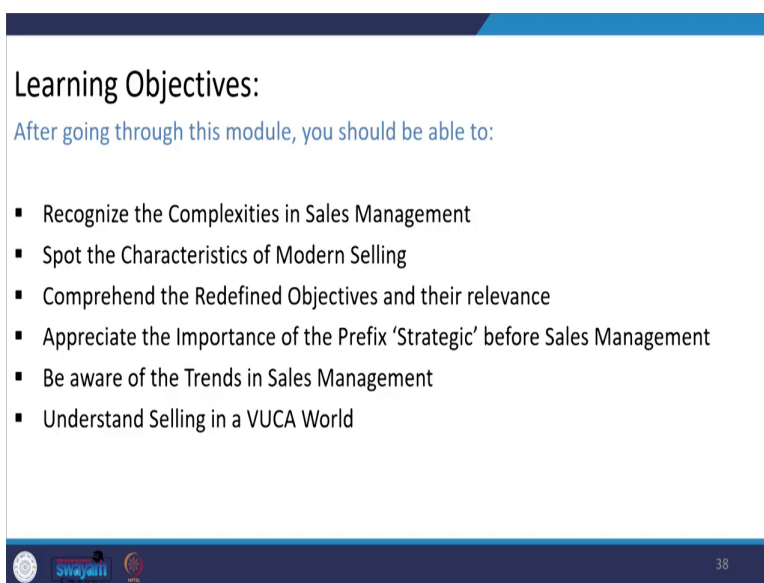


Strategic Sales Management
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Breaking the Myths and Learning the Basics (Continued...)
Understanding Selling from a Strategic Perspective
Lecture - 04
Complexities in Sales Management and Characteristics of Modern Selling

Hello everyone, welcome to the session 4 of the course Strategic Sales Management. As far as session 3 is concerned I definitely gave you a perspective about the objectives of sales management and I had also told you that as we will move forward in the next session. I will be giving you or maybe we will be discussing it with a different approach I would say altogether.

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Learning Objectives:

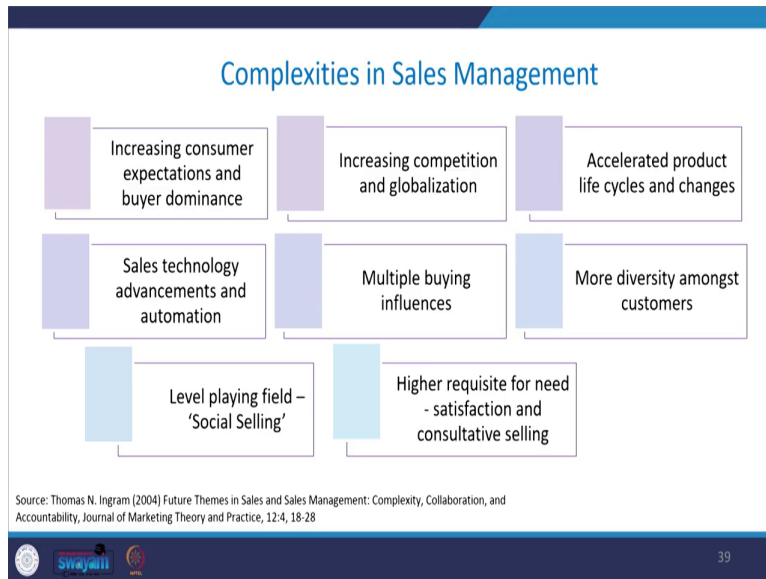
After going through this module, you should be able to:

- Recognize the Complexities in Sales Management
- Spot the Characteristics of Modern Selling
- Comprehend the Redefined Objectives and their relevance
- Appreciate the Importance of the Prefix 'Strategic' before Sales Management
- Be aware of the Trends in Sales Management
- Understand Selling in a VUCA World

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So, as far as this session is concerned after going through this you will be able to recognize the complexities in sales management, spot the characteristics of modern selling, comprehend the redefined objectives of sales management and their relevance, appreciate the importance of the prefix strategies before sales management and you will be aware of the trends in sales management and finally, we will be understanding how selling happens in a VUCA world.

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Now, see again I definitely give you a perspective on objectives. Now, we also have another element in which we will be learning redefined objectives of sales management. But before that we really need to understand the complexities and modern characteristics of the present selling environment.

So, one of the key complexities, that the sales people face today is increasing consumer expectations and buyer dominance. See I think maybe we can understand this with an example just imagine if maybe say you know reliance or any other big group like Walmart.

If we look at it from the global perspectives goes ahead and buy something just imagine you know with or maybe from the perspective of sellers. How much dominance they will have they might even be in a position to change the terms of the contract or maybe bring in certain conditions that are more beneficial for them.

And see even with respect to increasing competition and globalization when you have a lot of players who have entered the market even in domestic markets. The competition is at its peak the consumer knows that he can get what he wants and see even many options available they are also going to go ahead and kind of demand much more than they deserve. I think it might look more cliché, but definitely it makes sense because every consumer wants to make the best out of their penny.

So, even in the sales world the consumer expectation the skyrocketing and buyer dominance has increased manifold. And as I just told you that this can also be looked at from the perspective of increasing competition and globalization there are a lot of implications for this as well.

So, one is see when you have a lot of players in the market definitely the negotiation power of the buyer is increased right. Because when he knows there are 5 people who are willing to provide him the same product at a certain price he is definitely going to negotiate more to get the best price out of it.

Another thing is it also requires us to have an aspect of sales force flexibility which means they will be able to adjust or maybe you can say they must be trained in the way that they can kind of customize you know their offerings for their prospects in the sense like as per their requirements or what is it that they expect from them.

But again, I will say the same thing I think which I have repeated earlier consumer expectations are fine, but you also have to make sure that the organization is not facing any loss. If these things keep happening then long term survival is definitely going to be very difficult and even with respect to the same perspective. When we talk about increasing consumer expectations you know the sales organization or maybe you can say for better understanding sales department is also required to be very very customer centric.

Now, why this becomes important? You see only when they are customer centric even in advance or proactively they will be able to modify their offerings with respect to the changing expectations of consumers and also with respect to what the competitors are offering in the market.

Now, another thing which again kind of holds a lot of relevance with respect to changing consumer expectations is the sales people are required to be marketing intelligence agents. When they get out in the field they have a lot of insights or information which can be very very crucial and important with respect to understanding how we can better adapt to the changing consumer expectations.

And again see in this case when you are say you go kind of you are in middle of conversation with the prospect and he has certain kind of expectations you cannot be in a position where for everything you say oh I will have to call my boss and ask him what I can offer. If for

everything you are saying even the prospect would say then let him come what is it that you will be doing right.

So, the whole point of giving you this perspective or discussing this facet is that we really need to focus on empowering our sales agents in a certain way that they are able to offer tailored offering to the prospects when they go and meet them. Now, another complexity which is kind of revitalized the sales world is accelerated product life cycles and changes.

Now, one thing is very obvious we know how things keep changing when technology changes even the product requires you know a lot of modifications. Even in phones you can see right some are not compatible with respect to let us say the newer versions of android or maybe if you are talking about apple these things keep happening. And see the perspective of technology also gets far fetched with respect to the fact that whenever a new product comes into the market it could be more beneficial for the customer maybe with respect to decreasing their cost or offering more of productivity.

So, this is another thing that we keep need to keep in mind with respect to the changes and how can we forget the social changes that keep happening consumer preferences how they are changing how the social fabric is changing. So, these things have also need to be taken into consideration. Now, when we talk about accelerated product life cycle see I will explain this to you with an example.

Let us say if earlier you know a product while passing through the 4 stages like introduction growth maturity and decline it used to take let us say 10 years. Now, that is not the case you might even come across certain products who could be introduced and they might not even survive and they just go through decline.

And other thing is in every of these stages whether that is introduction whether it is growth, whether it is maturity, whether it is decline. Sales strategy has to be very very different like I will explain this with an example. Let us say in the introduction stage the more focus could be more on creating awareness.

So, in a way missionary selling which means the people who get into the field and talk to prospects or customers towards kind of creating a positive image of the brand or the organization or whatever they are offering or maybe primarily just making them more of aware about what is it that the organization offers.

This could work very well in the introduction stage or maybe you know advertising is also going to pump in or other sales promotion techniques is kind of giving that extra push to awareness at the introduction stage, but as and when you are moving forward. Let us say when you are in the growth stage or even when you are in the maturity stage the strategy which the sales department will adopt is going to be very very different.

Like in the growth stage the sales department might realize that we need to customize offerings or maybe we will be competing on the price point. Likewise at the maturity stage they might focus on kind of even getting digging further or going further with respect to customizing offerings. Because we anyway know that we have reached maturity stage and we need to kind of retain our existing customers.

Likewise you know in the stage of which is the last stage which is declined the sales department might even recommend that these are the products which are not doing well on the basis of the feedback that they might get in the field. So, just imagine even when you are looking at the sales department it is not like they are into selling. They have the inputs that they can share at different stages. Even if we look at a micro concept like a product life cycle we are not even getting into the broader domains of marketing.

So, right so this is one of the complexities that has crept in. Because see kind of accelerated or maybe we can say shortened product life cycles also bring in a lot of pressure on the sales department when new products keep coming in. They have to be very very readily prepared to pitch them to the prospects and make them understand how this is better than the last one or even how this is better than what the competitor is offering.

Now, another complexity which we will be talking now is about sales technology advancement and automation. Now, let us look at automation primarily because again that is going to be a part of technology see whenever you are talking about sales automation in a way. It indicates that whatever mechanical jobs the sales people were doing earlier manually like maintaining records or maybe kind of you know trying to find out prospects with respect to doing a lot of research understanding their businesses now these everything can be done quite easily with the help of technology.

Now, the good part is definitely it kind of eases out the job of a salesman right. Because as per one of the reports by hubspot it says that only 28 percent of the time of a salesman goes into actual selling other goes in the other kind of jobs maybe meetings and doing other things.

So, automation kind of eases that, but the whole point of understanding this is see we cannot miss out that element of human touch when it comes to sales.

So, this is one thing which we need to understand the organizations are definitely required to kind of you know brainstorm what is it that we need to automate. And it is going to enhance the, what you call that efficiency of the sales people or will help them make best use of their days time and what is it where we need to maintain that human touch.

Like just imagine you know you are attending a presentation on a laptop virtually and someone coming and giving it to you physically it is definitely going to make a lot of difference. Because that will definitely give you more of chance of striking conversations or striking a relationship that might give you that extra edge right.

So, another complexity that we need to understand is multiple buying influences see you need to take care of the legal things you also have to kind of satisfy the consumer activist. If your product is let us say you came up with the product and you want to sell it and it is not you know it has some ingredient which is not very healthy for children. If product is targeted children or even adults you know that it might not work in the present times.

So, the whole point is when you talk about multiple buying influences apart from taking care of the legal and all these things which might can be looked at from the consumer activism thing or you know NGO stepping in we also need to see even when we get on the negotiation table. You might have someone who is influencing the decision he might have different expectations right you have someone who might have a different set of benefits in getting that product. So, his expectations are going to be different.

You might have someone who could be driven by let us say the competitors product and might feel what the competitor is offering is better. So, in a way you have to satisfy all of these people that is why we say in the present selling environment. What is kind of dominating is team selling approach where you have people from different departments who kind of work as a team to satisfy or maybe a convince, the other party or maybe you know create a win-win situation with respect to answering all the queries what the prospect or customer has or in a way this is more of a technical or more systematic or organized approach with respect to having different people with different skill sets in which you know that you will definitely be able to strike the best deal in a way focusing on the win-win situation.

Now, the another complexity which has crept in is diversity. Now, one thing is definitely if you are you know dealing with customers in global markets the culture is going to be different and this also indicates that you also need to have some members in the sales team who can you know communicate with them or maybe will share that kind of a rapport in which the other party is also going to feel comfortable and this can also be looked at from the different perspective.

Now, you might have customers who are coming from different walks of life different cultures. Even if you are looking at domestic markets with different educational backgrounds different professions who might have different demands with respect to what your organization is offering.

Now, I think if you look at the next complexity which basically talks about the level playing field or maybe social selling. This basically indicates that all these social media platforms it kind of created a level playing field in the sense like if you look at traditional modes of communication. Let us say advertising all these big players would be able to afford a slot. Let us say in the prime time on a television show or maybe one of the popular series or maybe on news channel something like that.

But with respect to social selling it is all leveled up you can create your own channel whether that is Instagram or maybe YouTube or you can open an account on facebook and you can reach out to everyone you want it is just that you need to be creative with respect to how you contact them or how you present your products.

So, all these things are going to make a lot of difference, but the best part is it is now a level playing field. Because the, it may be you can say the world has more become like a global village which has been empowered by the Internet.

Now the last complexity that we need to understand with respect to sales management is you definitely need to get into consultative selling it is not like you have manufactured something and you just get to the customers. And you know you are telling them what is good about the product and things like that. it is not going to work anymore.

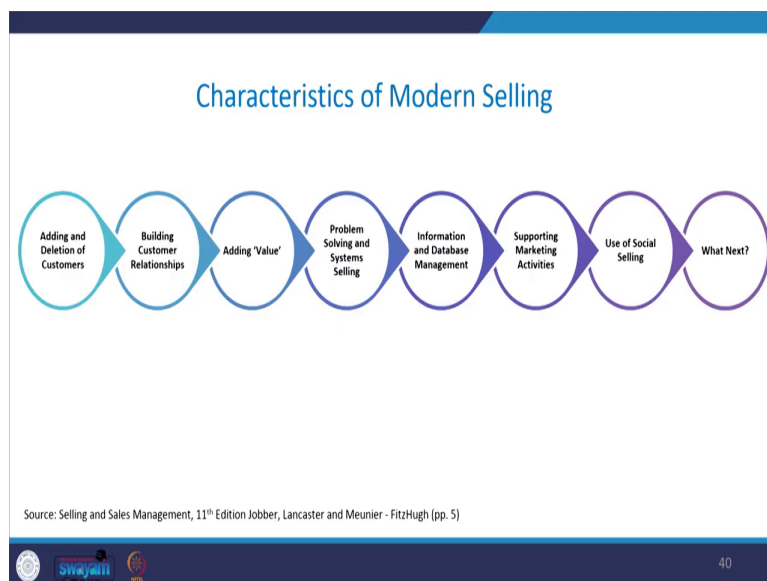
You really need to be a party with them with respect to understanding their requirements with respect to understanding what is it that will be best for them. Even if the case be you really

need to understand their processes with respect to offering the best deal or coming up with something which will create a wow factor.

So, I hope everyone you got an idea about the complexities that we usually have in the sales management right or maybe what sales world is dealing with these days. Now, as far as the next topic is concerned in which I really want you to understand the characteristics of modern selling or if we need to understand this in a different way maybe we can say how traditional selling is different than modern selling.

Now, the whole idea is in traditional selling the focus was always about on somehow selling the product to the customer. You are not very you are maybe not very you are not at all customer centric the organization would manufacture the product and the sales team would get into the markets with respect to somehow selling that, but that is not the case. So, traditional selling was all about this right, but modern selling is completely different.

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So, if you look at modern selling we will be looking at facets like addition and deletion of customers, building customer relationships, adding value problem solving and system selling information and database management supporting marketing activities, use of social selling. And what next I will explain you the essence of what next as we will move forward.

Now one thing is when you talk about customer development retention and deletion. See as per the pareto principle it is only 80 percentage of the company's sales come from 20 percent

of the customers. So, this simply indicates that you know you need to decide where are you going to divert your resources I will give you one example with respect to this.

Let us say if you have a segment of customers who are buying a major chunk of your products right. So, you definitely need to give them that much importance on the other hand or maybe let us say on the another spectrum you have a set of customers who are kind of taking up most of your time buying very little and are not contributing much.

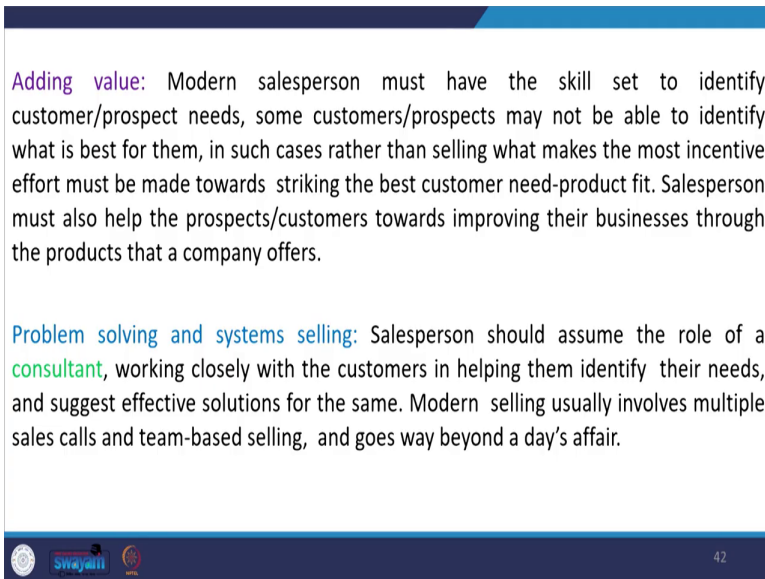
So, in a way you need to decide if you will be taking them with you or not. The whole point is you really need to figure out if such customers who are not profitable right. Now will they be profitable in long term if the case be that they are not going to add any value in terms of profitability growth then the best or wise decision would be to drop them. See we always have been aligned with the idea you know sell it to every customer who is available, but that might not work for every product right.

If you are investing a lot of resources even in giving demonstrations or coming up with the product and you have a customer who is only fixed about pricing and wants the maximum of discounts things might not work for a long time. So, the good part is about understanding you need to work a strategy towards identifying which customer is good or is beneficial or profitable right now and also in the long term so just nurture them and you need to drop the customers who are not profitable now and are also not going to be in the long term. Now, the another important facet of modern selling is CRM Customer Relationship Management. You really need to work on nurturing long term relationship with the customers your focus should not be just about closing the present day sale.

See if your emphasis on striking very good relationship just imagine how magical it is going to be. You will have more of opportunities to cross sell and upsell to these customers right see even if you get to traditional approach or traditional perspective in a way sales persons are required to meet their targets right in some way.

So, the whole point is if you are nurturing the relationships you will always have someone that you can get back to and kind of pitch the new products that the organization has launched. And the other part is how can we even forget the power of the positive word of mouth that it might bring right.

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Adding value: Modern salesperson must have the skill set to identify customer/prospect needs, some customers/prospects may not be able to identify what is best for them, in such cases rather than selling what makes the most incentive effort must be made towards striking the best customer need-product fit. Salesperson must also help the prospects/customers towards improving their businesses through the products that a company offers.

Problem solving and systems selling: Salesperson should assume the role of a **consultant**, working closely with the customers in helping them identify their needs, and suggest effective solutions for the same. Modern selling usually involves multiple sales calls and team-based selling, and goes way beyond a day's affair.

Swajati 42

So, another important maybe you can say the perspective about modern selling approaches adding value. See again you should not be aligned with the thought processes of somehow selling the salespersons are required to have that skill set in which they are able to understand or offer products that meet customers need.

See it is not always going to be the case you know the customer will understand what is it that he wants let us say you get to a customer who has just started his business right in a way you might have more information with you which could be more beneficial for him. Then you somehow selling the product which kind of offers you more of incentive this is not going to work these days. So, the whole idea should be about identifying the best ideal need product fit right.

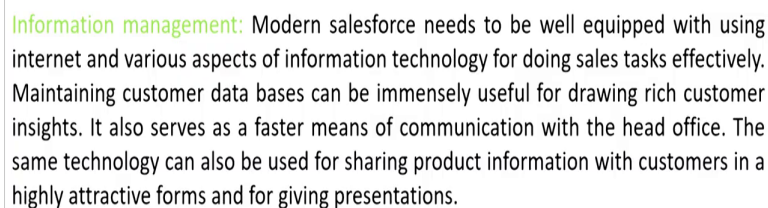
Now, the another important context or maybe something which is kind of key relevance in the orbit of modern selling approaches problem solving and system selling problem solving why start helping your customers understand their problems and offer a solution which is the best do not just have the idea of you know I somehow have to complete this. You have to be their consultant at this point I also would like to rectify one thing I think in one of the last sessions I basically spoke about the sales person can also be a friend or a mentor to the prospect or the customer.

So, I would advise you that the better word would be a consultant that is why I have highlighted this in green as well. So, the whole idea is be their consultant make them

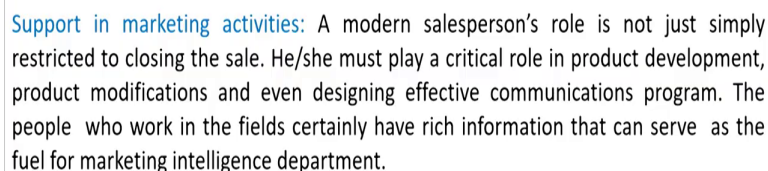
understand what is good for them what will work best for them. And when you talk about system selling it basically talks that see if something requires not just 1 product maybe 2-3 product and also an element of services you can always offer them a blanket contract in which you are willing to provide them everything that they need to keep their business going.

So, system selling basically is about offering them everything which they might need in the sense like for getting a job done you might not be able to do it for everything. Let us say if there are 3-4 spare parts which your prospect requires that even when you do not have any one of them you might have a subcontract get it. And then you are providing it to your prospect as a part of system selling and even you can have an element of after sale services and repairs with respect to that. So, the whole idea is selling definitely goes beyond just a one day affair today.

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Information management: Modern salesforce needs to be well equipped with using internet and various aspects of information technology for doing sales tasks effectively. Maintaining customer data bases can be immensely useful for drawing rich customer insights. It also serves as a faster means of communication with the head office. The same technology can also be used for sharing product information with customers in a highly attractive forms and for giving presentations.



Support in marketing activities: A modern salesperson's role is not just simply restricted to closing the sale. He/she must play a critical role in product development, product modifications and even designing effective communications program. The people who work in the fields certainly have rich information that can serve as the fuel for marketing intelligence department.

Other part is which is about information management or maybe database management is see. As far as today sales dynamics are concerned you really need sales people to be very very well equipped with respect to storing and handling customer data the whole point is all these you know things like ERP systems or CRM systems can definitely provide an edge to sales people or maybe it can make it easy for them to record the customers data and then use it for drawing a lot of good insights that can actually be beneficial in long term.

In any way when you talk about information management it definitely also works as a faster mode of communication right. It can also help you kind of plan your next day maybe you can

have a software like let us say when you are scheduling your appointments it can also send your reminders that you have this you know meeting tomorrow. And you can work towards is all these facets of information management are definitely going to bring in a great deal of benefits.

Now, another facet which again I think you will be able to understand with respect to the discussion that we have had till now is that a modern sales persons job is not going to end with respect to just selling or maybe even maintaining or providing after sales services.

He has to assist a lot with respect to the marketing functions as well he needs to support in marketing research provide right kind of information or enriching information from the ground which can be very very useful with respect to understanding the modifications that we need to change in product or how we can design effective communication. Let us say I might feel that the USP or Unique Selling Proposition that I have is price I might feel that.

Whereas the sales person might passes the information you know if whenever we are talking with the clients. They are more aligned with you know the idea of the trust that our organization enjoys in the market or maybe you can say among competitors. So, we can also bring in that element with respect to the effective communications program.

So, the whole idea is you know the job is not going to end with respect to just selling there are a lot of facets in which a sales person can bring a lot of insightful findings or maybe contributions.

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Social Selling: It is all about using social media platforms for reaching out to the prospects through social media platforms. As per Statista Report*, published on April 26, 2022, social commerce in India is expected to touch 84 billion \$ by 2030. If people are buying, then certainly there is someone selling on these platforms too.

What Next?

Source*: <https://www.statista.com/statistics/1299967/india-social-commerce-market-size/>

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Now, the last part is social selling which is again one of the characteristics of modern selling. Social selling simply means now a lot of companies are selling on social media platforms. Now, as per one of the statista reports which is published on April 6, 2022, social commerce in India is expected to touch 84 billion dollars by 2030.

See just imagine if this is what going to happen there are definitely people who are selling the products on social media platforms right. So, every organization is also required to have a strategy for that maybe what are the products that we can best sell you know on social media platforms or also with respect to understanding whether Instagram is going to be a good fit for the product with respect to sales or Facebook or LinkedIn.

See let us say if you have come up with a very very quirky brand for apparels definitely Instagram would work well for it. Now if you have something which is a little more professional or a kind of a software solution right which can kind of ease out a days job then LinkedIn is definitely going to work. So, social selling is definitely going to stay.

Now, you might be wondering what next now the good part is I gave you a lot of perspectives about the complexities and maybe characteristics of modern selling. Now, I want you to think what is it that we can add to this list. So, you all know that you have a forum so go and share your ideas there we will read them and then we will get back to you.

The whole idea why I gave you the perspectives about characteristics of modern selling and maybe you can say what are the challenges that exist or complexities that exist in the present sales dynamics was to just to kind of make you more aware of the redefined objectives of sales management. So, the whole idea is things are not going to work if you are plainly going to think of profitability sales volume and growth.

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The slide features a title 'Re-defined Objectives of Sales Management' in blue text at the top. Below the title is a bulleted list of eight objectives, each preceded by a small square icon. The icons are colored: green, purple, blue, and grey. The slide has a dark blue header and footer. The footer contains three logos on the left and the number '45' on the right.

- Customer Centric 'Selling'
- Rewarding Mix of Customers
- Relationship Focus
- Contribute towards Sustainable Long Term Growth
- Learning Sales Organization
- Assist in Innovation
- Higher Accountability
- Assume the role of Consultant and Listening posts

So, here is a list of redefined objectives that we really need to understand. Customer centric selling, do not just think about selling the product today, be customer focused, be their consultant try to understand what is it that they need understand their processes.

And see how you can help them improve their processes which anyway will create a win situation for both and the perks are you definitely get to build a relationship with them for long term. And then again the spiral of cross selling and upsell is going to be very very easy.

Create a rewarding mix of customers just tell me one thing would you like to get into a job that demands a lot from you and is not paying quite well. Then why would an organization want to sell whatever it is manufacturing with all the effort with all the money that is being put into at a loss. So, you need to create a rewarding mix of customer try to identify what is it that you want to retain and what is it that you want to let go or even think about those customers which are not profitable now, but could be profitable in long term.

I think I will explain you this with one of the examples I may not be able to track it with a very very exact reference. See you know there is a particular segment of customers who are very fussy about going to the banks and getting their pass book updated and this has been happening for a long time.

They would get to the branch you know, they would get their pass book updated in a way, they are taking a lot of time of the officers right which anyway can be put into or spent on those customers, who could be profitable or could be more rewarding for a bank that is how they came up with the idea of this pass book update kiosk.

In a way now those customers are going to the kiosk getting the job done and then just moving out. So, the whole idea is maybe even the banks realized how they can kind of better use their time and they need to divert it to the customers, who are going to be profitable for them not on customers, who are just coming for jobs which are not adding anything for the bank. See after all its a business they also need to survive they also need to get in or you know supplement their resources by selling more or doing jobs that are more profitable.

So, again I will repeat it create a rewarding mix of customers let go of the customers who are not profitable anyway that is not going to work for an organization. Have a relationship focus I think I have already explained this a couple of times. Now, when you talk about growth always focus on sustainable long term growth.

Now this can happen in many ways one is it comes through the profits you know that a sales organization brings in with respect to selling the products. But when you are in touch with the customers you can definitely bring in a lot of ideas that are going to work for an organization.

How can we forget the example of TATA ACE by doing some research or interviewing customers they were able to realize the gap and we you know we all know now that how profit table or turnaround this has been for the TATA group. So, the whole idea is focus on long term sustainable growth come up with ideas have products and again work on relationships.

So, that you are able to serve those customers for a long term even when there is a crisis. When you know you have a bank of customers that you can reach out to with respect to achieving a targets which again is going to make a lot of contribution in keep an organization going.

Another thing is learning sales organization, an organization cannot just shut its eyes and stay within the four walls of a room or maybe you can say behind the walls of an organization. You need to be in very very touch with what is happening outside how the social fabric is changing.

What is it that you know the competitors are bringing in or the new products that have come into the market the changes that are happening on a global level only when you are in touch with what is happening in the market you will be able to adapt and just imagine what happened to Nokia. I do not think I need to discuss that in quite detail it is finding it very very hard to survive now. And we all know that just because they were not able to adapt to the changing market dynamics or changing consumer preferences.

Again sales people are required to assist in innovation with respect to the conversations that we have with the people on field. They can definitely provide right kind of feedback higher accountability see a sales person definitely has a boundary spanning rule. It is not that he is only responsible to an organisation definitely from where he gets his salary. And you know, but he is also responsible to customers that is why again see the whole perspective is about you have an accountability towards the customers, be their consultant, be the listening post try to understand what will work best for them and you will see the magic.

So, I thank you for attending this session and I am very hopeful that you gained something out of it. So, as we will move to the next session again there is something thrilling we will be learning about one of the gentlemen who holds records with respect to making maximum sales in a month; so.

Thank you guys we will be meeting soon for the next session.