

Management of Field Sales
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Lecture - 01
Introduction to Management of Field Sales

Hello, I am Jayanta Chatterjee from IIT Kanpur and as you know we are going to be together for the next 4 weeks on this course titled Management of Field Sales. And the 1st week that is this week, over 5 sessions I am going to discuss with you the fundamentals of the selling process, the character of customers, the buying process as connected with the sales process and finally, we will introduce the next part which deals with the value creation and value delivery. All these terminologies will become clearer as we proceed.

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THE SALES-MARKETING CONCEPT

➤ **Some fundamentals**

- Customer value is the path to sales and profits.
- Customer delight- Customer advocacy of primary importance in the connected era.

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So, in this first session you have to understand and I am assuming here that many of you would have done my previous course which is Marketing Management Part 1.

In Marketing Management Fundamentals, you would have been introduced to the concept of marketing mix, which means the four aspects of the execution of the marketing process and as you know that those concepts are related to product, price, place and promotion. But before I come to that, let me talk about some new fundamentals particularly related to this course which is the first one is Customer Value

which means that anybody buys not a product, not a service, but basically a bundle of values. And values here means, value with plural means the set of properties, set of functionalities which a customer finds useful or valuable.

So, at this stage right to start with what you must understand is that sales is the process of delivering the value from the seller to the buyer and this value exchange, value delivery is the fountainhead. Profit emerges from that activity if useful exchange has taken place and the sheer or just the only exchange of value is not sufficient in today's world.

In today's world you have to create customer delight through the process of this value delivery. That means, once the bundle of values that you have delivered through your product service combination that has been consumed and that has delighted the consumer, customer, then the next stage that also today will seek for successful field sales is where the customer becomes your advocate. That means, the customer will become a reference for further sales. Your customer will talk about the delight that the customer has received by buying your bundle of values through product and service functionalities and attributes.

So, please look at your slide, the first one and understand. Therefore, that the sales fundamentals are customer value creates sales, value delivery process is the sales process profit in a way is a result is the effect and not the cause. The cause is the successful and useful exchange of values and then, the point is that just exchange is not enough. That exchange must create customer delight and lastly the delight should be developed to a level that the customer becomes an advocate because the customer talks on social media.

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EVOLUTION OF SALES PROCESS	
SALES AND MARKETING EMPHASIS (Before 1970s) Manufacturing Dominated. More demand than supply.	Push Sales created distrust.
Consultative-Selling Era Emerges (1970s onwards) Salespeople are becoming diagnosticians of customers' needs as well as consultants offering well-considered recommendations; mass markets are breaking into target markets.	

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So, in today's connected era, the customer must become your advocate to create a powerful sales process, satisfactory result from your sales process. Now, these two sets of concepts that we just discussed have actually evolved out of a period of guiding concepts. In the early stage before 1970s sales, I think I introduced this in here in the introductory video that the sales earned a sort of bad name because sales was synonymous with push. Sales was often blamed that it is actually pushed or cajoled the customer to acquire products which were not exactly useful, were not even often required.

So, as I mentioned in the introductory session that this type of sales happened because the entire process was dominated by large scale manufacturing trying to get rid of its stock. Make more and more and push more and more was the sort of driver concept at that time and it created somewhat ill feeling. Customers did not want to meet sales people because they often found it a botheration and in 1970s onwards, it was clear that sales process, the push type of sales process was creating more problems than solutions and therefore, the new era emerged which we call the consultative selling which means the salespersons understood that the selling was just not entertaining the customer or cajoling the customer or even sometimes conning the customer.

It was understood that for long term relationship and we will just discuss that why relationship is so important and is the fundamental concept of the sales process today.

That to create that trust based relationship, to create the respect for the salesperson, it became necessary and it remains necessary today that the sales person should be expert at diagnosing the problem, situation, understanding customers pains deeply, appreciating customers problems to which the customer is seeking resolution. This came from the fundamental understanding that value for the customer is the process of resolving customers pains, meeting customers needs and doing that in a gainful manner, in a superior manner, in a better manner the solution to the customer problem.

So, as you see here as we have written in the 2nd block as you see that sales people are becoming diagnosticians of customers needs and the customer must look up in a way, the customer must appreciate and seek out the salesperson as a consultant offering good recommendations. Well considered recommendations and as soon as you talk about creating a bundle of values, you understand that it has to be customized. The same bundle of values will not be that valuable for all customers. So, here came the concept of customized packages for target customers. So, this segmentation and targeting also became very important for successful sales process.

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EVOLUTION OF SALES PROCESS	
<p>Strategic-Selling Era Emerges (1990s)</p> <p>Complex selling . Systems Approach</p>	<ul style="list-style-type: none"> • Product positioning = SVP.
<p>Co-Marketing (Field Sales Today)</p> <p>Salespeople strive for Partnering with Customer.</p> <p>Sales force automation. Today AI provides specific recommendation.</p>	<ul style="list-style-type: none"> • Lean-Adaptive selling .

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So, 1990 onwards we call this time I would say 1992, the early part of this century may be 2005 for about 15 years, the consultative selling also meant strategic selling. The strategic point came from this proper segmentation, proper targeting. The targeting and

segment matching was the strategic part so we offer now, then started calling the value proposition as SVP or Strategic Value Proposition.

The word strategic was added because one looked at not only immediate values, but also values over a period of time. Therefore, it was needed to find out, it was needed to appreciate that what the customer problem really was not by just some immediate data, but in the bigger perspective of customers own market, customers own organization and the organizations position in the overall market and where the customer was going.

So, strategic value proposition meant that you had to walk with the customer; you had to synchronize with the customers position today and going forward tomorrow and therefore, it was important to understand the customer strategy to match the value proposition that you brought forward. Because it was understood at that stage that in most cases because sales, respectable sales, strategic sales, consultative sales happened when you created contributed to the customer's success paradigm. So, customer success was the fountainhead of your success.

As a salesperson, this understanding and execution of this understanding or realization of this understanding through various mechanisms, various steps, various sub-processes was this equation that you see on the right hand side that product positioning for the target segment is equal to developing and delivering a package of strategic values and as I mentioned that subsequently as on today where customers are connected in so many different ways to other customers.

The customer is almost 24 by 7 connected to society at large, market at large and therefore this situation offers an opportunity that through creating delight super relatives level of satisfaction you can have the customer talk about your products and services, the customer can become your sales partner. This situation which we call earning customer advocacy is what we are talking about in the concept of co-marketing which you see in the lower left.

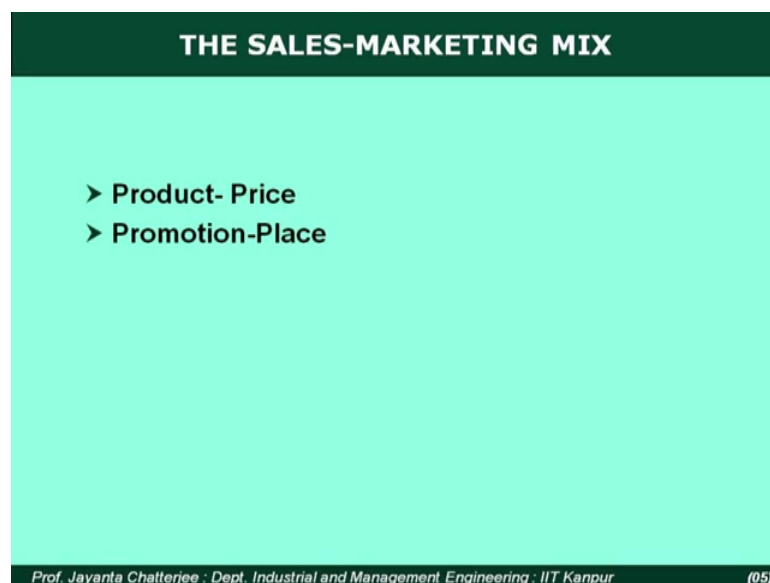
Some of the concepts that or rather more advanced understanding, we will be discussing going forward is that this creation of delight need not be at the cost of increasing sales expenses. We can create a lean sales process, so that after all all costs finally get reflected in the price that the customer pays in most cases and if you can reduce your cost, you can pass that benefit on to the customer and therefore, by reducing your sales and marketing

processes, the cost of sales and marketing through a lean process, you can actually increase the level of values. That means, the customers purchase can become more economic and that is the concept of lean sales.

That means, a very efficient sales process not a you know fluffy sales team, but a very sharp, very pointed, very targeted sales effort and sales team and the other concept which you see on the right hand side is the concept of adaptive selling; which means actually adapting to the situation of a particular target customer segments and developing strategic value proposition for that particular segment. We will discuss this in more detail.

At the moment you please try to understand that in today's market situation not only the effort to make the customer as your partner is very important, but it is also important to do that at an efficient cost level, so by creating a lean sales process and adaptive sales process.

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Now, let us get a little deeper and let us try to understand that sales is a part of the overall system of value delivery from the maker, from the seller to the buyer to the consumer in the marketing mix which I talked about a little earlier. These four elements are their product, price, promotion and place and you have to understand that field sales which we are studying through these sessions as you see from the title of this course field sales,

managing field sales relate to the two elements which are in the 2nd line promotion and place.

So, sales field sales is a kind of promotion it compliments other promotion like advertising or public relation, but at this stage you must also understand that within the different types of promotion or within the package of promotion field, sales is the most expensive element. It is also the most effective element, but because it is the most expensive element, it also has become necessary as I was just now talking to create a lean sales process.

But please try to understand therefore that the field sales is like the Army going forward and creating control over a domain, but the Army has to go hand in hand with the Air Force and other types of forces. So, therefore, sales works hand in hand with advertising or public relations or all different other kinds of promotional approaches and it has a very close relationship with place that is distribution.

So, in this course we will focus more on the sales part, but in a future module we will expand and relate sales with distribution. That means, promotion with place and try to understand that in marketing these are concepts in field sales, these are processes of realization of the concepts.

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SELLING IS CONSULTATION-TRUST CREATION

- **Buyer's needs are identified through two-way communication.**
- **Emphasizes service at every phase of Field Sales.**

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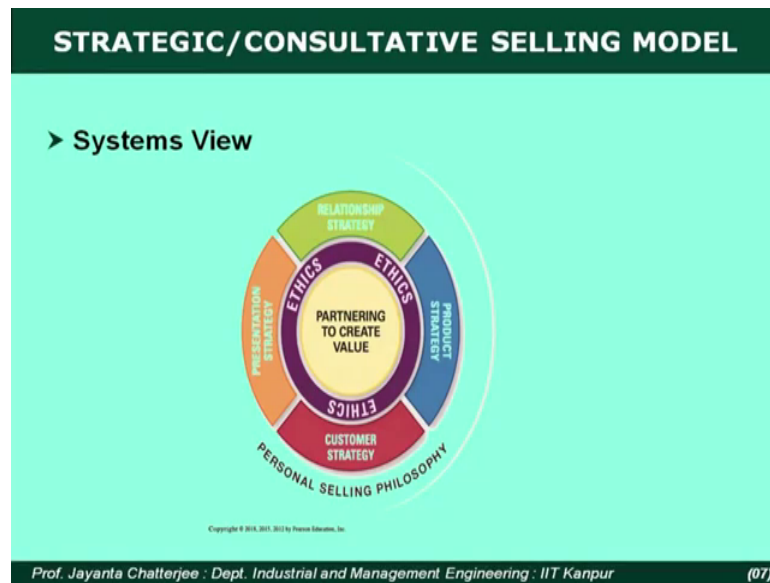
So, selling is the first most important part today's situation. If the selling is consultation, selling is trust creation where the sales person understands the customers real pains and creates a gainful way of meeting those needs. So, this understanding of pain and gain and delivering through a two-way communication process, this exchange is today's sales process trust based sales process relationship, oriented sales process and it is very important that service becomes a very dominant logic in today's sales process.

That means, the various kinds of intangible parts like understanding of the customer emotional needs, not only logical needs, but also emotional needs, understanding customers lifestyle and values and matching all those needs, these different kinds of service bundles that make today's field sales, consultative field sales a paradigm shift where the salesperson is not found irritating or the salesperson does not immediately create a sense of distrust, but on the other hand just the opposite. A situation, a good strategic sale situation creates the customer wanting to meet the salesperson to interact with the salesperson because the customer trusts that the person is going to understand my problem and is going to come up with an effective set of solutions.

So, this solution approach that means product service combination or we sometimes say product service system is what today's sales is all about, which obviously means that the sales process does not end with just the exchange across the counter or just the delivery of the product, but it remains the sellers responsibility to see and hold customers hand if necessary and see through the entire after sales process. So, earlier we used to call after sales as a service and was considered as a separate sort of sets of activities and was often neglected.

But today it is a continuum and this understanding of the evolution of sales process which I just discussed and understanding that sales is a system, a continuum from the early identification of customers real needs, both logical needs as well as emotional and other lifestyle value oriented needs, delivering a package of values which meets the customers requirement today and will continue to meet customers requirement and going forward will become a part of customers success journey is the core of field sales management today.

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The diagram that you see now is the bottle that will guide these 4 weeks course. As you see at the center is the concept of partnering with the customer to create value. It is enveloped by ethics. This has become very important because as I mentioned in the earlier days before 1970s, in some way sales persons were socially looked down upon because they were considered as conmen, they were considered as tricksters. And today it has become necessary through the sales ethics which we will discuss all its different aspects through an ethical sales process. One has to meet customers real needs of today needs, going forward has to deliver product and service as an integrated solution and therefore, ultimately based on trust, a relationship has to be created.

So, customer strategy is synonymous with trust based relation creation and retention strategy. These we will expand these concepts and we will investigate in details over the next sessions.

Thank you.