

NIOS lesson adaptation project

By EMBRACE Volunteers

(A community initiative of Harchan Foundation Trust)

Chapter 16

Sales Promotion And Personal Selling

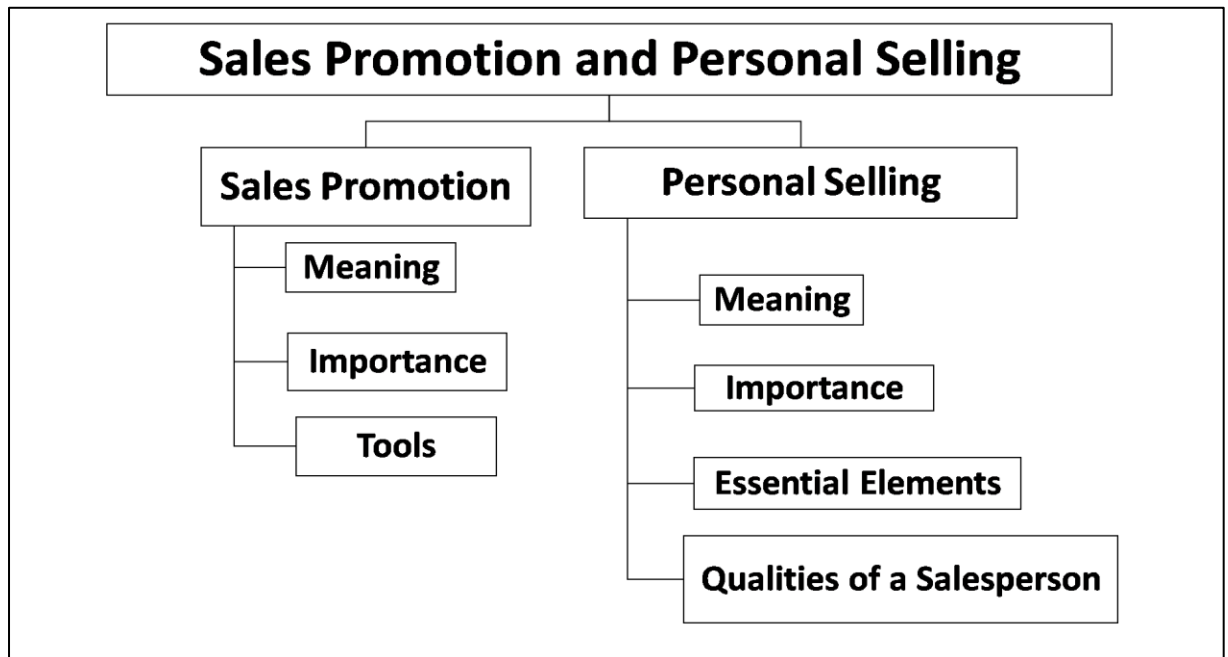
(Printable Version)

- **Simplified Lesson**
- **Previous Year Questions with Answers**
- **Terminal Questions**

This project is aimed at supporting children with different needs. Information provided is adapted to the best of knowledge by the volunteers. For complete information please refer to the NIOS resources in <https://www.nios.ac.in/online-course-material/secondary-courses.aspx>.

LESSON 16

Sales Promotion And Personal Selling



Meaning of Sales Promotion

- It refers to **short term use of incentives** or other promotional activities that seek to stimulate interest, trial or purchase by customer.
- Sales promotion consists of **all activities other than advertising and personal selling** that help to increase sales of a particular product.

Why Sales Promotion is Needed?

Sales Promotion is important for both the manufacturers and consumers.



<u>For Manufacturers</u>	<u>For Customers</u>
•Increase Profit by Increasing Sales	•Products at cheaper rates
•Draw attention to new products	•Availability of Incentives
•Retain the customers.	•Complete information of products
•Easy disposal of existing stock	•Money back offer creates confidence
	•Exchange of old for New

Tools of Sales Promotion

Free Samples	Premium or Bonus offer	Exchange Schemes
Price-off Offer	Coupons	Fairs and Exhibitions
Trading Stamps	Scratch and Win Offer	Money Back Offer

1. Free Samples	Free samples of products are distributed to attract customers towards a new product.
2. Premium or Bonus offer	Extra quantity of a product is given for free. For example, 20% extra toothpaste.
3. Exchange Schemes	Offering exchange of old product for a new product. Now, new product can be purchased at a price less than the original price.
4. Price-off Offer	Under this offer, products are sold at a price lower than the original price, that is, discount is given.
5. Coupons	Sometimes, coupons are issued by manufacturers . These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discount.
6. Fairs and Exhibitions	Fairs and exhibitions may be organized to introduce new products and explain their features.
7. Trading Stamps	Customers need to collect stamps of certain value to get the benefits.
8. Scratch and Win Offer	Under this scheme a customer scratches a specific marked area on the package of the product and gets the benefit.
9. Money Back offer	Under this scheme customers are given assurance that full value of the product will be returned to them if they are not satisfied after using the product.



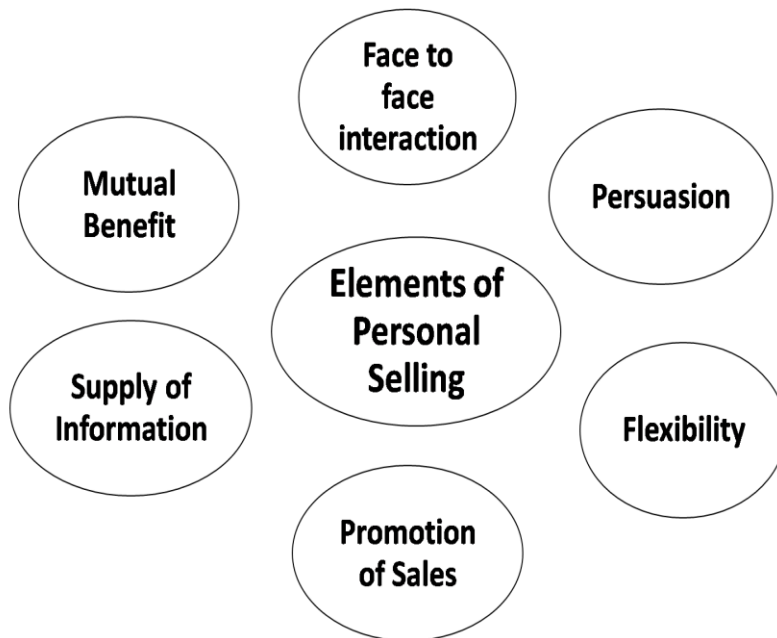


Personal Selling

Personal selling is presentation of goods and services before the customers and convincing or persuading them to buy the products or services.

Essential Elements of Personal Selling





1. Face-to-Face Interaction	Salesperson can explain the features of products in the physical presence of the customer.
2. Persuasion	Salesperson must be able to convince the customers, such that, customers get interested to buy and use the product.
3. Flexibility	Depending upon the situation, age, gender etc of the customer, salesperson can decide which features of the product need to be told.
4. Promotion of Sales	The ultimate objective of personal selling is to promote sales by convincing more and more customers to use the product.
5. Supply of Information	It educates customers about the various details of the product.
6. Mutual Benefit	While customers feel satisfied with the goods, the seller enjoys the profits.

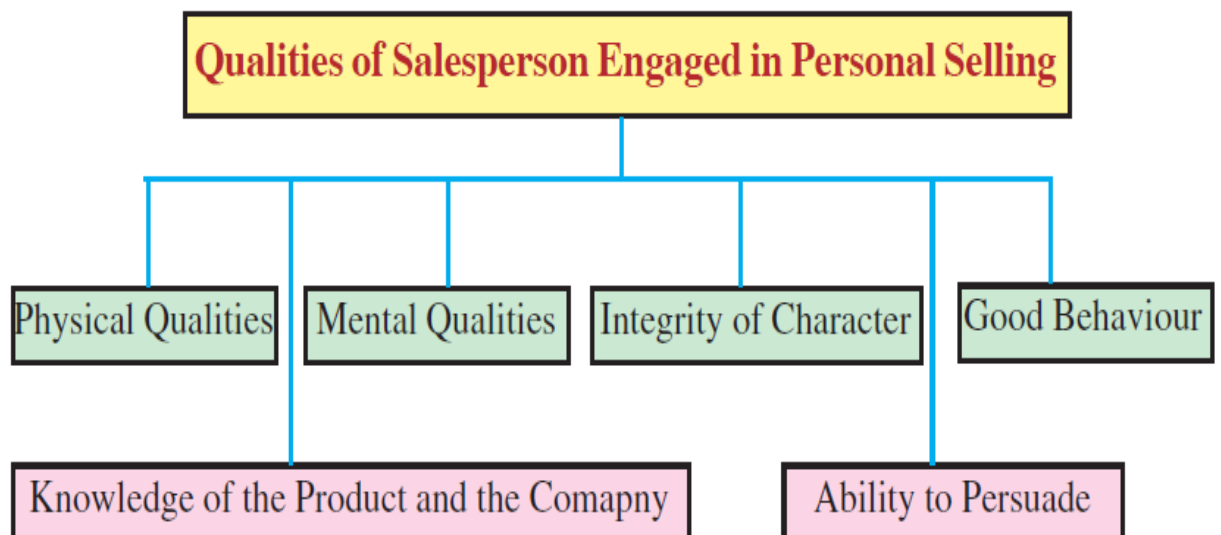


Why Personal Selling is needed?

Personal Selling is important for both the manufacturers and consumers.

<u>For Manufacturers</u>	<u>For Customers</u>
• Creates demand for new and existing products.	• Informs about new products in the market
• Expands market by creating new customers.	• Provides demonstration of use of new products.
• Leads to product Improvement by taking customer input personally	• Guides in selection of products.
	• Provides solutions for complaints personally.

Qualities of Salesperson



1. Physical Qualities	A salesperson should have a good appearance, impressive personality and above all good health.
2. Mental Qualities	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.
3. Integrity of Character	A salesperson should be loyal both to the employer and to the customers.
4. Knowledge of the product and the company	<ul style="list-style-type: none"> • Sales person should be able to explain every aspect of the product. • Sales person should be able to explain the business and service record of the company..
5. Good Behavior	A salesperson should be co-operative and courteous.
6. Ability to Persuade	A sales person should be able to convince the customer to buy the product.

PREVIOUS YEARS QUESTIONS

1. Which of the following is a tool of sales promotion? (A)

- (A) **Free samples**
- (B) Advertisement
- (C) Publicity
- (D) Personal selling

2. Vineeta is running a marketing business. She wants to employ number of sales persons. Explain any five qualities that a salesperson should possess.

OR

Explain any five qualities of a Salesperson engaged in personal selling.

OR

Vikram, who is running a marketing business, wants to employ number of sales persons. Explain any four qualities that a sales person should possess.

1. Physical Qualities	A salesperson should have a good appearance, impressive personality and above all good health.
2. Mental Qualities	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.
3. Integrity of Character	A salesperson should be loyal both to the employer and to the customers.
4. Knowledge of the product and the company	<ul style="list-style-type: none"> • Sales person should be able to explain every aspect of the product. • Sales person should be able to explain the business and service record of the company..
5. Good Behavior	A salesperson should be co-operative and courteous.
6. Ability to Persuade	A sales person should be able to convince the customer to buy the product.

3. Which of the following type of Sales promotion enables products to be sold at a price lower than original price to boost up sales in off-season? (A)

- (A) Price-off offer
- (B) Fairs and exhibitions
- (C) Trading stamps
- (D) Coupons

4. State the importance of sales promotion from the point of view of manufacturers giving any two points.

Ans: Sales Promotion is important for both the manufacturers and consumers. For manufacturers, it:

- 1. Increases Profit by Increasing Sales
- 2. Draws attention of consumers to new products
- 3. Retains the customers
- 4. Helps in the easy disposal of existing stock

5. Clearance Sale - Discount upto 80%' isa/an (C)

- (A) Sale on Approval
- (B) Auction Sale
- (C) Wash Sale**
- (D) Sale through tender

6. The manager of Vikas Enterprises dealing in consumer goods, is facing the problem of poor sales. Explain briefly to him any six tools of sales promotion that he should use to improve his sales.

1. Free Samples	Free samples of products are distributed to attract customers towards a new product.
2. Premium or Bonus offer	Extra quantity of a product is given for free. For example, 20% extra toothpaste.
3. Exchange Schemes	Offering exchange of old product for a new product. Now, new product can be purchased at a price less than the original price.
4. Price-off Offer	Under this offer, products are sold at a price lower than the original price, that is, discount is given.
5. Coupons	Sometimes, coupons are issued by manufacturers . These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discount.
6. Fairs and Exhibitions	Fairs and exhibitions may be organized to introduce new products and explain their features.
7. Trading Stamps	Customers need to collect stamps of certain value to get the benefits.
8. Scratch and Win Offer	Under this scheme a customer scratches a specific marked area on the package of the product and gets the benefit.
9. Money Back offer	Under this scheme customers are given assurance that full value of the product will be returned to them if they are not satisfied after using the product.

7. A milk shaker along with Nescafe's an example of which of the following tools of sale? (D)

- (A) Exchange schemes
- (B) Free samples
- (C) Coupons
- (D) Premium or bonus Offer**

8. Explain the following tools of sales promotion:

- (a) Free samples
- (b) Price off offer

Free Samples: Free samples of products are distributed to attract customers towards a new product. **For example,** free samples of shampoo, washing powder, coffee powder, etc

Price-off Offer: Under this offer, products are sold at a price lower than the original price, that is, discount is given.

9. Which of the following is a tool of sales promotion? (A)

- (A) Free samples**
- (B) Advertisement
- (C) Publicity

(D) Personal selling

10. The ultimate objective of personal selling is (D)

(A) To raise standard of living

(B) Provide better quality of products

(C) More satisfaction to customers

(D) Increase sale of products

TERMINAL QUESTIONS

1. Define Sales Promotion.

- It refers to **short term use of incentives** or other promotional activities that seek to stimulate interest, trial or purchase by customer.
- Sales promotion consists of **all activities other than advertising and personal selling** that help to increase sales of a particular product.

2. State the importance of Sales Promotion from the point of view of manufacturers.

For Manufacturers

- Increase Profit by Increasing Sales
- Draw attention to new products
- Retain the customers.
- Easy disposal of existing stock

3. State the importance of Sales Promotion from the point of view of Consumers.

Products at cheaper rates

- Availability of Incentives
- Complete information of products
- Money back offer creates confidence
- Exchange of old for New

4. List any six tools used in Sales Promotion.

Free Samples	Premium or Bonus offer	Exchange Schemes
Price-off Offer	Coupons	Fairs and Exhibitions
Trading Stamps	Scratch and Win Offer	Money Back Offer

5. Explain the meaning of 'Sales Promotion'. Why is Sales Promotion necessary?

Meaning of Sales Promotion

- It refers to **short term use of incentives** or other promotional activities that seek to stimulate interest, trial or purchase by customer.
- Sales promotion consists of **all activities other than advertising and personal selling** that help to increase sales of a particular product.

Why Sales Promotion is Needed?

Sales Promotion is important for both the manufacturers and consumers.

<u>For Manufacturers</u>	<u>For Customers</u>
•Increase Profit by Increasing Sales	•Products at cheaper rates
•Draw attention to new products	•Availability of Incentives
•Retain the customers.	•Complete information of products
•Easy disposal of existing stock	•Money back offer creates confidence
	•Exchange of old for New

6. Explain any two techniques of Sales Promotion, with an example of each.

The two tools of sales promotion are:

- (a) Free samples
- (b) Price off offer

Free Samples: Free samples of products are distributed to attract customers towards a new product. **For example,** free samples of shampoo, washing powder, coffee powder, etc

Price-off Offer: Under this offer, products are sold at a price lower than the original price, that is, discount is given. **For example,** Rs. 2 off on purchase of a life buoy soap, Rs. 15 off on a pack of 250 grams of Taj Mahal tea, Rs. 1000 off on cooler' etc.

7. Explain – “Price off offer” and “Free-Samples” as techniques of Sales Promotion.

Same as above answer

8. Explain how Sales Promotion techniques help in promoting sales.

Ans: Sales Promotion is important for both the manufacturers and consumers.

<u>For Manufacturers</u>	<u>For Customers</u>
•Increase Profit by Increasing Sales	•Products at cheaper rates
•Draw attention to new products	•Availability of Incentives
•Retain the customers.	•Complete information of products
•Easy disposal of existing stock	•Money back offer creates confidence
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9. A toothpaste company is giving 250 grams toothpaste free with a pack of 500 gm toothpaste. Name this technique of sales promotion. What is the specific objective of this scheme? Explain two more schemes of Sales Promotion other than this.

- The technique of sales promotion is **premium or bonus offer.**
- They are effective in inducing consumers to buy a particular product. This is also useful for encouraging and rewarding existing customers.
- Two more schemes of sales promotion are:

Scratch and Win Offer	Under this scheme a customer scratches a specific marked area on the package of the product and gets the benefit.
Money Back offer	Under this scheme customers are given assurance that full value of the product will be returned to them if they are not satisfied after using the product.

10. Define Sales Promotion. What are the objectives of Sales Promotion?

Meaning of Sales Promotion

- It refers to **short term use of incentives** or other promotional activities that seek to stimulate interest, trial or purchase by customer.
- Sales promotion consists of all activities other than advertising and personal selling that help to increase sales of a particular product.

11. Why Sales Promotion is needed?

Sales Promotion is important for both the manufacturers and consumers.

<u>For Manufacturers</u>	<u>For Customers</u>
•Increase Profit by Increasing Sales	•Products at cheaper rates
•Draw attention to new products	•Availability of Incentives
•Retain the customers.	•Complete information of products
•Easy disposal of existing stock	•Money back offer creates confidence
	•Exchange of old for New

12. Explain the term 'Sales Promotion'. Discuss any four techniques of Sales Promotion?

Meaning of Sales Promotion

- It refers to **short term use of incentives** or other promotional activities that seek to stimulate interest, trial or purchase by customer.
- Sales promotion consists of all activities other than advertising and personal selling that help to increase sales of a particular product.

Four techniques of sales promotion are:

1. Free Samples	Free samples of products are distributed to attract customers towards a new product.
2. Premium or Bonus offer	Extra quantity of a product is given for free. For example, 20% extra toothpaste.
3. Exchange Schemes	Offering exchange of old product for a new product. Now, new product can be purchased at a price less than the original price.
4. Price-off Offer	Under this offer, products are sold at a price lower than the original price, that is, discount is given.

13. 'Sales Promotion is important both for manufacturer and consumers'. Explain how?

Sales Promotion is important for both the manufacturers and consumers.

<u>For Manufacturers</u>	<u>For Customers</u>
•Increase Profit by Increasing Sales	•Products at cheaper rates
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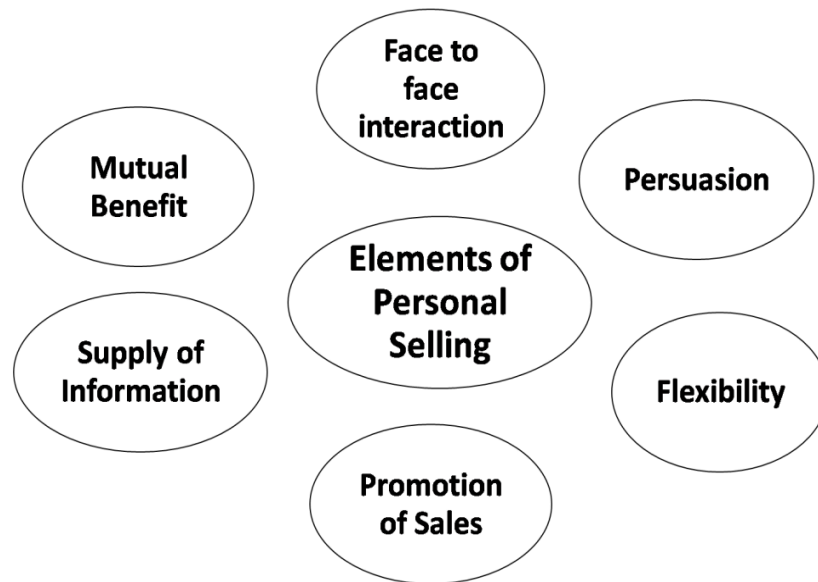
14. What is meant by personal selling?

Personal Selling

Personal selling is presentation of goods and services before the customers and convincing or persuading them to buy the products or services.

15. State the essential elements of personal selling?

Essential Elements of Personal Selling



16. Describe the importance of personal selling form the point of customers.

Personal Selling is important for both the manufacturers and consumers.
For Customers

- Informs about new products in the market.
- Provides demonstration of use of new products.
- Guides in selection of products.
- Provides solutions for complaints personally.

17. Explain the importance of personal selling from the point of view of manufacturers.

Personal Selling is important for both the manufacturers and consumers.
For Manufacturers

- Creates demand for new and existing products.
- Expands market by creating new customers.
- Leads to product Improvement by taking customer input personally

18. State the physical and mental qualities of sales persons engaged in personal selling.

<u>1. Physical Qualities</u>	A salesperson should have a good appearance, impressive personality and above all good health.
<u>2. Mental Qualities</u>	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.

19. State the social qualities of sales persons engaged in personal selling.

<u>Physical Qualities</u>	A salesperson should have a good appearance, impressive personality and above all good health.
<u>Good Behavior</u>	A salesperson should be co-operative and courteous.

20. What are the occupational qualities of salespersons engaged in personal selling?

<u>Mental Qualities</u>	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.
<u>Integrity of Character</u>	A salesperson should be loyal both to the employer and to the customers.
<u>Knowledge of the product and the company</u>	<ul style="list-style-type: none">• Sales person should be able to explain every aspect of the product.• Sales person should be able to explain the business and service record of the company.
<u>Ability to Persuade</u>	A sales person should be able to convince the customer to buy the product.

21. Define personal selling. Explain the importance of personal selling from the point of view of customers and manufacturers.

Personal Selling

Personal selling is presentation of goods and services before the customers and convincing or persuading them to buy the products or services.

Personal Selling is important for both the manufacturers and consumers.

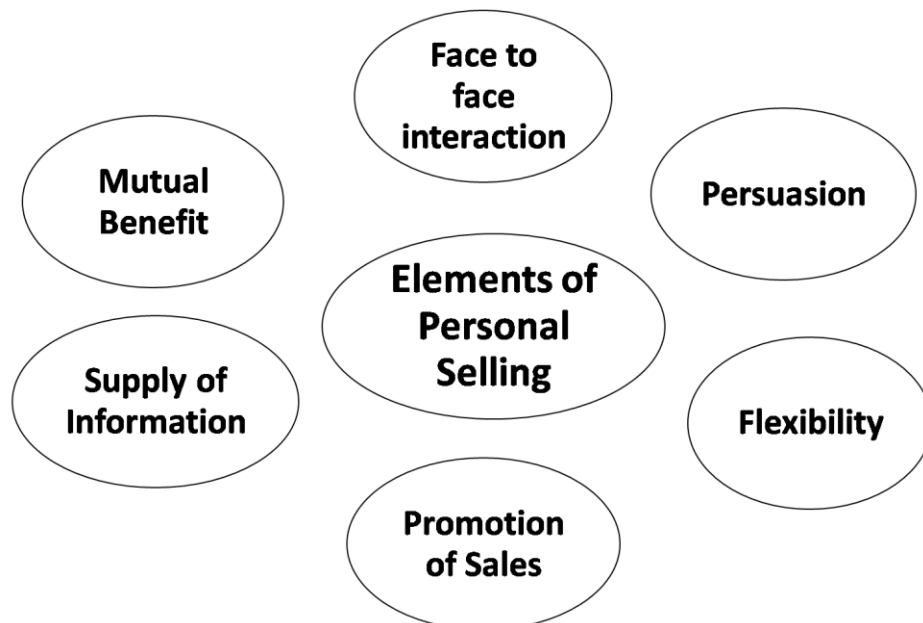
<u>For Manufacturers</u>	<u>For Customers</u>
• Creates demand for new and existing products.	• Informs about new products in the market
• Expands market by creating new customers.	• Provides demonstration of use of new products.
• Leads to product Improvement by taking customer input personally	• Guides in selection of products.
	• Provides solutions for complaints personally.

22. What is meant by personal selling? Explain the essential elements of personal selling.

Personal Selling

Personal selling is presentation of goods and services before the customers and convincing or persuading them to buy the products or services.

Essential Elements of Personal Selling



1. Face-to-Face Interaction	Salesperson can explain the features of products in the physical presence of the customer.
2. Persuasion	Salesperson must be able to convince the customers, such that, customers get interested to buy and use the product.
3. Flexibility	Depending upon the situation, age, gender etc of the customer, salesperson can decide which features of the product need to be told.
4. Promotion of Sales	The ultimate objective of personal selling is to promote sales by convincing more and more customers to use the product.
5. Supply of Information	It educates customers about the various details of the product.
6. Mutual Benefit	While customers feel satisfied with the goods, the seller enjoys the profits.

23. Do you think that to be a successful salesperson only personal and mental qualities are sufficient? Give reasons in support of your answer.

A successful salesperson must have the following qualities along with personal and mental qualities to convince customers and increase sales:

1. Physical Qualities	A salesperson should have a good appearance, impressive personality and above all good health.
2. Mental Qualities	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.
3. Integrity of Character	A salesperson should be loyal both to the employer and to the customers.
4. Knowledge of the product and the company	<ul style="list-style-type: none"> • Sales person should be able to explain every aspect of the product. • Sales person should be able to explain the business and service record of the company..
5. Good Behavior	A salesperson should be co-operative and courteous.
6. Ability to Persuade	A sales person should be able to convince the customer to buy the product.

24. Describe the different qualities of sales persons engaged in personal selling.

1. Physical Qualities	A salesperson should have a good appearance, impressive personality and above all good health.
2. Mental Qualities	A good salesperson should have imagination, initiative, self-confidence, sharp memory, alertness etc.
3. Integrity of Character	A salesperson should be loyal both to the employer and to the customers.
4. Knowledge of the product and the company	<ul style="list-style-type: none"> • Sales person should be able to explain every aspect of the product. • Sales person should be able to explain the business and service record of the company..
5. Good Behavior	A salesperson should be co-operative and courteous.
6. Ability to Persuade	A sales person should be able to convince the customer to buy the product.

25. A sales person need not possess any quality if the product is good. Do you agree with the statement? Give reason.

No, I do not agree. Even if the quality of the product is good, a sales person is required to:

- Educate customer about all the features of the product.
- Convince customer that the product will improve customer's quality of life in some manner.