

Theories of selling- Traditional and Modern

Subject: Personal Selling and Sales Force Management

Lesson : Theories of Selling- Traditional and Modern

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1. Learning Outcomes:

After you have read this chapter, you should be able to:

- understand the concept of selling,
- explain the theories of selling,
- differentiate between traditional selling and modern selling,
- appreciate the AIDAS model of selling,
- comprehend the modern sales approaches,
- develop your selling skills,
- apply the knowledge of selling techniques in the selling situations.

2. Introduction

"Everyone lives by selling something." - Robert Louis Stevenson

In this world, every person sells something whether it is in the form of product or service. Some sell products to earn their livelihood whereas some sell their services in exchange of money. The figure below depicts the importance of selling in the lives of people; where a young girl can be seen selling flowers at the Ghats of Varanasi, India.

Figure 1: Living by Selling



Source: [http://commons.wikimedia.org/wiki/File:India - Varanasi girl selling flowers - _0911.jpg](http://commons.wikimedia.org/wiki/File:India_-_Varanasi_girl_selling_flowers_-_0911.jpg)

Selling refers to a procedure of exchanging goods and services with money in order to make profits for the organizations. Selling, these days, has turned out to be a crucial part of an organization's activities. With the help of selling efforts, the organizations influence the consumers to buy their products. Thus, organizations have developed interest towards the selling and promotion activities in order to be successful.

Sellers, who want to sell their product, follow some approaches or techniques in order to succeed. Some sellers follow traditional way of selling, while some follow modern way of selling their product. In traditional selling, the salesperson controls the conversation from start to finish and persuades the buyer to buy even where the buyer is not in need. It includes AIDAS model of selling, right set of circumstances theory, and buying formula theory. Whereas, in modern selling, the sellers have minimum control over the conversation yet they create the need for the product in the customers' life. There are many approaches of modern selling, some popular ones are partnering, team selling, value added selling, and problem solving approach. In the succeeding text, meaning and techniques of traditional and modern selling will be discussed followed by the differences between the two.

3. Traditional Sales Theory

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After the World War II, there was a shift as the manufacturing industrial units began producing consumer products. In the 1950's the supplies always outclassed the demands for products. From 1960's to 1980's selling was largely limited to standard products, and sales personnel were used for selling. During that time, the prime motive was to expand base and acquire new customer prospects, one time selling was the need of the hour. The companies had to focus on ways and means to sell their products. Closing sales, probing method, qualifying the prospect were some of the novel selling techniques which were developed during that period. The glorious position of the sales department in the organizational structure had started. The process of selling was largely dependent on a persuasive pitch, scheming closing techniques, and the salesman's skills in taking care of the client's objections. Those sales representatives who could master the art of arm-twisting were usually the successful and admired lot. Thus in order to ensure marketing and selling success, the organizations made efforts to undertake selling and promotional activities. The earlier theories advocated that a typical customer is one who needs to be goaded to buy by converting their static need into buying motive. Traditional selling techniques are still being used depending upon the nature of product/service and the customer.

Traditional selling today is also known as confrontational selling wherein the sales personnel have to go to battle to survive the chances of making a sale. The traditional selling concept advocates that until and unless the customer is not poached and persuaded to buy the organization's product through selling strategies, the customer won't buy. Persuasive advert, or sales personnel telling the customer that the product will change their life, makes them purchase something which is never meant to change their life. In that way the selling concept isn't ethical to say the least, however it also depends upon the seller to be ethical and persuade the customer to buy only those superior products which can fulfil the promises given.

Some of the popular traditional theories of selling are discussed as follows:

3.1. AIDAS Model of Selling

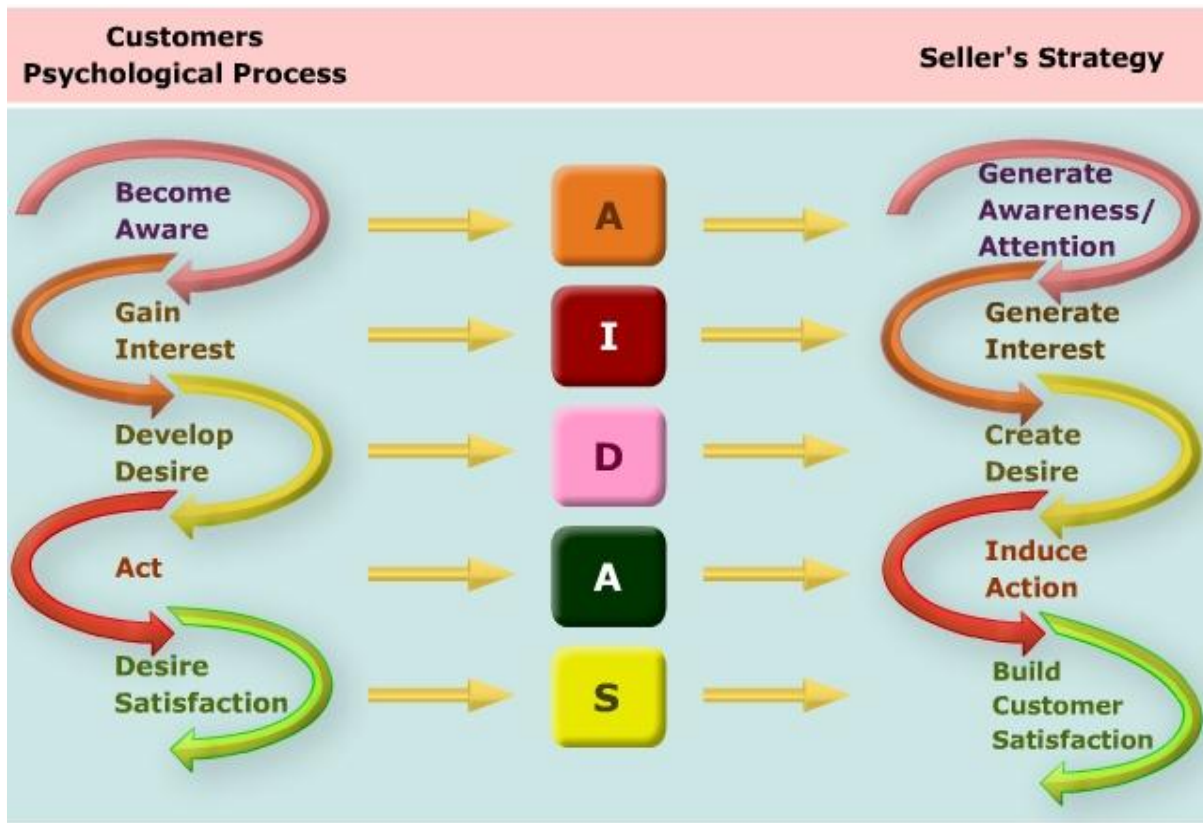
This model of selling is based on the ground that during the advertisement, the prospect goes over the following five different phases, consciously: Awareness/attention, Interest, Desire, Action and Satisfaction. A simple phenomenon used by the sellers is that when a consumer buys a product as per the AIDAS process, then the same process should be applied while selling the products as well.

For instance a consumer, who pays attention to some advertisement for a product/service, may or may not interest him. However if the product interests him, he will match certain situations; thereby a need arises for the same which leads to the generation of the desire for having that product/service. Thereafter, the consumer tends to fulfil that desire by taking action to buy the same. However, a feeling may arise later which could be related to the post self-assessment that the action (purchase decision) taken earlier was right or not. Depending upon the post-assessment i.e. whether the purchase was a correct/incorrect decision, a feeling of satisfaction/dissatisfaction may arise.

A seller understands the psychology of customers during the buying process of AIDAS model and on the basis of that, develops the strategy. In the figure below, the strategy of sellers is shown, which have been formulated on the basis of the consumer's behaviour as per AIDAS model. Here, the alphabets of the AIDAS model remain the same whereas the action is moulded as per the interest of sellers, which becomes as: generate Awareness/Attention, generate Interest, kindle Desire, induce Action, and build customer Satisfaction.

Figure 2: Selling Strategy based on Consumer's Psychology

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Awareness/Attention: The aim of a salesperson is to generate the attention of the prospect before giving further details of the product. First few minutes are very important for getting the attention of the prospects. For this, the salesperson needs to take care of the following things:

- Create the first impression by a proper and suitable dress up.
- Always start with a smile.
- Be honest and professional.
- Do not let pressure spoil the situation.

Interest: The second step is to generate the interest of the prospect. The salesperson can achieve this either by convincing the prospect with his talk or by handling a sample to the prospect, so that the prospect can use and feel the product in reality. However, in case the logistics do not allow the product to be carried all the way, then alternatively the interest of the prospect can be gained by using visual aids. If the prospect inquires about the product, it signifies that the product could stir interest in the mind of the prospect and he wants to know more about the product. Smart salespersons use various By doing this, the strongest sales appeal of the prospect can be identified.

The salesperson needs to think of the way the product can be useful for the prospect before approaching him. If the product is of technical nature and the prospect has a technical background and knowledge, then the salesperson needs to be fully equipped in terms of knowledge related to the technicality of the product. However, if the product is of technical nature and the prospect does not have a technical background then the salesperson needs to explain everything in a simple manner without using jargons of technicalities.

Desire: The next step is to kindle a strong desire in the prospect's mind so that he gets ready to buy the product. While doing so, there is a possibility that the prospect comes up with certain objections. These objections can be price objection, product objection, source objection, money objection etc. The best way to handle these objections by the salesperson is to discuss all the objections beforehand while giving the presentation and give the solutions for the same, as well. If the prospect does not get satisfied with the

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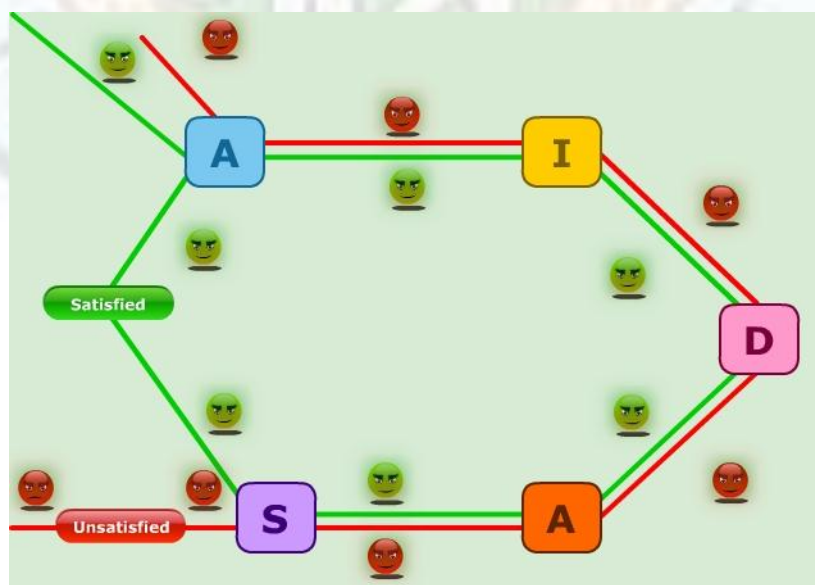
answers, he will not buy the product. The salesman needs to be very careful while discussing the answers to the objections. He should provide the answers by understanding the needs of the prospects and it would be imperative if the talks are conversed in the language of the prospect.

Action: After elaborating all the three stages, the salesperson should induce the prospect to place the order. The action of buying the product is not usual and therefore should be induced. Here, while doing so, the role of the salesperson is very important as well as critical. The salesman needs to sense when the prospect is ready to place the order. If he fails to sense this and ask the prospect to buy the product before he is ready, then chances are that the prospect will not place the order. Also, prospects like to have a direct conversation instead of an indirect conversation. So, the salesperson needs to ask directly for the order and avoid indirect ways of asking the same.

Satisfaction: After placing the order, a salesperson aims for building customer satisfaction. It is natural on the part of the prospect to think whether he has taken a right decision by placing the order. He needs the assurance that he has made a right decision and for that the salesperson is required to assure the prospect that he has indeed taken the right decision. The prospect should not feel that he was forced to buy the product. Salesperson should let the prospect realise that he has only helped him in making the right choice. Further, the salesperson needs to thank the prospect which helps him in getting satisfaction regarding his decision. Satisfied prospects pay attention on the seller's product and in future tell others also about the same, whereas dissatisfied prospects do not pay attention to seller's product in future.

The prospects reaction in case of satisfaction/dissatisfaction with the product/service can be understood by looking in the figure 4. The AIDAS process in figure is represented by a chain, through which every prospect needs to pass in order to buy a product. When a prospect enters, he encounters the first "A" of the AIDAS model i.e., Awareness/Attention. Then he moves to the next block which is "I" that represents Interest. After that he steps onto another blocks of D, A and S, known as Desire, Action and Satisfaction, respectively. If the customer is unsatisfied (i.e., red line in the figure) he simply leaves the chain and does not pay attention again on the seller's product. If the customer is satisfied (i.e., green line) then he pay the attention again on the seller's product and he brings other prospects in the chain as well.

Figure 3: The Impact of Satisfied and Unsatisfied Customers



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Value Addition 1: Video

The AIDA FORMULA - Designing Effective Marketing Materials for Print and Web

This video explains how the AIDA should be applied effectively for selling the product. Also, in the video you will be able to learn how to use 5 W's (i.e., who, what, why, where and when) while planning. Note down all the points mentioned in the video that would be helpful to learn in a better way.

Source: Click on the video link 1 in the references

Value Addition 2: Video

John Carlton - Using The AIDA Model In Copywriting

This video explains the AIDA formula in detail and it tells that the seller should start by telling a story to secure the attention of the prospect. Click on the link below to know more on AIDA model.

Source: Click on the video link 2 in the references

Value Addition 3: Video

Soft Skills Training: Building Business Trust Through Speaking Your Client's Language

In this video it is explained how to speak in your client's language. To avoid getting "lost in transition", one should start speaking in his client's language. For this the seller needs to know three things about the prospect: the Personality types, personal operating system, different codes and patterns. It was mentioned that talking in client's language is about Flexible, adaptable but not being fluent. Also, here language does not mean the medium of language (i.e., English, Spanish, French etc.) it is about what the client thinks and wants.

Source: Click on the video link 3 in the references

3.2. Right Set of Circumstances Theory

This theory is a seller-oriented theory as a seller needs to put efforts. It is also known as "Situation-response" theory. As per this theory, if the prospect is given the particular circumstances prevailing in a given selling situation then he responds in a particular way. After securing the attention and gaining the interest of the prospect, the salesperson needs to present the proper stimuli or appeals in order to sell the product to the prospect. He needs to act wisely and during the presentation he should strive to make the product appealing by creating a favourable circumstance. A sales person needs to be well skilled to handle the set of circumstances as it serves the basis to know how close the response of the prospect is to the behaviour predicted.

As per this theory, there are two factors which need to be handled by the salesperson and these are- internal factors and external factors. External factors are the salesperson and the remarks which he makes during the sales conversation. External factors are controlled by the salesman himself. However the internal factors are related to the thinking of the prospect and limited to the prospect himself, and therefore cannot be manipulated by the salesperson. A salesperson can never know how a prospect will respond, as different prospects have different internal factors i.e. different thought patterns and processes. Therefore, this theory focuses on the external factors only.

As for example, the salesman after securing the attention and interest of Mr. X who is the prospect invites him for a coffee in a nearby shop where he can be given the sales presentation. Here, the salesman and the invitation to the coffee shop are the external factors which can be controlled by the salesperson himself. The internal factors,

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however, include the thinking of Mr. X, which may not be controlled. The thought process of Mr. X in this situation can be:

- i) To have coffee or not to have coffee.
- ii) To have the coffee now or at a later time.
- iii) To go out now or not to go out at all.
- iv) To go out with the salesman or with someone else.

The above mentioned thought processes are internal to the prospect, controlling such internal factors is not possible in the hands of the salesman. Therefore, the right set of circumstances theory focuses on the external factors in which the salesman can control himself and his responses to the prospect. Manipulating the internal factors is out of bound for the salesman and hence not focused here.

3.3. Buying Formula Theory

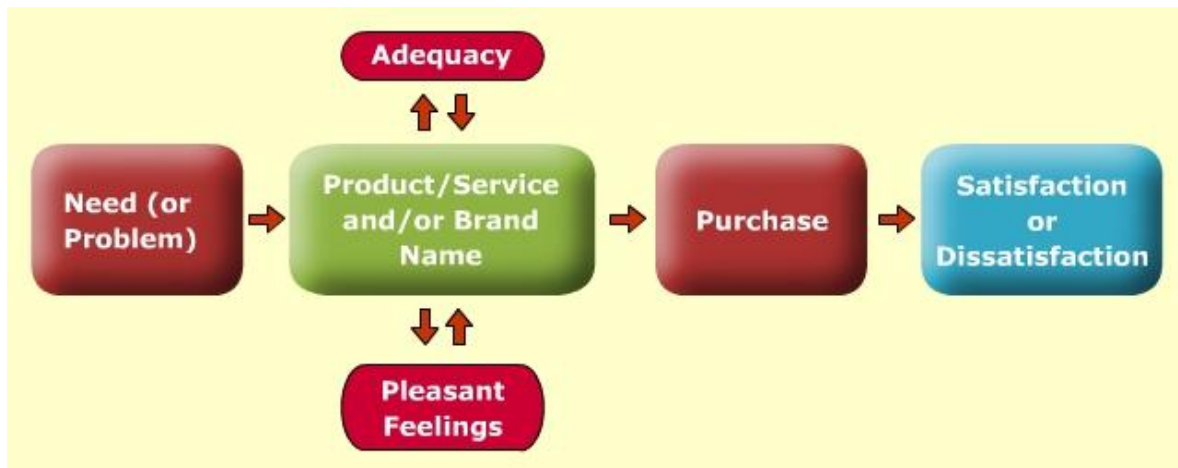
This theory is a buyer-oriented theory as the focus is on the need or problems of the buyers. Hence, the aim of the salesperson is to understand the buyer's need and problems. A salesperson is required to help them in finding the solution to the problems. As per the theory the internal factors influence the responses of the prospects and it is assumed that the external factors are not being overlooked by the salesperson. E. K. Strong Jr. gave it the name "Buying Formula".

When a buyer recognises a need or a problem related to a product/service, then ultimately the salesperson needs to find the solution for the same. Once the buyer is given the solution, he acts by purchasing the product/service. The solution given by the salesperson can be in the form of a product/service or brand name or both. After providing the solution, it is quite possible that the prospect will develop some relationship with the salesperson, which may lead to the satisfaction of the prospect. Also, when the prospect feels the need he becomes aware of the deficiency of satisfaction as well and the salesman should always look to convert this deficiency into adequate satisfaction.

In order to induce the prospect to make a purchase, the salesperson needs to ensure that the prospect considers the "Product/service or brand name or both" as adequate. Also, he needs to make sure that the prospect experiences the pleasant feeling of awaited satisfaction. The prospect must have a pleasant feeling while thinking about the product or brand. The theory can be understood by looking at the figure below, where for any need or problem, the solution is given in terms of product/service or brand or both. The solution is considered as adequate and it gives the pleasant feeling to the prospect when he thinks about it. After that, the prospect makes the purchase and derives satisfaction out of it.

Figure 4: The Model of Buying Formula Theory

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For example, Mr. X's family is growing and he is facing problem in travelling by a two-wheeler with his family. A salesperson provides him a solution by telling him to purchase a car. Here, the "product" is the "car". If the salesperson advises him to buy a car of Maruti Suzuki, then the "brand name" here is "Maruti Suzuki". The salesperson is required to make sure that the solution he is giving is adequate to the problem and Mr. X feels pleasant while thinking about the car. Thereafter, Mr. X purchases the car and derives satisfaction by using the car and by building a relationship with the seller.

For a salesperson, the answer to each selling problem lies in the Buying Formula. There can be differences in the answers which again depend on the differences in emphasis placed on the elements in the formula. The differences in emphasis placed on the elements in turn, depend on the circumstances, which can be as follows:

- When a prospect does not feel the need or recognize a problem then the emphasis is placed on the need or problem.
- When a prospect does not think of a product/service while thinking about the need or problem, then the salesperson needs to put the emphasis on the association between the need and product.
- When a prospect does not think of a brand name while thinking about the product/service, then the salesperson needs to put the emphasis on the association between the brand name and product.
- When the need or problem, product/service, and brand name are well associated then the emphasis is put on facilitating purchase.
- In case of competition the salesperson needs to put the emphasis on developing the adequacy of the product/service or brand name or both and pleasant feeling around it.
- In case of a new prospect the salesperson needs to put the emphasis on each element in the formula mentioned above.

4. Modern Sales Approaches

Today's time is more advanced in terms of selling products than it used to be earlier. The customers today have all the information at their fingertips. Bluffing or making false claims would not take the company's sales anywhere, so naturally things have changed for the good. Customers have got prudent and they are in a position to distinguish well between a marketing ploy and a real genuine product/service. Most of the customers are computer and internet-savvy, which helps them to be abreast with latest products/services which they can easily compare with other products/services in the

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market. A comparative analysis for the customers has become really easy as they can easily seek advice from the online forums or review sites. This has definitely ruined the sale personnel's drumming of their being the cheapest product around. As the customers have changed, so have the sales techniques. To sell today means to establish and make evident the needs of the customers, so that a possible solution is matched up for the customer demands. Customized, tailor-made, and flexible products and services are being utilised today wherein the whole company sells i.e. the customer can expect to be able to deal with anybody in the supplier organisation. The prime emphasis is placed on the existing customer in order to retain the relationship of trust and brand.

The organizations in order to succeed should follow approaches that influence the prospect to make the buying decision in a given scenario. There are some modern approaches that a salesperson should follow so that he can influence the prospect in a better way and the sales of the organizations can be increased. Some of these approaches discussed are as follows:

4.1. Partnering

The salespersons, as per this approach collaborate with the buyer and buying organization and hence treat the buyer as a viable partner. This collaboration facilitates the buyer to come up with the best solution. Many organizations are presenting lifetime agreements to their supplier-partners. They tend to understand the need of the customer and try to solve the problem in the best possible way. They support their customers and share the values with them. Basically, it is a kind of value sharing among the suppliers and the buyers.

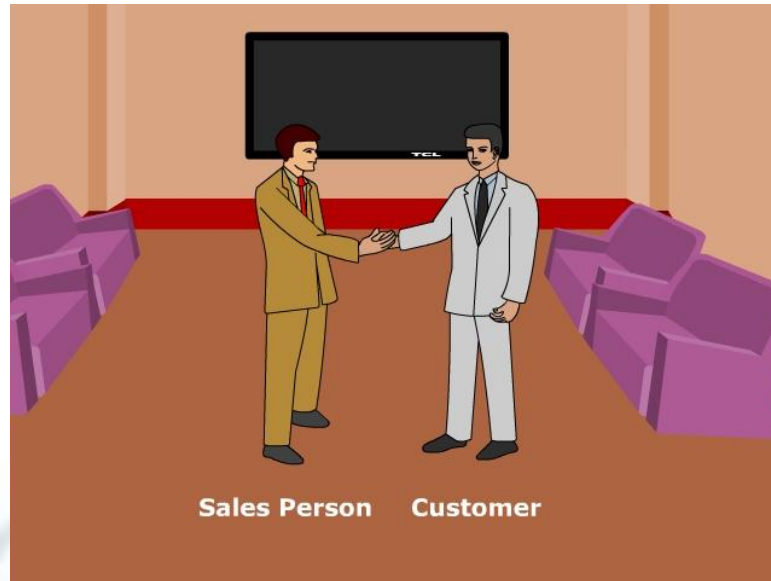
Nowadays the customers also are looking for long-term relationships with sellers who may turn out to be useful resources over the long term. So basically, modern sales approach advocates the benefit of partnering among the buyer and the seller, thus there is focus on two-way sharing which facilitates partnerships.

A salesperson, in order to position himself as a trusted and caring partner, need to see things through customer's eyes rather than being just another seller. If a salesperson has full knowledge of the product then only he is able link the features of the product with the customer benefits. Apart from the product knowledge, he needs to have knowledge regarding the customer's needs, wants and desires. As a partner, a salesperson must always focus on talking about how the product or service will make customer's life better. He needs to handle the objections of the customer quickly and simply by telling them how a particular feature creates a benefit that makes their life better. To be a successful partner for long, salesperson needs to turn his prospects into buying customers as the company must earn a profit.

For example: a life insurance agent, in order to sell his policy, becomes the partner of Mr. Y who is the prospect. He understands the needs of Mr. Y, and thereby creates a link between the policy and the benefits. He is looking for a long-term relationship with Mr. Y. The figure below depicts the relationship of a customer and seller.

Figure 5: Seller - Customer Partnership

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Value Addition 4: Did You Know?

Partner Selling: 8 Steps to Serve Your Customers & Be Rewarded

Ed Rigsbee of Rigsbee Enterprises Inc. USA, explained eight steps that a salesperson should follow in order to become a good partner of the customer and sell the product. These are: Caring, Knowledge, Listening, Questions, Benefits, Buying Motives, Create Urgency, Close the Sale.

Click on the link below to read in detail.

Source: <http://www.rigsbee.com/sales1.htm>

4.2. Team Selling

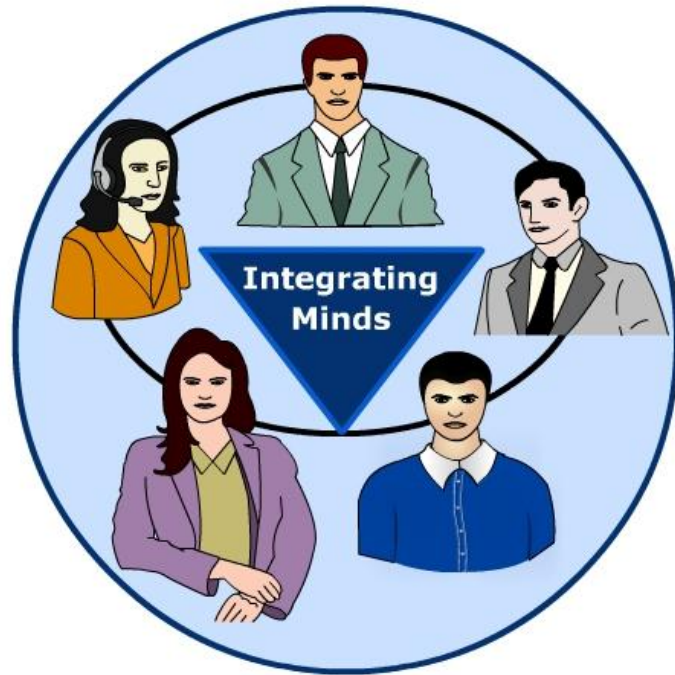
When the large buyers or buying companies have some complex needs that cannot be satisfied by one individual salesperson, the seller goes for team selling. Under a selling approach, a team of salesperson is constituted with knowledge of various functional areas. Collectively, they address the complex needs of the buyers by working in an integrated and co-ordinated manner.

The focus of the salesperson is on the sales effort, while the support functions are taken care of by other team members. This approach benefits the companies as the team members try to achieve higher level of satisfaction. By using this approach, the salesperson can position their brand name in a better way. Using a team of sellers can help build credibility for small firms. However, this approach is not always considered as the best select in all situations as it can be expensive to apply and should be used when there is a chance for high sales and profit. Also, non-sales people may also create confusion in the mind of the buyers. If the various departments have multiple agendas then the team cannot work in a co-ordinated manner. In this approach the attitude of the salespeople matter the most as the attitude of one salesperson can have a bearing on the performance of the team. Companies need to consider the pros and cons of going on with this approach and therefore should decide on whether the approach will be able to match up the needs of the buyer.

For example, while presenting the product, two technicians and two salespeople make a team and give the presentation, where technicians explain only the technical part of the product and salespeople take care of other aspects, i.e., benefits and uses of the product. The figure below shows that how the salespeople work in a team. While working in a team, the team members should integrate their mind and work, leading to positive results. The integration of minds in the team selling approach brings synergy effect and hence brings more credibility.

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Figure 6: Team Selling



4.3. Value Added Selling

A salesperson is required to meet their customer's expectation. He provides value added services to the buyers while selling the products. It simply refers to giving something extra to the buyers as they expect or perceive. For example: offering a laptop cover with the purchase of a laptop to the customer. The cost of value edition is mostly borne by the company and rarely adds up to the basic price of the product, and thereby does not pass on to the customer. It is the habit of buyers to buy the products that adds up value to the product, at the same price. For example, when a consumer goes to buy toothpaste, in addition to the quality of the toothpaste, the consumer would also consider a toothpaste having toothbrush free with it so that he would not have to spend money separately on buying the toothbrush.

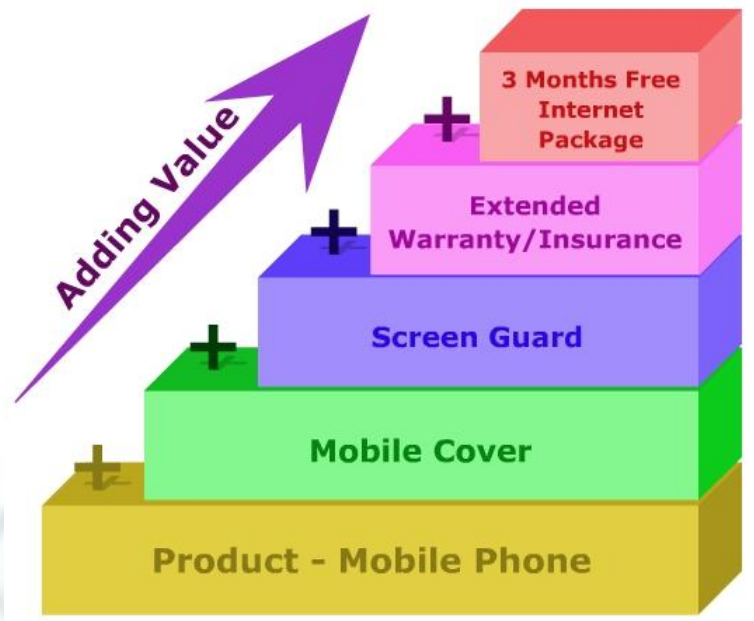
A seller may add the value to the product by:

- Making product handling and storage convenient.
- Giving a related product free. For example, offering toothbrush free with the toothpaste.
- Making package usable. For example, selling sugar in a container.
- Extending after sale services.

In the figure below, it is shown that how values are being added to the mobile handset. Here first comes the basic product, to which the values are being added step by step. First, the mobile cover is given free with the handset by seller. After that, screen guard is given in the second step. Then the seller offers extended warranty/insurance and three months free internet package at the third and fourth step, respectively. By adding all the values the seller has made his handset quite attractive to the customers.

Figure 7: Value Added Selling

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It is one of several sales techniques that is based on building on the inherent value of a product or service. By its nature, this approach is more flexible and a customized selling approach, where input is required from a defined range of average customers. The sales and marketing personnel are assisting by these customers through feedback on additions that are likely to benefit the largest number of customers.

Value Addition 5: Did You Know?

Value added on Samsung Galaxy Grand Mobile Phone

Samsung offered an Introductory Grand Package worth Rs. 10,990 Free on purchase of Samsung Galaxy Grand at Rs. 21,490. The package included:

- Samsung Genuine Flip Cover, Movies & Music on My Services & 500 GB Dropbox Space.
- Get 15% Cash back on purchase via Standard Chartered or ICICI Bank Credit Cards.
- Cash back: Rs. 3,223 & Effective price: Rs. 18,267.
- 12 EMIs @ 0%: Rs. 1,790.
- Zero Down Payment, 0% Interest & Zero Processing Fee

Source: <http://www.saleoffers.com/delhi-ncr/mobiles/samsung-get-introductory-grand-package-worth-rs-10990-free.html>

Value Addition 6: Video

Why Value Added Selling is your NEW Competitive Differentiation Strategy

In the video it is shown that how value added selling has become a new competitive differentiation strategy. The problem were discussed and in the solution it was shown that to create some differentiation the seller should deliver value before selling the product and should not follow the old approach which said that the seller should first make the sale and deliver the value.

Source: Click on the video link 4 in the references

Value Addition 7: Activity

Value Added to a Product

Take any product and look for the values that have been added to that product by

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different sellers. Now discuss this among your peer group. You will get to how the sellers are adding values to their product in order to gain a competitive edge.

For example: laptop and value added to them by different sellers, i.e., Dell, Sony, Lenovo etc.

4.4. Problem Solving Approach/Consultative Selling

As per this approach, the salesperson acts as consultant or problem solver. Their job is to match their product or services to the specific needs of customers. Generally, every customer has a problem in hand and he seeks for solution. Salesperson needs to solve these problems, which can be done only if the salesperson clearly understands the problem. This type of approach is quite popular as a win-win scenario is highlighted for both the buyer and the seller. Also, this approach is applied where the main focus is on the problems faced by the prospects and not on the features of the products that are offered by the sellers.

It is useful for sales team to know about modern sales approaches which focuses directly or indirectly on developing long term customer relationship and also used by many companies worldwide.

It becomes easier for a salesperson to sell the product when he has the information regarding all the competing brands and products. A sales person, who possesses all the information, plays a role of a problem solver or consultant. He first understands the needs or problems of the prospect and then suggests a product or offers a solution by referring to a product that meets all the requirements of the both the buyer and the seller. This approach is similar to partnering, in a way, that the seller understands the needs of the buyer and gives the solution to the problem. But the basic difference among the two approaches is that in problem solving approach, seller compares his product with that of his competitors, whereas in partnering approach comparison is not done.

In the figure given below, it is shown how a salesperson acts as a problem solver. Here, few prospects are having some problems and the salesperson is providing them solutions. A prospect is having a problem while washing clothes with hands; the salesperson suggests her to use the washing machine. For another prospect there is time shortage problem while running a semi-automatic machine. The salesperson solves his problem by telling him to buy a fully-automatic machine. Another prospect expresses that she has problem with front loading fully automatic machine, the salesperson solves the problem by suggesting her to buy a top loading fully automatic machine. Here the salesperson acts as a problem solver, and a consultant for his prospects.

Figure 8: Salesperson as a Problem Solver

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Value Addition 8: Activity

Use of Selling Technique

Choose any product and try to apply all the selling techniques, which have been discussed so far, to sell that product. Make a small presentation about the product and present that, as a salesperson, in front of your peer group according to the techniques. This activity will help to learn how these techniques have been applied in the real world scenario.

For example: Choose a particular model of car and try to sell that in front of your peer group using all the techniques of selling.

5. Comparison between Traditional Selling and Modern Selling

On looking at the changing scenario of sales, a comparison is done on the traditional versus the modern theory of selling.

So whatever traditional selling is, it concentrates only upon the short term targets and goals to be achieved. The motive is to understand the tenets of traditional theory, which may not be applied in today's modern time. In traditional selling there is no basis or even a concept of long term relationship with the customer.

The traditional selling approach may hold well in today's time as well. For instance, traditional selling approach can be more successful in case of products/services which are unsought viz. life insurance, fire extinguisher, automobile industry etc. In such industries the prerequisite is having a strong sales force arrangement. The essence of

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this selling concept is to sell whatever is produced in whatsoever ways. So an industry which has 'over-production' as a problem may utilize selling concept.

To look at another perspective, this selling concept is the basis on which so much money is being spent on advertisements. It signifies that the companies truly believe they need to send out their message and make the customers believe that a particular product has benefits and should be bought by the customers.

This selling concept is thereby the most important and strategic instrument in the hands of the advertising companies. However, there goes a word of caution for those companies that follow traditional selling concept; as the customer today has all the information he needs. Even after buying the product through persuasion there is nothing which prevents the customer from voicing his opinion if the product is not satisfactory. Most of the studies as for example Fornell (2006) depict that the customers who are not satisfied with the product/service generally do not buy again. Secondly, studies also depict that an average satisfied customer tells three other people about the good experience; however a discontented customer loathes the product/service for giving untoward experience and tells it to at least ten others.

With traditional selling concepts, selling would be a really difficult proposition. So innovation in selling techniques is crucial for the sales community. New strategies are being designed to take the unwanted pressure off the clients. Instead of manipulating the prospect and coaxing them to buy, the sales representative are taught to understand the customers' psyche. It is very important for the company to know the problem of the customer. Engaging the customer in the sales process is the new way out. Helping the customers realize their needs and letting them recognize the importance of a product/service smoothes the process of selling. The companies through their sales representative share the market information with the client and assist them in making their own decisions. Consecutively, for the sales personnel to achieve this level of efficacy; a good perceptive knowledge of the human behaviour and its decision making capabilities is crucial. In the figure 10, the seller in New York is trying to make Indian people realize their need of Indian vegetarian food by mentioning "South Indian Food" and "Purely Vegetarian" on his stall. Here, the seller is trying to understand the targeted customer's psyche and is acting accordingly.

Figure 9: Creating Need of Indian Food in New York



Source:

http://commons.wikimedia.org/wiki/File:Man_selling_South_Indian_dosa_in_New_York.jpg

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Selling today is not stereotyping, the basics like closing sales, objection-handling techniques or fast-talking prospects does not always land sales deal. Instead, it is about accepting and acknowledging as to how the prospect could make the buying decision in a given scenario, it is about providing an informed choice and guidance to the customer so that they could buy the suitable product/service.

New selling techniques manoeuvre around the consultative mechanism, wherein the sales personnel are taught to become credible in the eyes of the customer. They ought to be trustworthy to reach the strategic personal domain of the prospect. The modern salesman should not be the typical shrewd seller, but a consultative person. In order to be a part of the buying decision of the prospect it becomes imperative for them to be unlike typical salesperson. It is a special privilege to be a part of the prospect's buying decision as that builds a long term relationship with the client, giving the company an asset for long term. Thus, pressure and manipulation which were the trademarks of a traditional salesperson have no place in today's sales environment.

Customers are the kings today, and they do enjoy buying! In this pretext, there is a need to unearth a customer centric model of sales thereby making the customers' business consultants in the process. What has been remarkable is the need based change in the dynamics of selling. Though traditional selling is being used by some companies even today, modern selling is essential to sustain success in business-to-business and consumer markets.

Summary

- Selling refers to a procedure of exchanging goods and services with the money in order to make profits for the organizations.
- In traditional selling, the salesperson controls the conversation from start to finish and persuades the buyer to buy even where the buyer is not in need.
- After the World War II, manufacturing industrial units began producing consumer products.
- 1960's to 1980's: selling was largely limited to standard products, and sales personnel were used for selling.
- The AIDAS model is based on the following five different phases, consciously: Attention, Interest, Desire, Action and Satisfaction.
- In Right set of circumstances theory, the prospect is given the particular circumstances prevailing in a given selling situation then he responds in a predetermined way.
- Buying formula theory is a step-by-step explanation of the buyer's needs.
- In modern selling, customized, tailor-made, and flexible products and services are being sold by the whole company.
- New selling techniques manoeuvre around the consultative mechanism wherein the sales personnel are taught to become credible in the eyes of the customer.
- Modern sales approaches include partnering, team-selling, value added selling and problem solving approach.
- Though traditional selling is being used by some companies even today, modern selling is still essential to sustain success in business-to-business and consumer markets.

Exercises:

A. Objective Type Questions:

Question 1:

Match the following theories with their correct descriptions:

<u>Theory</u>	<u>Description</u>
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1. AIDAS	a. Predetermined response in a particular situation
2. Buying Formula	b. Attention, interest, desire, action, satisfaction
3. Right set of circumstances	c. Emphasis on the buyer's needs

Question 2:

Match the following theories with their correct descriptions:

<u>Theory</u>	<u>Description</u>
1. Team Selling	a. Providing value added services to the uyer.
2. Problem solving approach	b. Treating the customer as a partner.
3. Partnering	c. Working with other companies team when a prospect has complex needs.
d. value added selling	d. Acting as a consultant and a problem solver.

Question 3: Earlier from 1960's to 1980's selling was largely not limited to standard products, and sales personnel were not used for selling.

- a. True
- b. False

Question 4: The aim of buying formula theory is to understand the buyer's need and problems.

- a. True
- b. False

Question 5: In case the logistics do not allow the product to be carried all the way, then the interest of the prospect can be gained by using:

- a. hearing aids
- b. visual aids
- c. actions
- d. none of the above

Question 6: A seller understands the _____ of customers during the buying process.

- a. satisfaction
- b. interest
- c. psychology
- d. none of the above

Question 7: When a prospect does not think of a product/service while thinking about the need or problem, then the salesperson needs to put the emphasis on the association between:

- a. need and product
- b. brand and product
- c. product and service
- d. need and satisfaction

Question 8: Right set of circumstances theory is a-

- a. seller-oriented theory
- b. buyer-oriented theory
- c. both
- d. none of the above

Question 9: Problem solving approach is similar to which approach?

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- a. value added selling
- b. AIDAS model
- c. partnering
- d. none of the above

Question 10: A salesperson _____ the problem in the best possible way.

- a. solves
- b. encourages
- c. diminishes
- d. creates

Question 11: Customers are _____ today.

- a. beggar
- b. seller
- c. queen
- d. king

Question 12: Partnering is a technique of:

- a. traditional sales approach
- b. modern sales approach
- c. both
- d. none of the above

Question 13: "D" of AIDAS model refers to:

- a. dedication
- b. detachment
- c. desire
- d. demonstration

Question 14: When the large buyers are having some complex needs which are different from personnel effort of selling, then the role of _____ arises.

- a. value added selling
- b. team selling
- c. partnering
- d. problem solving approach

Question 15: Everyone lives by _____ something.

- a. marketing
- b. buying
- c. advertising
- d. selling

Question 16: In problem solving approach a salesperson acts as a:

- a. problem solver
- b. consultant
- c. both
- d. none of the above

B. Short Questions:

1. What does selling mean?
2. Explain briefly the concept of AIDAS.
3. Briefly explain the Buying Formula theory.
4. Write a note on Right Set of Circumstances theory.
5. What is partnering?
6. Write a note on team selling.
7. Write a note on value added selling.
8. Write a note consultative selling.

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C. Long Questions:

1. Explain in detail the concept of selling.
2. Explain in detail the AIDAS model of selling.
3. Discuss in detail the right set of circumstances theory. Give relevant examples to make a distinction between external and internal factors.
4. Explain the modern sales approaches in detail.
5. Team selling has become a suitable tool for the companies to face the complexities, in this wake discuss the concept of team selling for any industrial product.
6. What do you mean by consultative selling approach? Discuss how a sales person can become a problem solver through examples.
7. In the wake of traditional and modern selling approaches, discuss the utility of both the selling techniques in detail. Also bring out the differences among them citing relevant examples.

D. Answers to Objective Type Questions:

1. 1-b, 2-c, 3-a; 2. 1-c, 2-d, 3-b, 4-a; 3. False; 4. True; 5. B;
6. C; 7. A; 8. A; 9. C; 10. A; 11. D; 12.
B; 13. C; 14. B; 15. D; 16. C.

Glossary:

- Closing sales:** It means securing business in order to open the door for long term future opportunity generation.
- Money objection:** It refers to a situation, where the prospects have limited budget to buy a product.
- Price objection:** In this situation, the prospect compares the price of the product with its value.
- Probing method:** This method is used to get further into the detail of information.
- Product objection:** It refers to the situation, where the prospects have doubts regarding the product performance.
- Prospect:** It refers to the prospective client/buyer.
- Source objection:** In this, the prospects have objections related to the source of the product/service.

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- Still, R. R., Cundiff, E. W., and Govoni, N. A. P. *Sales Management: Decisions, Strategies and Cases*. Pearson Education, Inc. 5th ed.
- Vashisht, K. (2006). *A Practical Approach to Sales Management*. Atlantic Publishers and Distributors.

2. Suggested Readings

Theories of selling- Traditional and Modern

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- Jeff, T. Sales Management: Shaping Future Sales Leaders. Pearson Education, Inc. 1st ed.
- Tyagi, C. L., and Kumar, A. (2004). Sales Management. Atlantic Publishers and Distributors.

3. **Web-links:**

- <http://rizwanamjed.hubpages.com/hub/Traditional-Modern-Sales-Approaches>
- http://wiki.answers.com/Q/In_Modern_Times_due_to_competitive_market_importance_of_sales_approach_has_increasedDefine_current_sales_approach_adopted_by_various_companies
- <http://comportone.com/cpo/landlord/articles/foellinger/demise.htm>
- <http://www.marketing91.com/selling-concept/>
- <http://www.blurtit.com/q593478.html>
- <http://www.negotiations.com/articles/collaborative-selling/>
- <http://webcache.googleusercontent.com/search?q=cache:Vr32wReJrdwJ:site.nimonweb.com/e-learning/upload/SALES-AND-DISTRIBUTION-MANAGEMENT.doc+sales+and+distribution+management&cd=3&hl=en&ct=clnk&gl=in>

4. **Video links**

1. http://www.youtube.com/watch?feature=player_detailpage&v=2Hru8ikmSZw
2. http://www.youtube.com/watch?feature=player_detailpage&v=4rLZYa2o46M
3. http://www.youtube.com/watch?feature=player_detailpage&v=evblFWLshA
4. http://www.youtube.com/watch?feature=player_detailpage&v=L7J-l1QVY98

