several levels. One of the most commonly used criteria for determining the structure of sales forces is the size and importance of customers.

(D) the size of the selling forces

Once the issues related to the strategy and structure of the sales forces are clarified, the company can analyze the problem of the size of the sales forces. The use of sales agents leads to a maximization of turnover, but it is also one of the most expensive distribution options.

E) retribution and stimulation of sales forces

In order to attract and co-interest sales agents, the company must develop an attractive and stimulating remuneration package. Agents want a regular income, additional rewards for outstanding performance, and a fair payment for uninterrupted experience and seniority within the same firm. Typically, an agent's remuneration has several components: Fixed amount; variable amount; unbook expenses; additional advantages.

4.4. Low budget marketing

4.4.1. The product/ service (What do I offer my customers?)

The term product is vast, mainly meaning anything that is offered on the market, can be a physical good or an intangible service. Some small businesses only sell standardized products, and many also offer customized services to customers.

Most of the time a small company and its products form a common image for customers their perception of the company will be the same as the products offered. A product is more than at first glance. It can be extended on several levels. It can be extended inside to be a simple benefit to the customer and outside to include additional services and features.

- **the extended product concept**, see example below.
- **products differentiated from the competition in a positive sense.** Even if the tangible product is identical, other aspects in terms of services such as credit terms, brand names, advice and information may be different. The problem is to understand how they differ from those of competitors and to understand which ones are most appreciated by consumers.
- **the product mix.** Many companies offer more than just a product or service. Over time this can lead to long-term stability but can cause short-term problems in determining the favorable small product. Some products can be sold in large quantities but with low profit rates. Others more specialized with limited demand but attractive profit rates.
- **product development.** The production of a new product can cause the bankruptcy of a small company and because of this many adopt a careful alternative: Profitable innovations (especially for new markets and new consumers); licensing; mergers.

Example = ADVERTISING

In the center is the CORE PRODUCT = creativity included in the product cost

Around it The CURRENT PRODUCT = the name of the advertisement, its characteristics (design, making it, selling it), design and packaging, quality (provided by design people, workers)

Around the Current product is the EXTENDED PRODUCT = delivery services, installing services, guarantee, post guarantee services, payment facilities

To be successful on the market, the company **must satisfy the customer's needs**, as it originally intended and this is evidenced by the volume of sales achieved, respectively by the **recognition of the product's utility by the consumers.**

Following the purchase of the product, the **consumer will compare the actual performance of the product with the expected performance** and this process will generate satisfaction or dissatisfaction with the decision made. In the happy case, the client is satisfied, that is good for any business.

The most important issue is to strengthen the **firm's relationships with customers because their loyalty and frequent satisfaction** is one of the greatest fortunes a firm can acquire.

It will also **make customer repeat the buying thus increasing the profitability of the sale**, since returning customers do not generate additional advertising/ promotion costs.

Therefore, it is important for an entrepreneur to **increase and keep the motivation and job satisfaction of their own staff, including salespeople** because without the contribution of professionally trained and motivated people for the good functioning of the company, for success and recognition in the market, efforts to implement any business plan will be in vain.

For this purpose, the company and its managers must adopt open relationships with the staff employed, organize frequent work meetings, make a quarterly report at least outlining all the achievements and problems that have arisen along the way.

The goal is to create professional teams that work together regardless of their specialization in the production, distribution, promotion.

The entrepreneur must keep **very close relationship with its clients and consumers** in order to know their satisfaction with the use of the product/ service, their responses, their eventual problems, and taking care of solving them quickly, their suggestions for improvement.

The successful entrepreneurs **aim to keep their clients happy and make them repeat their buying of the product**, since it much cheaper to sell again to existing customers, as compared to attracting new ones.

Therefore, a successful entrepreneur should **attempt not to lose customers**, and thus take measures that can anticipate and counteract negative reactions by providing guarantees, building realistic expectations, providing information on product use, addressing quality deficiencies and service.