



SALE STAFF AS COMPETITIVE ADVANTAGE ON THE MARKET FOR PRODUCT AND SERVICE ORIENTED CONSUMPTION

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Abstract: Sales representatives are responsible for passing messages and generating sales. Sale staff of the company becomes element of great importance for the image of the company. The personal sale is part of the promotional mixture and as such responsible for sending messages to the business partners. The influence of the personal staff on the purchaser's perception is proportional to the intensity of the contacts that are being realized. Vendors/sellers have to be trained for interpersonal interaction too. It is important to identify the members of the shopping centers and to determine their individual needs and requests for efficient communication. It is necessary to carry out correct selection and choice of sale staff, their regular training and proper motivation expressed through financial and other kind of motivation, all of this connected to the control of success in the work.

Key words: sale, sale staff, personal sale, buyers/purchasers, selection, training, motivation.

1. INTRODUCTION

While selling the products of industrial consumption it is necessary to obtain a lot of information regarding the technical characteristics, conditions and manners of sale, servicing and way of payment.

The contemporary salesman makes researches to find out as much information as possible about the buyer, about the competition and the market situation before he starts the sale.

Personal sale as personal communication with the buyers has direct influence in the placement of production goods, provides flexibility because the communication process is bilateral, minimizes the possibility for lost effort and its greatest advantage is that it leads to concluding the contract of sale and purchase.

2. SPECIFICATION OF THE MANUFACTURE/ SERVICE CONSUMPTION MARKET

The manufacture service consumption market consists of individuals and organizations that supply products and services intended for selling, renting or supplying others. There are significant differences among the members of the buying/ purchasing centers regarding their perception of available alternatives of products and evaluation criteria and in what manner these criteria influence their preferences. The criteria of the key participants in decision making process are given in table 1 [4].

In a situation where there is large number of members of the shopping centre there might be some conflict expectations by certain members [2].

Electronic revolution in communication and computer technology offers great possibilities for realization of competitive advantage with buyers. The most important technological innovations for sales management are: 1) lap top and desktop computers, 2) video presentation devices, 3) distance video conference devices, 4) portable communication equipment 5) electronic equipped sales services. Sales managers consider information technology as one of the most important resources in performing their activity because of the advantages of chart presentation, tables and other various data. The use of video record is convenient for product and equipment demonstration. Around 80% of all the information that human brain processes exists as visual pictures, therefore the computer graphics considerably increases the possibilities of forming "the global picture" [5].

Table 1. Meaning of the criteria in forming the preferences

Decision makers	Criteria for key knowledge	Criteria with less meaning
Production engineers	Operating expenses Energy saving Availability Complexity	Initial expences Regional reputation
Corporate engineers	Initial expences Regional reputation Availability	Energy saving Modernity
Production managers	Operating expenses Application in nonproductive areas. Modernity Protection from function relegation	Initial expences Complexity
Top management	Modernity Energy saving Operating expenses	Noise level Availability
Consultants	Noise level Initial expences Availability	Modernity Energy saving Operating expenses

Using lap top computers allows access to the data base of the company about the available supplies, applicable information, production schedule, information about the buyers and so on. Distribution channels are very often connected in a system, hence the order can be checked in, and the delivery can be guaranteed. In this manner the cycle length of the order is dramatically decreased, the expenses are reduced and the level of services of business buyers is increased [2].

3. PERSONAL SALE

Communication happens “face to face”. The sales representative or the company salesman personally addresses the purchaser, promoting the products having the final purpose concluding the contract of sales and purchase and selling the products [6]. However, the individual and direct communication costs a lot. The average expenses of sales contact are considered to vary from 200 to 1100\$, depending on the industry and the type of the product or service [7].

The international oriented enterprises have contacts with people from different countries and cultures. The business/work of the international salesman at first sight seems very attractive. However, it is very complex and hard demanding skills and abilities of the sales staff. It is necessary to develop managing abilities for sales activities within different cultures, by accepting the various customs and speaking foreign languages [6]. This kind of promoting and sales activities is more often present at the market of industrial equipment or business services, rather than at the market of products for wide consumption. For the industrial sales, which is the best example for applying of international sales, one of the most important tasks is to determine the person who will make decision regarding purchase. The position of the person in charge of decisions varies from one company to another and from country to country. A successful international oriented salesman must be able to notice this fact. A Japanese research shows that in a large Japanese corporation for production of packing machines, the decision making process lasted 121 days and there were 20 people included [8]. However, besides different systems for decision making while purchasing, the criteria and purchasing goals are also different in different countries. Still there are products with high technology whose usage and criteria for purchasing are almost identical in all countries [9].

The meaning of the personal sales is larger in the international rather than domestic marketing. Two reasons are in favor of this statement: 1. Restrictions regarding media advertisement and possibility for using certain media can limit the mass form of communication. 2. Low salaries in many countries enable internationally oriented companies to employ numerous local sales labor [10].

The enterprise provides its negotiators with production specifications, functional explanations, instructions, enclosed documentation, warranty paper, service information etc. it is necessary to provide all the elements needed for successful presentation of the products to the final purchasers, expecting the negotiators to provide direct communication and personal sales of the given market [6]. There are four types of personal sales regarding the aims which should be reached [6].

1. Creative sales. This kind of sales creates the final sales leading the final purchaser through certain mental states to final decision for purchasing. This implies process of establishing contacts, locating of distribution and filling an order. The creative sales requires good knowledge of all the aspects of formal and informal communication.
2. Professional sales. This means a form of creative selling which includes making and keeping close and mutually good relations with the professional organization and specialized

distributors. The Holland multinational corporation ORGANON Pharmaceutical use salesmen missionaries who often establish friendly relations with the doctors, pharmacists, the drug stores developing programs for training of the sales labor.

3. Technical sales. In this case the technical characteristics, the technical knowledge and professional managing and after sales services are pointed out. The technical knowledge is emphasized rather than behavior of the consumers to different national markets.
4. Sales to the final consumers. This is about sales to the ordinary people and satisfying their needs. As a rule the citizens of the domestic country are the best salesmen of this type of sales.

As well as the other forms of promotion, personal sale tries to inform and motivate the business purchaser to have affection for the product, which leads to a sale [2].

The personal sale basically has two main roles. It is a part of the offer of the company and it is responsible for the satisfaction of purchasers, and a part of the communicational mix, when it is responsible for purchaser's information. Both its roles must be taken into account, when its place in the marketing strategy is being defined. The first role of the personal sale, as a part of the offer of production materials has several dimensions. It helps the purchaser to define the problem (situation of purchasing) and emphasizes how the purchasing of production material solves his problem. In technologically oriented lines of products, this asks for expert knowing of the product and technological skills, and in less technological oriented products, it is more related to advising the purchaser with focusing of the attention of the purchaser to the economic consequences of alternative supplies and with the influence of the expenses and profit. Personal sale has a great responsibility during the assistance of the purchaser in installation, maintenance and other services towards purchasers during purchasing of capital equipment. During purchasing of materials and parts, it helps in relating and better integration of supplied products in the process of production, including planning and control of supplies etc. The influence of personal sale is not only limited to defining of parameters of production materials in a narrow technical aspect and the other aspects of the overall product and the offer services, as well as conditions for lending activities, terms and deadlines for supply etc [2].

As a critical source in creating and appliance of marketing strategy of production materials, personal sale must be object of careful planning, organization and management. By helping the buyer/purchaser, the sales personal offers not only physical material, but also ideas, recommendations, technical support, experience, support and friendship. As a representative of the purchasers, the salesman often articulates the needs of the buyers and transfers them to production or development and research. The sales staff negotiate for production specification, delivery and technical services. It serves as a "border" between the centers for buying and should make the effort for decrease of conflicts in the relationship between sales and buyers [11].

In order to maximize the satisfaction of buyers and securing the desired market reactions, the company must develop long term relations with business partners and apply marketing access instead of classic transaction. Establishing close relations, even relations of strategic partnership is more and more present, which is consequence of greater global competition, from the need of continuing improvement of quality, the drastic technological changes and the wider acceptance of the JIT concept ("just in time"). The quality of the relations with the buyers/ purchasers has at least two dimensions. They are trust and satisfaction of the sales staff. The continuing interaction enables identification of the unsatisfied needs of consumers and creation of new deals [12].

Managing personal sales starts with definition of objectives, then are defined the sales efforts and they are organized and allocated, and also the sales staff is chosen, trained, developed, supervised and motivated. It is of great significance that the company defines the role of the personal sale in the marketing mix i.e. in the strategy of positioning production materials. It is logical that the personal sale has much greater significance in a situation when the company decides to use direct channels of sale rather than dominating indirect channels of sale [2].

Personal sale as a form of two way communication is based on theory of role playing, where each side in the interaction has determined behavior and expectations for itself and the other side [13].

Special sale teams are formed for complex sale assignments, which is practice of famous companies as Xerox, Hewlet-Packard, Du Pont etc. The empiric researches show that the sale teams are used in situations when the business partner – buyer/ purchaser buys for the first time complex product (new assignment), when the account asks for special treatment and when a large number of people are included in the decision for buying. Also, teams are used when there is a large value of potential sale for the sales staff and when the sales staff is selling a new product [14].

The behavior of the buyers in the interaction is determined with: The personal needs and the organizational objectives, interactions in the buyers centers, self-confidence, the calculated risk in relation with the decision of buying, the inventiveness of the buyer/ purchaser. Factors which influence the reaction of the buyers are: Stereotypes of a buyer in relation to the representative of the

sale staff, which are based on their previous experiences, the reputation of the company seller (effect of source) and the perception of the buyer/ purchaser for the expectation of the other members of the buyers center, quality of sales presentation, the kind of uncertainty perceived by the buyer, the phase of the decision of the buyer, and the phase in the process of diffusion of innovation. In other words, the interaction of the representatives of the sale staff and the buyer is complex [2].

The role and behavior of the sale staff is determined with his personal needs for example the need to have a commission, to advance etc. and of course with social needs. The behavior of the representative of the sale staff is determined with his ability to assume and fulfill certain expectations of other relevant subjects, for example managers, colleagues and influential persons in the buyers centers. The knowledge, training, the personal characteristics and previous experience influence the behavior and the belief in own ability for carrying out the role of a production representative. A very important determinant for success of the representative of the sale staff is the ability to foresee how the client will react to his messages. Also, the behavior of the sale representative is influenced by his perceptions considering the expectations of his managers, which have to be in tone with the expectations of the purchaser. Although there are significant potentials for conflict and worries during border roles between purchasers i.e. center of purchasing and the center for sales of the company [2].

The efficiency of the representative of the sale staff depends on his ability to locate the person(s) responsible for making decision for purchasing of centers for purchasing. The company will not always be able to communicate with every member of the team, only with individuals, however it is needed to secure necessary information which is not available to other members of the team. The analytical description of the process of deciding to buy the business market is useful for the development of the sales strategy, because it defines the goals of the effort, the stages through which the purchaser goes through and for which additional information is needed [2].

The basic flaw of the personal sale is its high expenses. In developed market economies, the average expenses in one sale contact vary from 200\$ to 1100\$ depending on the economic branch and the kind of product or services [7]. The expenses of personal sale are much larger than the average in computer manufacturers, and much lower in the manufacturers of chemical products. Because of efficiency maximizing of the personal sale, it is necessary to carefully manage it and integrate it in the marketing strategy. Significant increase of expenses of personal sale requires careful management and use of available technology because of increase of productivity of the sales force [2].

4. SELECTION AND CHOICE OF THE SALES STAFF

Selection and choice of the salesmen of the foreign market as a rule are followed by solving two problems. 1. The sales in many countries is treated as profession with low status and position and therefore the attractive staff seeks for other working tasks; 2. Finding the right people, with the desired characteristics is also very difficult in many countries, especially for selling precious and technical complex industrial products [10]. Although the communication in this case is dominant characteristic in the work, it is not very certain that the language ability is the best and determining indicator for success of the salesman on the foreign market. The following characteristics must be highly valued: business experience, professional orientation, maturity, adaptability, motivation, and work dedication. Sometimes these characteristics are more important than the local language skills. When recruiting and choosing the salesmen, it is necessary for the potential candidates to be directly familiar with production specifications and job description. Certainly the job tasks will differentiate from one market to other, and in this sense the appropriate criteria for choice will be established. To which degree the personal sales is significant can be illustrated by the example of the computer industry, IBM on the Japanese market has engaged about 10000 sales engineers, HITACHI 17000 and FUJITSU even 17000 field salesmen [6].

5. TRAINING AND INSTRUCTION

Training and instruction of the sales staff is carried out according to the model of the specialized educational centers. Differentiating the criteria for training is performed according to two criteria: 1. Introduction to the marketing characteristics of the product and the production program, which can be carried out according to single program or according to differentiated program for certain regions and countries; 2. Introduction to the politics and principles of the sales of the whole market, which is always according to the model "country per country", or according to the principle how to do business with. Special part of the training and instructions are relations for promotion of language skills of market communication in the same country. NIPON ELECTRONIC CORPORATION has even 162 educational programs for its sales staff abroad [15]. Within these programs there are two types of courses. One type helps learning the language, the other helps getting familiar with the business customs in the foreign country and negotiation techniques. IBM has European educational center

which is daily visited about 5000 attenders. BANK OF AMERICA has its own educational centers in Tokyo, Karakas, and London [6].

6. REWARDING AND MOTIVATION

Rewarding and motivation of the sales staff is one of the key parameters for successful sale. Motivation can be different in different countries. It can be financial, in form of salary, commission or something combined [16]. However besides primary financial motivation there is also another kind of motivation, non-financial which is gaining greater significance. It means providing beneficial status, international trips, attending international seminars, providing larger comfort and better living conditions. The financial rewards are the strongest incentive for the American sales personal. In Europe since the personal income taxes are high, the significance of the non-financial incentives is increasing. In Japan the collective success has greater significance so that the individual rewards of the representatives and sales managers are presented as part of the team work. As for the sales staff out of the country, the motivation means additional compensation such as leading life in different conditions, providing apartment and education for children, providing of the other business facilities. The living expenses varies from country to country as well as from city to city in the same country [6].

7. CONTROL OF THE WORK

Regular controlling techniques are: coverage of the sale area, sale quotes number of sale contacts and commercial conversations, the frequency of the concluded contracts and so on [16]. The continuing reporting is the best way of providing control. As a rule, it is insisted to use mutual crossing of various controlling techniques. Within international frame the greater flexibility is necessary since it come across many heterogenic conditions of sale on different territory. For instance some sale regions are less attractive than others, the company can offer extra rewards for working in difficult conditions in order to level the efficiency. In this sense PHILIP MORRIS in Venezuela has offered larger commission for working in rural sale areas [6].

Controlling of sale activity means checking activities, monitoring, examination, evaluation and correction of the directed actions of sale function due to determining and changing the conditions and coordinating the plans and goals of the sales in case of aberration of the predicted plans [16]. The task of the profitability control is to determine the profitability in working in sense of the amount of incomes from the products (services) which are subject of operating in market areas where the products (services) are sold [16].

The control of success is logical continual of profitability control. Its task is to determine the possibility for better operating in regards to what is determined by profitability control in sense of better managing the functions whose content contributes for the business results of the sale. The control is based on following various indicators whose results have significant influence on the business success such as:

- ✚ daily average number of sale visits per salesman,
- ✚ average duration of sale visit per meeting,
- ✚ average incomes per sale visit,
- ✚ average expenses per sale visit,
- ✚ percentage of the orders for 100 sale visits,
- ✚ number of new purchasers in certain period,
- ✚ number of lost purchasers in certain period,
- ✚ expenses of the sale instrument as percentage of the total realized sale.

The essence of the strategic control is critical reexamining the success of the sale function in approach to the market viewed from the point of determined goals, politics, strategy and plan for the planned activities [16].

8. CONCLUSION

The specific characteristics of the market for product and service oriented consumption come from sale characteristics, the ones of the industrial purchasers and of the offer.

Personal sale is type of direct market communication which is realized though immediate contacts of the salesman and the purchaser. The sale staff of the company must predict the structure of the power centers. Differentiating the criteria for training and instruction is performed according two criteria: introduction to the marketing characteristics of the product and production program and introduction of politics and principles of sale of the target market. While selecting sale staff on the market for product/service consumption the following characteristics must be highly valued: business experience, professional orientation, maturity, adaptability and work dedication. Along with the

primary financial motivation there is non-financial motivation whose significance is being increased. The control of the salesmen is carried out by regular controlling techniques: coverage of the sale area, realization of the sale quotes number of sale contacts and commercial conversations, the frequency of the concluded contracts and so on.

As a critical source in creating and appliance of marketing strategy of industrial marketing materials, personal sale must be object of careful planning, organization and management. The effective managing of the personal sale is fundamental for success of the company. The sale staff should create position of consultant for the company offer who is professional and is skilled to communicate clearly the arguments in favor of the company.

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