

## UNIT 4

### Sales Promotion

The main aim of any business is to earn maximum profit and this is possible only through maximum sales. Selling in the market is a tough job because of the stiff competition. It is necessary to create demand. Sales promotion is a science and technique employed to increase the sale. The maximum sales can be achieved by using various technique of sales promotion.

#### OBJECTIVE OF SALES PROMOTION:

- 1) To introduce new products
- 2) To attract new customers
- 3) To maintain old customers
- 4) To improve public image of the firm
- 5) To popularize a brand name of the product
- 6) To assist salesman and the dealers
- 7) To induce customer to purchase more items
- 8) To reduce the unit cost of the product by increasing the large scale production.
- 9) To increase the standard of living of the customers.
- 10) To stimulate demand by explaining special feature of products.
- 11) To inform the public of the availability of new and improved products which they want to buy.

#### Techniques of sales promotion

Sales promotion in a drug store includes advertising, publicity, display of goods, patient counseling and drug information service. Following are some of the methods which are commonly used to promote sale.

- 1) Free samples
- 2) Trading stamps

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- 3) Coupons
- 4) Premium or bonus offer
- 5) Prize contests
- 6) Fairs & exhibitions
- 7) Temporary price reduction
- 8) Indoor display
- 9) Public relations

### **Limitation of sales promotion**

- It is a short –lived method, so one cannot rely on it forever.
- It cannot remove the short coming of the product.
- The methods of sale promotion are costlier which increase the cost of finished product.
- It may be helpful for consumer goods but not for all type of industrial products.
- There may be overstocking of gift items if they are good and costly which are offered by an enterprise.
- It leaves its impact only for a very short period, unless it is repeated frequently.

### **Salesmanship**

Selling is an important function of business. It is a bridge for introducing new good and service in the market. Salesmanship is the art, discipline and profession of selling. It is the ability to influence and win over a customer. It creates interest, arouses and maintains demands and sells the products.

Sales are the life –blood of business. The ultimate objective of all production is sales. Without sales it is difficult for a business to survive, because sales are the major source of revenue for a business.

Personal selling or salesmanship is the oldest and most effective technique of selling. It helps in understanding the need, motives and behavior of people.

Advantages

It helps in locating prospective buyers.

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It helps in the creation of a demand for new products.

It provides feedback about the need attitude and behavior of consumers.

It helps to remove the objections and doubt of the consumers.

It helps in demonstrating the product in a very effective way.

It can develop durable relationship with consumers.

The salesman acts as a consultant to the consumers.

Salesmanship gets immediate buying action.

### Steps in selling process -

- 1- Pre-sale preparation
- 2- Prospecting
- 3- Approaching
- 4- Presentation
- 5- Dealing with objections
- 6- Closing the sales
- 7- Follow up

### Pre –sales preparation -

The selection, training and motivation of a sales person are the first step in personal selling. The salesman must have a thorough knowledge of the product, customers, competitors, product and technique of selling.

### Prospecting –

The salesman must locate the potential buyers and identify their needs. They should examine the records of past and present customer to find out the nature and attitude of past and present customers to find out the nature and attitude of potential buyers.

Potential customer can also be spotted through observation, inquiry and consulting dealers.

### Approaching-

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A salesman should approach the customer to secure his attention. He should be polite and courteous while approaching the customers. A salesman at the counter should pleasantly greet the customer and make him feel at home. In case he is busy with some other customer, he should assure the customer that he would attend to him very soon. He has to be very careful in approaching the new customer a first impression is the last impression. He should talk with confidence and graceful in his manner.

### Presentation –

The object of presentation is to convince the customer that he needs this type of product or service and this particular product or service will in fact fulfill his needs. The salesman should describe the salient features and use of the product in brief and not its technical details such as, description about drug formulation, its chemical composition, its pharmacological actions and side effects etc.

Dealing with objection- certain objection may be raised by the customer after presentation which should be welcomed. Those objections which are mostly regarding the price, quality and design are helpful in discovering the doubt of the customer. The salesman should not lose patience if a customer asks for many questions and takes time in reaching a decision. The main aim of the salesman should be remove customer's objections in one way or the other, so that the customer is satisfied with product.

### Closing the sale-

Once the customer has made up his mind to buy the product, the salesman should close the sales in a cordial manner.

The customer should be made the right choice. It is difficult to close the sale if the customer has been pressurized to get in for a particular item. He should guide the customer in making choice but should not impose his own views.

The salesman should thank the customer at the time of delivery of goods and all social courtesy should be extended to him. He should assure the customer of still better service in future.

### Follow up –

Follow up is not practicable in case of retail pharmacy as customer do not visit the pharmacy as frequently they do in other shop. But representative of suppliers generally follow up for stock 'sold in' to be 'sold out' by effective salesmanship.

### Fundamental of success in salesmanship

#### 1-knowledge of self –

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The personality of the person selling goods is very important. A repulsive salesman may drive the customer away while a charmingly cheerful salesman may not only attract customer but win them permanently for the organization. It is, therefore, very important for the salesman to analyze and ascertain the qualities which that job requires and qualities which he he possess. The salesman should be conscious of his weakness and constantly make effort to overcome them. Salesman not born they are created by systemic training. The self assessment of his own personality by the salesman; helps him to get the benefits of the strong points of his personality and avoid displaying of weakness.

## 2 –Knowledge of the product –

The salesman should know the following important things about his product:

- A) Manufacturing details
- B) Nature of the product
- C) Comparative study of other similar product and their selling point.
- D) Distribution policies adopted by the company to sell them.

## 3- Knowledge of company –

The knowledge of company is essential for a salesman. The modern salesman sells not only the product but also his company, its prestige, reliability, friendliness, achievements, long standing accessibility and experience. He should know about distributive as well as sales promotion policies of the company or organization. A knowledge of all these things is essential to impart confidence in the salesman, to help him reconcile his selling efforts to the requirement of the situation and to enable him to serve the company as well the customer more efficiently.

4- Knowledge of the customers –A salesman should have a thorough knowledge of his customer so that he can size up the customer quickly and correctly to motivate him rightly and satisfactorily and to win him permanently and positively. The salesman should understand and appreciate three important points:

- 1) Motivation of the buyer to buy.
- 2) The nature and requirements of the customer.
- 3) The dealing with different type of customer.

## 5 – Knowledge of the technique of selling –

This is essential for effective selling. There are a few important principles of selling which the salesman should learn.

- 1) The salesman should see that the prospect is well attended.
- 2) He should try to understand the requirement of his customer well.
- 3) He must always be prepared to help him and for this he should create the necessary confidence in him.
- 4) Always serve the customer to the best of his abilities.
- 5) Treat the customer as the salesman will like to be treated him.
- 6) Customer is the really boss of the salesman because the continuity of the salesman's job and the possibility of his promotion, all depend upon the customer he builds for his business.
- 7) Treat the customer as the salesman will like to be treated him.
- 8) He should suggest the item to meet the customer's requirement. He must ensure that his need is suitably met.

### **Salesman**

A person who is engaged in selling goods to the customers is known as a "salesman ". It is generally said that salesman are born and not made .however, it is not true these days, because any person who wants to adopt a sales profession get intensive coaching and training. The success of a firm mainly depends on the performance of their sales force. Therefore it is essential to engage well qualified trained, energetic and young person as the company's sales force.

#### **Qualities of a salesman:**

- 1) **Personal qualities**
- 2) **Mental qualities**
- 3) **Social qualities**
- 4) **Vocational skill**

#### **Personal qualities:**

- 1) A good salesman must have an attractive personality.
- 2) He should have a clear voice and his tone of speaking should be natural so as to impress the person dealing with him.

- 3) He should have a clear voice and his tone of speaking should be natural so as to person dealing with him.
- 4) He should also be well dressed because it adds to his charm .A pleasing and charming personality always creates a good impression on buyers.

### **Mental qualities**

- 1) A good salesman should possess a sound memory, presence of mind, imagination, foresightedness, sound judgment and initiative.
- 2) He should be intelligent enough to understand the nature and requirement of potential buyers.
- 3) He must have the imagination to look at things from the viewpoint of the customer. A salesman can win regular and permanent customer only through good mental qualities.

### **Social qualities**

- 1) A good salesman must have a liking for people and the ability to mix them.
- 2) He must not be shy & of reserved nature.
- 3) He should be sincere, dependable, co-operative and honest.
- 4) A salesman has to deal with different type of customer .He should have patience to listen to his customer and remove their objections.
- 5) He should always be polite and courteous while dealing with his customers. He must help the customers in selecting the right type of goods .courtesy cost nothing but win favor and permanent customers.

### **Vocational skill**

- A good salesman must have specialized knowledge of selling techniques.
- Salesmanship is a highly skilled vocation. It requires certain training and aptitude to have a thorough knowledge of the product, customers & competitive product already available in the market.

## **Advertising**

Advertising is an art, used to familiarize public with the product by informing of its description, uses, and its superiority over other brands sources of its availabilities and price etc. it is a paid form of communication. The advertiser has to pay for the space or time used to communicate the message to his customers.

### Objective of advertising

- 1) To create a demand for a new product by explaining its utility.
- 2) To create its sales by attracting new customer.
- 3) To maintain the existing demand by fighting competition.
- 4) To assist the salesmen in their selling efforts.
- 5) To warn the public against imitation of the product of the firm.
- 6) To enhance goodwill of the firm.
- 7) To build and retaining brand loyalty.

### Advantage of advertising

- 1) It helps in the introduction of new production of new product in the market.
- 2) It promotes the sale of goods and services by persuading the people to buy them.
- 3) It helps in creating a demand and hence a regular production.
- 4) It enables a firm to face competition in the market for its survival.
- 5) It enables a firm to improve its reputation by highlighting its achievement to the public.
- 6) It provides information and also educates the consumers to buy better quality goods at lower prices.
- 7) It leads to increase in production, which in turn reduce the overhead expenses. Hence it helps in bringing down the selling price of the goods.
- 8) It enables the manufacturer to expand his market.



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- 9) It helps in maintaining uniformity and stability of prices.
- 10) It provides revenue to newspapers, magazines, doordarshan and radio.

### Disadvantage of advertising

- 1) It multiplies the needs of the people by inducing them to buy things which they do not really need or cannot afford to buy.
- 2) It increases the cost of production.
- 3) It does not necessarily increase the demand and sale of the product. It simply shift demand from one seller to another.
- 4) It involves a huge wasteful expenditure because the majority of advertisement either escapes the attention of the people or is ignored by them.
- 5) Many a time, the facts are misrepresented in the advertisement.

### Parts of an advertisement

#### 1) Heading :

The heading or caption is used to attract the attention of the people. It may be a word, a phrase or even a question about the product or service being advertised. It should not be very long.

#### 2) Theme :

Theme gives the basic idea about the product and highlights its distinctive advantage. It conveys an image of the product being advertised .for example D-cold tablet contain the theme of effective against cough and symptoms of cold.

#### 3) Picture :

An advertising copy contains a photo of the product being advertised. Photo of a product is often combined with a photo of model/ star possessing or using the product. It enables the customer to recognize or identify the product

#### 4) Argument :

The purpose of giving the argument is to convince the customer about the utility of the product.

#### 5) Closing part :

The closing part of an advertising copy is very often repeats in brief the content of advertisement. In some cases the name and address of the drug store where the product is available are given in this part.

### **Essential feature of good advertisement**

The advertising copy should be carefully drafted so as to include the following essential feature:

- 1) It should be made attractive by using picture, headlines, borders etc. so as to make people read, see or listen to it.
- 2) It should create a permanent impression on the mind of people. Repeated use of brand name or trade mark is very helpful.
- 3) It should give useful suggestion to the public. For example, the advertisement of Vicks 500 tablets suggests its use for cold and cough.
- 4) It should educate the people about the use of the product and its benefits. For example, in the advertisement of baby milk powder, the instruction for preparing milk are required to be given.
- 5) It should induce people to buy the advertised product.

### **Media for Advertising**

The following are some of media through which advertising is done:

- 1) Press advertisement: news paper & magazines.
- 2) Literature advertisement: letters, circulars, catalogues and leaflets.
- 3) External advertisement: poster on walls and electric display.
- 4) Miscellaneous advertisement: TV, radio, window display, cinema slides, video-cassettes etc.

### **Advertisement and pharmaceutical company**

Regarding advertising of pharmaceutical products, WHO has resolved as below –

The advertisement of pharmaceutical products should be truthful.

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There should not be any wrong statement regarding its contents and their percentage. It should provide full details regarding the action and uses, proprietary name as well as the generic name, dosage form, mode of administration, side effects, treatment of toxic effect, precaution and contraindication. The above statement should be truthful, scientifically correct and proved.

The purpose of advertising in the ethical pharmaceutical market is the same as that for any other product but there are many restrictions on it.

The following method is used for advertising pharmaceutical products:

- 1) Direct mailing
- 2) Newspaper, professional magazines and journals
- 3) Personal contact or detailing :
  - a) It provides opportunity to inform the physician and retailers about new product of firm.
  - b) It helps to clear any doubts a physician may have regarding a particular product of the company.
  - c) It provides the company with an opportunity to demonstrate and explain in detail its products.
  - d) It also helps to refresh the memory of physician regarding the old products of firm.
- 4) Outdoor advertising :

Outdoor advertising is carried out in a number of ways to attract the attention of the passers – by.

- a) Poster or hoardings
  - b) Sandwich men
  - c) Transit advertising
  - d) Electric signs and neon signs
- 5) Television, radio and other audio visual media
  - 6) Miscellaneous methods.

## **Ethics in pharmaceutical sales**

The **ethics involved within pharmaceutical sales** is built from the organizational ethics, which is a matter of system compliance, accountability and culture (Grace & Cohen, 2005). Organizational ethics are used when developing the marketing and sales strategy to both the public and the healthcare profession of the strategy. Organizational ethics are best demonstrated through acts of fairness, compassion, integrity, honor, and responsibility.

### **Sales practices**

A pharmaceutical sales representative is the key part within the sales of all drugs. They are responsible to ensure the healthcare profession is informed of the benefits of the drug along with the safety and the side effects to assist a healthcare profession as the correct information and choices to prescribe medication to the patients. The term used is ethical promotion, which can be described as communication of ethical values to promote their product to the physician.

Markets present a clash of interest between various players. There is competition for resources, customers and price etc, which breeds ground for activities that may not get ethical sanctions. A certain code of conduct, policies and practices called ethics are required to manage markets and marketing.

Marketing is the heart of all businesses and all other functions depend upon the same for keeping the business moving. It is one business function that interacts the most with markets, in fact markets are meant to sell and they exist only when they sell! In such a scenario there are bound to be multiple players and a clash is inevitable. Such clash leads to malpractices like hoarding, price competitions, brand wars and use of unfair tactics, which is precisely where marketing ethics come into play.

Simply put, ethics means principle or values by which marketing ought to be conducted in the market place. Logically also when there are huge number of transactions involved, a certain code or guiding principles are required to ensure that operations and industry competitiveness is fair and beneficial to the end user. **There are different philosophies or schools of thought for ethics in marketing, one is the political philosophy and the other is the transaction focused.**

Whereas one school of thought says that all marketing efforts should be focused on maximizing the shareholder value and that this is the only marketing ethics; the other believes that that marketing and market is equally responsible to consumers, other stake holders and the shareholders. The tactic of targeting targeted segments, creating needs that were inexistent till now, transparency about the source of labor and environmental risks, transparency about the use of source and the ingredients, appropriate labeling, mentioning associated health risks, advertising jurisprudence and not making false promises fall within the ambit of marketing ethics.

Lots of marketing and promotion was carried out for goods and services that were not a need till yesterday and only a luxury. Today cell phones have become a need and a status symbol! These

are issues that are being discussed in marketing ethics nowadays. Marketing ethics is in its budding stage only considering that it came into being only in late 1990s.

**Like other ethical disciplines, marketing ethics is also looked up from various perspectives. There is the perspective of virtue, expediency and other perspectives.** But like other ethics there is also the difficulty of deciding the agency responsible for ethical practice. Since there is not one single agency responsible for ethics this gives the independence to an individual or to any marketing agency to act on its own and be ethical!

Marketing ethics unlike other business ethics is not only restricted to the field of marketing alone. It influences many aspects of our life and especially in developing perceptions in the minds of people and creating identities, classes and sections in the society. The visual channels of communication used for marketing sometimes lead to closure of knowledge, opinions, ideas and beliefs. It creates prejudices in the mind of people.

## **Merchandising**

Merchandising is any practice which contributes to the sale of products to a retail consumer. At a retail in-store level, merchandising refers to the variety of products available for sale and the display of those products in such a way that it stimulates interest and entices customers to make a purchase.

In retail commerce, visual display merchandising means merchandise sales using product design, selection, packaging, pricing, and display that stimulates consumers to spend more. This includes disciplines and discounting, physical presentation of products and displays, and the decisions about which products should be presented to which customers at what time.

### Promotional merchandising

The annual cycle of merchandising differs between countries and even within them, particularly relating to cultural customs like holidays, and seasonal issues like climate and local sporting and recreation. Events such as Chinese festivals and Japanese festivals are incorporated in an annual cycle of shop decorations and merchandise promotion.

### Retail supply chain

In the supply chain, merchandising is the practice of making products in retail outlets available to consumers, primarily by stocking shelves and displays. While this used to be done exclusively by the stores' employees, many retailers have found substantial savings in requiring it to be done by the manufacturer, vendor, or wholesaler that provides the products to the retail store. In the United Kingdom there are a number of organizations that supply merchandising services to support retail outlets with general stock replenishment and merchandising support in new stores. By doing this, retail stores have been able to substantially reduce the number of employees needed to run the store.

## Literature

It involves the sources of drug information. The sources are considered primary, secondary, or tertiary depending on the originality of the information presented and their proximity or how close they are to the source of information

### TYPES OF SOURCES

Sources are considered primary, secondary, or tertiary depending on the originality of the information presented and their proximity or how close they are to the source of information. This distinction can differ between subjects and disciplines. In the sciences, research findings may be communicated informally between researchers through email, presented at conferences (primary source), and then, possibly, published as a journal article or technical report (primary source). Once published, the information may be commented on by other researchers (secondary sources), and/or professionally indexed in a database (secondary sources). Later the information may be summarized into an encyclopedic or reference book format (tertiary sources).

### Primary Sources

Primary sources are original materials/information on which other research is based. It includes journal articles of original research, conference papers, dissertations, technical reports, and patents. Primary sources are also sets of data, such as health statistics, which have been tabulated, but not interpreted.

- **Journals or Periodicals:** main type of publication in which scientific research is reported. May be published by learned societies or by commercial publishers. A researcher(s) submits an article to a journal. It is then refereed by a editorial board of experts in that field before being accepted/rejected for publication.
- **Theses:** detailed accounts of research conducted for the awarding of higher academic degrees. The research is assessed by external examiners before the degree is awarded. In many cases, it will also be later reported in a condensed form as a journal article.
- **Conferences:** an important avenue for reporting new research or developments. Papers presented may or may not be subject to editorial scrutiny. Conference papers can be: not published at all, published only in abstract form, published in advance of the conference as a preprint, published in book form, or as a special issue of a journal.
- **Reports:** individual publications reporting research. They may report internal research within an organization, or research done by an individual or organization under contract to a client. They can be: freely available, available only to members of an organization, only available by purchase. Sometimes the information from the report will also be

published in a journal article, but more often, the report is the only source of the information. Many governmental reports (full-text) are now being made available via the Internet.

- Patents: provides research information on new products or processes. Once published, patent information is freely available, but rarely republished in journal articles.

### Secondary Sources

Secondary sources analyses, evaluates, interprets, re-packages, summarizes or reorganizes information reported by researchers in the primary literature. These include:

- Review Journals : These generally start with Annual Review of ..., Advances in ..., Current Opinion in ...
- Article Reviews : Articles that summarize the current literature on a specific topic.
- Textbooks : These can be either specialized to a narrow topic or a more boarder overview.
- Data Compilations : Statistical databases (SEERS), Vital & Health Statistics, etc.
- Article Indexes/Databases: These can be abstracting or citation (e.g. Biological Abstracts/MEDLINE).

### Tertiary Sources

Tertiary sources consist of primary and secondary source information which has been collected and distilled. They present summaries of or an introduction to the current state of research on a topic, summarize or condense information from primary and secondary sources, or provide a list of primary and secondary sources of more extensive information. Examples are:

- Encyclopedias
- Almanacs
- Fact books
- Research Quickstarts/Library Course Pages/Pathfinders

### **Detailing**

Pharmaceutical industry is rapidly growing industry and there is a big competition in the marketing of pharmaceutical products. The pharmaceutical product is broadly classified in two groups on the basis of marketing. These are ethical products and over the counter products.

The ethical products are promoted through the medical profession. Its market depends on the prescription of physician given to the patients. Over the counter product are promoted by direct advertisement.

There are many pharmaceutical companies which provide canned detailing to its medical representatives. The medical representative are supposed to charm it and recite before the doctor. This type of detailing has following advantages:

- 1) The detailing covers all pertinent point which needs emphasis.
- 2) The detailing is prepared by professional experts at the head office of the company.
- 3) The detailing represents the sale policy of the company.
- 4) The untrained medical representative can effectively present detailing to a doctor.

**Disadvantage of canned detailing:**

- 1) The detailing seems to be artificial as it lacks the normal vocabulary of a medical representative.
- 2) The canned presentation always like no interruption from the doctor side
- 3) The canned medical representative always acts as a monologue.

**Stage of detailing:**

- 1) Approach
- 2) Development of interest
- 3) Benefit of product: while explaining the benefit according to the feature of the product, doctor can raise certain objection. there are four type of objections which can be raised by a doctor –
  - A) Prestigious objection - the objection is raised by a doctor in order to show his medical competency. These objections have no scientific background. For example, doctor may say, " I am doubtful whether vitamin B12 is essential for the absorption of iron in the body ".
  - B) Subjective objection -these are raised according to the like and dislike of a doctor. he might say that your cough syrup contain vanilla flavor which is not liked by his patients .other doctor say that the color of your cough syrup is red which is not acceptable to my patient .



C) Unspoken objection- some time doctor remains silent when medical representative is explaining the benefit of the pharmaceutical product. It may be that he disagrees with your detailing. Unless a doctor speak, it is difficult to understand the version of his silence.

D) Last effort objection- during detailing doctor sometimes raises objection which are not real objections. These are raised in order to avoid you. For example, when medical representative make request for an order, he just say that he has sufficient stock at this time or visit after a few days.

4) Product name: name of the product must be mentioned as many times as it is possible .the main aim of a medical representative to visit a doctor is to get him to prescribe the product by brand name.

5) Closing: closing of detailing is very important. If medical representative dose not close the detailing, he will lose. Medical representative has done a difficult job to attract the attention of a doctor, created the interest, give briefing about the benefits of the product, cleared all his doubt and convinced him. If the medical representative does not demand for prescription, his objective will not be fulfilled.

The medical representative can close the detailing by two ways-

1) Demanding manner: MR may demand from a doctor to prescribe a ‘detailed product ‘to his patient. For example doctor, please extend your favor for fefol spansule in term of prescription.

2) Requesting manner: MR can make a request to a doctor; provide that he is familiar with him. MR can request, doctor, please prescribe “ fefol spansule “to your patients so that I can fulfill the sale target. My promotion is due next month and I want that my sale target must be completed before due date.

## **Recruitment**

Recruitment is the process of searching for prospective employees and stimulating them to apply for job in the organization. Its purpose is to create a pool of candidate from which the most suitable person may be selected for the job.

### **Source of recruitment**

- 1) Internal recruitment: recruitment is done by promotion from within the organization. Many pharmaceutical companies feel that the best practice is to fill jobs from within the organization, if it is possible.
- 2) External application: the recruitment is done by selection. in case of government service recruitment is done by state or central government agencies , such as ‘ service selection board ‘ and ‘public service commission ‘ .

In private organization, recruitment is done by personal department.

### **Selection**

A well organized selection procedure has to be adopted to select suitable candidate for various jobs. The following selection procedure can be adopted:

- 1) scrutiny of application-

The applications received up to the due date are carefully scrutinized. The incomplete applications of candidate who do not fulfill the required eligibility conditions are rejected.

- 2) preliminary interview –

The candidates considered suitable on the basis of their application are called for a preliminary interview .this is a brief interview and its purpose is to eliminate those candidates who are either unqualified or unsuitable for the job.

- 3) selection test-

It may be written or oral test. The technical knowledge and administrative capability can be judged from these tests.

The following tests are commonly used in the selection process:

- a) intelligence tests
- b) aptitude tests
- c) trade test

- d) personality tests
- 4) Selection interview: A face to face dialogue between the employer or his representative and the interested candidate is the most popular tool of selection. the main purpose of selection interview is ;
  - a) To find out the suitability of the candidate.
  - b) To cross check the information revealed in the application and the tests.
  - c) To give to the candidate an accurate picture of his job and the enterprise.
- 5) Physical examination -: physical examination of the candidate is conducted to ensure that he is physically fit for job.
- 6) Reference check -: the candidate are required to write in their application form the name of two important people who know the candidate. These people are contacted to collect information about character, ability and background of the candidate. But the information supplied by them may be biased in favor of the candidate.
- 7) Final selection and placement -: The candidates who have been found suitable in all respect are appointed by issuing appointment letter to them.

The selected candidates are assigned specific job. This is known as placement.

### **Training**

Training is the scientific process of improving the knowledge and skill go the employees for doing a particular job. It is an organized activity through which people learn and acquire new skills and job knowledge.

There are five type of training which are as under:-

- 1) Induction training :

It helps to the process of introducing the new employees to the organization as well as to the existing staff members. The policies and regulation of the organization are made known to them.

- 2) Promotional training :-

In much organization, training is given to the existing employees to meet the requirement of the higher post.

- 3) Refresher training :

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The training is given to the employees in order to update their knowledge with respect to the latest development in their respective fields. Pharmacy council, of India has organized a number of workshops in order to update the knowledge of working pharmacist in the various hospitals in the country.

### 4) Job training :

The training is given to the newly recruited employees. The introductions are given by a supervisor to the new worker so that they can work smoothly in the new environment.

### 5) Safety of training :

The training is given to worker to handle the dangerous machine and materials in order to avoid any fatal accidents. For example pharmacist is trained to handle radioisotopes which are used as medicine or in diagnostic purpose.

## **Method of training:**

### a) On the job training:

- 1) Coaching and counseling
- 2) Vestibule training
- 3) Apprenticeship
- 4) Job rotation
- 5) Under study
- 6) Special project
- 7) Committee assignment
- 8) Junior board

### b) Off the job training: the following method are used to give off the job training.

- 1) Lecture conference and seminar: - this is the most popular method of off the job training. Lecture, conference and seminar are conducted by the business concerns. The participant is invited from the various organizations and from academic field.

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- 2) Special course: - big organization conduct the special course to acquaint their employees to the new development related to their jobs. The lecture delivered by professional experts to the trainees so that they learn the skill and knowledge.
- 3) Case study :- in this case the written form is given to all the trainees and they are required to analyses it from the following aspects :
  - a) To identify the problem
  - b) To analyses the relevant factors
  - c) To suggest alternative course of action
  - d) To recommend the best alternative for solving the problem.
- 4) Role playing: In this method, trainees are assigned different role, such as worker, customer etc. turn wise. They play their role under the class room conditions. Then trainees present their views while playing different role.

It develops the analytical skills and ability of the employees from all aspects.

- 5) Sensitivity training: it is meeting of small group of members without any plan schedule. The basic purpose of this type of training is to develop better human relations by understanding each other. It facilitates the interaction among the members of small groups .the members are not required to observe senior – subordinate relationship.
- 6) Brain storming: in this method, a problem is referred to a group of trainees and they are asked to give suggestion for solving the business problems. The idea and suggestion which are put forth by individual trainees are analyzed and evaluated collectively by all the trainees in order to find a solution.

### **Performance Appraisal of Sales-Force**

Every sales manager and sales supervisor appraises the performance of the salesmen under his charge. It is unfortunate that the importance of organized appraisal is not recognised by many sales executives; some believe in accurate appraisal as it is not possible because of the nature of sales job and good many variables influence his performance; still, there are others who dismiss the idea on the count that such an appraisal is purely subjective and superficial and unsupported by facts and coloured by personal whims and fancies of the appraiser.

However, in spite of these problems of judging the salesman's performance, reliable methods of evaluation can be developed to provide sound appraisal of salesman's work. The principal methods of evaluating such performance can be of two types namely, qualitative and quantitative.

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The qualitative methods are:

1. Personal observation by sales executives.
2. Merit rating.
3. Customer opinion of salesmen.

On the other hand, the quantitative methods are:

1. Analysis of sales records and reports.
2. Comparison of salesman's performance with quota.
3. Ratio analysis.
4. Profit and loss statement.

#### **A. Qualitative methods:**

##### **1. Personal observation by the sales executives:**

Personal observation of sales performance of sales-force by sales supervisors, branch and district sales managers, sales manager and other, sales executive staff is used in appraising the salesmen's effectiveness.

This method involves casual, informal impressions by the sales executives in their day-to-day contacts with the salesmen in the office and the field. As it appears superficial, many sales managers feel that there should be extensive and continuous appraisal.

Appraisal begins with sales supervisors who work closely in the field with small group of salesmen. Here, the sales supervisor appraises sales performance of each one with a view to detect the possible selling weaknesses to bring about refinement in the due course.

Branch sales managers do undertake appraisal work with a view to recognize the good performance on the basis of which they can decide on employee up-gradation and transfer.

Regional or divisional sales managers appraise the salesmen to make long-range plans, strengthen marketing organisation and boost operations. Sales staff at headquarters appraises sales-force to determine the effectiveness of recruitment, selection, training and control of salesmen.

## **2. Merit rating:**

Another reliable method of measuring the sales aptitudes and performance is merit rating. Rating are made of each salesman by his superior who completes a rating form containing series of traits and accomplishments on the basis of which a salesman is rated.

A numerical scale ranging from 'high' to 'low' is used by the rates in rating each characteristic of a salesman. These characteristics are determined by the nature of selling task.

However, the most common traits are industry, dependability, loyalty, cooperativeness, initiative, judgment, knowledge of product company sales task. Therefore, separate forms are used for salesmen engaged in different types of sales jobs.

Merit-ratings are fruitfully employed by sales managers to record the progress of salesmen as a guide in determining promotions, demotions, transfers, counsels, compensation, and recruitment, selection, training and to boost the morale of sales-force by considering their performance.

## **3. Customer opinion of salesmen:**

Sales managers and supervisors get regular comments on salesmen under their charge through their personal contacts with consumers and dealers. The relationship of a salesman with consumers, dealers, architects, contractors, purchasing agents and the like has deeper bearing on his sales performance.

Usually, those salesmen who work well with others, command respect and friendship of customers and is credited with superior performance. Customer opinion of salesman is usually a reflection of the personality and personal service of the individual.

The salesman, who instructs the buyers in the operation of the product, makes prompt adjustments, helps customers in getting good delivery and service is well treated by the customers.

Similarly, a salesman who gives dealer sales assistance, merchandising and management advice has the favourable opinion. A good customer and dealer opinion is a mark of his success and a bad opinion is a sure sign of poor performance.

## **B. Quantitative methods:**

### **1. Analysis of sales records and reports:**

Controlling the individual salesman's performance by sales managers and sales supervisors begins with the sales call report. Information from the call report is summarized on a salesman's weekly and monthly sales record files in the sales office.

These summary records give condensed account of his sales, commission, travel expenses, number of calls, loss of working day, new accounts opened, performance in relation to quota, of products sold and other facts about his activities.

With these salient facts of a salesman's performance in the summary records a sales manager or the supervisor can make a weekly and monthly analysis of a salesman's progress and take prompt corrective action. Any deviation from a normal performance can be quickly noted and called to attention of the salesman concerned.

The deviation can be analyzed and plans be made for personal supervision to bring the salesman's performance back to normalcy. It also shows outstanding performance of some salesmen so that recognition can be given to those who deserve it.

Such analysis is not only needed for control but for future planning of operations and designing the programmes. A caution is to be exercised here in that salesman's effectiveness should not be based entirely on the analysis of the sales reports and records because, there are many other factors which influence sales- performance which are not revealed by sales reports and records alone.

## **2. Comparison of salesmen's performance with quotas:**

One of the most common methods of appraising the salesmen is comparing present and past salesmen's performance with quotas or standards of accomplishment established for sales volume, profit, expenses and the activities. Sales quotas are set by management after due consultation with the salesman, for each salesman's territory for a specific period. Each salesman is judged on the basis of his performance in relation to his quota.

Though separate quotas may be established for sales volume, sales expenses, gross-profit and activities, the most popular is sales volume quota expressed in terms of so many units or rupees for a specific period.

Such a figure spelled out is arrived on the basis of a detailed analysis of market potential, past sales performance estimates by salesmen and dealers, new products or product of product improvements, advertising, competition, the ability of salesman, judgment of sales executive and the prevailing economic conditions.

Such a sales quota can be for all the products in a line or for individual product or group of products, for an area say, branch or district or a region, for a specific period ranging from a month to a year or for individual customer or a group of customers and for a call or sale.

On the basis of comparison, the sales executives appraise the effectiveness of each salesman and take necessary action.



### **3. Ratio analysis:**

Certain ratios are much helpful in measuring sales performance in analysing sales reports and records that the sales office has. Take the example of sales expenses ratio. This ratio establishes the relationship between the sales expenses and the sales volume.

If annual sales are say Rs. 2,00,000 and sales expenses are Rs. 5,000, then the expenses ratio will be 40 per cent  $(Rs. 5,00 / Rs. 2,00,000) \times 100$ .

Taking the specific conditions prevailing in each sales territory such norms can be fixed and the actual can be compared with these norms and deviations can be analyzed for taking necessary corrective action. This being an expenses ratio, it is dangerous for a salesman to exceed this ratio or percentage. Similarly, sales performance can be appraised on the basis of sales profit ratio.

This ratio speaks of the rate of profitability in terms of profits. Say, a firm has an estimated sales of Rs. 1,00,000 and a profit of Rs. 15,000, then the sales profit ratio will be 15 percent  $(Rs. 15,00 / Rs. 1,00,000) \times 100$ . If this 1,00,000 figure is accepted as norm for sales-man's performance, every salesman should reach this and cross it as income ratio.

Such ratios can be: stores displays to total retail accounts served, a ratio of direct mail programmes to the total accounts or a ratio of time spent in stores to total selling time, in case of missionary salesmen.

In case of new business, this ratio can be of new accounts to total accounts. Through ratio analysis is not fully used in appraising sales effectiveness, it can be a valuable guide if one uses it in cross-verification way.

### **4. Profit and loss statement analysis:**

It is a recognised fact that ability to sell at a profit is a clear indication of excellence of sales performance. A salesman's profit performance is measured by profit and loss statements for his sales territory.

Progressive and cost conscious companies prepare income statement for each salesman's territory giving the details of net sales, cost of goods sold, gross profit, operating expenses and the net profit.

Depending on the individual company procedures, either gross profit or net profit and other related expenses are analyzed and salesman's effectiveness is determined in the back-ground of standards so set. This profit and loss statement method of evaluating salesman's performance has its own limitations.

Neither gross profit nor net profit gives a totally accurate picture of salesman's performance. It is quite possible that the two salesmen selling the same articles may give different profits; this may be due to the differences in territory size, demand pattern, nature of products sold, nature of accounts dealt with, market potential, calibre of outlets, economic conditions and so on.

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Therefore, one is to be careful while using this as a yardstick to measure the efficiency of the sales-force at the command of the company.

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