



DISTRIBUTOR SALESMAN

(Qualification Pack: Ref. Id. RAS/Q0604)

Sector: Retail

(Grade XII)

PSSCIVE Draft Study Material



PSS CENTRAL INSTITUTE OF VOCATIONAL EDUCATION
(a constituent unit of NCERT, under Ministry of Education, Government of India)
Shyamla Hills, Bhopal- 462 002, M.P., India
<http://www.psscive.ac.in>

© **PSS Central Institute of Vocational Education, Bhopal 2024**

No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of the publisher.

PSSCIVE Draft Study Material © Not to be Published

Preface

Vocational Education is a dynamic and evolving field, and ensuring that every student has access to quality learning materials is of paramount importance. The journey of the PSS Central Institute of Vocational Education (PSSCIVE) toward producing comprehensive and inclusive study material is rigorous and time-consuming, requiring thorough research, expert consultation, and publication by the National Council of Educational Research and Training (NCERT). However, the absence of finalized study material should not impede the educational progress of our students. In response to this necessity, we present the draft study material, a provisional yet comprehensive guide, designed to bridge the gap between teaching and learning, until the official version of the study material is made available by the NCERT. The draft study material provides a structured and accessible set of materials for teachers and students to utilize in the interim period. The content is aligned with the prescribed curriculum to ensure that students remain on track with their learning objectives.

The contents of the modules are curated to provide continuity in education and maintain the momentum of teaching-learning in vocational education. It encompasses essential concepts and skills aligned with the curriculum and educational standards. We extend our gratitude to the academicians, vocational educators, subject matter experts, industry experts, academic consultants, and all other people who contributed their expertise and insights to the creation of the draft study material.

Teachers are encouraged to use the draft modules of the study material as a guide and supplement their teaching with additional resources and activities that cater to their students' unique learning styles and needs. Collaboration and feedback are vital; therefore, we welcome suggestions for improvement, especially by the teachers, in improving upon the content of the study material.

This material is copyrighted and should not be printed without the permission of the NCERT-PSSCIVE.

Deepak Paliwal
(Joint Director)
PSSCIVE, Bhopal

Date: 20 June 2024

STUDY MATERIAL DEVELOPMENT COMMITTEE**Members**

1. Abhijeet S. Lokhande, Vocational Trainer in Retail, ZP High School and Junior College, Adgaon BK Dist. Akola, (Maharashtra).
2. Ashok Mishra, Accounts Officer, (Retired), M.P. State Co-operative Marketing Federation, Jahangirabad, Bhopal.
3. D. Thiruvengala Chary, Principal (FAC) and Assistant Professor of Commerce, Government Degree College, Parkal, Warangal Rural Dist Telangana.
4. Sunil S. Desai, Head, Department of Vocational Education and Training, Jagruti Vocational Junior College, Gadhinglaj Dist. Kalhapur (Maharashtra).
5. Teena Mishra, Assistant Professor (Contractual), Department of Business and Commerce, PSS Central Institute of Vocational Education, Bhopal, Madhya Pradesh.

Member Coordinator

Punnam Veeraiah, Professor & Head, Department of Business and Commerce, PSS Central Institute of Vocational Education, (NCERT), Bhopal.

REVIEWERS

1. Rudra Saibaba, Former Principal, Mahatma Gandhi University, Nalgonda, Principal (Retd.), Lal Bahadur College, Warangal (Telangana)

Table of Contents

S. No.	Title	Page No.
1.	MODULE 1: SALES MANAGEMENT IN WHOLESALING	01
	Learning Outcomes	01
	Module Structure	02
	Session 1: Introduction to Wholesaler	02
	Activities	15
	Check Your Progress	16
	Session 2: Relationship Between Channel Members	18
	Activities	30
	Check Your Progress	32
	Session 3: Strategic Marketing in Wholesaling	34
	Activities	43
	Check Your Progress	46
	Session 4: Selling Skills in Wholesaling	48
	Activities	49
	Check Your Progress	61
2.	MODULE 2: ANALYSING STOCK LEVELS	64
	Learning Outcomes	64
	Module Structure	64
	Session 1: Sales Estimates And Stocking	65
	Activities	79
	Check Your Progress	80
	Session 2: Communicating Promotional Schemes	82
	Activities	85
	Check Your Progress	87
	Session 3: Range of Selling and Guidelines	89
	Activities	93
	Check Your Progress	94
	Session 4: Functionality of Palmtop/Handheld Device	97
	Activities	103
	Check Your Progress	104
3.	MODULE 3: CUSTOMER ORDER MANAGEMENT	107
	Learning Outcomes	107
	Module Structure	107
	Session 1: Order and Stock Management	108
	Activities	116
	Check Your Progress	117
	Session 2: Stock Rotation	119
	Activities	124
	Check Your Progress	125
	Session 3: Devices Used in Stores	128
	Activities	130
	Check Your Progress	130

	Session 4: Guidelines to Motivate the Retailer	132
	Activities	136
	Check Your Progress	137
4.	MODULE 4: CREDIT MANAGEMENT	139
	Learning Outcomes	140
	Module Structure	140
	Session 1: Introduction to Credit Management	140
	Activities	143
	Check Your Progress	144
	Session 2: Invoice and Credit Information	146
	Activities	156
	Check Your Progress	157
	Session 3: Pending Display Payment	159
	Activities	163
	Check Your Progress	164
	Session 4: Pending Accounts Payables and Receivables	167
	Activities	170
	Check Your Progress	170
5.	MODULE 5: BUILDING PERSONAL RELATIONSHIP	173
	Learning Outcomes	173
	Module Structure	173
	Session 1: Relationship with Traders	174
	Activities	177
	Check Your Progress	179
	Session 2: Dealing with Customers	181
	Activities	185
	Check Your Progress	186
	Session 3: Retailer's Grievances and Complaints	188
	Activities	194
	Check Your Progress	194
	Session 4: Handling Objections and Resolving the Issues	197
	Activities	202
	Check Your Progress	203
6.	ANSWER KEYS	205
7.	GLOSSARY	215

Module 1

Sales Management in Wholesaling

Module Overview

Wholesale sales management involves the running business unit that sells goods wholesale. The goods are sold in bulk and at a lower price, than the retail price. Wholesale customers buy goods from the manufacturer/producer to re-sale them to the retailers or the customers. In wholesale sales management, we find three main categories of wholesalers, merchant wholesalers, manufacturers, sales branches and merchandise agents and brokers. Among these three wholesalers, merchant wholesalers are very popular and important in the distribution of goods to the retail industry.

The wholesaler is an essential component of the marketing channel. He plays an important role in the distribution of goods to the retail industries. Wholesalers expand the reach of a company's products while also increasing the risk of selling to customers. Wholesalers can hold inventories of a varied range of products, saving the company money and giving customers more time. Wholesalers can assist a firm to understand its rivals and customers by acting as ears and eyes. The most successful sales force is one that generates the highest sales volume while maintaining the highest profit margins. The sales success of the company is measured by sales managers. The operations involved in selling to organisational buyers who intend to resell or utilise for their purposes are referred to as wholesaling.

Companies are excited about the prospect of transitioning away from the traditional supply chain and toward a value network. Traditional supplier-wholesaler-retailer relationships are seen as partners rather than customers in a value network. Companies using the value network approach to develop marketing channels must understand the actors, their roles and their importance.

This unit has four sessions. The first session deals with the concept of wholesaler, the second session discusses the relationship between channel members the third session explains professional sales strategies in wholesaling and the fourth session describes wholesale selling skills.

Learning Outcomes

After completing this module, you will be able to:

- Understand the Wholesale Industry
- Build the relationship between Channel Members
- Implement Professional Sales Strategies
- Demonstrate Wholesale Selling Skills

Module Structure

Session 1: Introduction to Wholesaler

Session 2: Relationship between Channel Members

Session 3: Strategic Marketing in Wholesaling

Session 4: Selling Skills in Wholesaling

Session 1: Introduction to Wholesaler

A wholesaler is an intermediary who facilitates the transfer of products or the exchange of titles to those products (fig.1.1). He or she is an individual who buys huge quantities of products from farmers, manufacturers, other producers and vendors. Products are stored in warehouses and sell it to retailers and businesses. According to Collins wholesaler is an individual whose business is buying large quantities of goods and selling them in smaller quantities to retail stores. Wholesalers emphasize B2B (Business-business) rather than B2C (Business-to-consumer).



Fig. 1.1: Wholesaler

Source: <https://bit.ly/40QMHoB>

FUNCTIONS OF WHOLESALER

The functions of a wholesaler are (fig.1.2):

- 1) **Bulk Breaking:** This includes purchasing products in relatively large quantities and selling in smaller quantities.
- 2) **Bulk Accumulating:** This includes buying little quantities of a particular product from various small producers and then selling the assembled products in large quantities.

- 3) **Selling:** This consists of classifying accumulated products as to grade and size and then categorizing them accordingly to sell them to retailers.
- 4) **Assorting:** This includes combining products buying from several manufacturers to create assortments.
- 5) **Buying:** This is linked with making a purchase and thus impacting the transfer of ownership of goods.

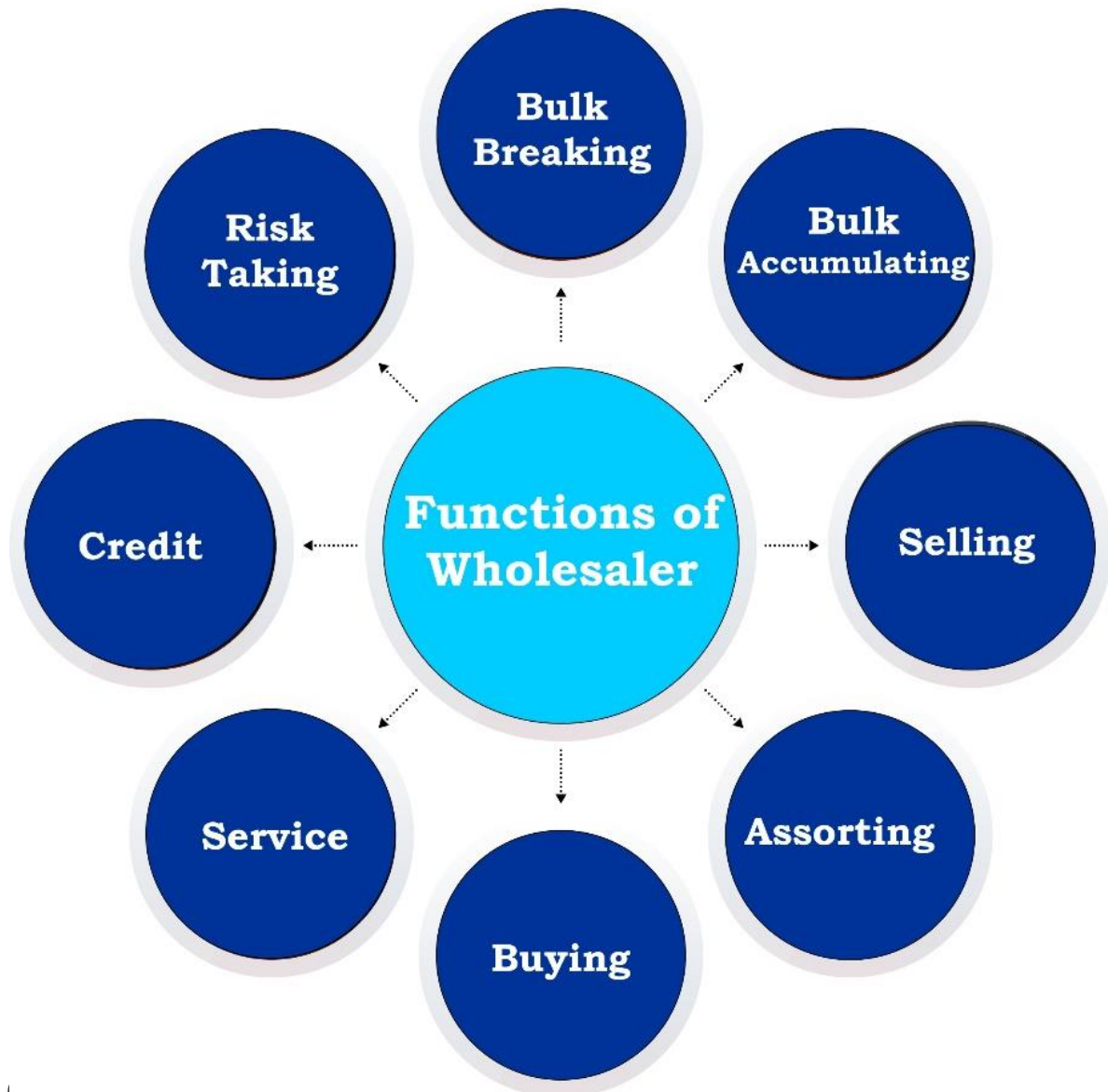


Fig. 1.2: Functions of Wholesaler

- 6) **Service:** This includes activities that enhance the efficiency and effectiveness of the exchange process. Examples are repair services and management services.
- 7) **Credit:** It includes providing credit to another member of a distribution channel.

8) Risk Taking: This means assuming responsibility for losses when the future is uncertain.

NATURE AND IMPORTANCE OF WHOLESALER

The word wholesaler has been derived from the word wholesale. It demonstrates how to sell a huge number of items in small quantities and in a short amount of time. According to S.E Thomas, a wholesaler dealer who buys items in bulk from producers and sells them in small amounts to retailers. Only a merchant middleman involved in selling huge amounts of commodities that is referred to as a wholesaler. All marketing transactions which are involved in purchases intended for resale are referred to as wholesaling.

Exhibit 1.1: Marketing of Wholesaler

A wholesaler is an organisation that gives necessary means to

- 1) Permit suppliers (e.g. manufacturers) to reach organisational purchasers (e.g. retailers and buyers) and
- 2) Allow some corporate customers to purchase things that they might not otherwise be able to obtain.

A) NATURE: A unique feature of wholesalers is to offer distribution activities for both a supplying party and a buying party. Therefore, the wholesaler aims to sell to other resellers or retailers. The nature of wholesalers is given below:

1. Wholesalers buy in large quantities from producers and resell them in smaller amounts to retailers.
2. They generally deal in a few types of products.
3. They serve as a crucial link between the manufacturer and the store.
4. They work in a specific area determined by the producers.
5. They operate in a particular area determined by manufacturers.
6. They do not display goods but retains them in go-downs. Only samples are presented to intending purchasers.
7. A wholesaler might be a person or a company.
8. A wholesaler usually sets up a distribution center in parts of the country to make accessible goods to the retailers.
9. They set up their warehouses to store goods.

IMPORTANCE: Wholesaling is an important aspect of distribution because it makes an impact on the economy. In wholesaling, the wholesaler is an

important link in the distribution system. He/she acts as a middleman between the manufacturer and the retailer. A wholesaler purchases goods in bulk from manufacturers and resells them in small quantities to retailers. He or she is an important part of the marketing channel.

Wholesaling is a chain of a business that relies on each other's capabilities to propose their benefits that could be used to improve their businesses. Due to the use of the internet a number of businesses for example retailers have stopped their demand from wholesalers and initiated working directly with manufacturers.

Wholesaling is an important segment of the distribution process. Wholesalers are small in number since they handle a more focused group of customers, unlike retailers.

Prices are controlled by wholesalers. It is because, they monitor the operating costs such as advertising fees, inventory charges and rent charges. Costs and profits are determined by a range of factors such as the monetary worth of the services provided, inventory turnover, efficiency and so on.

Wholesalers purchase very large quantities in bulk. They reassemble, sort, repackage or distribute the products in smaller units. They purchase goods in much greater quantities than we do in the stores they pay a much lower unit price. The wholesaler needs to purchase more cheaply from producers than it sells to retailers because it needs to earn profits to survive in a business. The difference between how much somebody paid for products compared to how much they sold them for their margin. It is called an increase in price markup.

WHOLESALE VS DISTRIBUTOR

A wholesaler is a person who operates as a mediator between distributor and retailer (fig.1.3). He/she buys a product in larger quantities from the distributor or manufacturer at a cheaper rate and re-sells it to the retailers at a higher price to make profits.



Fig. 1.3: Wholesaler

Source: <https://bit.ly/3Zuz1OG>

A distributor is a mediator between manufacturers and wholesalers. He/she distributes goods and services in the supply chain network (fig.1.4). Manufacturers cannot sell goods directly to customers. Hence, the distributor acts as an agent for the manufacturer.



Fig. 1.4: Distributor

The differences between wholesaler and distributor are detailed below:

S. No.	Items Of Difference	Wholesaler	Distributor
1	Meaning	A wholesaler is one who purchases goods in large quantities and re-sells them in smaller quantities to retailers.	A distributor is one who is engaged in a supply chain network for distributing goods to the business and customers.
2	Formalities	No contract is required to be entered with the producer or Distributor.	He has to sign a contract with the manufacturers.
3	Customers	Wholesale customers are retailers in the business engaged.	Distributor customers are retailers, wholesalers and end users.
4	Area Of Operation	The wholesale area of operation is limited.	The distributor area of operation is large.
5	Promotion	Wholesales need not undertake any promotional programmes.	The distributor is required to undertake the promotional activities of the products

TYPES OF WHOLESALERS

The types of wholesalers (fig.1.5) can be studied under the following heads:

- a) Based on the services rendered
- b) Based on the specialisation
- c) Based on the operations



Fig. 1.5: Types of Wholesaler

A) Wholesalers based on the Services provided

Wholesalers undertake the selling of manufactured goods and distribute them directly to retailers. Based on the services provided by the wholesalers, they are classified as:

1. **Retail Wholesalers:** Retail wholesalers sell items to retailers as well as interact directly with the final consumers (fig.1.6). They are able to create direct communication with customers in this manner, allowing them to obtain timely information about their preferences. It allows them to reduce distribution expenses while increasing profit margins.



Fig. 1.6: Retail Wholesalers

2. **Pure Wholesalers:** Wholesalers who focus solely on buying from producers and selling to retailers are known as pure wholesalers (fig.1.7). They do not engage in production or direct consumer sales. As a result, such wholesalers are able to better assist both producers and merchants.



Fig. 1.7: Pure Wholesalers

- 3. Agents and Brokers:** These wholesalers act as middlemen and serve as a link between the producer and the retailers (fig.1.8). Usually, they perform on behalf of the manufacturer. They receive commissions from the manufacturer for the work performed by them.



Fig. 1.8: Agents and Brokers

- 4. Assemblers:** Another form of wholesaler is who specialises in the selling of agricultural products (fig.1.9). He/she collects agricultural products from small farmers around the villages. After collection, the product is sold to commission agents, retailers, wholesalers and other wholesalers.



Fig. 1.9: Assemblers

5. Merchant Wholesalers: Merchant wholesalers generally, take title to the goods that they sell (fig.1.10). They buy and sell goods on their own accounts. They buy goods in bulk from various manufacturers and sell them to retailers.



Fig. 1.10: Merchant Wholesalers

B) Wholesalers based on the Specialisation

Based on the specialisation of goods and services offered by wholesalers they are classified as follows:

1. General Merchandise Wholesalers: These wholesalers deal in a variety of goods. They do not deal in a single line of goods. They retain goods of various kinds to be sold to retailers. For instance, furniture, cloth, medicines, groceries, hardware, etc. They give benefits to small

retailers who can purchase according to their requirements on credit and can pay when the sale proceeds are realised.

2. General Line Wholesalers: Different types of products are not dealt with by these wholesalers. They choose a specific product line, such as drugs, groceries, textiles and electrical appliances. They sell various brands in the line they have chosen. A drug wholesaler, for example, will keep medicines on hand. He/she will also, keep a variety of products related to medical treatments and remedies.

3. Speciality Wholesalers: These wholesalers specialise in single goods or limited quantities of merchandise. They don't stock a wide range of products. For example, they deal in groceries but only have a few goods on hand, such as coffee and tea. They show a high level of specialised knowledge.

C) Wholesalers based on the Area of Operation

Based on the area of operation the wholesalers are classified as under (fig.1.11):

- 1. Local Wholesalers:** This type of wholesaler sells items to local shops and may be limited to a single city.
- 2. Regional or Sectional Wholesalers:** These wholesalers sell items to retailers in a certain part of the market. Their operational area is larger than a district.
- 3. National Wholesalers:** These wholesalers have their network. They maintain their office in a strategic place and distribute goods all over the country through their offices and warehouses.
- 4. International Wholesalers:** These wholesalers are engaged in the export and import trade. Some of them may deal only with import or export trade while some of them may deal in both types of trade. Wholesalers perform only in import trade, importing goods from various countries and stocking them.

PSSCI

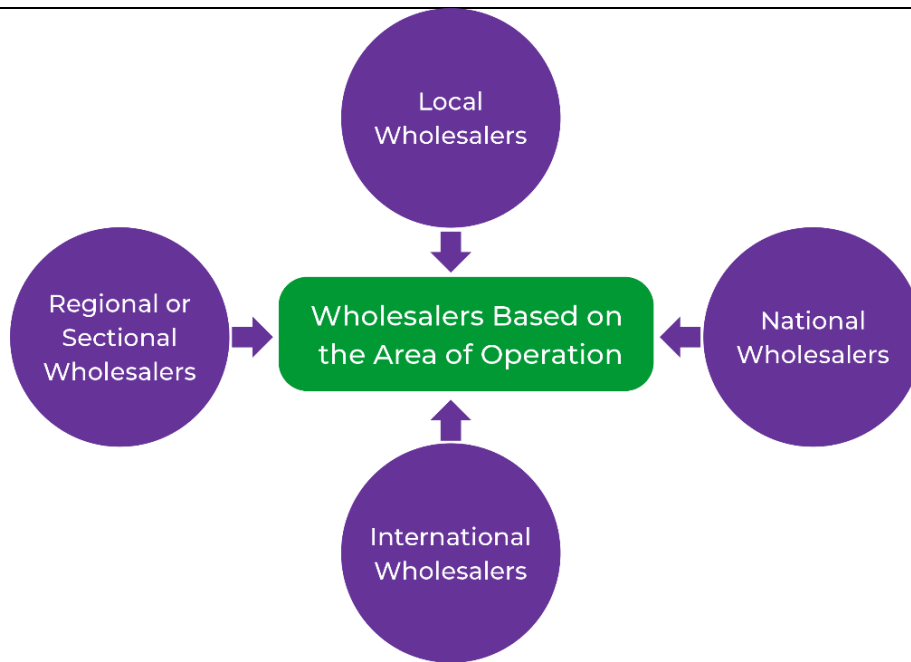


Fig. 1.11: Wholesalers based on the Area of Operation

MODERN WHOLESALE MARKETING

This is the digital era; marketers should follow the best new modern practices as well as rethink and redefine classic approaches. The marketing field has changed tremendously in recent years. Technology has affected management practices. It also makes an effect on how organisations design, execute, plan and measure their marketing efforts. Every industry has transformed i.e., consumer products, durable goods, financial services and others. Variations in the marketing of technology products are crucial not only for marketers but also in other industries seeking to acquire new practices and skills. New technology creates new mediums to link, new customer experiences and other constituents to comprehend customer behaviour and the influence of marketing activities.

Hence, modern wholesale marketing can be studied as follows (fig.1.12):

- a) **Wholesale digital marketing**– With the digitalisation of sales processes, wholesale distributors have a new opportunity to engage customers and significantly grow their business by coordinating the efforts of marketing, sales and e-commerce teams.
- b) **Wholesale social media marketing** – B2B social media marketing uses social channels to market products or services to business clients and prospects.
- c) **Wholesale e-mail marketing**– You can simply call or email the wholesaler, tell them that you'd like to carry their goods and ask them how to make a purchase.

d) Wholesale SMS marketing – Bulk SMS marketing consists in sending promotional text messages to a large number of customers at a time using a bulk SMS service. This technique allows businesses to reach 100% of their customers with open and engagement rates that other communication channels just can't match, in a cost-effective way.

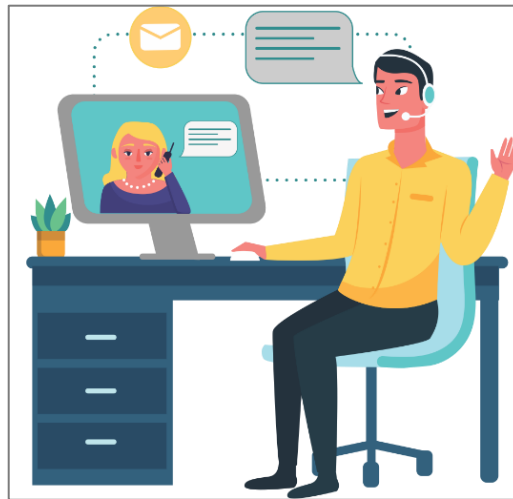


Fig. 1.12: Modern Marketing Technology

SERVICES OF WHOLESALERS TO MANUFACTURERS

Wholesalers provide various services to manufacturers which are detailed below (fig.1.13):

- 1. Economies of Scale-** Wholesalers purchase in bulk quantities, hence the producer has to manufacture it in bulk. Large-scale production brings economies of scale in operations.
- 2. Saves Time:** The wholesaler saves time for the manufacturer as he on his behalf collects the order from retailers and supplies them in smaller quantities.
- 3. Better Use of the Capital:** Wholesaler holds the stock of goods as a consequence manufacturer is saved from the lockup of too much capital in the manufactured stocks.
- 4. Price Stabilisation-**By hoarding commodities and utilising them during peak season, wholesalers help to keep prices stable.
- 5. Assists in the Production-**Wholesalers assist in the production process by assembling raw materials from several locations and delivering inputs to the manufacturer in one spot. Thus, they allow the producers to maintain continuity in the production of goods throughout the year.

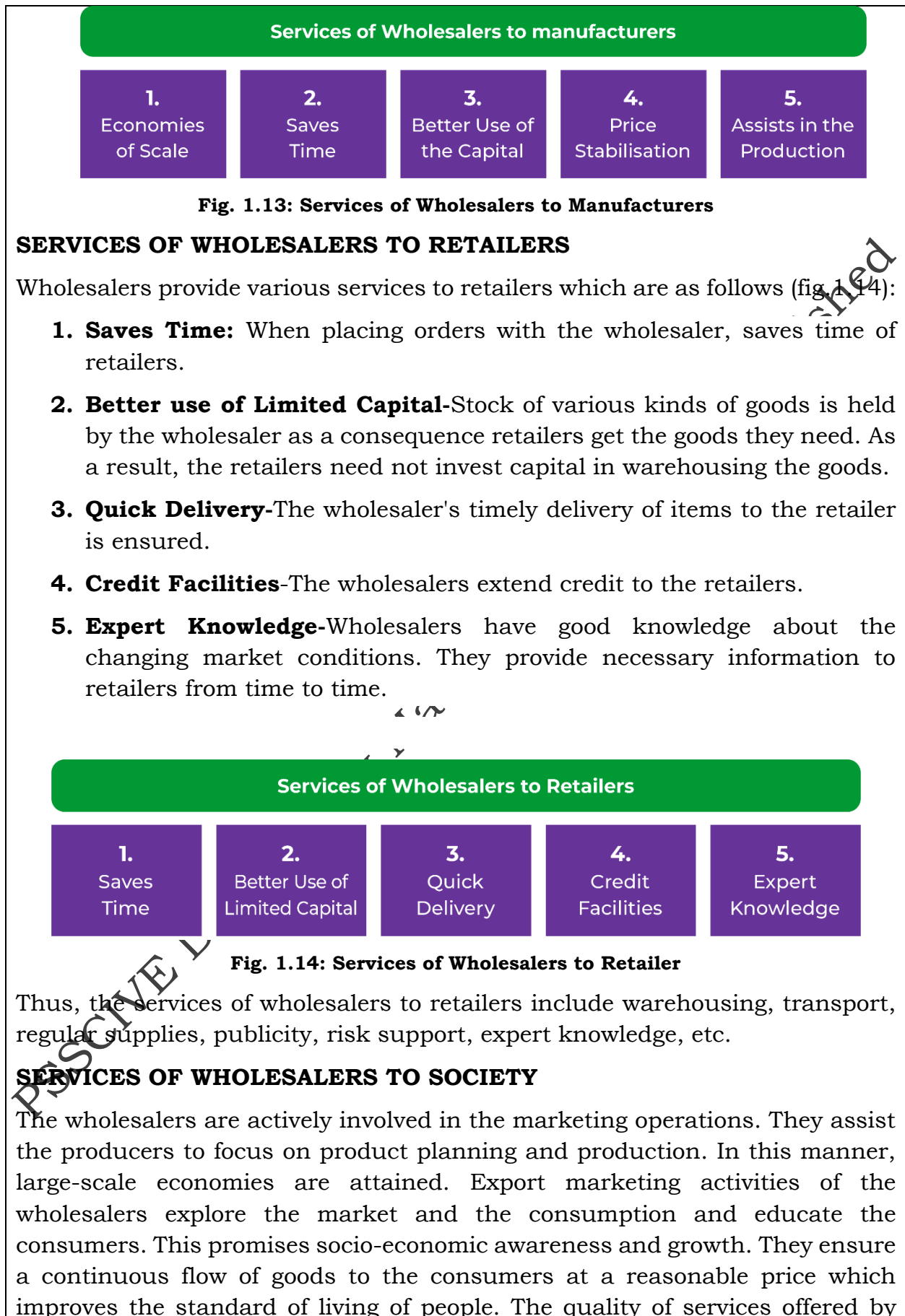


Fig. 1.13: Services of Wholesalers to Manufacturers

SERVICES OF WHOLESALERS TO RETAILERS

Wholesalers provide various services to retailers which are as follows (fig. 1.14):

1. **Saves Time:** When placing orders with the wholesaler, saves time of retailers.
2. **Better use of Limited Capital-**Stock of various kinds of goods is held by the wholesaler as a consequence retailers get the goods they need. As a result, the retailers need not invest capital in warehousing the goods.
3. **Quick Delivery-**The wholesaler's timely delivery of items to the retailer is ensured.
4. **Credit Facilities-**The wholesalers extend credit to the retailers.
5. **Expert Knowledge-**Wholesalers have good knowledge about the changing market conditions. They provide necessary information to retailers from time to time.



Fig. 1.14: Services of Wholesalers to Retailer

Thus, the services of wholesalers to retailers include warehousing, transport, regular supplies, publicity, risk support, expert knowledge, etc.

SERVICES OF WHOLESALERS TO SOCIETY

The wholesalers are actively involved in the marketing operations. They assist the producers to focus on product planning and production. In this manner, large-scale economies are attained. Export marketing activities of the wholesalers explore the market and the consumption and educate the consumers. This promises socio-economic awareness and growth. They ensure a continuous flow of goods to the consumers at a reasonable price which improves the standard of living of people. The quality of services offered by

wholesaler's increases exports and reduces the imports of goods which leads to a trade surplus. Thus, the economy of the country becomes self-sufficient and paves the way for growth and development.

Activities

Activity 1: Make a report on types of wholesalers after visiting the local market

Material required: Notebook, Pen, Pencil,

Procedure:

1. Visit a local market.
2. Observe various types of wholesalers.
3. Note down the different types of wholesalers.
4. Visit all the stores.
5. Ask the retailers about the functions of wholesalers.
6. Prepare a report.
7. Submit the report to the teacher.

Activity 2: Organise a group discussion on the position of wholesalers in India.

Materials Required: Pen, Pencil, Rubber, stopwatch, tables and chairs

Procedure:

1. Make groups of four students each.
2. Visit a retail lab/ hall in your institution.
3. Ask students to organise a group discussion on the position of wholesalers in India.
4. Ask the group to discuss the topic.
5. Allot 2/3 minutes for introduction and 3 minutes of discussion.
6. Use a stopwatch to measure the timing.
7. Submit the group work report to the teachers.

Activity 3: Make a comparative study on services provided by wholesalers to retailers and manufacturers.

Material required: Pen, Paper, Chairs, Tables, Some Products

Procedure:

1. Make 2 groups of 4 members each.

2. Ask the group members to converse on the services provided by wholesalers to retailers and manufacturers.
3. The teacher helps the students in the preparation of grouping.
4. Teacher evaluates the whole process performed by the groups.
5. Prepare a brief report on the comparative study of services by the two groups.
6. Submit the report to the teacher.

Check Your Progress

A. Fill in the Blanks

1. Distributors and _____ perform different roles.
2. _____ wholesalers are selling goods to retailers and deal directly with the ultimate consumers.
3. The term _____ applies only to merchant middlemen who are employed to sell goods in huge quantities.
4. A wholesaler purchases the goods from a producer in bulk quantity and _____ it to retailers in small quantity.
5. Variations in the marketing of _____ products are vital not only for marketers but also in other industries seeking to acquire new practices and skills.
6. Wholesalers purchase in _____ quantities.

B. Multiple Choice Questions

1. Wholesalers who sell goods to local retailers and they may limit their business to a city are called
 - a) Local Wholesalers
 - b) National Wholesalers
 - c) Regional Wholesalers
 - d) None of the above
2. These types of wholesalers perform no other business activities other than wholesale ones.
 - a) Assemblers
 - b) Pure wholesalers
 - c) Merchant Wholesalers
 - d) None of the Above

3. These wholesalers do not deal with different types of products
 - a) General merchandise
 - b) General merchandise
 - c) General line wholesalers
 - d) Specialty wholesalers
4. These wholesalers specialise in limited items of merchandise or even in a single merchandise
 - a) Intrinsic wholesalers
 - b) Specialty wholesalers
 - c) General line wholesalers
 - d) Only A

C. State whether the following statements are True or False

1. Wholesaling is an important segment of the distribution process.
2. Wholesalers do not purchase products in large quantities.
3. National wholesalers are engaged in the export and import trade
4. Technology has affected wholesale management practices.
5. The wholesalers are actively involved in the marketing operations.

D. Match the Columns

	Column A		Column B
1	Pure Wholesalers	A	These wholesalers are selling goods to retailers. They also deal with the ultimate consumers.
2	Agents and Brokers	B	These wholesalers act as middlemen and aid as a link between the manufacturer and the retailers.
3	Assemblers	C	These wholesalers focus on purchasing from manufacturers and selling only to retailers.
4	Retail Wholesalers	D	These are alternative types of middlemen who are involved mainly in the marketing of agricultural produce.

E. Short Answer Questions

1. What are the functions of a wholesaler?
2. Based on services how wholesalers are classified?
3. What are the services of wholesalers to society?
4. What are the services of wholesalers to retailers?

F. Long Answer Questions

1. What are the various services of wholesalers?
2. Explain various types of wholesalers.
3. Distinguish wholesalers and distributors.
4. Explain the nature and importance of wholesalers.
5. Explain modern wholesale marketing.

G. Check Your Performance

1. Demonstrate the services of the wholesaler to the manufacturer.
2. Demonstrate the services of wholesalers to retailers.
3. Prepare a presentation on the modern marketing function of wholesalers.

Session 2: Relationship Between Channel Members

The modern supply chain provided business owners with multiple ways to reach the product to consumers. Wholesale and retailing are the two different types of models for a product-based business. The major distinction between retailing and wholesaling is that the former is a business-to-business model, while the latter is a business-to-consumer model.

There is no need to offer things directly to consumers under a wholesale model. Some wholesalers sell to other wholesalers and the products they sell can be durable or non-durable. Furniture is a durable product, but groceries are a non-durable product. A retailing business obtains a product from a distributor and sells it straight to customers.

Reliance trends, shoppers stop, Avenue Super marts, reliance, D-mart, etc., are examples of retailers. Some retail businesses sell their branded products. From marketing to order fulfilment, retail enterprises are in command. This means that businesspeople have more control over how and how much they sell a product for, as well as to whom they sell a product. Retailing entails a considerable lot of accountabilities. Businesses that sell their branded products may have increased responsibility for product ideation. Wholesaling businesses need not participate in any aspect of direct consumer marketing or

sales. They don't have to be concerned about running expenditures. There are a lot of logistics participated in a wholesaling business. Distribution channels are the paths that products and services take on their way from the manufacturer or service provider to the end consumer. Thus, the important channel members are retailers, wholesalers, distributors, agents, brokers, the internet, sales teams, re-sellers, etc.

FUNCTIONS OF A CHANNEL

The primary goal of any channel of distribution is to bridge the gap between the product's creator and its end customer. The most efficient way to get a product into the hands of a customer is described as the channel of distribution. The channel is composed of different varieties of institutions that enhance the transaction and physical exchange.

Institutions in channels are divided into three groups:

- The manufacturer, craftsman of the commodity.
- The user of the product is a household, individual, business buyer, institution, or government.
- The retailer and wholesaler
- The three important functions of channel members are:
 - Transactional functions are selling, buying and risk assumption
 - Logistical functions are storage, assembly transportation and sorting.
 - Facilitating functions are post-purchase service, financing, information dissemination and channel coordination.

These functions are necessary for the efficient delivery of goods and transfer of title to customers, as well as payment to the producers.

WHOLESALE vs. RETAILING

The biggest difference between wholesaling vs. retailing is in the type of buyer. While retail involves selling products directly to the end consumer, wholesale involves selling products in bulk to other businesses such as retail stores.

CHANNEL MEMBERS FOR CONSUMER PRODUCTS

In order to get their products to the final consumers, producers can use a variety of distribution channels (fig.1.15). There are different alternatives for them to select the type and number of channels. The legal right and ownership of goods go on transferring from one to another channel.



Fig. 1.15: Marketing Channel Members

The phases and quantity of distribution channels should be carefully chosen and utilised, taking into account the market environment, product nature and business capacity, among other factors. Each intermediary involved in the distribution channel is counted as one level of the channel. A zero-level channel is one in which a product offers its items directly to consumers. If He/she sells products to the retailers and retailers sell to consumers this is called a first-level channel. The goods that the consumers purchase for the reason of use are called consumer goods. On the foundation of purchasing behaviour consumer goods can be separated into three classes shopping goods, convenience goods and specialty goods.

According to the nature of the goods they can be categorised into two types durable goods and perishable goods and necessities and luxury goods. The same distribution channel may not be appropriate for the distribution of all kinds of consumer goods. Any one or more distribution channels can be used to supply consumer goods and there may be multiple degrees of distribution channels.

LEVELS OF CHANNELS FOR CONSUMER PRODUCTS

- 1. Zero-level Channel (Producer-Consumers):** This is referred to as a straight channel. Producers sell their goods/services directly to consumers in this scenario. Between the producers and the consumers, there are no middlemen. The zero-level distribution channel is named after it. This is the simplest method of product distribution (fig.1.16).



Fig. 1.16: Zero-Level Channel (Producer-Consumers)

Source: <https://bit.ly/3Zmf0tK>

If the items are expensive or the number of consumers is small, the producer sells directly to the consumers. Small perishable product manufacturers market to local consumers as well. Big firms which want to reduced distribution costs and eliminate middlemen use direct-level distribution channels.

- 2. One-level Channel:** (Producer-Retailer-Consumers): Only stores remain as middlemen between manufacturers and consumers at one level of distribution. In this case, the producer sells its goods to retailers, who then sell them to end users. Wholesalers are not used by producers to sell their products. This channel has gained increasingly popular in recent years. Producers supply things to merchants, who then sell them to end users. Marketplaces have seen the introduction of large retail outlets such as supermarkets, discount stores and so on (fig.1.17).

PC



Fig. 1.17: One Level Channel (Producer-Retailer-Consumers)

Source: <https://bit.ly/42TrCvu>

They've made it straightforward to sell goods or services without the involvement of wholesalers in the distribution chain. This channel is suitable to sell perishable goods other than goods that need a prompt sale.

3. Two-level Channel: (Producer – Wholesaler – Retailer - Consumers): Producers sell their products to end users through wholesalers and retailers through this distribution chain. To put it another way, producers sell their products to wholesalers, who then sell them to retailers, who finally sell them to end users. This is referred to as a classic distribution channel. Producers sell large quantities of their products to wholesalers.

4. Third-level Channel: (Producer – Agent – Wholesalers – Retailers - Consumers): This is the longest distribution chain for consumer goods. Three middlemen are used to supply items to the final consumers in this channel. To put it another way, producers sell their products to end consumers through agents, who then sell them to wholesalers, who then sell them to retailers, who then sell them to consumers. Normally this channel is required for selling agro-products, industrial materials, clothes, etc. To sell their products, producers can enlist the help of agents.

CHANNEL MEMBERS FOR AGRICULTURAL PRODUCTS

Consumers live in semi-urban and urban areas, while farmers produce agricultural products in isolated villages. This product must be delivered to consumers for final consumption.

Agricultural product passes through a number of agencies and functions before reaching the consumer. As a result, a market channel of distribution is defined as the path tracked in the direct or indirect transfer of the title of a product from the producer to the final consumer or industrial user.

Channel members for agricultural products are:

- (i) Producer – Consumer (Village Sale)
- (ii) Producer - Village merchant - Consumers (local sale)
- (iii) Producer – wholesaler - cum- commission agent - Retailer - Consumers
- (iv) Producer – Primary Wholesaler - Secondary Wholesaler - Retailer - Consumers

FACTORS AFFECTING THE SELECTION OF DISTRIBUTION CHANNELS

Depending on the type of produce or commodity, different distribution channels exist. Each commodity group has a channel that is slightly different. The factors which affect the distribution channels are:

1. Perishable nature of products, for example, vegetables, milk, fruits, meat, etc. (fig.1.18).



Fig. 1.18: Perishable Products

Source: <https://bit.ly/40xFKc7>

2. Bulk and weight—Fodders made of cotton are bulky but light in weight.
3. Storage facilities

4. A weak or strong marketing agency.
5. Distance between producer and consumer whether local market or distant market.

INDUSTRIAL PRODUCTS

Marketers have categorised products into two categories on the basis of customers who purchase them. These two classifications are consumer and industrial products. Consumer products are the products people purchase for personal consumption. Industrial products, on the other hand, are purchased for further processing or usage in a commercial process rather than for personal use (fig.1.19).



Fig. 1.19 Industrial Products

Source: <https://bit.ly/42TRGq2>

The main difference between a consumer and an industrial product is the reason for purchase. The same product can be classified as both consumer and industrial based on the purpose of a consumer purchasing it. For personal use purposes products are called consumer products. Industrial products are purchased to create derived demand.

TYPES OF INDUSTRIAL PRODUCTS

Industrial products are categorised as material and parts, supplies, services and capital items

1. Materials and Parts: Materials and parts are the varieties of industrial goods that get fully absorbed in the purchaser's product after processing or as an element of the manufactured goods. Raw materials and produced materials and components are the two types of materials and parts.

There are two channels that are widely used for industrial products. These are:

Direct channel – (Producer – Industrial user)

Indirect channel – This includes:

- a) Producer –Industrial distributor - user
- b) Producer – Agent - User
- c) Producer – Agent - Industrial distributor - User

a) Raw Materials: The raw materials comprise natural products. Small producers produce farm products like fruits, vegetables, livestock, wheat, etc. (fig.1.20). They sell their produced goods to marketing intermediaries which are processed and sold by the intermediaries. Natural items are bulkier and have a lower unit value. They necessitate extensive transportation. Natural resources such as iron ore and gasoline must be carried from one end of the globe to the other.

They are manufactured by a few and large manufacturers. For example, Intel sells its chips directly to industrial purchasers. Saudi Aramco is one of the world's largest oil producers.

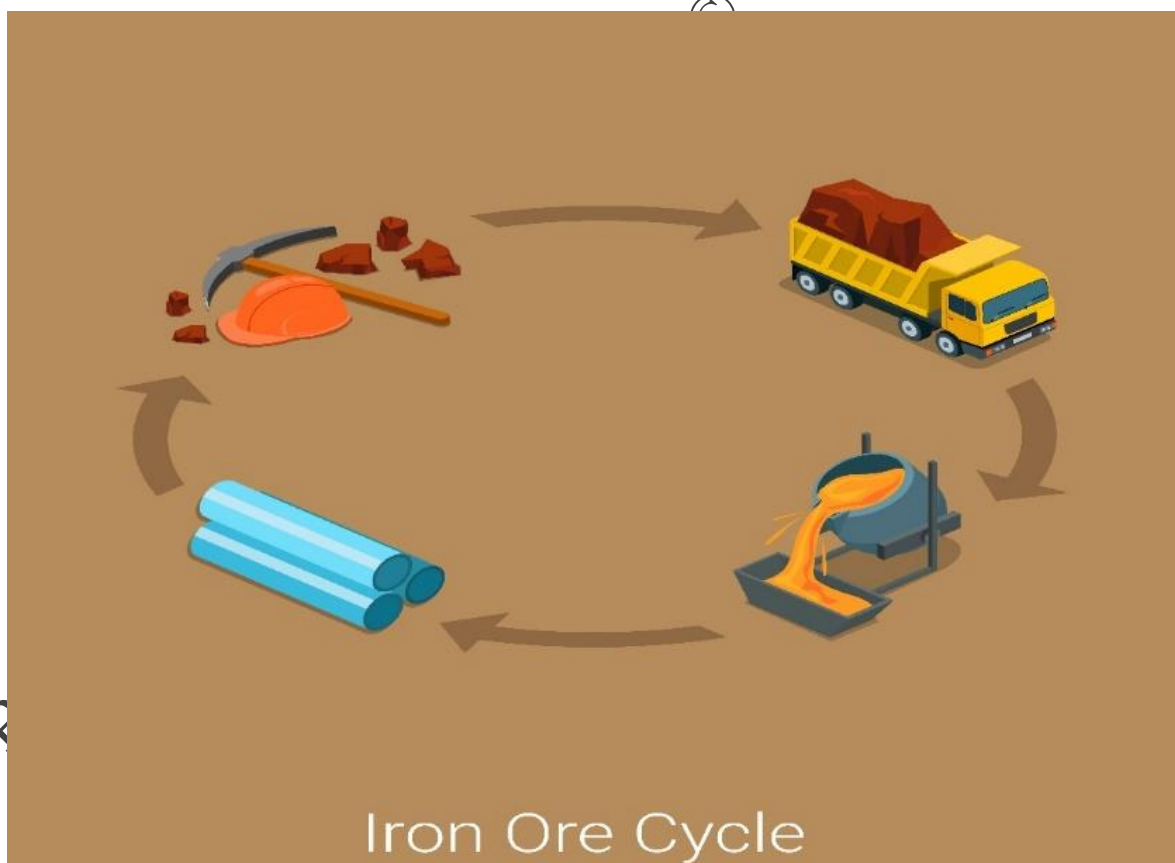


Fig. 1.20: Raw Materials

Source: <https://bit.ly/3JObzGw>

b) Manufactured Materials and Parts: The manufactured materials mainly comprise component materials. Component materials, for example, iron is processed further for final products.

2. Capital: The capital items are the industrial products that assist the buyer with their production, installation, operations and accessory equipment included in this category. Installations comprise buildings and fixed equipment. Buildings like offices, warehouses and factories, are involved in the installation process and fixed equipment like generators, lifts, etc.

3. Supplies and Services: Services and supplies are industrial products that are included as supplies (fig.1.21). Supplies are the same as consumer goods in some aspects and their buying generally does not require a lot of consideration. Operating supplies like printing paper, coal, pencils, maintenance items, or repairs.



Fig. 1.21: Supply and Service

Source: <https://bit.ly/3ziUn76>

4. Business Services: Business services include repair services and maintenance services such as cleaning offices or computer and machinery repairs. It also includes advisory services such as legal and financial advice. These service providers fall under the heading of

business services. The providers of these services generally offer them under a contract. There are small businesses that propose maintenance services whereas repair services are accessible from the manufacturer of the original equipment.

CHANNEL CO-OPERATION

Channel cooperation means the willingness of channel members to work jointly to ensure significant channel functions. Cooperation between members of a distribution channel is an outcome of marketing objectives and strategies. Problems can arise when specific channel members have too much power. Restrictions of lines on the number of new products or the demand for promotional bonuses by retailers and wholesalers can limit competition.

CO-OPERATION AMONG CHANNEL MEMBERS

The organisations gain a competitive advantage through the successful management of marketing channels. A marketing channel is a procedure for transferring ownership of goods from the point of production to the point of consumption. This process consists of all the marketing activities required in the promotion and distribution of goods. To determine whether their marketing initiatives are effective or ineffective and costly to the company, the management team must measure competition pressure. Business channels should consider the link from producers to buyers.

The organisations concentrated on sales, advertising and promotional results, pricing strategy, product strategy via branding, policies and stocking willingness. They also look at how to channel intermediaries' opinions affect the product, as well as competition from other intermediaries and product lines. All of these characteristics have an impact on how items are positioned in comparison to their competitors. A marketing channel can run straight from the vendor to the customer or may comprise various interconnected intermediaries for example distributors, wholesalers, agents and retailers who purchase and re-sell the products.

Agents are middlemen who act on behalf of the producer. Each middleman gets the item at one price and then continues to the next highest price until it reaches the final buyer. An organisation's supply chain is made up of this grouping. Flexibility, cost and quick adaptation to changing markets and demand are generally the top factors sellers reflect when assessing and selecting distribution channels. Marketers must choose the best channel intermediates for the channel company. These intermediaries are crucial to a brand's competitive strategy since they are motivated to sell the organisation's product.

Managing and monitoring the channel's performance to enhance performance is also imperative for organisations to remain competitive. Promotional

strategies are used by the organisations to motivate channel intermediaries to stock their brand over other products.

Thus, conflicts or dominations are not going to solve the problem. The channel member realised that the returns from cooperating with one another, do outweigh any reasons for conflict. They must treat distribution channels as a tool system. They must consider the channel as an extension of their own internal organisation. As part of the cooperation, manufacturers should do the sort of things for retailers that they do for their marketing organisation. Manufacturers can provide advertising ads, training for dealer salesmen, managerial assistance, etc., to bring cooperation among channel members. Retailers can also reciprocate by carrying adequate inventories, promoting the products and building, consumers, goodwill, etc.

CAUSES OF CONFLICTS IN CHANNELS

The major foundations of conflict are differences in goals, differences in views on the desired product lines carried by channel members, multiple distribution channels and inadequate performance (fig.1.22).

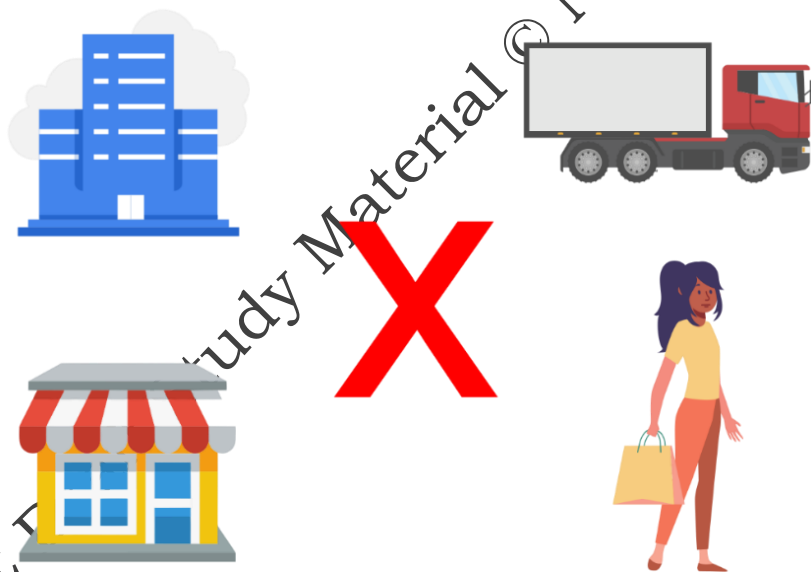


Fig. 1.22: Channel Conflict

- **Differences in Goals:** Most of the channel members are different in goals. Channel members attempt to increase their profit. This can be completed by improving profit margin, increasing sales, lowering expenses, reducing inventory levels and receiving greater allowances given to channel members.
- **Differences in Desired Product Lines:** Resellers who grow by adding product lines may be observed as disloyal to their original suppliers. Alternatively, retailers may agree to specialise by minimizing their product range.

- **Multiple Distribution Channels:** To achieve market coverage a producer may use multiple distribution channels. A manufacturer may decide to sell directly to the key accounts because of their size. Disagreement can also occur when the producer owns retail outlets that compete with independent retailers that sell the producer's brand.
- **Inadequacies in Channel Member and Manufacturer Performance:** A channel member may underperform in terms of inventory levels, customer service, salesperson effectiveness and display standards.

WAYS TO RESOLVE CONFLICTS IN CHANNELS

A distribution channel must work to avoid conflicts in order to maximize profits for the entire distribution chain.

1. **Developing a Partnership Approach:** There should be interaction to develop mutual understanding and cooperation. Producers can provide training, promotional support and financial help. Distributors may agree to mutually agreed sales targets.
2. **Training in Conflict Handling:** Staff handling disputes need to be trained in negotiation and communication skills. They should handle high-pressure conflict situations and identify win-win situations.
3. **Market Portioning:** Manufacturers can split markets based on mutually agreeable criteria such as customer size and type to prevent conflict coming from multiple distribution methods.
4. **Improved Performance:** The source of disagreement disappears as members of the manufacturer and channel enhance their performance in their respective sectors.
5. **Channel Ownership:** An effective but expensive way to resolve conflicts is to purchase the other party. Conflict can still occur but the dominant partner can resolve them quickly.
6. **Coercion:** One party forces compliance through the use of force. The producer can threaten to withdraw supply delivery late or withdraw financial support.

METHODS FOR DETERMINING THE EFFICIENCY OF A DISTRIBUTION CHANNEL

Managing distribution networks in the business can be challenging. However, no matter how small, huge, established, or new a company is, there are limited strategies that might help increase distribution efficiency. They are as follows:

- Recognising the benefits and drawbacks of various distribution channels.

- Getting products to end users as quickly as possible.
- Controlling.

WAYS TO MEASURE THE EFFICIENCY OF THE CHANNEL OF DISTRIBUTION

Managing distribution channels can be difficult in the business. However, a few tips improve distribution efficiency no matter how small, large, established or new a firm is. They are:

- Understanding the advantage and disadvantages of the distribution channels.
- Moving products efficiently to the end customers
- Controlling costs and saving time along the distribution channel

Activities

Activity 1: Make a chart and present the relationship between wholesaling and retailing.

Material required: Notebook, Paper, Drawing Sheet, Colours

Procedure:

1. Make groups of four students each.
2. Distribute drawing sheets, colors to each group.
3. Ask the groups to prepare a chart on the relationship between wholesaling and retailing.
4. Ask each group to present the chart in the classroom.
5. At the end of the presentation, the audience can ask questions.
6. The appropriate changes according to suggestions given by the audience to discuss.
7. Teacher evaluates the group activity outcome.

Activity 2: Visit channel members of consumer/agricultural/industrial products and organise a survey on their activities.

Materials Required: Pen, Paper, Pencil, Colours, Drawing Sheet, Notes

Procedure:

1. Make groups of five students each.
2. Ask the group to visit a retail outlet.
3. Students take the contact number of channel members from a retail outlet.

4. Students meet with the channel members and ask the following questions:
 - a) What are the steps followed to distribute consumer/ agricultural/industrial products?

 - b) What are the different modes of communication?

 - c) How to make a relationship with the channel members?

 - d) How to motivate consumers?

5. Write down the answers to the above questions.
6. Submit a brief report to the teacher.
7. Teacher evaluates the activity and checks the report.

Activity 3: Conduct a seminar on channel cooperation and conflicts

Material required: MIC, Chart, Banner, Papers and Pen

Procedure:

1. Take the MIC and assign the work of anchor to one student.
2. Organise seminar hall.
3. Teacher assigns topics on channel cooperation and conflicts among the students.
4. Student conducts and participates in the seminar and present a paper on assigned topic.
5. Students note down the key points on each presentation given.
6. Concluding remarks given by the teacher on the seminar.

Activity 4: Take the example of five distributors in your area and measure their efficiency of distribution and prepare a report on the basis of your findings.

Material required: SWOT tools, MIC, Chart, Banner, Papers and Pen

Procedure:

1. Make a group of five students each
2. Ask to identify the five distributors in their area in each group

3. Conduct interviews and measures distributors efficiency in their business.
4. Develop SWOT analysis of the Distributors
5. Prepare a report and submit to the teacher

Check Your Progress

A. Fill in the Blanks

1. The goods that the consumers purchase for the reason of use are called _____ goods.
2. A _____ channel is a practice necessary to transfer the ownership of goods to move goods from manufacture to consumption marketing.
3. _____ channel is the lengthiest channel of distribution of consumer's products.
4. _____ products are the products people purchase for the personal consumption.
5. A _____ distribution channel must work to avoid conflicts in order to maximize profits for the entire distribution chain.

B. Multiple Choice Questions

1. Various causes of conflicts in channels include
 - a) Multiple distribution channels
 - b) Differences in goals
 - c) Differences in product lines
 - d) All of the Above
2. Ways to resolve conflicts in channels are:
 - a) Coercion
 - b) Training in conflict handling
 - c) Improved performance
 - d) All of the Above
3. Which of the following is not industrial product?
 - a) Materials and parts
 - b) Raw materials
 - c) Supplies and services
 - d) Farming products

4. Which of the following is the longest distribution channel?
- Third level
 - Two-level
 - One-level
 - Zero-level A

C. State whether the following statements are True or False

- Zero-level channel also called a direct channel
- Producers are unable to employ a variety of distribution methods to get their products to the final consumers.
- Marketers have categorised products into two groups on the kind of customers who purchase them.
- Channel cooperation means the willingness of channel members to work jointly to ensure significant channel functions.
- Wholesale and retailing are the two different types of models for a product-based business.
- Businesses that sell their branded products may not have increased responsibility for product ideation.
- Most of the channel members have differences in goals.

D. Match the Columns

	Column A		Column B
1	Zero-level channel	A	Producer-agent-wholesalers-retailers
2	Two-level channel	B	Producer-consumers
3	One-level channel	C	Producer-wholesaler-retailer-consumers
4	Third-level channel	D	Producer-retailer-consumers

E. Short Answer Questions

- What are industrial products?
- What do you mean by the level of channels?
- What is meant by a distribution channel?
- Write about channel co-operation.
- What factors affect the selection of a channel?
- What are the important functions of channel members?

7. How channel efficiency is measured?

F. Long Answer Questions

1. Explain the channel levels used for consumer goods.
2. Define industrial products and explain the various types of industrial products.
3. Discuss the causes of conflicts in channels.
4. Explain the various ways to resolve channel conflicts.

G. Check Your Performance

1. Differentiate wholesaling vs. retailing?
2. Prepare a chart on ways to measure the efficiency of the channel of distribution with a suitable diagram.
3. Identify the different levels of channels for a consumer/products/agricultural/industrial product available in your area.

Session 3: Strategic Marketing in Wholesaling

In wholesale marketing, the purchase is made in large quantities from the manufacturer of the product directly. There is no middleman involved, therefore, paying for the middle person does not present in this model. The producer determines the price by adding desired profit to the cost of production.

Wholesale marketing usually entails rebranding things under the company's brand, such as a department store purchasing groceries and then selling them under the business's name. The producer's involvement will be unseen. Wholesale marketing will lead to connections with a variety of producers in order to determine whether or not to buy from them based on price and other factors.

It is better to be connected with many producers for a single product and then analyze the product price and quality before buying in large quantities from the producers. When the company's brand produces and gets recognised in the market the company can expand to other products by analysing the demand of the market. At this phase, the company's business will enlarge and also be secured when people prefer to purchase the company's new products. Hence, strategic marketing becomes enviable in wholesaling. In strategic marketing, wholesalers, seek to differentiate themselves from competitors by focusing on their strengths to provide the customer with superior services and value.

Exhibit 1.2: Strategic Marketing

The way a firm effectively differentiate itself from its competitors by capitalising on its strength, both current and potential to provide consistently better value to the customers than its competitors.

NEED FOR STRATEGIC MARKETING IN WHOLESALING

Wholesale marketing is to promote goods to retailers or institutional buyers for wholesale orders. Usually, wholesale orders are in bulk quantity. Therefore, it is not easy but one needs to plan and execute an effective marketing strategy. To be a successful wholesale distributor, wholesalers need to focus on pricing, quality and service. Various strategies adopted by wholesalers need the following considerations:

- **Formulate the Wholesale Marketing Strategy-** Marketing plans do not necessarily have to be in the form of a series of documents. Spending time developing a marketing strategy will greatly boost your ability to gain clients and eventually lead to consistent sales. The organisation's marketing plans should include a variety of modest approaches that, when combined, form a flow that will guide the company in the proper direction.
- **Emphasis on the Marketing Strategy-** Focus on three primary areas: first, find new wholesale customers, then get more orders from them and last, grow wholesale sales.
- **Wholesale Promotion Ideas for Getting Orders:** Getting wholesale customers to register is a difficult task. Customers might be encouraged to connect with the brand through a variety of promotion strategies. There are a number of obstacles, including a lack of awareness of the product, minimum orders, a lack of understanding of the terms and conditions, a lack of sales support and shipping costs.
- Promotions should be targeted by making customers aware of orders, products and other information.

MARKETING STRATEGIES FOR WHOLESAL DISTRIBUTORS

1. Offer Referral Incentives to Current Customers: The existing customer's satisfaction leads to referring new customers. All people are not belonging to a specific industry or competitor. Different varieties of referral incentives offered by wholesalers are;

- Cash discount
- Trade discount

- Cash reward
- Free stock
- Priority service

Incentives are one of the best and simple ideas and strategies for wholesale distributors (fig.1.23).



Fig. 1.23: Marketing Strategies

Participate Actively in Trade Shows: Tradeshows are a marketplace where buyers and sellers meet up (fig.1.24). To become successful in a tradeshow the following things should be considered

- Invest in an attractive display
- Book a prime location
- Display many products samples
- Hire an experienced sales executive
- Prepare a spreadsheet to record the details
- Offer a fair discount



Fig. 1.24: Participate Actively in Trade Shows

2. List on Industry Directories: Industry directories can develop wholesale businesses visible to the target audiences easily. It can be in the form of online or offline. Examples of online directories are IQS Directory and Kompas.

3. Catalogue and Orders Online: This strategy involves five steps.

- a) The first step is to buy a domain name.
- b) In the second step build an online store.
- c) In the third step take pictures of products and upload them with prices and descriptions.
- d) In the fourth step add an app that automatically generates catalogs for wholesale customers.
- e) In the fifth step start promoting online and catalog links among the prospects (fig.1.25).

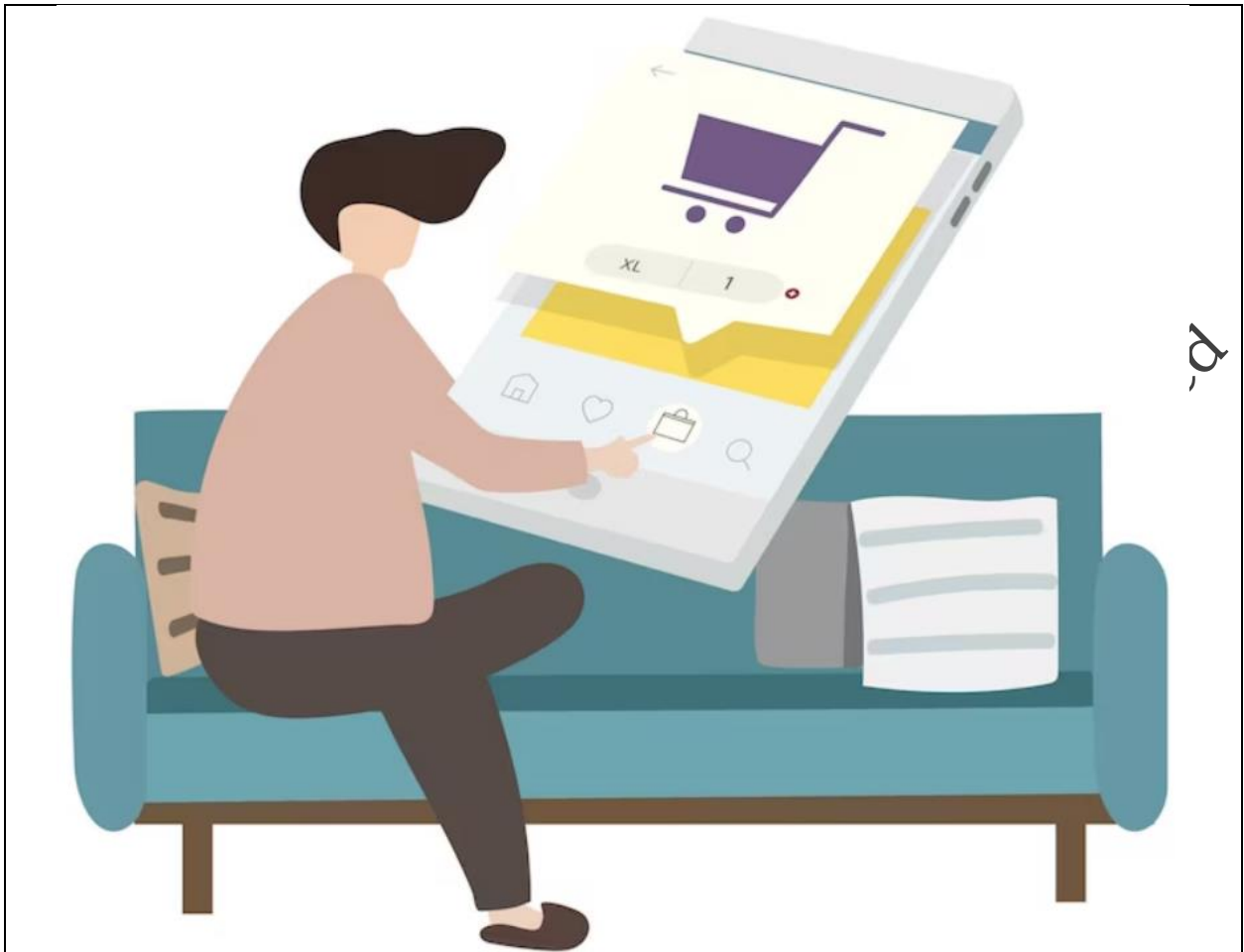


Fig.1.25: Catalogue and Orders Online

Online stores are a great means to update clients on prices, display products, distribute catalogues, accept orders and payments and update on industry news.

4. Partners with Influences: Influencers are the people who influence the decision of their followers. The key is to convince the influencers to promote products.

5. Merchandise the Customers Outlets: Merchandise is the presentation material used to enhance the sale of goods. Usually, they are found at retail stores. They can be formats like glow sign boards, signage, stands, t-shirts, posters, etc.

6. Execute Cold Visits: This is one of the effective ways to market wholesale business. The idea is very simple. Schedule plan and visit retail stores at least 10 per day. In this way, new customers are generated. This strategy depends on the skill of the visitor. Visitors should keep the following things in hands:

- Product catalogue

- Visiting card
- Product samples
- Pamphlet or brochure

7. Offer Periodic Freebie Schemes: Periodic schemes are an effective marketing strategy for wholesale distributors. It is all about offering freebies to purchasers for meeting certain conditions. Usually, such conditions are periodic and transactional in nature. For example, a wholesaler offers a scheme like buying 2000 units of ABC products within a month and getting 60 units free.

8. Become a Wholesale Dropship Supplier: Drop shipping is one of the online retail models where a retailer lists products on his e-commerce website but does not essentially keep an inventory of the same. It involves four parties' online retailer, wholesale supplier, customer and drop shipping platforms.

9. Tie up with an Export House: Export houses are specialised agencies that can market products to international customers. They have a good base of international customers.

10. Partner with Affiliate Marketers: In this publisher promotes the products of the business in return for a commission. For example an affiliate marketer ties up with garment wholesalers and promotes its products on his/her blog. When the bloggers click on the product and purchase it the blogger will receive a commission from the garment.

11. Target Institutional Buyers: Wholesalers are busy selling to retailers that they forget about other simple strategies. Institutional buyers are bulk buyers who do not purchase regularly. Strategies to sell to institutional buyers is one of the strategies that need to focus on by wholesalers. Examples railways, hospitals, colleges and universities.

12. Cold Email Marketing Strategy: Sending cold email marketing strategy is one of the most powerful in terms of scale. It is an unsolicited email that is sent to someone who is not familiar with the person.

13. Word of Mouth Marketing: Word of mouth marketing can be explained as that satisfied stakeholders like employees, customers, family, or friends referring business to the person without receiving anything in return (fig.1.26).



Fig. 1.26: Word of Mouth Marketing

Source: <https://bit.ly/42Ts8tq>

FACTORS AFFECTING STRATEGY FORMULATION

Strategy formulation is an ongoing process. It has to be scientific. The following points need to consider while formulating a strategy:

- 1. Achieve Shared Vision:** Achieve shared vision is one of the issues in strategy formulation. Due to no shared vision organisations fail to achieve the vision. This means all the stakeholders should have a shared vision.
- 2. Inability of Partners to Map a Vision:** Partners should have well-defined interests for the strategy formulation. The problems among partners can be addressed by encouraging healthy understanding and transparency in the system.
- 3. Leadership and Managerial Bias:** Self-motivated managers and imposing leaders often result in dissonance at the strategy formulation stage. Therefore, it is necessary to address leaders and manage the bias effectively.

4. Manager over Emphasizing Tools and Techniques: Without understanding the internal factors leading to difficulty in strategy formulation. Overemphasis on technologies and processes while ignoring the market might make developing an appropriate strategy difficult.

TARGET MARKET DECISIONS

A target market is a group of prospective customers to whom a company wants to offer its products and services. Individual clients who are targeted by a company's marketing efforts are also included in this category. A target market is a subset of the broader market for a product or service.

RETAILERS MARKETING DECISIONS

Retailers are seeking new marketing tactics to run profitably due to variations in the marketing environment, consumer preferences and technological innovation. Target markets and positioning, product assortment and services, price, promotion and location are all key marketing decisions for retailers.

- **Target Market and Positioning Decision:** The first step for retailers is to identify their target markets. Retailers can pick how they want to position themselves in their target markets if they have well-defined target markets. A store should look for answers to a few key questions.
 - Should the retail outlet focus on upper-income, middle-income, or lower-income customers?
 - Do your target customers want variety, depth of selection, convenience, or a low price?
- **Product Assortment and Services Decision:** Product assortment, service mix and store environment are three major product characteristics that retailers must decide on.
- **Product Assortment:** The product assortment decisions made by merchants must try to meet the expectations of target customers. The width and depth of the product assortment are important considerations. The retailers' product assortment decisions must aim at matching target shoppers' expectations. Decisions regarding product assortment include its width and depth. The quality of the goods is another aspect of the product assortment. The buyer analyses not only the variety of options but also the product quality. To compete with competitors who offer identical product assortments and levels of quality, the retailer must find other ways to set itself apart. It can choose from different kinds of product differentiation tactics.
- **Service Mix:** To ensure optimal client pleasure, retailers must also choose a service mix. Modern merchants may provide services such as

home delivery, credit and a discussion in addition to standard customer services. A retailer can differentiate himself from competitors by using a service mix as a crucial instrument of nonprice competitiveness.

- **Stores Atmosphere:** Another factor to consider for a shop is the environment of the store. The physical layout and ambiance of the store should be carefully prepared to request the target market and encourage customers to purchase for example restaurant, should be quiet, comfortable and spotless. Modern businesses are striving harder than ever to create a shopping environment that appeals to their target audiences.
- **Price Decision:** The pricing policy of a retailer has a significant impact on the positioning. Retailers must examine their target market, product, service assortment and competition when determining pricing policies. Although all retailers would like to charge high markups and achieve high volume, they are rarely achievable simultaneously. The majority of retailers, such as specialty stores, aim for large markups on lower volumes. Low markups on larger volumes are sought by retailers such as mass merchandisers and bargain stores.
- **Promotion Decision:** Advertisement, personal selling, sales promotion and public relations are all promotional techniques used by businesses. They advertise in both print and electronic media (newspapers and magazines) (radio, television). Circulars and direct-mail items can be used to augment advertising. Personal selling jobs require salespeople to be adequately trained. Demonstrations, displays and other types of sales promotions may be used in-store.
- **Place Decision:** The location of a retailer determines its ability to attract customers and thrive in business (fig.1.27). The expenditures of constructing or leasing a store have a substantial impact on a retailer's profits. As a result, site-location selections are critical for a shop.

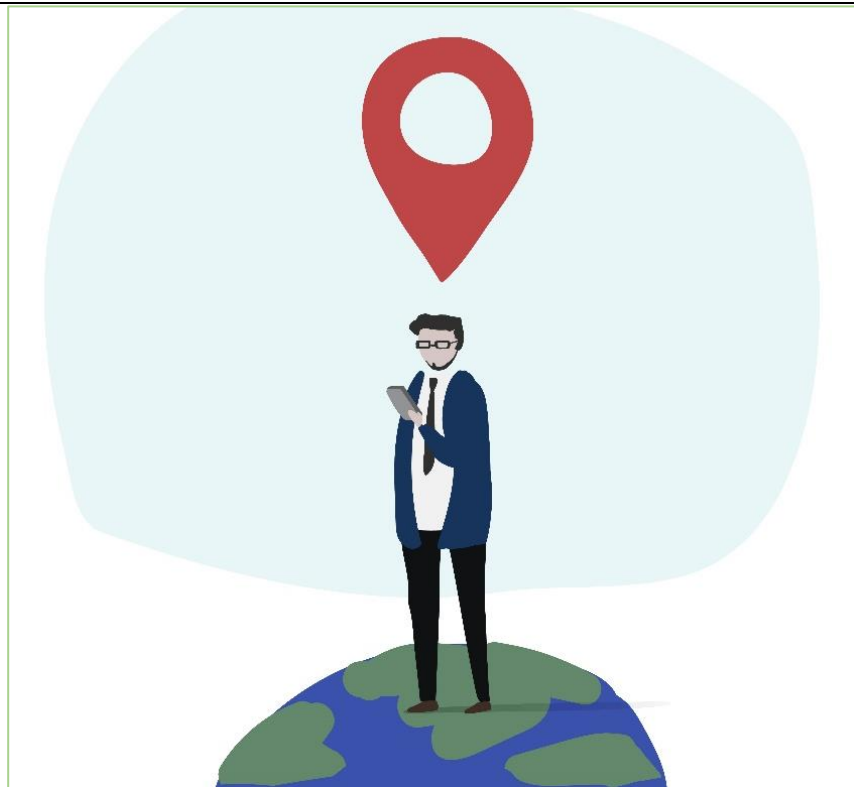


Fig. 1.27: Place Decision

Source: <https://bit.ly/3zfQL5Q>

Small businesses may not be able to devote as much time to the location selection. Large retailers, on the other hand, frequently hire specialists.

- **Evaluating salesperson performance:** To evaluate the performance of a salesperson there are some measurement specifications such as – person must be specific, measurable, attainable, realistic and time specific. This will indicate the salesperson's drive and accomplishments towards work.
- **Conducting effective sales meetings:** Sales meetings are an important part of the sales process. So, conducting effective sales meetings are designed to provide support in the development of product quality and services while building relationships and identifying lacking and needs.

Activities

Activity 1: Visit a wholesaler and make a report on listening presentation and leadership skills and relationship skills.

Material required: Notebook, Paper, Pen, Pencil.

Procedure:

1. Make a group of 4 students.

2. Visit 2-3 wholesale stores.
3. Ask the following questions to the wholesaler:
 - a) What methods are followed to deliver products?
 - b) How the relationship is maintained with the channel members?
 - c) In what way do you lead the channel members?
 - d) Explain about listening and leadership skills required for the wholesaler.
 - e) How to communicate effectively with the channel members?
4. Write down observations.
5. Prepare a brief report on it.
6. Submit the report to the teacher.
7. Teacher evaluates the activity.

Activity 2: Prepare a report on grievance redressal and sales skills.

Material required: Notebook, Pen, Pencil, Computer with Internet Connection

Procedure:

1. Ask students to sit on a chair with an internet connection.
2. Ask students to search the following topics on the internet:
 - a) Grievance redressing skills used by wholesalers
 - b) Recruiting and selecting sales people
 - c) Creating a marketing structure to support the sales force
 - d) Training, coaching and counseling individual salespeople
 - e) Evaluating salesperson performance
 - f) Develop the sales planning
3. Write down notes on the above topics.
4. Take the help of the internet and write down notes on it.
5. Prepare a report on the grievance and sales skills of wholesalers.

Activity 3: Conduct a group discussion on the need for strategic marketing in wholesaling.

Material required: Notebook, Pen, Pencil

Procedure:

1. Make a group of 4 students.
2. Visit 2-3 wholesale stores and note down the strategy they follow.

3. Ask the following questions to the wholesaler:
 - a) What methods are followed to sell products?
 - b) How to use strategic marketing methods in wholesaling?
 - c) How to communicate effectively with the channel members?
4. Write down observations.
5. Prepare a brief report on it.
6. Submit the report to the teacher.
7. Teacher evaluates the activity.

Activity 4: Conduct a seminar on factors affecting strategy formulation.

Material required: Notebook, Pen, Pencil, Computer with Internet Connection

Procedure:

1. Ask students to sit on Computer with an internet connection.
2. Ask students to search the following topics on the internet:
 - a. Achieved shared vision of wholesaler
 - b. Identify the partners to map the vision
 - c. Leadership qualities guiding the employees
 - d. Emphasizing tools and techniques for reaching the vision.
3. Write down notes on the above topics.
4. Take the help of the internet and write down notes on it.
5. Prepare a report on the grievance and sales skills of wholesalers.

Activity 5: Visit a wholesale organisation nearby and prepare a report on strategies such as target market decision, product assortment and services, pricing decision and promotion decision.

Material required: Notebook, Pen, Pencil.

Procedure:

1. Ask students to form five members in each group
2. Ask students to search the following strategies.
 - a. Identify the target retailers for serving the goods and services
 - b. Plan the product or services assortment
 - c. Mechanism adopt to fix the prices for different products or services.
 - d. Provide effective promotional strategies to the target.
3. Write down notes on the above topics.

4. Take the help of the internet and write down notes on it.
5. Prepare a report on the grievance and sales skills of wholesalers.

Check Your Progress

A. Fill in the Blanks

1. Wholesale _____ is to promote goods to retailers or institutional buyers for wholesale orders.
2. Marketing _____ does not necessarily have to be in the form of a series of documents. Plans _____
3. Various existing customers are happy to refer _____ customers.
4. Incentives _____ are one of the best and simple ideas and strategies for wholesale distributors.
5. Tradeshows _____ are a marketplace where buyers and sellers meet up.
6. _____ is the presentation material used to enhance the sale of goods.

B. Multiple Choice Questions

1. Which one of the following is effective ways to market wholesale business?
 - a) Visit
 - b) Execute cold visit
 - c) Government policies
 - d) None of the Above
2. Achieve _____ is one of the issues in the strategy formulation.
 - a) sole vision
 - b) shared vision
 - c) market
 - d) none of the Above
3. _____ and imposing leaders are often the result of dissonance at the strategy formulation stage.
 - a) Strategic
 - b) Self-motivated managers

- c) Managers
 d) None of the above
4. A _____ is a group of prospective customers to whom a company wants to offer its products and services.
- a) market
 b) organisation
 c) target market
 d) none of the Above

C. State whether the following statements are True or False

- The first step for retailers is to identify their target markets.
- The pricing policy of a retailer has a significant impact on the positioning.
- The retailers' product assortment decisions must not aim at matching target shoppers' expectations.
- The quality of the goods is another aspect of the product assortment.
- Advertisement is not promotional techniques used by businesses.

D. Match the Columns

	Column A		Column B
1	Referral incentives	A	Helps to enhance sales
2	Drop shipping	B	Trade discount
3	Merchandise	C	Online retail model
4	Execute cold visits	D	The strategy depends on the skills of the visitor

E. Short Answer Questions

- What do you understand by strategic marketing in wholesaling?
- State the factors affecting strategy formulation.
- What is the need for strategic marketing in wholesaling?
- What is product assortment?
- What is a service mix?
- What do you mean by promotion decision?

7. What is meant by place decision?

8. What is the target market?

F. Long Answer Questions

1. Explain in detail about marketing strategies for wholesale distributors
2. Discuss the various retailer's marketing decisions.

G. Check your Performance

1. Demonstrate various marketing strategies.
2. Presentation on retailers' marketing decisions.

Session 4: Selling Skills in Wholesaling

Wholesaling is the act of selling the products in bulk form to the retailers normally at a discounted price who then sells the product to their customers. It creates a specific pricing strategy and process to reach audiences that may be able to reach alone. E-commerce has transformed the way consumers and manufacturers interact by creating a direct line between each party. Customers get a better price and product creators directly and product creators receive the maximum possible profit from the sale.

When running a business there are a lot of function areas to manage from production to logistics to finance. Wholesaling product is a good chance for innovation or product development over sales and customer experience. Wholesaling enables tapping into the promotional expertise of retailers while building and refine on the supply side of the business. Wholesalers spend time with retailers to nurture and grow their business. They undertake marketing efforts to acquire new business. Retailers can also assist to add value that generates customer loyalty and referrals.

Entering a new market is one of the methods to scale a business. Understanding the audience in a good manner and reaching them needs a lot of research and supply chain adjustments. This results in the need for selling skills in wholesaling.

MEANING OF PERSONALITY SKILLS

Individuals are unique with a distinct combination of skills, interests and personality traits. Self-knowledge can assist in the wholesale career decision-making process. Hard skills such as computer, programming skills and legal knowledge, can be measured but personal skills which are also called soft skills cannot be measured. The soft skills of a person are intangible and they enhance the interaction with manufacturers, retailers, wholesalers, or

customers in the wholesale business. Broadly, personality skills may be categorized as critical, thinking, problem-solving, dependability, flexibility, interpersonal skills, intrinsic, motivation skills, etc. The compatibility of an individual with the career choice is very important.

RELATIONSHIP SKILLS

In wholesaling, the most important skills required by wholesalers are relationship skills. Relationship Building at the workplace can be highly helpful to achieve success in the career. Building strong relationships assists to learn new skills and develop current skills. Successful relationship-building needs a combination of various soft skills, it can be vital to improving these skill areas to assist and develop in the career. Relationship-building skills are a blend of skills that a person applies to connect with others and form positive relationships. Relationship-building abilities are essential at the workplace for getting along with coworkers, contributing to a team and fostering mutual understanding.

COMPONENTS OF RELATIONSHIP-BUILDING SKILLS

Relationship-building skills will normally encompass a mixture of many soft skills that can all contribute to the way business persons and customers interact. The following skills can be considered essential skills to developing successful relationship-building skills in the wholesaling.

- 1. Interpersonal Skills:** To make a strong and successful work relationship individual should possess effective interpersonal skills. Understanding another person's perspective and showing respect for the team can all develop interpersonal skills. Effective interpersonal skills are required to build successful and strong work partnerships (fig.1.28).



Fig. 1.28: Interpersonal Skills

Interpersonal skills include being able to understand another person's point of view, providing respect when it is not warranted and demonstrating sympathy for your coworkers.

2. Empathy: Empathy is a crucial component of good relationship-building techniques (fig.1.29). Empathy for friends and coworkers entails comprehending their emotions and feelings. When teammates and bosses actively participate in empathy in the workplace, work relationships are maintained.



Fig. 1.29: Empathy

3. Emotional Intelligence: Emotional intelligence is helpful for the overall development of the workplace (fig.1.30). Being emotionally intelligent can mean observing the dynamics in the office and finding methods to contribute to the team and resolving conflict.

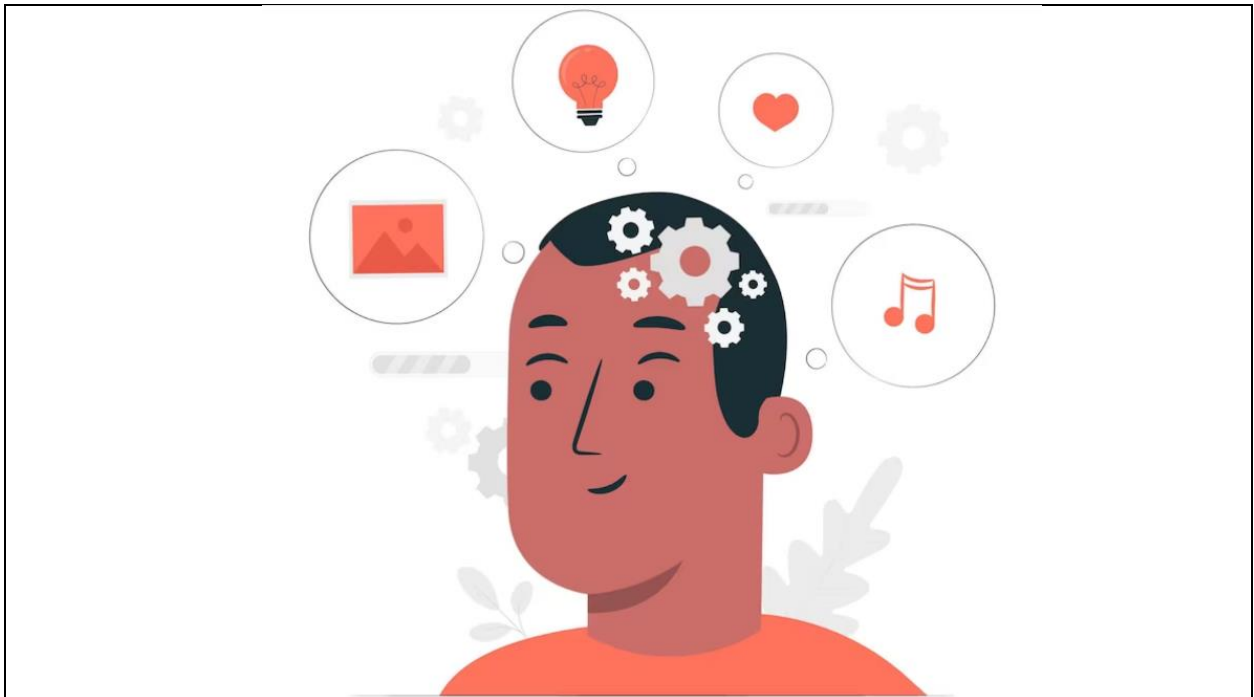


Fig. 1.30: Emotional Intelligence

4. Networking Skills: Building successful work relationships can also provide assistance in developing networking skills (fig.1.31).



Fig. 1.31: Networking Skills

5. Non-Verbal Communication Skills: Non-Verbal communication has an impact on building relationships with others (fig.1.32). Reading body language can assist to pick up people's emotions.



Fig. 1.32: Non-Verbal Communication Skills

6. Verbal Communication Skills: Verbal communication skills are also necessary to build strong relationships (fig.1.33). For example, if the employees join a meeting with colleagues, they can practice verbal communication by searching for opportunities to contribute ideas.



Fig. 1.33: Verbal Communication Skills

7. Listening Skills: Active listening skills are sometimes more successful than learning. Listening is an important element of communication (fig.1.34).



Fig. 1.34: Listening Skills

8. Team-building Skills: Working as a part of a team require effective relationship-building. Develop teamwork abilities through practicing effective communication, demonstrating respect for other people's ideas and contributing and assisting when needed (fig.1.35).



Fig. 1.35: Team-building Skills

STEPS FOR BUILDING EFFECTIVE RELATIONSHIP

The following steps are required to build an effective relationship in an organisation:

- 1. Develop Effective Communication skills:** Developing effective communication skills can influence positively interact with others.
- 2. Practice Empathy:** Showing empathy to peers leads to care for others and understand others feeling.
- 3. Develop Emotional Intelligence:** Another strategy to ensure strong work relationships is to build emotional intelligence by exercising empathy and learning to comprehend teammates' feelings.
- 4. Ask for Feedback:** Asking for feedback can be highly valuable for professional development. Communication for professional improvements represents that people are motivated to succeed in the job.
- 5. Get Involved:** To develop relationship-building skills the wholesaler have to involve with various activities at the workplace.

GRIEVANCE REDRESSING SKILLS

In wholesaling, disputes are caused by a conflict of interests between the channel members. Employee dissatisfaction or feelings of personal injustice are widespread in industrial settings, owing to a variety of issues such as working conditions, management policies and practices and rule and regulation violations. Such complaints may result in conflict.

Exhibit 1.3: MEANING OF GRIEVANCE

A complaint or a strong feeling that has been treated unfairly is called grievance.

Channel members grievances cannot always be resolved by upward communication with immediate supervisors, because these supervisors may not be trained to handle such grievances, may lack the necessary authority, or there may be certain conflicts between the aggrieved employees and the supervisor, all of which can obstruct the resolution of such disputes.

The Industrial Disputes Act of 1947 (ID Act) largely governs the resolution of disputes that affect a group of employees, as well as disputes involving employee discharge, dismissal, retrenchment, or termination. Individual disputes involving an individual employee's other service conditions, such as promotion, seniority, wage entitlement and so on, are treated as individual disputes.

SALES TEAM AND ENVIRONMENT

A sales team is a group of individuals who sell companies' offerings to leads and customers. The sales team responsibilities are preparing sales plans,

prospecting, researching, making sales, handling sales issues, building customer relationships, training the salesman, achieving sales targets, etc. These responsibilities of the sales team lead to achieving the company's sales goal by selling products and services to the customers in the market. Thus, the sales team provides an opportunity to effect sales and build customer relationships that foster, loyalty and retention.

Sales environment creates a unique relationship and provides multiple opportunities and incentives to the salesman. This will enable the salesperson to accept the challenges to meet and exceed new and exciting sales goals. Sales environment can be defined as the culture which is developed in a sales organisation for a sales team. It encompasses from physically organising the sales floor to the emotional environment. This will encourage the salesman to attend the sales meeting and to give sales presentations. It also provides incentives to a salesperson. The various types of sales environments, are classified as office sales environment, remote sales environment, business to business, sales environment, incentive-based sales environment, etc.

To build a successful sales team there are various guidelines have to be followed such as building a team on the basis of trust, practices of cooperative culture, adopting good hiring practices, encouraging feedback, implementing a strong sales process, adopting a sales quota policy, etc.

Building a strong sales team will take some time and effort, but the time and effort to invest will pay off at the end. The sales team is recruited with the best people, it will reach and surpass the sales targets.

DEVELOPING PRODUCT KNOWLEDGE

In wholesaling, salespersons require the skills of product knowledge. It is critical for salespeople to have a thorough knowledge of the product that they are selling as well as its features. Customers will respond more positively to a sales proposal if they believe the individual with whom they are communicating has reliable information. When sales representatives have this essential knowledge, a conversation and discussion with a consumer can run more smoothly. Product knowledge and training help both salespeople and customers.

There are several facets to effective Product knowledge:

- Training for product and service knowledge.
- Training different challenges faced by clients and prospects.
- Developing an ability to map solutions to challenges during a conversation.

1. Why does Product knowledge to salespersons build confidence?

Salespeople should have a thorough knowledge of the product or service they are promoting. Product knowledge provides sales representatives with the skills and information they need to clearly express concepts and ideas to customers. Product expertise can also assist salespeople in dealing with tricky product inquiries from customers.

Improved confidence is a substantial benefit to product knowledge training for both customers and employees. For your employees, it helps them add value to the discussion with a customer. For your customers, it helps them to learn exactly how they can make the most of a product or service, potentially leading to better product adoption.

2. It builds enthusiasm

Salespeople perform better on receiving effective product knowledge and training. They become more enthused about what they sell. Learning the technical aspects of a product or service makes it simpler to generate enthusiasm among both customers and salespeople. Salespeople will find it easier to persuade customers when the benefits of a product or service are evident.

3. It handles objections raised by customers

Customers' objections are frequent questions that go unaddressed. When addressed effectively, objections can often pave the way for a successful sale. When a consumer raises an objection, it is possible that they do not understand why product or service is beneficial for them. Salespeople are prepared more for these situations if they receive product knowledge and training.

4. It helps to understand the competition

The immense knowledge base of the internet has resulted in a better-educated consumer base. The sales may decline if salespeople have insufficient product knowledge and understanding. Product expertise is a valuable advantage that can help sales staff stay forward of the pack. Customers care a lot about how a salesman explains things and how they can help them make a decision.

5. It builds the trust of customers

In any industry, earning client trust is essential. Before making a purchase, customers must believe in the goods and the company. Salespeople are frequently the first option of contact for customers. Product knowledge and training for salespeople guarantees that clients receive the most up-to-date information about the items and services. This leads to developing the trust of customers or the product and services offered by the company.

6. It creates the ideal customer experience

The ideal customer journey starts with a customer's initial engagement with a corporate representative. Product knowledge and training can help ensure that a prospective consumer becomes a committed customer in a simple and seamless manner. Perhaps this is why enhancing client experiences has become such an important part of company strategy. Outstanding customer services are vital for the ideal and positive customer experience.

RECRUITING AND SELECTING SALESPEOPLE

Salespeople who have the best features and who fit the company ethos should be chosen during the process of recruitment. Recruitment is the process of searching best candidate for a post in the organisation. Recruitment of talented employees is an important part of any organisation's ability to maintain success and ensure the achievement of standards within an organisation. Recruiting salespeople entails actively compiling a diverse pool of potential candidates for employment consideration. The constant need for talent in various industries creates a competitive marketplace for individuals and any manager must be aware of these factors in order to develop recruitment programmes and policies.

Methods of Recruitment

There are two ways to recruit employees first is internal recruitment and the second is external recruitment.

- Internal: Internal is one of the cost-effective ways of recruiting potential employees as it uses the current company resources and talent pool to fill needs (fig.1.36).



Fig. 1.36 Internal Recruitment

Source: <https://bit.ly/3KiU96d>

- External: External recruitment resources look for potential candidates outside of the organisation in order to expand the pool of available talent (fig.1.37).

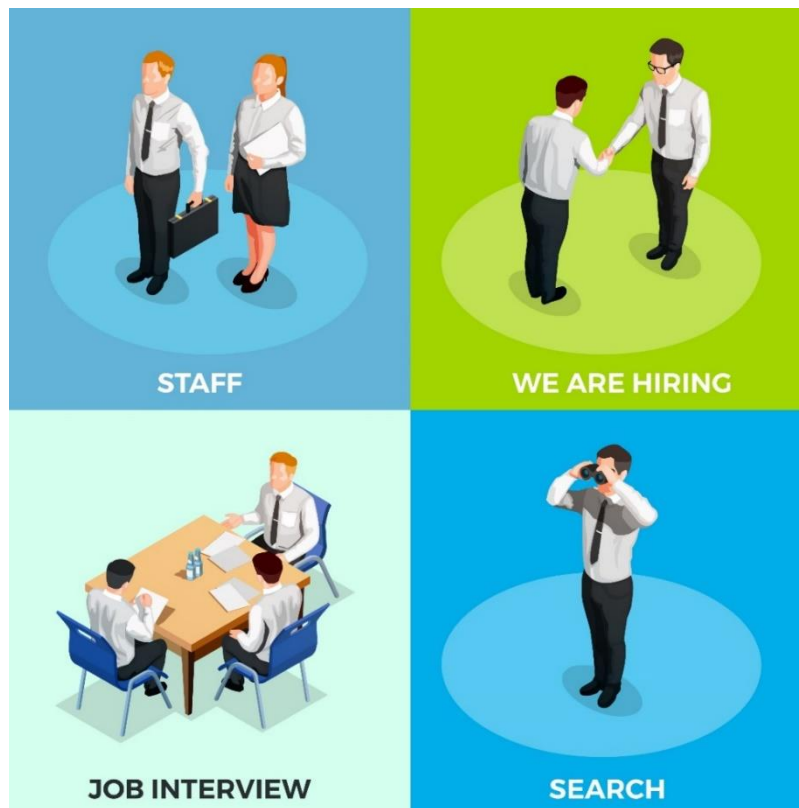


Fig. 1.37 External Recruitment

Source: <https://bit.ly/40M7NEt>

Selecting Salesman

After receiving large qualified applicant base, managers need to find out those applicants with the highest potential for success. Selective hiring assists to prevent the costly turnover of staff and increases the likeliness of employee productivity and morale. Selection of a salesman refers to the process of choosing the most suitable candidate for the vacant position in the organisation. Before selecting a salesman, various qualities the salesman must be considered. They are impressive, personality, cheerful disposition, education, health in physique, general capabilities and competencies, knowledge of the product and market, experience, etc.

Evaluating Salesperson Performance

Evaluation of a team member is an important part of organisational development. To evaluate the performance of a salesperson there are some specifications such as – a person must be specific, measurable, attainable, realistic and time specific. This will indicate the salesperson's drive and accomplishments toward work.

Salesman Training

In any organisation sales play a vital role whether it is goods or services because sales provide revenue which is the core of the business. A well-trained sales team will outperform their competitors' market and build relationships for future business. So we must hire well-trained salespeople and provide them training on time to time-related to products is equally important.

Organising Sales Meetings

Sales meetings are an important part of the sales process that shows the actual performance scenario along with past sales records. So, conducting effective sales meetings is designed to provide support in the development of product quality and services while building relationships and identifying the lacking and needs of customers.

Activities

Activity 1: Visit a retail store and observe the skills to organise the display of products at the retail store.

Material required: Notebook, Paper, Pen, Pencil and Rubber and Questionnaire.

Procedure:

1. Make a group of 4 students.
2. Visit 2-3 retail stores.
3. Ask the following questions to the retailer
 - a) What are the different ways of organising the display of the product?
 - b) What is the procedure following to organise the product display?
 - c) Which of the activity is most important to display products?
 - d) How much time was taken for the product display?
4. Note down the answers to the above questions.
5. Observe the product display in the store.
6. Prepare a short report and submit it to the teacher.

Activity 2: Game activity on displaying products at the retail store.

Materials Required: Pen, Pencil, Rubber, Notebook, display racks, hangers, various products like clothes, utensils, books and other FMCG products.

Procedure:

1. Make groups of four students each.

2. Visit a retail lab.
3. Ask the groups to display products in the lab one by one.
4. Use the following items for display
 - a) Cloths
 - b) Utensils
 - c) Books
 - d) FMCG products
 - e) Racks
 - f) Hangers
5. Ask the group to present the theme of their display.
6. The teacher evaluates the whole activity.

Activity 3: Visit a nearby store of wholesalers and identify the skills exhibited by him in dealing with retailers/customers.

Material required: Notebook, Paper, Pen, Pencil.

Procedure:

1. Make a group of 4 students.
2. Visit 2-3 retail stores.
3. Observe the skills of the retailer while handling the customer.
 - a) Interpersonal skills
 - b) Empathetical skills
 - c) Emotional Intelligence skills
 - d) Networking skills
 - e) Non-verbal Communication Skills
 - f) Verbal Communication Skills
 - g) Listening Skills
 - h) Team Building Skills
4. Note down points.
5. Discuss in the classroom.
6. Prepare a report.

Check Your Progress**A. Fill in the Blanks**

1. Building _____ work relationships can also assist in developing networking skills.
2. _____ skills are also necessary to build strong relationships.
3. Showing _____ to peers is showing how to care for others and understand others feeling.
4. Asking for _____ can be highly valuable for professional development.
5. To develop _____ building skills is to get involved with various activities at the workplace.

B. Multiple Choice Questions

1. Effective _____ are required to build successful and strong work partnerships.
 - a) interpersonal skills
 - b) technical skills
 - c) transformational skills
 - d) none of the Above
2. There are _____ methods of recruitment
 - a) multiple
 - b) two
 - c) three
 - d) none of the Above
3. Individuals are unique with a distinct combination of _____ .
 - a) skills
 - b) interests
 - c) personality traits
 - d) all of the Above
4. Employee dissatisfaction or feelings of personal injustice are widespread in an industrial setting owing to a variety of issues such as _____ .
 - a) industrial settings
 - b) working conditions

c) management policies and practices

d) all of the above

C. State whether the following statements are True or False

1. A salesman must be enthusiastic and presentable with proper communication.
2. The immense knowledge base of the internet has resulted in a better-educated consumer base.
3. Recruiting salespeople does not entail actively compiling a diverse pool of potential candidates for employment consideration.
4. There are two ways to recruit employees first is internal recruitment and the second is external recruitment.
5. Selection of a salesman refers to the process of choosing the most suitable candidate for the vacant position in the organisations.

D. Match the Columns

	Column A		Column B
1	Grievance redressal skills	A	Element of communication
2	Listening skills	B	To solve disputes or conflicts
3	Empathy	C	Good relationship-building technique
4	Team building skills	D	Effective relationship building

E. Short Answer Questions

1. What do you mean by personality skills?
2. Define sales team and environment.
3. Define relationship skills.
4. What is meant by interpersonal skills?
5. Differentiate verbal and non-verbal communication skills
6. What is meant by grievance redressing skills?
7. Differentiate recruitment and selection?
8. What do you mean by product training?

F. Long Answer Questions

1. Explain the various relationships building in detail.

2. Explain the steps for building an effective relationship.
3. Explain the importance of the sales team and its environment in an organisation
4. Why product knowledge for a salesman is required?
5. Explain how recruitment and selection of sales person taken place in an organisation?
6. Discuss how salesman perform is evaluated?

G. Check Your Performance

1. Demonstrate the recruitment process.
2. Prepare a chart on steps for building an effective relationship.

PSSCIVE Draft Study Material © Not to

Module 2	Analysing Stock Levels
Module Overview	
<p>One of the challenges in business for a distributor salesman or retailer is maintaining stock levels. Stock level means the level of stock necessary for a well-organised and effective control of goods, to avoid overstocking and understocking of goods. Every business that keeps a stock of items for sale, whether for the general public or for other businesses, keeps an accurate record of everything they have. A variety of methods can be used to check stock levels. The stock is also known as inventory.</p> <p>The basic and time-consuming task in business operations is keeping the stock up to date. It requires work and self-discipline to maintain a good stock system. It is simpler to meet the needs of customers and a key to the growing success of the business. The need for inventory organises us to preserve the stock of goods as small as possible but at a similar time make them accessible as and when necessary. A trader must determine various stock levels to prevent overstocking and understocking in order to have soft stock management in an organisation and run stock entity successfully.</p>	
Learning Outcomes	
<p>After completing this module, you will be able to:</p> <ul style="list-style-type: none"> • Find out sales estimate accurately to avoid OOS or Overstocking. • Scheme Communication. • Explain about range selling & guidelines that please the retailer. • Demonstrate the functionality of palmtop/handheld device 	
Module Structure	
Session 1: Sales Estimates and Stocking	
Session 2: Communicating Promotional Schemes	
Session 3: Range of Selling and Guidelines	
Session 4: Functionality of Palmtop/Handheld Device	

Session 1: Sales Estimates and Stocking

Stocking is the technique of filling the store's shelves and displays with merchandise for sale in the outlets, generally referred to as "stock." Stocking can also refer to the process of replenishing and storing products or items in the outlet's backhouse or warehouse (fig.2.1). Well-organised stocking procedures guarantee the merchandise is always available for customer purchase.



Fig. 2.1: Stocking

Source: <https://bit.ly/40Iq3yw>

Outlet employees are known as stock organisers. They are accountable for keeping the shelves full in their departments and reordering merchandise when supplies run near the ground. In a big establishment, stock surrogacy occurs with the aid of a computerised stock management system. Proficient stocking procedures are very important to ensure merchandise availability to the buyer's purchase. As operations become more compound for companies performing business together online and in-store; out-of-stocks, overstocks and return are costing.

Exhibit 2:1: Meaning of Stocking

Stocking is the process of filling the store's shelves and displays with merchandise for sale, commonly referred to as "stock". Stocking can also refer to the process of replenishing and storing goods in the store's backroom or warehouse. (<https://smallbusiness.chron.com/differences-between-merchandising-stocking-22959.html>)

ANALYSING STOCK ON HAND

To make effective sales call, distributor salesman should estimate the sales and analyses the current stock on hand. Stock or Inventory is the largest and most important essential asset for any distributor. It is essential to know how many products are available in the store or warehouse. More money is tied up in stock than in buildings or equipment. And the stock is usually less “liquid” than accounts receivable.

It is vital that each distributor build up and uses an inclusive set of tools that allow them to directly check the performance of their venture in stock. It is also essential for any company that manages lots of products to assess the crash of the disruptions. This first metric may not come as a disclosure to anyone who has a deal with stock management before. In order to understand and control stock in an effective manner, a distributor must first understand what they contain on handover. As an alternative to using a spreadsheet with many diverse calculations, they can quickly and easily see in data analytics software in which how much percent stock they have on hand for a particular product in-store or outlets.

Distributors use various strategies for measuring stock on hand for which they use JIT just in time. For analysing the sales of the outlet, the retailer must have knowledge about the sales operation and up-to-date knowledge of the product details sold by the outlet. Distributor salesman updates themselves about the current manufactured goods portfolio and product details and also updates their knowledge about the channel view category and outlet view of sales schemes.

The distributor should identify hotspots in the outlet and attempt to encourage the retailer to provide these for displays. Distributors must know about the product and samples and brand availability in the outlet and they must be aware of visual merchandising and activity in outlets to analyse the sales of the store and provide relevant information to their supervisor. They also need to understand the need and want of the customers. They should know the product category and the new launch of the product. They should advise retailers for the most favourable order to avoid out-of-stock or overstock.

Analysis of Sales: Setting role-specific KPIs (Key Performance Indicators) for your team, such as a revenue target for the sales director and a goal for sales efficiency for the account management team, is a sales analysis activity (fig.2.2).



Fig. 2.2: Analysis of Sales

Source: <https://bit.ly/3Zu39d1>

The company's sales performance is done through the process of conducting a sales analysis. They can use it to predict trends, find growth opportunities and create a strategic action plan for their business because it offers insights into the past, the present and the future performance of a company.

Sales performance can be beneficial, particularly if the company wants to expand or make changes. It need not be dry paragraphs or uninteresting statistics. It can be represented graphically using charts and bar diagrams.

Meaning – An analysis of how well a business's products are selling, particularly in comparison to how the company expected them to sell. Managers can assess the effectiveness of their sales forces with the help of sales research.

Importance – The sales team fills the gap between the demands of prospective consumers and the goods and services provided by the company. They can find qualified leads and customers who are valuable to their company with the help of a strong sales staff. As a consequence, the company's overall growth will increase if it has strong sales.

Running a successful company requires careful consideration of sales analysis. With the aid of sales analytics, they can choose which goods to prioritise, where to market and how to best connect with customers. To help small companies develop and expand, a variety of sales analysis tools are available.

They can ensure that to providing an excellent customer experience by concentrating on their sales success. Agents must establish strong rapport with customers in order to increase revenue. They can also meet or exceed the

revenue targets established for their business by tracking their sales performance.

Types of Sales Analysis

Market Research

Market research known as where sales team members survey leads and prospective customers to gain insights about their behaviour and affinity towards their goods and services in the market (fig.2.3).



Fig. 2.3: Market Research

Source: <https://bit.ly/3TTPkU2>

Depending on the sort of business they have, they can conduct this offline or online survey.

Prescriptive Analysis – Predictive data is used in prescriptive analytics to learn more about their prospective customers. This reveals the deals that are worthwhile pursuing and those that are best left unfinished. Additionally, if the companies sales team decides to pursue a transaction, they'll be prepared with a solid strategy to increase the lead's or prospect's receptivity to the sale.

Diagnostic Analytics – The company can use diagnostic analytics to examine recent and historical sales data from their business to better comprehend new

problems that are less than stellar (fig.2.4). For instance, the reason for new product didn't sell as well is that it was released just before the pandemic.



Fig. 2.4: Diagnostic Analytics

Source: <https://bit.ly/42PeAPx>

The company can come up with better ideas for client outreach by using this sales data analysis.

Sales Effectiveness Analytics - Finding the companies top sales representatives can be aided by sales data research. They can use this information to make their workforce and important tasks more effective because it affects their company's ability to close deals.

Product Sales Analytics - Your ability to take actionable insights from product sales analysis will determine how successful your goods are. All of the products you offer must have periodic sales analyses conducted on them.

You could use sales metrics in this situation to determine whether or not to keep a certain product in production if it has outlived its usable life and has underperformed for a while.

Sales Pipeline Analytics - If you could only pick one, you'd have to go with sales pipeline analytics. That is how crucial analytics for the sales funnel is.

You can determine who your most qualified leads are, how much money they can potentially make for you, how many leads become customers, how long they stay customers and which sales team member is designated to work with them by looking at analytics related to your sales pipeline.

Predictive Sales Analytics - If you're not completely satisfied with the precision of your sales pipeline analysis, you might want to add this data to the mix. Because these sales data analyses are automated, your sales

forecasting will be precise in the future. It's so close to being a crystal ball! An excellent resource is predictive sales pipeline research.

Process of Sales Analysis

The sales process involves three simple steps (fig.2.5):



Fig. 2.5: Process of Sales Analysis

Source: <https://bit.ly/3K3NvQe>

Step 1: Determine Which Sales Data will Go into the Report and Gather the Data

Determine which sales data is most crucial for your business at this point using the metrics and styles of sales analyses covered in this article.

During this preliminary but crucial phase of creating your own sales analysis report, ask yourself the following questions: Which of your products sells the most?

- Does one product have anything in common with the other? If so, what and can you replicate it?
- Who are your repeat customers?
- What characteristics or traits do they have in common?

How much time do you put into your company's sales training?

Yes, there are a lot of concerns you must address, but you must take the time to address each one in detail and provide accurate, fact-based answers. Include other important players in your business as well as your sales and marketing teams so that you don't have to do this alone.

You must identify your most pertinent variables in order to achieve your sales objectives once you have the answers to those crucial questions.

Step 2: Use a CRM Tool for Evaluating Your Data

Get all the data loaded into the CRM software, whether you have to physically enter your information or import it. Afterward, you can create a summary of your company's revenue. (present and past sales).

Step 3: Send the Report to People Who Matter

You can give your marketing, sales and customer support teams access to the reports once you receive them. This can be of great assistance to them because it provides a blueprint for enhancing their sales procedures.

Conclusion

Now that you know the importance of sales analysis for your business, it's time to implement it.

A sales analysis tool shows both sides of the coin: On the one hand, you get to know the best-performing sales agents, segment hot leads and identify the campaigns that bring in customers in hordes.

On the other hand, you can weed out cold leads, train agents who are struggling and tweak or improve failed products or campaigns.

INTRODUCTION ON OUT-OF-STOCK AND OVERSTOCK

Overstocking is when you buy too much inventory and have an extra product that you can't sell (fig.2.6). While stocking involves buying too little merchandise, which leads to stockouts (fig.2.7). A company suffers significant losses in both of these scenarios. Regardless of a business's style, size, or location, overstocking and understocking are widespread problems everywhere in the world. Each represents one-half of the same coin. The possibility of dealing with understock rises if you want to prevent overstock.



Fig. 2.6: Overstock

Source: <https://bit.ly/42Put8B>

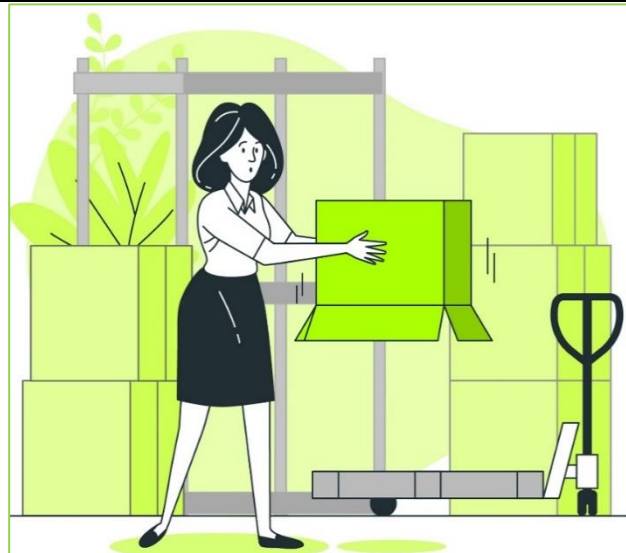


Fig. 2.7: OUT-OF-STOCK

Source: <https://bit.ly/42OYjKu>

In English, what does out of supply mean? Products that are out of supply cannot be purchased in a store because they have all already been purchased. If any component of your order is out of stock, you will be informed by email.

CAUSES OF OUT OF STOCK OR OVERSTOCK

1. **Avoid out-of-stock:** Any outlet's out-of-stock situation is critical. When an item is out of stock, businesses risk damaging their reputation and even losing a sale to a competitor. They have a safety net in having an excess supply of popular items.
2. **Sizes Left Over:** Most sellers in the fashion market send out packages with evenly scattered sizes. Even when the vendor offers some wiggle room, deciding on the exact size distribution when ordering is incredibly difficult, resulting in overstock on unpopular sizes. Every item in each retailer and even each style, will have a different size demand.
3. **Unsuccessful Retail Promotions:** Retailers normally run thousands of promotions each year. The difficulty is that they usually launch them without any extremely developed analytics that ties back to stock levels in the outlets, such as predictable demand, how the promotion will pressure the sale of other goods and many other unsafe issues.
4. **Logistics and Execution Challenges:** Having the right product at the right store at the correct time is difficult but if distributors have any issues with logistics or experience and not consistent vendor lead times, the order may end up at the erroneous store.
5. **Safety Buffer:** Many retailers avoid out-of-stock situations. They stock a buffer over and beyond what they think they needed. Exact forecasting is difficult because there are so many factors that can control demand

over time. Too much stock in hand leads to overstocks, transport costs and potential markdowns will be occurring.

6. **Buying and Range Planning:** Buyers are generally positive about the products they bring in but building in the optimal mix of products is a challenge. The Pareto Principle rule of 80/20 rule says that 80% of their earnings come from 20 %of your goods, while 80% of your goods will only bring 20 % of your profit. Understanding consumers and what sells well in each category is vital, but without the profit of highly developed analytics may lead the distributor to drop from the competitive edge. Distributor salesmen should estimate the sales and avoid overstocking. He/she should analyse the current stock and provide recommendations to retailers to keep away from OOS (out of stock) or overstocking. Salesmen for a distributor advise merchants on the best order based on their demands and predicted sellouts, as well as the necessity to have inventories on hand to avoid OOS (stock outs) concerns in stores.

Guidelines to Avoid OOS or Overstocking

1. **Regular Stock Check:** The stock controller is accountable to make positive stock checks which are done logically as per the schedule with proper scheduling on a weekly and monthly basis (fig.2.8). Most of the stock check is done in the middle of the week and middle of the month during non-trading hours.

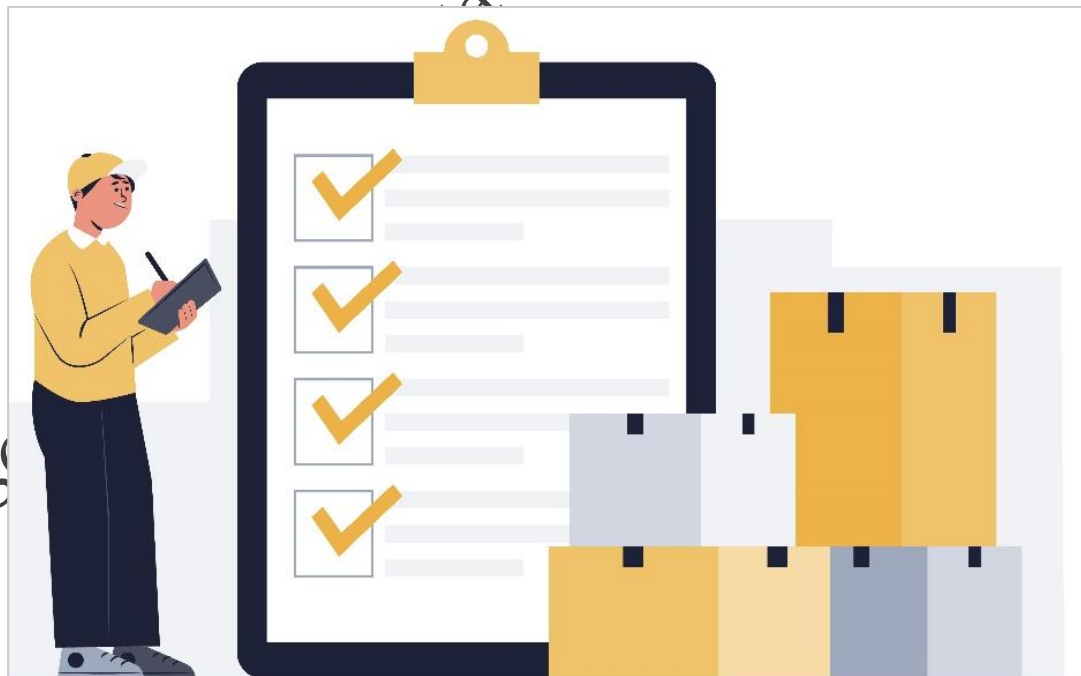


Fig. 2.8: Regular Stock Check

Source: <https://bit.ly/3TXUjDy>

The outcome of regular stock checking will help the retailer to keep away

from stock or overstocking or understocking problems. It will also increase the store performance, profitability and sale of the outlets or store.

2. **Set Minimum and Maximum Inventory Levels:** To avoid overstocking and out-of-stock problem distributor salesman advise retailers to set minimum and maximum stock levels. It is most important in outlets for analysing stock level. It will keep away from understocking and overstocking.
3. **Use a Single Stock-Recording System:** Overstocking will be reduced by using a single stock recording or management system. This approach is as easy as having a single source of truth for the most up-to-date stock count. This information should be kept in a single location or system where it can be found and viewed by anybody in the organisation.
4. **Collect Accurate Data:** Collect accurate data of stock or inventories moving through the distributors' supply chain. Check the stock levels on the computer screen and match the inventory levels. The finest way to avoid these data discrepancies is to offer an electronic stock management system.
5. **Use a Stock Management System:** The inventory management system help distributor to avoid under and over-stock problems and help to manage stock in outlets. To avoid stockouts, a stock management system equips distributors and employees with technology, procedures and trials to verify and manage stock items as they move from procurement to transportation and delivery. Barcodes and tags are typically scanned into the system by warehouse workers using a point-of-sale device like a Barcode scanner and Smartphone apps.
6. **Understand Consumer Demand:** Understanding Customer demand is the most important technique which helps in avoiding out-of-stock and overstocking. Distributors first know about their customer need and want. Distributors should understand what consumer demand per product before it appears at what products distributors should stock, as well as which categories to focus on, they need first to understand your consumer's demand.
7. **Calculate Reorder:** A restructure position is the smallest unit that a distributor has to maintain on hand before they have to reorder more of those manufactured goods, thereby ensuring they don't go down behind on them after that batch of the result. To compute a reorder point, simply increase the average everyday usage rate for a stock item by the direct time in days to refill it.
8. **Keep Stock in One Place:** Keeping stock in one place is helpful for distributors or employees to manage stock. It will reduce Stock and

overstocking problems in the outlet.

RECOMMENDATIONS FOR IMPROVING SALES AT THE STORE

- 1. Provide Good Service to the Customer:** Providing better customer service is the solution for increasing sales. Pay attention to the customer to figure out what He/she wants and needs.
- 2. Promote Products and Services in the Market:** There is a need to promote products and services for improving sales. For improvement, outlet sales salesman or distributor should use advertising in the newspaper, magazines, specialty publications and other types of marketing, the single enormous method as a tool of advertising.
- 3. Attractive Store Design:** Design the store to attract customers. Improve the structure and layout of the outlets. Focus on the merchandising and display of the store.
- 4. Create an Event:** To promote the products and the services to create an event.
- 5. Improve Customer Service:** Providing or improving customer service satisfies the customer and as a result, it will help distributors to improve sales of the store. One easy way to enhance their trade is to develop their customer service. The distributors should build up customer-friendly policies, Train staff and employees working in the outlet to offer outstanding customer service and find out how to create customer loyalty.
- 6. Provide Training:** Training of Staff is the best recommendation for a distributor to improve retail sales. Training of staff is key for organisational enlargement and success. If an employee is skill-trained well, he will become more competent and productive. Training is the process of attracting employees' skills, capabilities and information in preparation for a specific job.
- 7. Visual Merchandising:** Display in every outlet and training to salespersons in visual merchandising display-related, to educate them, study displays and enhancement the sales of the outlet.
- 8. Examine Pricing Strategy:** Store product value should be fair and competitive, but still profitable. Eventually, the correct price is the price the purchaser is interested to purchase the product.
- 9. Be a Social Source:** Now a day's use of community media is speedily increasing. Distributors use social media to improve their outlet's sales because today a lot of people are in touch with social media. Social media is used for promoting products and services at outlets.
- 10. Loyalty Programs:** Loyalty programs help to improve sales and also

the customer experience in the outlet. It drives sales and provides precious information to distributors and increased sales to understand better their customers. Distributors suggest stars, points, cash, or anything in between, a purchaser loyalty course has some bitter rewards for both customers and retailers. Customers get discounts and earn rewards. It is improving sales with the existing customers and loyalty programs can also retain customers for long period.

- 11. Communicate well with the Retailer:** Distributor salesman should communicate well with the retailer. They should speak clearly and effectively without hesitation. Distributors should communicate with the retailer about the sale of their products in the markets. They should communicate all benefits and schemes of products with the retailers. Feedback plays a vital role to understand the requirements of the retailers. Effective communication helps retailers to enhance sales.
- 12. Analyse Current Stock on Hand:** It is vital to analyse the current stock on hand. This is the duty of the distributor to analyse the stock on hand the forecast the requirements of stock (fig.2.9).



Fig. 2.9: Stock

- 13. Analyse Sales of the Outlet:** It is necessary to analyse the sales of the distributor outlet. For this distributor should discuss with the sales team and analyse the current sales and increase future sales.
- 14. Advise Retailers for Optimal Orders to Avoid OOS or overstocking:** Understocking and overstocking both are bad for the retailer. The retailer should be advised by the distributor of the stock requirements on a regular basis and review the stock requirements.

COMMON REASONS FOR OUT OF STOCK OR OVERSTOCK

The various reasons for overstock include:

1. Avoid out-of-stock
2. Left oversizes
3. Unsuccessful retail promotions
4. Logistics and execution challenges
5. Safety buffer in the warehouse
6. Buying and Range Planning

Recommendations to avoid out-of-stock or overstocking:

1. Regular Stock Check
2. Set minimum and maximum inventory levels
3. Use a sole system of record for stock
4. Collect accurate data
5. Use a stock Management System
6. Understand Consumer Demand
7. Calculate Reorder Points
8. Keep stock at one place

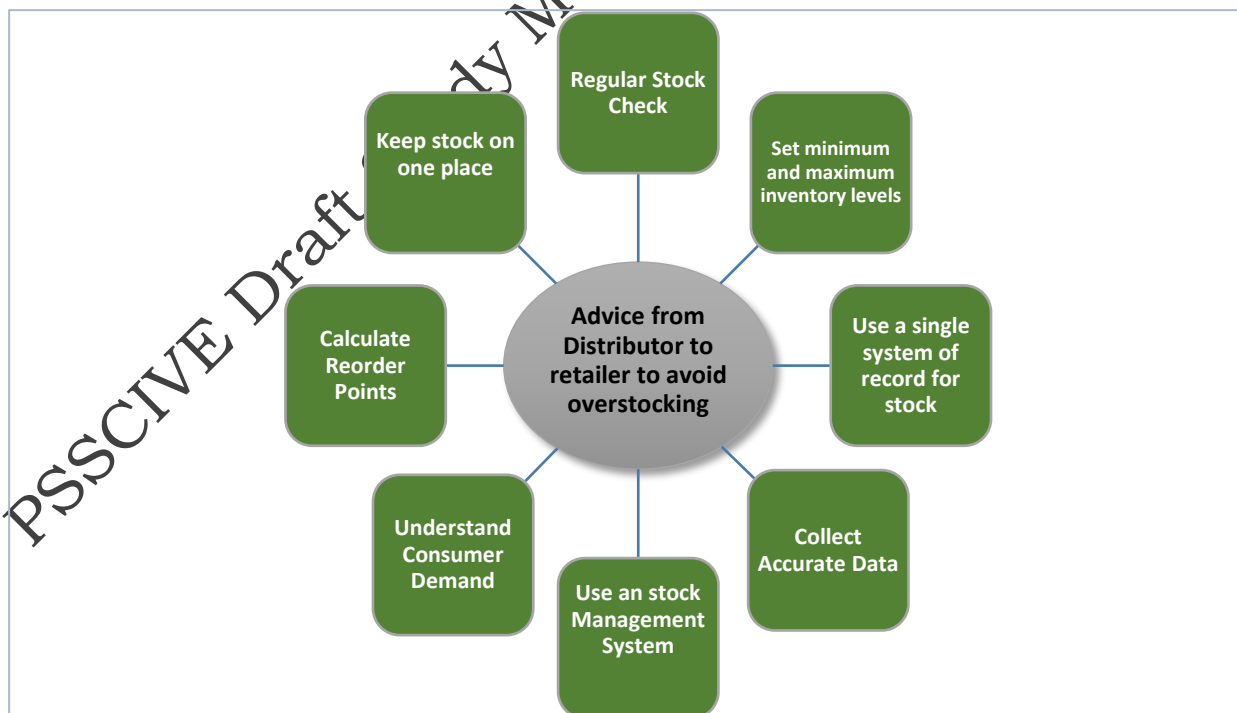


Fig. 2.10: Advices to Avoid Overstocking

Following are the recommendation for retailers for improving retail sales (fig.2.11):

1. Attach with the customer

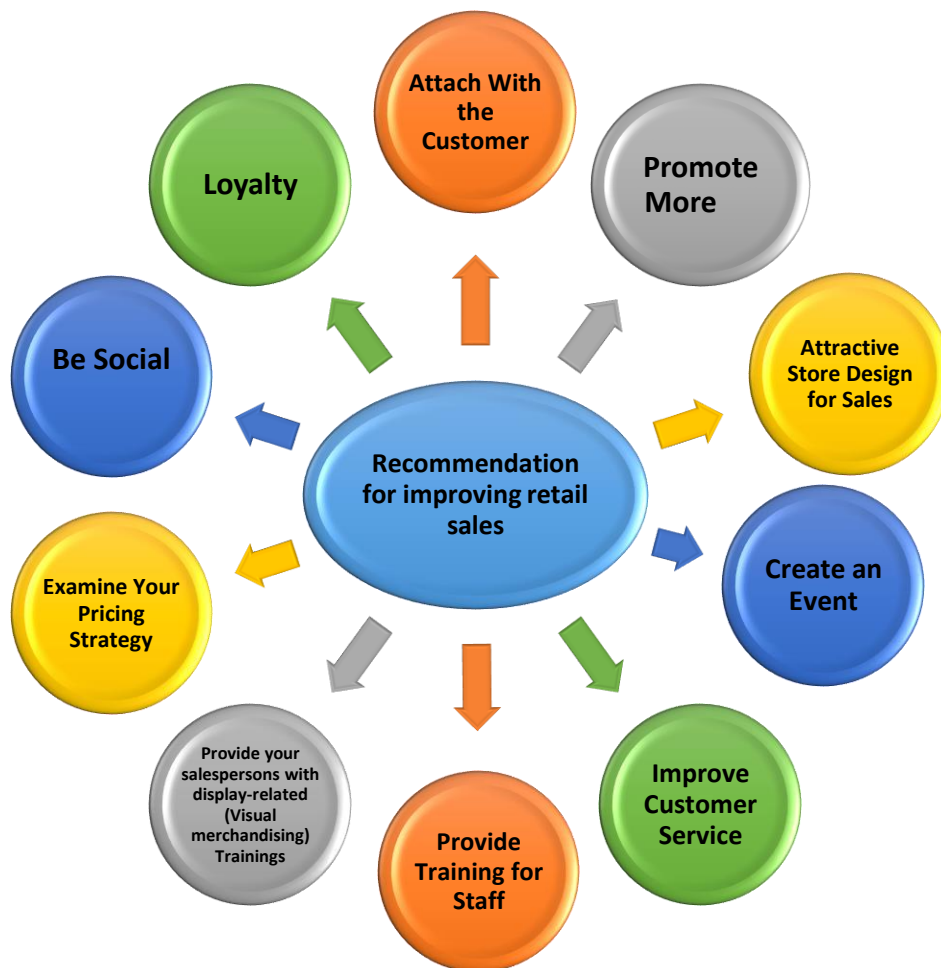


Fig. 2.11: Recommendation for Improving Retail Sales

2. Promote More
3. Attractive Store Design for Sales
4. Create an Event
5. Improve Customer Service
6. Provide Training for Staff
7. Provide your salespersons with display-related (Visual merchandising) Training
8. Examine Your Pricing Strategy
9. Be Social
10. Loyalty
11. Communicate well with the retailer

Activities

Activity 1: Visit a retail outlet and ask open-ended questions considering the retailer's needs.

Materials Required: Pen/Pencil, Notebook, Checklist (Fix a visit to a retail outlet)

Procedure:

1. Form a group of four to five students.
2. Tell them to visit a retail outlet.
3. Meet the outlet manager and greet him/her politely.
4. Tell him the purpose of the visit and take consent for the visit.
5. Ask the following Open-ended questions.
 - a) Which method is used by the outlet for analysing the stock on hand?
 - b) How do they examine the sales of the outlets?
 - c) How do they avoid the out-of-stock and overstocking problems in outlets?
 - d) How do they get sales of the outlets?
 - e) What are problems are faced in analysing the stock on hand?
6. Collect the details.
7. Discuss with your friends, teachers and distributor.
8. Prepare the report and submit it to your Subject teacher.

Activity 2: Visit a nearby distributor outlet and ascertain the reasons for out of stock or overstock, if exists.

Materials Required: Pen/Pencil, Notebook, Checklist (Fix a visit to a retail outlet)

Procedure:

1. Form a group of four to five students.
2. Tell them to visit a retail outlet.
3. Meet the outlet manager and greet him/her politely.
4. Tell him the purpose of visit and take consent for visit.
5. Ask the following Open-ended questions.
 - a) What are the causes?
 - b) How do avoid the overstocking?

- c) What kind of recommendations adopted to improve the sales level at store?
- d) How do regulate the stock levels?
6. Collect the details.
7. Discuss with your friends, teachers and distributor.
8. Prepare the report and submit it to your Subject teacher

Check Your Progress

A. Fill in the Blanks

1. To make effective sales call, the Distributor salesman should _____ the sales and analyse the current stock on hand.
2. He should know about the new launch product as per _____ to check out the position of each SKU.
3. check stock _____ for avoiding overstock or understock problems.
4. Out-of-stock condition is _____ for any outlets.
5. Buyers are generally positive about the products they bring in but building in the optimal mix of products is a _____.
6. Most of the _____ is done in middle of the week and middle of the month during non-trading hours.
7. _____ of stock recording or managing will reduce the problem of overstocking.
8. Providing improved customer service is the _____ to increasing sales.
9. _____ your products in market for improving sales in outlets.
10. _____ of staff is the best recommendation to improve distributor sales.

B. Multiple Choice Questions

1. For examining the sales of the outlet the salesperson or retailer must have knowledge about:
 - a) sales operation
 - b) up-to-date knowledge on the product
 - c) stock on hand
 - d) All the above
2. The Distributors have various reasons for overstock. These include:

- a) Sizes left over
 b) Unsuccessful retail promotions
 c) Logistics and execution challenges
 d) All the above
3. Which of these advices can be offered to distributors for optimum order to avoid OOS or overstocking?
 a) Systematic and regular Stock Check
 b) Use a sole system of record for stock
 c) Understand Consumer Demand
 d) All the above
4. Which of the recommendations are offered for improving retail sales?
 a) Attractive Store Design for Sales
 b) Unsuccessful retail promotions
 c) Buying and Range Planning
 d) All of the above.
5. Communication process includes:
 a) Sender
 b) Receiver
 c) Channel and feedback
 d) All the above.

C. State whether the following statements are True or False.

1. Loyalty programs help to improve retail sales and also the customer experience in the outlet.
 2. Check stock once in the year for avoiding stock or understock problems.
 3. Providing better customer service is the solution to decreasing sales.
 4. Effective communication with retailers will boost the sales.
 5. Any outlet product price should be fair and competitive

D. Match the Columns

	Column A		Column B
1	Avoid out-of-stock problems	A	Rewards
2	Loyalty	B	Regular stock check

3	Social media	C	Failed retail promotions
4	Reason for overstock	D	Improving sales
5	Attractive store design	E	Newspaper ads and online promotion

E. Short Answer Questions

1. How to analyse stock on hand?
2. How to analyse sales of the outlet?
3. Explain the reasons for stock and overstock problems in the outlets.
4. What do you mean by logistic and execution challenges?
5. What is a stock management system?

F. Long Answer Questions

1. What are the recommendations for improving retail sales?
2. Explain effective communication with retailers.
3. Explain the reasons for out-of-stock or overstocking.
4. Discuss the guidelines to avoid out-of-stock or overstocking.

G. Check Your Performance

1. List of the methods for analysing current stock on hand.
2. Demonstrate the activity of current stock on hand.
3. Demonstrate the sales of the outlet.
4. Demonstrate how sales estimates are made.

Session 2: Communicating Promotional Schemes

A scheme is a benefit that is passed on from distributor to retailer to promote and increase sales and from retailer to customer or end user. The distributor salesperson should be alert to all updated product schemes and new product launches, promotions and special offers (fig.2.12).



Fig. 2.12: Communicating Promotional Schemes (pop-up promotion)

Source: <https://bit.ly/3T5vQiT>

It is required to provide knowledge about the schemes, commissions and discount running on the floor to the customer to raise the sales of the distributors and provides inspiration to the customer to buy another brand of the same product and make an extra purchase by introducing samples coupons, pop-up promotion, etc.

GUIDELINES FOR EFFECTIVELY HANDLING COMMUNICATION OF PROMOTIONAL SCHEMES

1. Distributor salesman should share irrelevant information with her supervisor to plan schemes/slabs based on market research.
2. They should collaborate with the territory sales manager for making plans related to sales activities.
3. Set goals related to sales for the territory are specially assigned to them.
4. They develop some creative and innovative methods for making products or services of the company.
5. They should also generate territory sales reports on a periodic basis for management.
6. They should proactively correspond with all trade associates in order to maintain a positive business relationship and long-term.

7. They should provide product training and demonstrate the product to customers.
8. They should chat regularly with customers to inform them about new products and special promotions etc.
9. They should identify and assign territories sales and selling prospects.
10. They should assist in the development of annual sales and operational plans for assigned territories.
11. They should recommend changes in sales or marketing approaches to ensure that sales and service objectives are met successfully.
12. They should supervise and manage sales expenses within the agreed budget.
13. They should collaborate with other field sales executives to ensure effective coordination in the achievement of organisational goals.
14. They should analyse the competition scheme and leverage on company scheme to increase sales.

Thus, a promotional scheme is defined as a temporary discount on one or more products to attract more customers and improve sales. This helps the business to become successful as lower prices for a limited period of time increase the sales of various products offered by the company.

Examples of Communication of Promotional Scheme

Example 1: Indian manufacturer JSW are enhancing dealer and distributor incentive to drive harder sales after the Covid-19 pandemic deflated customer demand. The revised incentives center on infusing more liquidity into the system, gratifying higher sales performance and taking care of the dealer's overhead costs like purchasing sanitizers and safety equipment.

Example 2. Pipes and fittings company Finolex Industries follow schemes for retailers to promote products in the market. They increased the network of dealers and sub-dealers.

PROMOTIONAL SCHEMES

Distributors follow schemes for retailers to promote products in the market:

Distributors offer free samples option to retailers to provide products to the end customers. Customers love their offer in a smaller quantity and customers get discounts for visiting and buying any product during that time. For example, Pizza hut offers free product delivery if the product is not reached the customer's place within 30 minutes. The various promotional schemes are Sweepstakes and contests, especially ones that encourage social media sharing, free trials for the products purchased, buy one and obtain one free

offer, free bonus item with purchase, discounts, loyalty rewards schemes, lucky draw schemes, etc. (fig.2.13) Brands have leveraged technology to increase sales drive by offering outstanding online experiences. Smartphones, public WiFi, 5G data networks are used to connect consumers.



Fig. 2.13: Promotional Schemes through Social Media

Source: <https://bit.ly/3ZugYZc>

Engaging prospects with video content from social media platforms, for example, Instagram, Facebook, Twitter, etc, for product reviews on e-commerce websites, videos have the best engagement rate with different content types and have an immediate impact on conversions. Attractive customer experience with better in-house communication - For example, when your e-commerce website has discounts listed for definite goods, you require to make sure they're accessible in your retail outlet as well. Using email marketing and retargeting to make sales.

Activities

Activity 1: Visit a retail outlet and discuss the relevant scheme with the retailer after gauging the potential of the outlet.

Materials Required: Checklist, Notebook and Pen or Pencils

Procedure:

1. Make a group of four to five students.
2. Tell them to visit a retail outlet.
3. Meet the Retailer and greet him/her politely.
4. Tell him the purpose of the visit and take permission for visit.
5. Ask the following questions to the retailer.

Questions for Retailer

- a. What is the performance of your retail outlet?
 - b. Which brand is selling more in a particular area?
 - c. What price range model is sold in your locality?
 - d. Which type of schemes do you propose for your market?
 - e. Which scheme is better for a customer?
 - f. How does the one plus one free scheme give you results?
 - g. Whether buy one get one scheme is better for you?
 - h. Are you implementing a loyalty rewards scheme?
 - i. Is there any lucky draw scheme available in their store?
 - j. What are the schemes implemented for the success of the business?
 - k. Which scheme is more successful for a retail outlet?
6. Collect the details.
 7. Discuss with friends, teachers and retailers for clarifying doubts.
 8. Prepare the report and submit it to the subject teacher.

Activity 2: Organise a role play to increase sales of a retail store.

Material required: Checklist, Notebooks And Pen Or Pencils

Procedure:

1. Divide the class into groups of 4 and ask them to perform the following activities in the retail lab.

Role-play situation

1. A customer enters the retail store and purchases the goods and is happy with the service provided by the store.
 - 1st student: Customer
 - 2nd student: Sales Associate

- 3rd student: Retailer
 - 4th student: Visual merchandiser
2. Prepare a script and submit it to the teacher.
 3. Prepare the dialogue and do the practice.
 4. Finish the role play within the time allotted.
 5. Discuss the aspects covered in the activity and the points to be covered.
 6. Teacher share views before and after the role-play activity.
 7. Conclude at the end and ask students to submit a report.

Check Your Progress

A. Fill in the Blanks

1. A scheme is a _____ which is passed on from distributor to retailer to promote and increase sales.
2. Distributor salesperson should be aware of all updated products _____ and new product launches.
3. Communicate _____ with the customer to inform them about a new product and special promotion.
4. Supervise and _____ sales expenses within the agreed budget.
5. _____ where customers get special discount for visiting and buying any new product during that time.

B. Multiple-Choice Questions

1. Which of the following in retailing has innovative ways of branding and leveraging technology to boost sales?
 - a) Driving in-store sales by offering a memorable online experience
 - b) Engaging prospects with video content
 - c) Customer experience with better in-house communication
 - d) All the above
2. Social media refers to:
 - a) Face book
 - b) Twitter
 - c) Instagram
 - d) All the above
3. For market research distributor sales person need to:

- a) Collaborate with the territory sales manager for making plans
 - b) Develop a creative and innovative method for making products and services
 - c) Manage sales expenses within the agreed budget.
 - d) All of the above.
4. Distributor sales person collaborate with other sales executive to ensure effective coordination in:
 - a) Achievement
 - b) Organisational goal
 - c) Both a and b
 - d) None of these
 5. Distributor sales schemes for a retailer to promote a product in markets are:
 - a) Free samples
 - b) Free products for a very limited time
 - c) Discount coupons for sales
 - d) All of the above.

C. State whether the following statements are True or False

1. Distributor salesman should not share relevant information with his supervisor.
2. Distributor sales man should collaborate with the territory sales manager for making plans.
3. Distributor salesman should not communicate regularly with customers to inform them about new products and special promotions schemes.
4. Conduct product training and product demonstration for customers.
5. Pizza hut does not offer free product delivery if the product is not reached the customer's place within 30 minutes.

D. Match the Columns

	Column A		Column B
1	Finolex	A	A systematic plan
2	Scheme	B	Pipe and fitting company
3	Brand leveraging	C	Buy one get one

4	Happy hours scheme	D	Boost sales
5	Distributor scheme	E	Special discount

E. Short Answer Questions

1. What do you mean by a promotional scheme?
2. What is a free sample scheme?
3. Write short note on scheme communication.

F. Long Answer Questions

1. Explain four innovative ways of brand leveraging technology to boost sales in retail marketing.
2. Explain the distributor schemes of the retailer to promote the product in the market.
3. Explain the guidelines for effectively handling promotional schemes communication.

G. Check Your Performance

1. Demonstrate the relevant scheme for retailers.
2. Undertake a presentation on free samples.
3. Spell out important aspects for effectively handling scheme communication.

Session 3: Range of Selling and Guidelines

Range of Selling involves selling a bigger portfolio of goods and services. By providing a range of products to customers, the need for sales revenues from single or limited products is reduced. This is done by Range Selling. Range selling is one of the key methods to enhance sales. Although productive calls are extremely important in sales calls can be made even better.

DEFINITION OF RANGE SELLING

Range selling defines through lines per call as the number of a business's product (SKU's) sold to a particular outlet during a productive call (fig.2.14). It is a plan whereby parallel lines or products with close functions are sold to the same outlet. The strategy of range selling is to influence customers to purchase items that are connected to their original choice. Range selling provides an opportunity for strategic value for adding both new and existing customers.



Fig. 2.14: Range Selling

Range means the wider portfolio of a product and organisation's produce or promotes or processes. It is the fine art of promoting more than one product or service simultaneously from either the same or different providers. If on one visit, the distributor salesperson opens his/her sales call with product A, then He/she should try to open the sales call with product B and product C or product D on a different date of his/ her visit to the same market.

Range selling is one of the best key methods to sell more. It is a "diversification" strategy for a business operating in different categories, making the most of sales in each one of the categories/sections is best to attain via range selling. In days when stores are trying to capitalise on sales, the best they can do is to put a delegate of each brand name on their shelf. The chance of having more brands from an extraordinary parent source increases the visibility for the brands and the chance of those brands being bought. It increases traffic to outlets. This is a main selling point for every sales representative to use in stores.

LEVERAGING OWN BRAND IN THE RETAIL OUTLET

Brand leveraging is a vital form of new product opening since it delivers consumers with a sense of knowledge by carrying optimistic brand uniqueness and attitudes into a novel product category. Immediate appreciation of the brand is established and customers with an approving brand opinion likely will try an innovative product they recognise to have a parallel quality level

and attributes as their original favorite. Additionally, because the products are in diverse groups, they will not struggle for market share – the crux of a successful branding strategy. For example, Bic™ is a brand name with years of knowledge in advertising low-priced throw-away plastic goods such as the Bic™ pen. Thus, Bic™ is situated well to introduce goods that exploit the same basic power goods such as throwaway razors and cigarette lighters.

PLEASING PERSONALITY FOR AN EFFECTIVE SALES CALL

For an effective sales call pleasing personality is required. They should keep clean and wear ironed clothes and present a much more professional appearance. Following are the sales personality styles that assist retailers in an effective sales call (fig.2.15).

Sales Personality Styles

1. **Assertive:** They are competitive, goal-oriented, crucial, intolerant, controlling and loud; further they should speak in sentences than in questions.
2. **Amiable:** People with amiable personality types maintain personal relationships and want to trust their business partners. They like the excitement of new challenges. Amiable is enthusiastically finding creative or unexpected solutions.
3. **Expressive:** They are people-pleasing, colorful, convicted, sociable, inspired, spontaneous, influential intuitive, loyal and enthusiastic; also, likely to speak in sentences instead of questions and seek strong personal relationships.
4. **Analytic:** The analytical personality type of salesmen appears to be very intelligent nerdy or symmetrical. They have less emotion and make decisions slowly after analysing the situation. They are not hasty in decision-making and need facts and details of the problem.



Fig. 2.15: Sales Personality Styles

Distributors should maintain proper distance, posture and eye contact with retailers and should have a pleasing personality. Listening skills are very important to improve communication.

COMMUNICATION

Communication is key to run the business efficiently. It helps to communicate with employees, vendors, consumers and investor. Communication helps to define personal as well as skilled life. It takes place at different media levels i.e., print, electronic and outdoor. Communication should be clear and effective (fig.2.16).



Fig. 2.16: Communication

If retailers do not maintain proper customer commitment or proper relationships, the customer may get irritated. Hence, proper communication is required with various channel members and customers.

MAINTAIN DISTANCE, POSTURE AND EYE CONTACT

Distributors deal with the retailer. For the purpose of the business, they are communicating with them and resolving their issues. They increase their sales by maintaining and adopting proper communication strategies. They need to maintain proper distance for effective communication. Posture is the position in which the salesman holds the body while standing, sitting or lying down. The distributors should stand erect while talking with the retailers and maintain eye contact to show confidence. They should maintain eye contact that represents their good behaviour and truth. To increase trustworthiness, distributors should maintain eye contact and communicate well with the retailer.

DO NOT IRRITATE CUSTOMERS

On the rage range, first comes frustrated, then vexed and finally angry. When animated cartoons are irate, it shows proper expression (fig.2.17).



Fig. 2.17: Do Not Irritate Customers

Source: <https://bit.ly/3TSyeWN>

They should remain calm, not take anything personally, listen well, actively sympathize, apologise and provide solutions to the customers.

Activity

Activity 1: Field visit to learn range selling.

Materials Required: Checklist, notebook and pen or pencils

Procedure:

1. Visit a nearby distributor in your locality.
2. Interact with the distributor / salespersons.
3. Record the responses of the following questions in 50 words.

Questions for the distributor.

- a) What are the different range selling items and their varieties available for sale?

- b) How distributor communicates with the retailer for convincing range selling in all categories?
 - c) How to negotiate and convince during range selling?
 - d) How do you maintain the range of selling products?
 - e) Which types of retailers are coming to purchase?
 - f) Which is the most moving item in the distributor point?
 - g) What are the five best models that are sold in the store?
 - h) What are the ways do you use to increase and promote your brand?
 - i) What are the ways to face competitors?
 - j) What is the price range?
 - k) Do you find any specific features looking at retailers in the product?
 - l) What are the methods to follow online promotion?
 - m) How to deal with e-retailer?
4. Collect the details.
 5. Discuss with your friends, teachers and distributor to clarify the doubts, if any.
 6. Prepare the report and submit it to your subject teacher.

Check Your Progress

A. Fill in the Blanks

1. Range Selling involves selling a bigger _____ of goods and services.
2. Range selling is one of the best _____ to sell more.
3. Retail _____ is the power to appreciably power your presence and fortune at retail.
4. _____ is the art of promoting more than one product or service simultaneously from either the same or different providers.
5. Brand leveraging communicates important product information to customers about _____.
6. _____ Leverage mainly comes in the form of Pricing Power and range Power.

B. Multiple-Choice Questions

1. Range selling is very important for the following reasons:
 - a) It is a "diversification" strategy

- b) Visibility is better with range selling
 - c) It increases traffic to outlets
 - d) All the above
2. The four sales personality styles are:
- a) Assertive
 - b) Friendly
 - c) Expressive and Analytic
 - d) All the above
3. Assertive sales personality styles involve:
- a) goal-oriented
 - b) competitive
 - c) decisive
 - d) all the above
4. Some tips for communicating clearly with customers are:
- a) Listen keenly
 - b) Keep away from negative questions
 - c) Use positive instead of negative statements
 - d) All the above
5. The most common reasons why customers become irritated
- a) If the customer does not get the right information from the distributor
 - b) Poor Customer Service
 - c) Both A and B
 - d) None of these

C. State whether the following statements are True or False

1. Communication is key to running a business efficiently.
2. Communication skills do not define how you progress in the skilled life.
3. Range selling is one of the best key techniques to sell more products and services.
4. Don't avoid staring eye contact with the customer.
5. Consumers may become irritated if they are treated rudely by Retailers or by employees in the Retail Outlet.

D. Match the Columns

	Column A		Column B
1	Sales personality styles	A	goal-oriented
2	Range Selling	B	art of promoting more than one product or service
3	Assertive	C	Always wear clean and ironed clothes
4	Pleasing personality	D	Use the best hearing skills
5	Deal with irritating customer	E	selling a bigger portfolio of goods and services

E. Short Answer Questions

1. Define Range Selling.
2. What is Brand Leveraging?
3. Why range selling is important?
4. What are the four sales personality styles?
5. What do you mean by analytic sales personality?
6. What is the posture method to deal?

F. Long Answer Questions

1. Explain in detail the effective communication methods to deal with customers.
2. Explain the importance of Brand Leveraging.
3. Explain the sales personality styles in detail.

G. Check Your Performance

1. Demonstrate effective range sales activities.
2. Undertake a Presentation on range selling purposes.
3. Spell out the qualities of a good salesperson.

Session 4: Functionality of Palmtop/Handheld Device

Distributor salesman should know the functionality of palmtop and handheld devices which is useful in a transaction. A palm top, sometimes known as a hand top, is a small computer that fits in the palm of one hand and may be operated with the other. This ultra-small computer may have a specialised keyboard or keypad for data entry applications for having a small quantity keyboard. Palmtops also called Personal Digital Assistants (PDAs) hand-held computers and pocket computers.

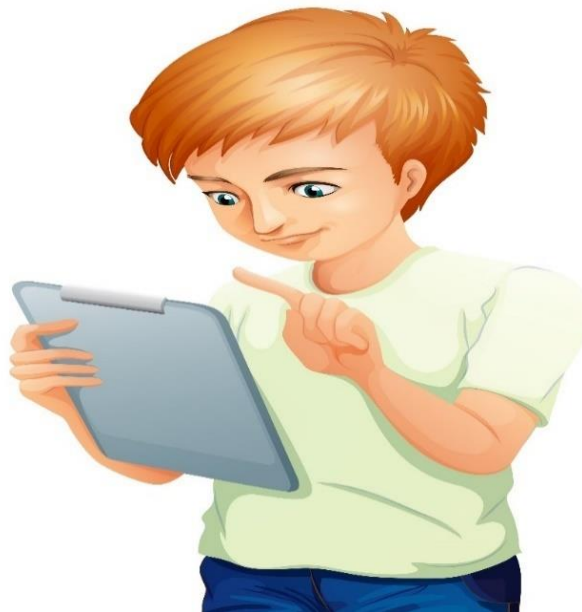


Fig. 2.18: Palmtop

Source: <https://bit.ly/3lQyE3t>

A palmtop or handheld personal computer or device is light in weight and very small in size, battery-powered general purpose programmable computer and it typically has a miniaturised full operation purpose typewriter-like keyboard for giving input and tiny, occupied colour, liquid crystal display for output or outcome in adding to an operating system that is well-matched with that of a laptop or desktop computer (fig.2.18). Palmtop will normally contain a word processor a spreadsheet program for work and a chart and phone book a variety of other programs can be loaded and executed and data can usually be transferred to a form of a desktop computer.

FEATURES OF PALM TOP

- 1. Palmtop is Light in Weight:** A palmtop or PDA (Personal Digital Assistance) is light in weight and it fits in a Palm of your hand because of its size. Palmtop computer did not have a keyboard or mouse so it is light in weight and easy to carry in any pocket. It is small in size. Palmtops is invented when there were no smartphones. Palmtop computer was an early term that describe the computer

that fits in your palm hence the palmtop is small in size.

2. **It is Battery Powered:** palmtop is a handheld device movable so it is not likely to give continuous electronic supply so the battery is preferred and the palmtop is battery powered. Palmtop is general purpose programmable scenes in your palm and within a second desired task is to be completed with the aid of the internet so as to give immediate service. They are a general purpose programmable. Most palmtop models offer the operator a personal organiser for his work, diary maintenance, address list and calculator for calculation. Palmtop is designed with a small keyboard and a fill-up screen and it's more work to surf the internet or web when anyone is traveling or moving from one place to another place.
3. **It Is Miniaturised Full Function Typewriter Like Keyboard:** It is an instruction given to the computer so a fully functional typewriter-like keyboard is required. In palmtop, this point is miniaturised and designed and implemented in a previous model. Palmtop has touch screen technology for the operator.
4. **For Output, It Is Full Color, Liquid Crystal Display:** Output is displayed over an LCD type monitor so the interface proceeds wire screen and its result can be seen and understood with the help of a full-color LCD monitor. Apart from the above feature's palmtop computer is typically connected to a word processor, worksheet program and calendar and phonebook. Even though some palmtops were likely personal digital assistants in the traditional handwritten or touch screen input, they generally differ in that palmtops had added memory, a keyboard and a better range of available programs. A variety of other programs could be loaded and carried out and data could typically be transferred to and from a desktop computer.
5. **It is a general-purpose computer:** A general-purpose of computer is one that is made to be capable of performing a wide range of activities. General-purpose PCs include laptops and desktop computers. A computer system has four primary equipment tasks are input, processing, storage and output.
6. **It is small in size:** The computer system can be analyzed in one of the three categories which are Super, Mainframe, Mini and Micro Computers. These are included in the category of computers depending on size and capacity. The tiniest, cheapest and most popular kind of computer is called a microcomputer.
7. **Benefits of Palmtop:** The portability of handheld devices is one of their benefits. They are much more portable and compact. They are easier to pack in a backpack or even a pocket because they are smaller than the typical laptops we use. They are sometimes employed to enter course materials.
 1. **FIFO:** First In, First Out, also known as FIFO, is a method of managing assets and valuing them that prioritizes the sale, use, or disposal of assets that were created or acquired first. For taxation reasons, FIFO presumes that the cost of goods sold on the income statement includes the assets with the oldest costs.

(COGS). The natural movement of inventory is followed by FIFO. (oldest products are sold first, with accounting going by those costs first). As a result, accounting is simpler and less prone to errors. lower refuse (a company truly following the FIFO method will always be moving out the oldest inventory first).

2. **LIFO:** The last in, first out, or LIFO, accounting technique assumes that assets that can be sold, such as inventory, raw materials, or components, that were most recently acquired were sold first. In this accounting technique, the last to be purchased is taken to be the first to be sold.
3. **Simple Average:** Calculating the simple average price involves dividing the sum of all rates for the substance on hand by the number of rates. The lot that is exhausted according to the FIFO technique is disregarded when calculating the average. This approach is helpful when materials are delivered in consistent amounts and when purchase costs are typically stable.
4. **Weighted Average:** A simple average, also known as an arithmetic mean, is calculated by giving each figure the same treatment and weight. The relative importance of each data point is predetermined by the weights that a weighted average gives to each data point. Most frequently, a weighted average is calculated to balance the frequency of the values in a data collection.

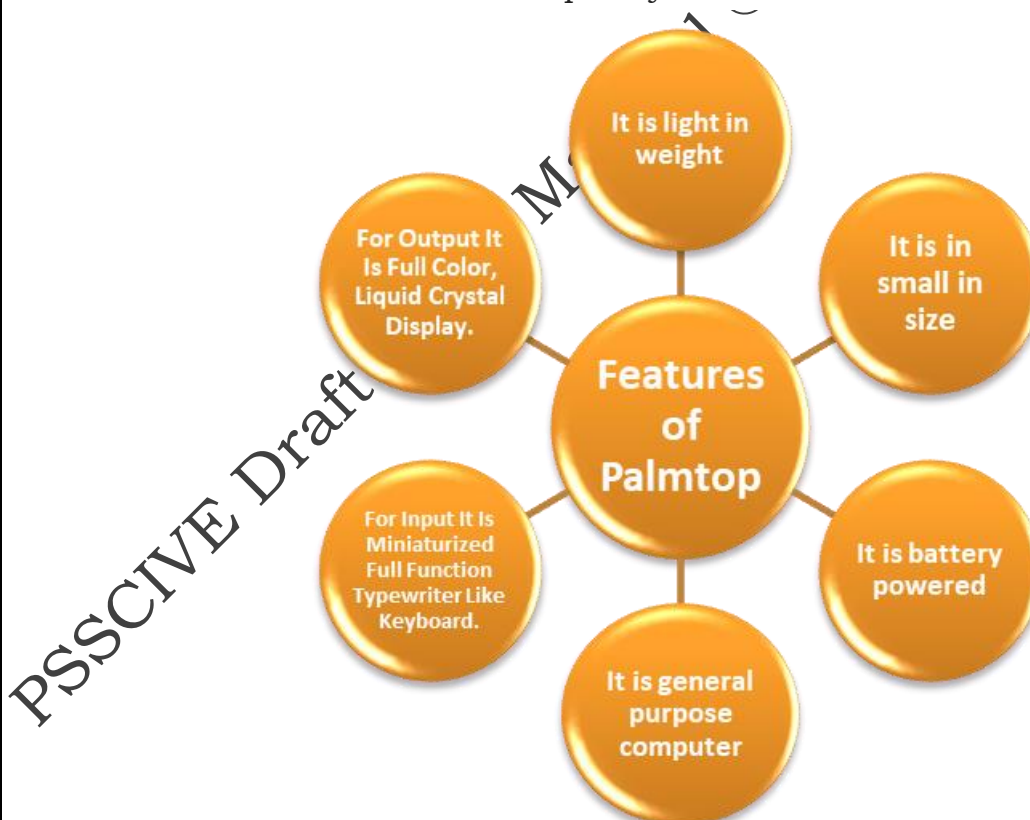


Fig. 2.19: Features of Palmtop

5. **For Input, It Is Miniaturised Full Function Typewriter Like Keyboard:** Input is an instruction given to the computer so a fully functional typewriter keyboard is required. In the palm top, this point is miniaturised. And design

and implemented in a previous model. Palmtop has touch screen technology for the operator.

6. **For Output, It Is Full Color, Liquid Crystal Display:** Output is displayed over an LCD type monitor so the interface is proceeding wire screen and its result can be seen and understood with the help of full-color LCD monitor.

SOME HANDHELD DEVICES AND THEIR FEATURES

1. **Barcode Scanner for Barcode Reader:** Barcode scanners are an electronic system that records a product barcode (fig.2.20). A barcode reader includes a scanner and a decoder. It may be either external or built-in. A cable is used to connect the barcode reader to read the computer by capturing and then translating the barcode in the shape of numbers and or letters. After this translated data is sent to the connected computer where the software application makes intelligence of the data. The data is transferred in order to connect a barcode scanner through a computer and interface device or keyboard port which is also known as Wedge.



Fig. 2.20: Barcode Scanner

2. **Barcode Scanner:** A barcode is a machine-readable representation of numbers and characters that consists of lines and spaces. Today, stripes like the ones below are commonplace on the packaging of goods offered in supermarkets, convenience shops and other stores which is called as a barcode.
3. **Portable Data Units (PDU):** An electronic device known as a portable data unit or terminal, or PDU for short, is used to input or retrieve data using wireless transmission (fig.2.21). (WLAN or WWAN). They have also been referred to as batch computers, data capture mobile devices, enterprise digital assistants (EDA), or simply portables.



Fig. 2.21: Portable Data Units (Own Source)

4. **Pricing Guns:** Pricing gun is used for pricing the goods or products. Pricing guns are available both in manual and electronic form. Usually, all stores use barcodes for price identification whereas the manual style of pricing is used by the small retailer (fig.2.22).



Fig. 2.22: Pricing Guns (Own Source)

5. **Pricing Gun (Own source) Docket printers:** These printers produce the return copies or invoice of the sales return copy to the customers and forms DLC for proof of the purchase for the customer (fig.2.23).



Fig. 2.23: Docket Printer (Own Source)

BENEFITS OF PALMTOP: The portability of handheld devices is one of their benefits. They are much more portable and compact. They are easier to pack in a backpack or even a pocket because they are smaller than the typical laptops we use. They are sometimes employed to enter course materials.

Benefits of Handheld Mobile Computers or Palmtop

Mobile computing devices permit these individuals to take a work location in its place of the task shaping where work is finished. Currently, smartphones, tablets and Palmtop computers are the utmost common devices used.

- 1. Flexibility:** There is an augmented need to access information outside of the workplace, either while traveling otherwise the information is needed external of “traditional” work periods. Providing employees immediate contact to a central databank of information – client records, shared documents creates the customer relationship management (CRM) method.
- 2. Productivity:** When employees use Palmtops to complete work responsibilities, they are more fruitful because they aren’t progressive time traveling between many locations. They are really completing tasks relatively than waiting to arrive information when they take access to a business network. Processes are efficient when using Palmtops saving the time, reduce the waste, decrease the cycle times, eliminate the rework, improved the accuracy and decrease the time spent on customer complaints.
- 3. Customer Satisfaction:** By increasing together flexibility and productivity, workforces are able to offer greater customer satisfaction further quickly. Guaranteeing will be meeting the requirements and demands of the customers. The continued success to retain their customers happy.

4. Provide Security and Safety Aspects: Palmtop offerings provide security that it finds the correct option to meet the business' needs. It combines reliable and harsh construction with the adaptability the businesses need popular today's aggressive environments that are field service; caring of health; management of asset, inventory and warehouse, transportation and logistics.

5. Built in Database: Collect data truthfully and efficiently with integrated barcode laser scanner -1D, update data through the 38-key, efficient keypad. The backlit, touch-screen with colour delivers crisp, high distinction viewing so information can be easily revised indoors or outside. The user-friendly, Windows entrenched operating system confirms compatibility with a multiplicity of mobile applications.

6. Implementation of order capture process on palmtop / handheld: Devices help to do work in a speedy way. The order capture process on palmtop devices is very easy and learned by the distributors and retailers. A store associate can use the order capture features in sterling store engagement to search out products to capture payments and customers, select appropriate fulfillment options and add a product to the cart. Palmtop/handheld devices are used for the order capture process. It helps to find out the products available currently and to capture orders from the customers in a store.

Order is a combination of pickup, shipping and carrying out order lines. The in-store order capture process includes scan products that customers want to purchase, showing the availability of the products, identifying a customer or capturing customer details, completing the order capture by pickup, carry capturing payments, adding or modifying charges marking the complete order and override the price for any changes in the item price.

Activity

Activity 1: Visit a retail outlet to learn the functions of palmtop/handheld devices.

Materials Required: Pen/Pencil, Notebook, Checklist.

Procedure:

1. Form a group of five to six students.
2. Tell them to visit a retail outlet.
3. Meet the retailer and greet him/her politely.
4. Tell him the purpose of the visit and take permission for the visit.
5. Ask the retailer the following questions.
 - a) How to enter order details correctly in the palmtop?

- b) What is the main function of a palm top?
 - c) How to add a sales order in palmtop?
 - d) How to check the product list and scheme details in palmtop?
 - e) How to make reports in palmtop?
 - f) The retail survey features available in palmtop?
6. Collect the details.
 7. Discuss with your friends, teachers and retailer.
 8. Prepare a report and submit it to your subject teacher.

Check Your Progress

A. Fill in the Blanks

1. Distributor salesman should know the functionality of _____ and handheld device
2. Palmtop is also called _____.
3. _____ is used for pricing the goods or products.
4. A Barcode scanner is an electronic system that records a product _____.
5. Palmtop or hand-held personal computer or device is lighting _____.

B. Multiple-Choice Questions

1. Following are the Features of Palmtop
 - a) Light in weight
 - b) Slight in size
 - c) Battery powered general purpose programmable
 - d) All the above
2. Handheld device is:
 - a) Barcode reader
 - b) Pricing gun
 - c) PDU
 - d) All the above
3. Barcode Scanners are an _____ system that records a product barcode.
 - a) Networking
 - b) Electronic

- c) Electric
d) None of the above.
4. An electronic device known as _____ .
- a) Portable Data Unit
b) Barcode Scanner
c) Barcode Reader
d) Pricing Gun.
5. For pricing the products are called _____ .
- a) Barcode Scanner
b) Barcode Reader
c) Pricing Gun
d) PDU

C. State whether the following statements are true or False

1. Pricing gun is used for pricing the goods or products.
2. Barcode scanner is an electronic system that records a product barcode.
3. Palmtop or hand-held personal computer or device is high in weight.
4. Most palmtop models offer an operator personal organiser for his work, diary maintenance, address list and calculator for calculation.

D. Match the Columns

	Column A		Column B
1	Palmtop	A	PDU
2	Docket printers	B	Handheld device
3	Pricing Gun	C	For recording a product barcode
4	Barcode Reader	D	Invoice printing
5	Portable data units	E	Pricing the goods or products

E. Short Answer Questions

1. What is meant by palmtop?
2. Describe the barcode reader.
3. Write a short note on the use of the Pricing Gun.

F. Long Answer Questions

1. Elaborate on the features of the Palmtop device.
2. Explain the product list and scheme details in Palmtop.
3. Explain the handheld devices which are used by distributors.
4. Explain the benefits of Palmtop.

G. Check Your Performance

1. Demonstrate the functions of palmtop/handheld devices.
2. Demonstrate barcode reader.
3. Choose one retail firm to prepare a product list.

PSSCIVE Draft Study Material © Not to be Published

Module 3**Customer Order Management****Module Overview**

The process of receiving, managing and completing customer orders is known as order management. Order management begins when a customer places an order and concludes when the consumer receives the things they bought. When scaling the business operations, it's significant to make routine and update this process in a more scientific way otherwise, the business eventually be overwhelmed by the total quantity of orders pending. Order processing is an important element of retail management, which involves reliability and accuracy with reference to the fulfilment of customer orders and satisfying them. Attracting and pleasing customers is an essential characteristic of any salesperson.

The store operations assistant should constantly observe the stock levels of various goods in the store to avoid the repercussions of over or under-stocking which are dangerous for the organisation. Customers may be dissatisfied if goods are not delivered on time and over-stocking may result in greater inventory stocks, which will raise the cost of storage, insurance, and the risk of obsolescence, spoiling and theft. As a result, maintaining an appropriate stock level of all types of items becomes vital. Sales professionals must learn how to put into practice proven sales tactics that work. These sales tactics not only help them to close individual sales but they help to generate additional prospects for future sales.

This unit has been divided into four sessions. The first session deals with order processing and stocking. The second session describes stock rotation. The third session demonstrates handheld devices and palmtop devices. The fourth session explains guidelines that please customers.

Learning Outcomes

After completing this module, you will be able to:

- Identify freshness norms, FMFO.
- Identify Stock rotation, stock return and D and D replacements.
- Demonstrate Palmtop/handheld device and its use for order details.
- Describe guidelines that pleases the retailer.

Module Structure

Session 1: Order and Stock Management

Session 2: Stock Rotation

Session 3: Devices Used in Stores

Session 4: Guidelines to Motivate the Retailer

Session 1: Order and Stock Management

An order management scheme gives an idea of a single point sale to view, manage and control all consumer orders in a single place. Many systems recommend a two-way sync that makes definite order information accepted between the order management system and the e-commerce portals while providing the business with visibility into the whole process. This process would help in channelising the flow of sales order information in the direction of every part of the supply chain. This means one can track the whole journey of customer orders, from the “purchase” button to delivery and sometimes even the return of goods by the customers. In brief, this procedure ensures to get right goods are distributed to the customers on time and in a good condition.

CONCEPT OF ORDER PROCESSING: Order processing is related to the delivery of the right good to the customers and it is concerned with the systematic procedure which flows from order placement to delivery of goods.

STEPS INVOLVED IN ORDER PROCESSING

Business is growing rapidly and order levels are increasing. Online order processing may be quite useful in these modern days. Various steps involved in order processing involve a multi-stage activity which includes:

- Order picking
- Sorting of customer orders
- Tracking of the orders and finally ends with shipping or delivery of the goods to the customers.
- Order dispensation may range from manual processes (handwritten on an order log sheet) to purely technological-based order processing of data and which may be purely based on data-driven processes. For this online modes and different order processing software may be used depending on the necessity and requirements of operations.

SOLUTIONS FOR THE ACCURATE ORDER MANAGEMENT

1. Avoid Overstocking and Under-stocking

Overstocking and stocking are dangerous in the business. Wastage of money and resources can lead to a loss in business. Thus, it is necessary to avoid overstocking and understocking as both lead to a loss in the business.

Understocking creates problems for order delivery and dis-satisfy customers. Overstocking is problematic due to the mismanagement of stocks and storage.

Fewer Mistakes in Fulfilling Orders

Whenever an order is fulfilled it is necessary to avoid mistakes. For correctly delivering an order, it is necessary to pick the correct items and select the right transportation channel and use equipment to avoid damage to the product.

2. Reliable Information that Helps you Makes Data-driven Decisions

Order management processes allow the salesman to see all sales order data in a particular place, making it simpler to examine the accessible data and settle on information-driven choices. Request the board frameworks additionally make it simpler to recognise continuous issues since it can see the entire cycle from a flying creature's eye see rather than as discrete pieces. The ability to make data-driven decisions can help to save money in the long run. Fixing even the tiniest problem can drive flexible chain improvements and have a substantial impact on your core concern when request traffic is high.

3. Less Wasted Time

When maintaining an e-commerce business, a distributor salesman can grow like an entrepreneur, visionary business man or creator of some new venture. Web-based business satisfaction master and legitimately so consistently spent investigating contentment difficulties is an hour that could be spent on more important activities such as item or cycle advancement or building up the necessary brands. The appropriate order management system can enhance the chances of minimizing the time for placing orders and getting them into showrooms.

FEATURES OF STOCKING

- Products should be accessible to the customers;
- Sufficient required stock is to be maintained always in the stores in order to have a proper flow of sales.
- While stocking the goods, the security aspects should not be forgotten and products should be displayed in proportion to their sales and stock turn.

Stock room should be neatly laid out, as far as possible, on the same lines as the shop itself. This will speed up the service.

- Some products have a high probability of getting sold from displays, like flowers, toys, designer garments, other decorative items, etc.,

STOCK BALANCE

Stock balance critically decides what would be the trade off between depth, breadth and service offered by a distributor salesman. Stock balance means having a

collection of goods that is reasonably available to customers. The 'balance' act between the variety, depth of stock and service levels desired and funds available for investment.

A distributor salesman should keep the following in mind:

- A variety of wanted goods adequate to meet most demands of the store's customers.
- The quantity of each item is adequate to minimize stockouts and lost sales and appropriately restrained inventory investment.
- There is a limit to how much money can be invested in merchandise if a department and store are to be profitable.

FACTORS CONSIDERED FOR STOCK BALANCE

Sales of many items take place sporadically; seasonal factors may act to curb demand or increase sales. Delivery time from the manufacturer may require weeks and even months. Every item has a different rate of sale. Too much money fixed up in slow-selling and marginal goods will reduce the money available for buying other new and needed goods.

Over-ordering for some items which are on the 'never out list' may be required. Realistic demand estimates of seasonal goods present which have very short sales lines should be made.

for example; Diwali Crackers, Rakhees, Invitation cards, etc. Though there is a number of product categories, most sales come from only a few sizes the same is true with colours and styles. For example, in men's shoes, there are further two hundred different sizes of lengths and widths, yet forty-five size accounts for 85 percent of men's shoe sales.

Stock items in the store may include:

- Raw materials
- Components (parts)
- Spare parts
- Partly finished work (sub-assemblies, work-in-progress)
- Materials for maintenance
- Consumables
- Tools, jigs and gauges
- Finished products (of the enterprise or purchased from others) ready for sale
- Packaging materials
- Scrap and by-products of the production

- Damaged, substandard or obsolete items

STORES FACILITIES

Whatever their size, any professionally managed store facility must have sufficient space to receive incoming materials, keep them safely and securely for as long as they are not required for use and then move them out of stores for use.

LAYOUT

The layout of a storage facility depends on the kind of operation conducted, the number of goods handled and the need to keep an efficient flow of goods in and out. Stores should be placed out in order to provide maximum efficiency and convenience and to allow a convenient and smooth flow of work.

For example, shelving, racking and bins should be situated in order to utilize the utmost available amount of space in the most efficient layout, avoiding washed-out space, effort, doubling or unnecessary movement.

Problems in the Stock Planning

- Manage the end-to-end process of building, managing and planning assortments for new and existing products (and their variations).
- Keep up with stock hierarchies, including start and end dates and unlimited Stock information.
- Track attribute mix versus target.
- Analyse best sellers from previous or similar assortments.
- Plan unique assortments to accommodate each location's specific situation.
- Plan placeholder and proxy items with like history.
- Plan and track items using multiple measures and versions and reconcile back to financial goals.

FACTORS INFLUENCING THE DESIGN OF STORES

The main factor which are influencing the design are Flow, Accessibility Space and Throughout detailed as under (fig.3.1).

Flow: Flow must reflect a logical and organized sequence of operations whereby each activity is located as close as possible to that which precedes it and also the function that follows it. Cross-flow clashes or areas of high traffic or work density should be avoided where possible.

Accessibility: Goods should be accessible and stored where they can be reached easily. This dictates a logical sequence for the stacking and placing of goods. For instance, goods with a limited shelf life need to be processed in a strict first-in first-out manner. The FIFO (first in first out) is a procedure to guarantee that stock is used resourcefully thus that it does not deteriorate.

Space: Sufficient space should be allocated for operational storage and stock processing purposes. Additional space will be essential for offices and welfare facilities. A varied diversity of storage media and infrastructure can be employed. Appropriate equipment should be provided to enable space to be used efficiently, for example, forklifts and hoists. The factors which influence spacing are the volume, shelf-life and handling characteristics of goods.

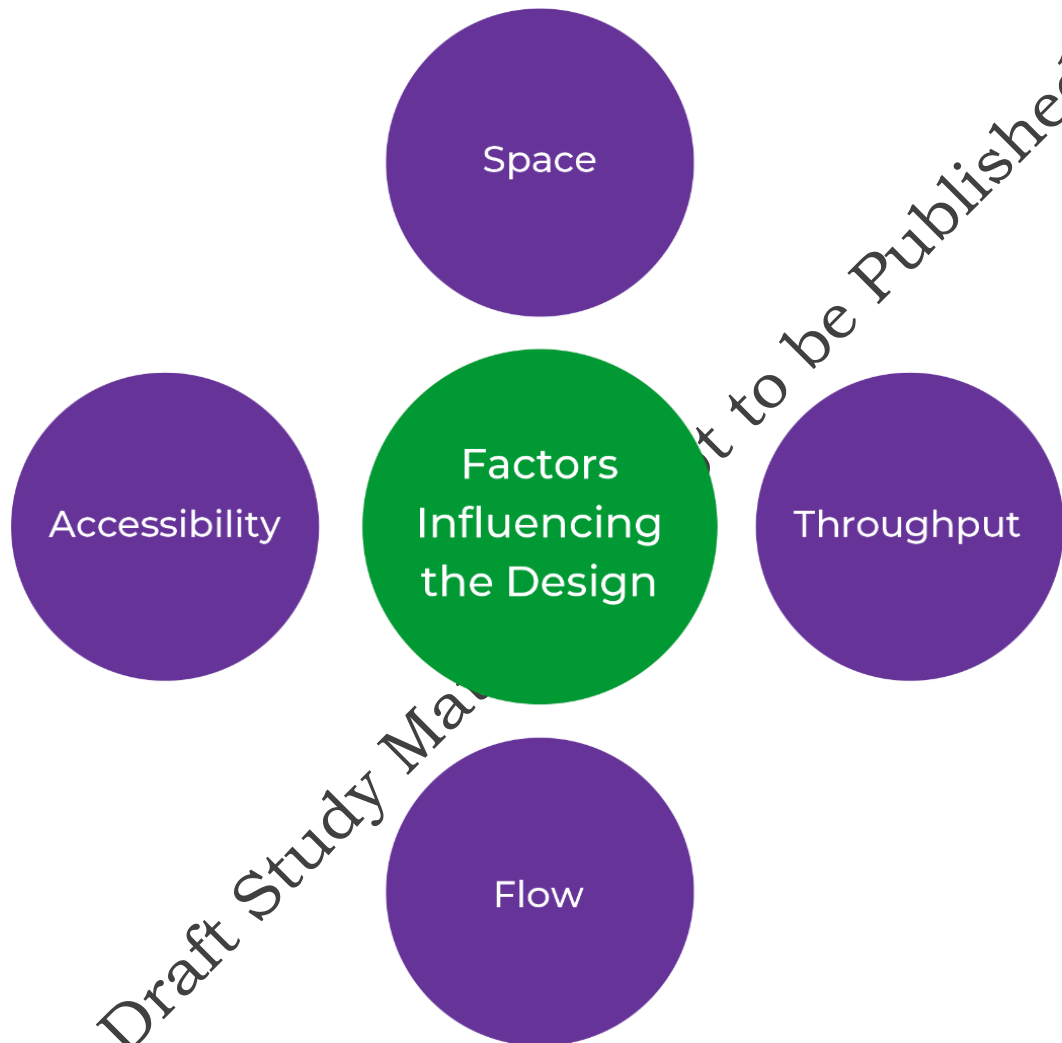


Fig. 3.1: Factors Influencing the Design

Throughput: Throughput will determine many aspects of a warehouse's design and layout. Stock levels in stores are used to make products, provide required services and run a professional business is part of the stock. The various levels of supplies required for efficient material management in a retail store, in order to avoid over- and under-stocking of supplies are referred to as stock level. The role of the store operations assistant or the storekeeper increases as the stock levels in the retail shop increase after receiving products for storage in the store.

TYPES OF STOCK LEVELS

There are mainly four kinds of stock levels:

- **Minimum Stock Level:** It is the bare minimum of goods that retail should keep in order to avoid consumer displeasure. If the stock at the store is below the acceptable level, the distributor salesman should place an order for the goods right away. Under-stocking occurs when the stock falls below the minimal level.
- **Maximum Stock Level:** It is the maximum acceptable level of goods that is maintained by a distributor salesman store. Beyond the acceptable level of stock, the distributor salesman should not order more goods, as it may increase the carrying cost. When the stock crosses the maximum stock level it is called overstocking.
- **Re-order Level:** When the quantity of goods reaches a definite level then a fresh order is sent to obtain new products. The distributor salesman places an order before the goods reach a minimum level.
- **Danger Level:** If the stock touches danger levels, then immediate action should be taken to maintain the stock even if the additional cost is incurred in arranging the required goods.

Any business that retains a stock of things for sale, whether for the general public or other enterprises, keeps a detailed inventory of everything they have.

STOCK RECORDING: A variety of records can be used to check stock levels, often known as inventory records.

- Stock Ledger:** A stock ledger is a book that maintains track of the stock and inventory. It also aids in the calculation of vendor prices, sales and profit percentages.
- Bin Card:** This card is used to keep track of how many objects are in the bin.
- Computerised:** Businesses that want a constantly updated list of available stock utilise computerised stock checking systems.

Evaluating Stocking Performance

Measuring the performance of items is vital in order to determine which products have been done effectively and which have failed to meet expectations. The performance might be designed, performed beneath the arrangement or performed over the arrangement.

Methods to Ascertain Stock Turnover

Different methods are used by Distributor salesman to ascertain the stock turnover rates which are as follows:

1. Net sales/average inventory
2. Cost of merchandise sold/average inventory at cost
3. Units sold/average units in inventory

4. Net sales = turnover * average inventory
5. Average inventory at stores = net sales/turnover

Turnover is a critical factor in achieving good performance, which translates to profits in the retail industry.

Methods of Stock Management or Inventory Control

1. **(FIFO):** First In, First Out, also known as FIFO, is a method of managing assets and valuing them that prioritizes the sale, use, or disposal of assets that were created or acquired first (fig.3.2). For taxation reasons, FIFO presumes that the cost of goods sold (COGS) on the income statement includes the assets with the oldest costs. The natural movement of inventory is followed by FIFO which is oldest products are sold first, with accounting going by those costs first. As a result, accounting is simpler and less prone to errors.

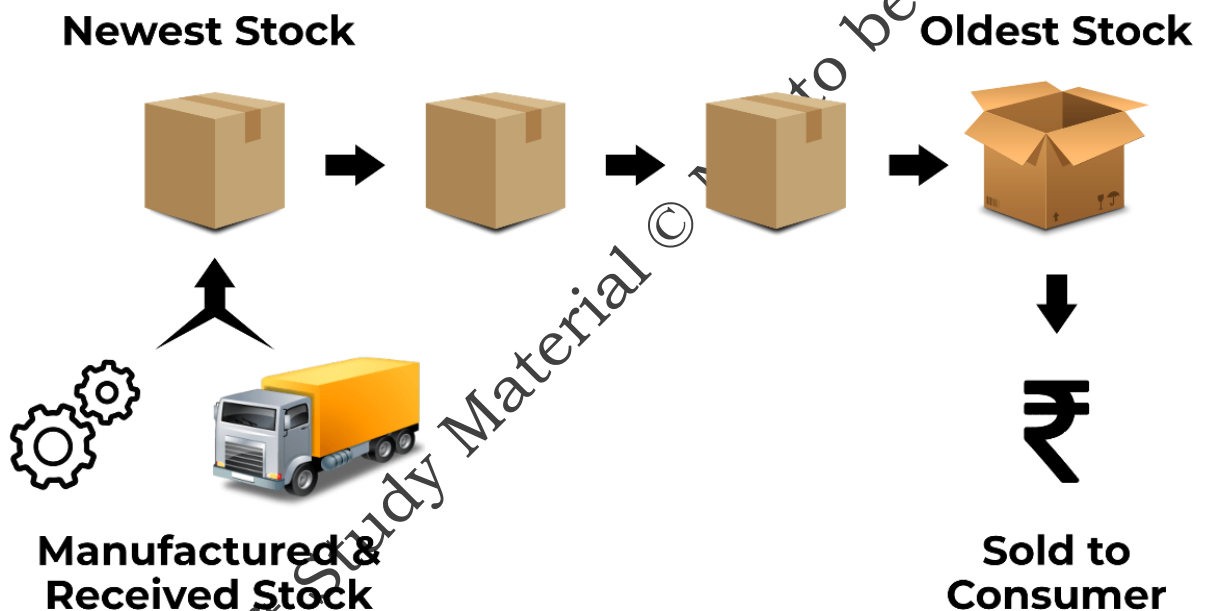


Fig. 3.2: FIFO

2. **LIFO:** The last in, first out also called as LIFO as accounting technique assumes that assets that can be sold, such as inventory, raw materials, or components, that were most recently acquired were sold first. In this accounting technique, the last to be purchased is taken to be the first to be sold.
3. **Simple Average:** Calculating the simple average price involves dividing the sum of all rates for the substance on hand by the number of rates. The lot that is exhausted according to the FIFO technique is disregarded when calculating the average. This approach is helpful when materials are delivered in consistent amounts and when purchase costs are typically stable.
4. **Weighted Average:** A simple average, also known as an arithmetic mean, is calculated by giving each figure the same treatment and weight. The relative importance of each data point is predetermined by the weights that a weighted

average gives to each data point. Most frequently, a weighted average is calculated to balance the frequency of the values in a data collection.

ORDER MANAGEMENT CYCLE

The order management cycle is an end-to-end procedure that begins when a customer purchases a product and continues through delivery and, on rare occasions, returns. This cycle necessitates the integration of numerous stages, each managed by a different entity, in order to deliver a consistent consumer experience.

STAGES INVOLVED IN THE ORDER MANAGEMENT CYCLE

The various stages involved in the order management cycle are:

1. **Request for Placing of an Order:** It starts when the customer buys an item and proceeds through conveyance and now and then returns. The cycle requires a few moving parts, regularly constrained by discrete elements to meet up to give a customer experience.
2. **Receiving of Orders:** To smooth out this cycle on the backend distributor need a multichannel request to the board or omnichannel satisfaction instrument that can naturally push the applicable data (request subtleties, transporting subtleties, conveyance address and so forth) from your internet business store to your request the executives' framework.
3. **Order Picking:** Picking by and large refers to following a picking list by recovering product(s) from the accessible stock and conveying it to a pressing station. The way stock is organized has an impact on how long it takes to fulfill each request. The request is grouped. When the request reaches the bundling zone, it is wrapped in such a way that the dimensional weight is kept to a minimum while still providing appropriate assurance.
4. **Packaging of Order:** Transporters normally get the requests directly from the PL's stockroom. Each request is doled out a following number which is then common (either physically or consequently, contingent upon the product) with the client, permitting them to see the status of their request consistently.
5. **Shipment of Order:** After the item has been packaged, it is sent and delivered to the final customer.
6. **Item Delivered:** After the items are packaged it is delivered to the customers.
7. **Post-Delivery Process:** Order managing must propose a holistic way of analyzing the entire e-commerce logistics process. By following strategies like lead times or return rates along with qualitative reaction, the distributor can recover the process to increase buyer fulfillment and slash costs at a similar time.

Activities

Activity 1: Prepare a chart on FIFO.

Material Required: Drawing sheet, colours, pen, pencil, rubber

Procedure:

1. Take a drawing sheet.
2. Take a pen, pencil, colors and rubber.
3. Prepare a chart on FIFO.
4. Mark the headlines in bold.
5. Write down subheadings in small letters.
6. Prepare an attractive chart.
7. Present the chart in the classroom.
8. Teacher evaluates the chart.

Activity 2: Visit the distribution organisation and observe how they maintain stock levels.

Materials Required: Pen, Pencil, Rubber, Stopwatch, Tables and Chairs

Procedure:

1. Make groups of four students each.
2. Visit a distribution organisation.
3. Ask the following questions to the distributor:
 - a) In what way do you maintain stock level?
 - b) What are the problems that occurred during stock management?
4. Write down the answers to the above questions.
5. Ask for the suggestion for the improvement of the distribution network.
6. Write down in a notebook.
7. Prepare a brief report.
8. Submit a report to the teacher

Check Your Progress**A. Fill in the Blanks**

1. _____ is related to the delivery of the right good to the customers and it is concerned with the systematic procedure which flows from order placement to delivery of goods.
2. _____ processes allow the salesman to see all sales order data in a particular place, making it simpler to examine the accessible data and settle on information-driven choices.
3. Order managing must propose a _____ way of analyzing the entire e-commerce logistics process.
4. The ability to make data-driven decisions can help you save money in the _____.
5. Appropriate _____ management system can enhance the chances of minimizing the time for placing the orders and getting them into showrooms.

B. Multiple Choice Questions

1. _____ is related to the delivery of the right good to the customers and it is concerned with the systematic procedure which flows from order placement to delivery of goods.
 - a) Customer dealing
 - b) Wholesaling
 - c) Order Processing
 - d) None of the above
2. Steps involved in order processing include:
 - a) Order picking
 - b) Sorting customer orders
 - c) Order dispensation
 - d) All of the Above
3. Solutions for accurate order management are:
 - a) Keep from over-stocking and under-stocking
 - b) Fewer mistakes in fulfilling orders
 - c) Reliable information
 - d) All of the Above
4. Stages of the Order management cycle do not include

- a) Request for placing an order
- b) Receiving of orders
- c) General line Wholesalers
- d) A and B

C. State whether the following statements are True or False

1. An order management scheme gives an idea of a single point sale to view, manage and control all consumer orders in a single place.
2. Order management processes allow the salesman to see all sales order data in a particular place.
3. The order management cycle is not an end-to-end procedure that begins when a customer purchases a product and continues through delivery and, on rare occasions, returns.
4. Order managing must propose a holistic way of analyzing the entire e-commerce logistics process.

D. Match the Columns

	Column A		Column B
1	Minimum Stock Level	A	It is the maximum acceptable level of goods that is maintained by a store.
2	Maximum Stock Level	B	When the quantity of goods reaches a definite level then a fresh order is sent to obtain new products.
3	Re-order Level	C	It is the bare minimum of goods that the distributor should keep in order to avoid consumer displeasure.
4	Danger Level	D	If the stock touches danger levels, then immediate action should be taken to maintain the stocks even if the additional cost is incurred in arranging the required goods.

E. Short Answer Questions

1. What is order processing?
2. What is the order management cycle?
3. What are the features of stocking?
4. What are the items in stock?

5. What is the stores layout?
6. What records are used to record the stock in stores?
7. What is the order management cycle?

F. Long Answer Questions

1. Explain the steps involved in order processing.
2. Elaborate solutions for accurate order management
3. Examine the factors to be considered in stock balance.
4. Explain the problems involved in stock planning
5. Explain the factors influencing the design of the stores.
6. Explain the various stock levels to be maintained by the distributor salesman.

G. Check Your Performance

1. Demonstrate stages involved in the order management cycle.
2. Prepare a presentation on order processing.
3. Spell out the stock levels used by a distribution organisation.

Session 2: Stock Rotation

Stock rotation is moving older stock to the front of the shelf or display and placing newer stock behind this stock. This means allowing the oldest units in inventory to be sold first before the newer items are sold. Thus, expiration or obsolescence loss shall be avoided. It is a way of mitigating stock loss. It is the practice of adopting in-store locations, particularly in food stores, like restaurants and supermarkets of moving items. A first-in first-out premise (FIFO) is significant for ensuring the food is safe and eliminates spoiled food waste.

Essentially, the process of stock rotation involves displaying older items for sale more prominently than items that were recently acquired. The first-in first-out strategy guarantees serving safe food and disposing of ruined food waste.

While stock revolution is utilised in each retail store, the methodology is especially conspicuous with regards to selling short-lived things, for example, bundled or new nourishments. Numerous industrially bundled things, for example, grain, canned merchandise and dairy items convey a date by which the item should be sold or eliminated from the store. As this sell-by date draws near, traders will in general move these things to the front of the presentation racks, putting more current items behind them.

Things that are occasional or considered crazes may neglect to move in any event, when shown conspicuously and offered at a markdown. Furthermore, wise

customers know about the idea and will frequently go after a thing that is close to the rear of the rack, dismissing items that are shown toward the front.

INVENTORY ROTATION POLICIES/METHODS

A stock rotation strategy that considers both the stock units and requirements of the business can go far in keeping items from getting to this stage and is basic to acceptable stock administration.

Inventory burns through a huge level of a business' working capital prerequisites. Discarding old, worn, or old stock by limiting, giving, or tossing it out can majorly affect budgetary well-being.

First-Expired First-Out: First-expired first-out stock rotation strategy works for easily spoilt food things, over-the-counter drugs, cleanliness items and whatever other items accompany a lapse date. FEFO limits value discounting and waste that can happen as stock items approach or go past their lapse date.

FEFO is best when lapse dates are confirmed upon delivery, items are put away with their termination dates obvious and changes are made with every delivery, to guarantee the items lapsing early, stay before, items with a later lapse date.

First-In/First-Out: First-in first-out is one the most well-known stock revolution strategies. Despite the fact that FIFO works for most durable stock things, it is particularly normal in assembling and stockroom stock frameworks. A FIFO stock turn strategy works as per the hypothesis that the main things created or got on conveyance the most seasoned ought to be the initial ones to go out for handling or deal. Since the most current things generally start in the back, FIFO is suitable for minimizing the possibility that stock will get outdated.

Last-In/First-Out: A Last-In-First-Out stock rotation strategy works under the belief that the last or freshest items are likewise the first to go out for production or available to be purchased. In spite of the fact that this kind of stock rotation strategy won't work for most organisations, it will work for organisations that store weighty, solid products, for example, solid squares or other structure materials where age or the possibility of turning out to be out of date are uncommon. In a LIFO framework, new items are set on top or before those things as of now in stock and then again eliminated from the top or first.

Two-Bin Rotation: The two-bin-inventory rotation system is more or less similar to FIFO, then again, actually it is frequently utilised in the Just in Time production structure. Just in Time, accommodates practically no rack-based stock and what stock is close by is frequently needed to keep a mechanical production system moving. With a two-bin inventory system, one is an active bin to keep production going and one is a Safety net cushion arrangement. As the active bin runs out and the production staff shifts to the safety net, a concerned agent clears, reloads and restores the first bin back to the line.

Stock Return and Replacement: Returns are the supply chain management process by which the executive's cycle by which exercises related to returns, reverse logistics, gatekeeping and avoidance are overseen inside the firm and across key individuals from the Supply chain.

The right usage of this cycle empowers the executives not exclusively to deal with the reverse product flow effectively, yet to distinguish occasions to reduce undesirable returns and to control reusable resources, for example, containers.

Returns of items can fall into two groups:

- 1. Controllable Returns:** These returns can be kept away from or dispensed with by activities taken by the organisation.
- 2. Uncontrollable Returns:** These returns are uncontrollable and organisations can do nearly nothing or nothing about temporarily

Controllable Returns: Controllable returns originate from issues, troubles, or mistakes by the merchant or client and can primarily be wiped out by methodologies and right projects by the organisation or its flexible chain accomplices.

Each controllable certainty has a reason or causes that could be limited or disposed of by the best progressed calculated cycles, improved market figures, better item the board or capacity, etc. Items returned because of harm can be disposed of through a mix of a better administration, better bundling and improved vehicle and capacity of the things while they are being appropriated through the flexible chain. Fundamentally, the issues must be anticipated before they happen.

As controllable returns of items are brought about by issues, troubles, or blunders by the organisations, or individuals from the flexible chain, advancement of frameworks that manage manifestations, instead of the first causes, will most likely prompt ceaseless issues or in any event issues that are just halfway tended to. For instance, if a few items are returned because of value issues underway, having top-notch strategic issues will fail to help to lessen brings levels back. Similarly, making it less complex or significantly harder for clients to restore things doesn't diminish the number of defective items returned, which will be returned paying little mind to bring approaches back.

Uncontrollable Returns: Uncontrollable returns can't be terminated by the organisation temporarily and are consequently regularly unavoidable. There are continuous opportunities for online purchasers that can't be constrained by online stores. For instance, it frequently happens that clients request some unacceptable size or number of things and will wish to bring them back. Another explanation behind why individuals return items is that they may have purchased something for another person (particularly during exceptional events, for example, Christmas or birthday events) and the item was not the one the beneficiary needed.

Likewise, lately, there is an expansion in a wonder called "sequential restoring" that

can be named a most noticeably terrible practice and that comprises of requesting a few sizes or various tones in a similar shoe so they can be taken a stab at and afterward returned together, subsequent to discovering which one is correct or just in the wake of having taken photographs to post on informal communities. This is additionally a sort of wild return, in any event with current brings strategies back. As distributors have no influence over these factors, these profits are named wild.

REASONS FOR PRODUCTS GETTING DAMAGED

- **Packing is not been done appropriately:** Sometimes, to reduce expenses, transporters utilize old boxes or less pressing materials. While this might be less expensive for you, it can imply that your products aren't very secure for their travel and can be harmed without any problem.
- **Mishandling during Delivery:** Even in case you're utilizing a legitimate organisation, messengers have a great agreement of bundles to manage ordinary - that implies, they're not generally as cautious as they ought to be. For instance, your delicate bundle could wind up under greater, heavier packages, which implies your client gets broken products.
- **Bad Stockroom Conditions:** There are numerous manners by which your merchandise might be contrarily affected while away in a distribution center - maybe the temperatures aren't right, or low security implies bunches of burglary, or an awful area takes into account cataclysmic events like floods and twisters. The entirety of this implies your merchandise won't be in acceptable condition.
- **Unfriendly Climate:** Bad climate conditions can likewise harm your bundles before they show up to your clients. Moist conditions, a day off and downpours would all be able to debilitate boxes and leave your things vulnerable to harm.
- **Bad Street Conditions:** The last mile of conveyance is generally done by street and awful street conditions can bring about your merchandise being tossed around in trucks - and being harmed - before they get to your clients.
- **Human Mistake:** Unfortunately, people aren't dependable, so we're inclined to mishaps. The delivery cycle includes several individuals dealing with and arranging your shipments and whenever during the cycle, a mishap can happen, leaving your products broken or in any case destroyed.

HOW TO AVOID DAMAGED PRODUCT RETURNS

- **Wasted Time:** A great agreement of time is squandered in managing returns. Long stretches of client care time are gone through on managing protests, while your business will likewise need to go through hours on managerial errands identifying with the return.
- **High Amount of Expenses:** They can cost your business a great deal of cash. You'll either need to discount or supplant the thing - or give store credit.

Furthermore, you may bring about expenses in shipping the thing back to their store.

- **Upset Clients:** There's no uncertainty that your client won't be content with getting merchandise that isn't in acceptable condition.

What's more, in spite of whether you have extraordinary client care and make a special effort to remunerate your client, this experience may prevent them from making more buys from you later on. At the very least, they may even take to web-based media and put a scratch in your standing.

TIPS TO PREVENT DEFECTIVE GOODS PACKING RETURNS

- **Packing Properly:** This is the main activity. Proper packaging is an important element in retailing and selling, further, it will ensure the safety of the product. For instance, you can get strong, protected boxes for delicate things. Remember to utilise a satisfactory measure of pressing material - like pressing peanuts - to secure your products. At that point, seal the container on all sides so nothing can get in.
- **Pack the Goods in Good Packing Materials:** Even in case you're picking moderate choices, you should be certain that your pressing materials are of acceptable quality. This will diminish the odds of your things being battered while on the way. All the more significantly, get proper pressing materials like air pocket wrap for assurance of protected chambers for scents and containers.
- **Run Some Tests:** If you're ready to do this, it may merit doing an edge pound test on your bundles. This will aid with sorting out how much weight the bundle can endure while being stacked and stacked during delivery. When you have this, you can tell your dispatch so they can take additional consideration. This can be particularly significant for worldwide transportation since your items will be going a lot further.
- **Offer Exchange Instead of Returns:** Offering credit or trade rather than returns will aid with recognizing genuine cases from chronic returners. This kind of strategy will support deals and motivation purchasing without the requirement for you to manage the cerebral pain of profits.
- **Focus on Body Language Along with Undivided Attention:** Sometimes the customers ought to rehearse 'dynamic looking. People will double-cross a lot of their opinions when it comes to what they do with their bodies. Many nonverbal communication experts will tell you some unusual things to look for, such as watching whether someone scratches their nose but don't think the level of detail is crucial. There is various non-verbal communication that needs to focus on first is eye-to-eye connection. Hands/Arms another is an important consideration in managing people.

Stores: Manufacturers require stocks of raw supplies and machinery in order to manufacture their products; they also need stores for the products while they are waiting to be moved out. The distributors need to keep stocks of items for sale. All organisations need supplies to support their work processes (such as stationery, tools and equipment) as well as “spares” of items and materials that are essential to their business continuity. Items are usually held in some form of storage facilities, such as a stock room or a warehouse until they are needed. As items or materials are sold or used, they are replaced or replenished from the stock. To prevent items from “running out of stock”, well-organized stock control will make sure that replacements are received in good time and are available when required to replace those items sold or used. In this topic, a store is an area into which all the items and materials required for production, sale, distribution and use is received and from which they will be issued as required.

A store could be as simple as a cupboard in a small office or as complex as a series of warehouses in a large manufacturing unit. To many organisations, the stock is one of the more visible and tangible aspects of doing business. Raw materials, merchandise in measure and completed products, all speak to diverse types of stock. Each type speaks to cash tied up until the stock leaves the organisation as bought items. Moreover, stocks in a retail location add to benefits just when their deal places cash into the sales register. Fruitful stock control along these lines includes adjusting the expenses of stock with the advantages of stock. Stock speaks to an enormous part of a business venture and should be very much overseen to boost benefits.

It is essential to value the genuine expenses of conveying stock, which incorporate not just direct expenses of capacity, protection and duties, yet additionally, the expense of cash tied up in stock. Different components to be viewed as when arranging stock control measures include: keeping up an extensive variety of stock, yet not spreading the quickly moving ones too meagrely expanding stock turnover without giving up the administration level keeping stock low without giving up administration or execution getting lower costs by making volume buys, yet not winding up with sluggish stock Having a satisfactory stock available, without winding up with various old things.

Activities

Activity 1: Visit a retail outlet and learn the arrangement of stock, stock rotation and replacement of damaged goods.

Material required: Notebook, Pen, Pencil

Procedure:

1. Visit 2-3 retail outlets.

2. Greet the manager and ask the following questions:
 - a) What is the process followed for stock arrangement?
 - b) What is the procedure to replace goods?
 - c) Who is responsible for stock rotation?
 - d) What are the difficulties faced by the distributor with regard to damaged goods?
3. Note down the answers to the above questions in the booklet.
4. Prepare a brief report on the basis of the above survey.
5. Submit a report to the teacher.

Activity 2: Demonstrate stock checking and stock rotation.

Materials Required: Pen, Pencil, Rubber, Stopwatch, Tables and Chairs, Retail Stock, Some Damaged Goods

Procedure:

1. Make groups of four students each.
2. Ask the team to follow the following procedure to demonstrate stock checking and stock rotation.
 - a) Teacher distribute stocks, some damaged goods to all groups.
 - b) Ask a teacher to handle the stopwatch to measure the timing.
 - c) Ask the group to demonstrate stock checking and stock rotation.
 - d) Ask the group to prepare a strategy to demonstrate stock rotation and stock checking.
 - e) Allot 15 minutes to each group for stock checking and 15 minutes for stock rotation.
 - f) Teacher evaluates the whole activity.
3. Ask the students to demonstrate the activity.
4. Teacher evaluates the whole activity.
5. Handle queries, if any.
6. Prepare a brief report after taking suggestions.
7. Submit the report to the teacher.

Check Your Progress

A. Fill in the Blanks

1. Retail _____ need to keep stocks of items for sale.

2. Stock _____ critically decides what would be a trade off between depth, breadth and service offered by a retailer.
3. Goods should be _____ and stored where they can be reached easily.
4. _____ is identified by the day it was acquired and progresses through each stage of production in a specified order.
5. A stock _____ is a book that maintains track of the stock and inventory.

B. Multiple Choice Questions

1. _____ is used to keep track of how many objects are in the bin.
 - a) Object card
 - b) Sim card
 - c) Bin card
 - d) None of the above
2. Businesses that want a constantly updated list of available stock utilise _____ stock checking systems.
 - a) computerized
 - b) products
 - c) proper
 - d) None of the above
3. Measuring the performance of items is important in order to determine which products have done effectively and which have failed to meet _____.
 - a) assemblers
 - b) computerised
 - c) card
 - d) expectations
4. A _____ could be as simple as a cupboard in a small office or as complex as a series of warehouses in a large manufacturing unit store.
 - a) merchandising
 - b) warehouse
 - c) store
 - d) None of the above
5. _____ is identified by the day it was acquired and progresses through each stage of production in a specified order stock
 - a) Merchandising

- b) Stores
- c) Stock
- d) None of the above.

C. State whether the following statements are True or False

1. Goods should be accessible and stored where they can be reached easily.
2. Stock is not identified by the day it was acquired and progresses through each stage of production in a specified order.
3. Throughput will not determine many aspects of a warehouse's design and layout.
4. When the quantity of goods reaches a definite level then a fresh order is sent to obtain new products.
5. A variety of ways can be used to check stock levels, often known as inventory.

D. Short Answer Questions

1. Why are stocks required?
2. What are the various features of stocking?
3. What is the stock balance?
4. What factors are considered for stock balance?
5. What is stock rotation?
6. What is FEFO?
7. What is FIFO?
8. What is LIFO?
9. What is two bin rotations?
10. What is store?

E. Long Answer Questions

1. Explain the various stock rotations policies adopted by a distributor.
2. Elaborate on the tips to prevent damaged goods from returning packaging.
3. Explain the term stock returns and its classification.
4. Explain the reason why products are getting damaged.
5. Discuss the need for stores in an organisation.

F. Check Your Performance

1. Demonstrate stock rotation.
2. Prepare a presentation on reasons for products getting damaged.

Session 3: Devices Used in Stores

Technology helps planning and decision-making at the executive level. Various data-mining software aids in product design and development, as well as stocking, pricing and marketing decisions. At the point of sale (POS) advanced devices using to provide computerised billing to the customers (fig. 3.3).



Fig. 3.3: POS Device

High-tech advancements, according to Jim Dion, a Chicago-based retail technology expert, enable merchants to compete in four important categories: convenience, affordability, size and speed. High-tech solutions assist balance inventory assortments, manage to order and tracking pricing in stores and on the sales floor. By improving the in-store experience, customer tracking solutions boost consumer satisfaction and loyalty. Technical definitions of the distributor are given below:

- **Inventory Tracking:** Direct computer-to-computer transactions from the store to the vendors' databases and ordering systems are known as electronic data interchange (EDI).
- **Wireless hand-held Inventory units:** Take inventory and download the data to a database at headquarters.
- **Universal Product Code (UPC):** Product identification system using bar code and unique numbering.
- **Automatic Replenishment:** Manages the refilling of items that have been sold.
- **Virtual Shelves:** Retailer and vendor intranets that help with communication and replenishment on time.
- **Customer Relationship Management (CRM) software:** permits retailers to track customers.
- **CD-ROMs at the Register:** sales associates prepare special orders on the spot and also deliver sales training to sales associates on the floor.

- **In-store Interactive Kiosks:** Provide customers with product details.
- **Smart registers/point-of-sale (POS) Terminals:** Print coupons and reports, capture customer profiles, calculate frequent shopper discounts, schedule work hours and serve as store-to-headquarters email terminals.
- **Signature-capture Technology:** Used at the POS terminal for credit card transactions and receipts are retained electronically.
- **E-commerce Technology:** E-commerce technology helps retailers and shoppers interact anytime and anywhere.

DATA WAREHOUSING

Create complicated data graphs to assist retail executives in making business choices. The function of the retail associate is changing at a rapid pace. People are no longer required to do many simple, monotonous administrative tasks because of automation and self-service technologies. This is a good thing since it allows store staff to focus on providing excellent customer service and product knowledge. Technology is increasingly assisting in the achievement of these objectives. From wherever in the store, mobile devices can provide retail personnel with fast access to extensive product information, real-time inventory, customer preferences, payment methods and more.

HANDHELD DEVICES

Handheld devices have been successfully used by supply chain personnel at the lowest end. It has been useful in recording the stock rotation, stock returns and stock replacement details electronically providing mobile devices to retail employees allows them to succeed at increasingly essential in-store use cases like clienteling and MPOS while also simplifying activities like inventory management. And when those devices are both consumer smartphones and tablets or enterprise-ready enclosures built for those devices then the solution becomes that much more versatile and scalable.

Mobile devices can give associates and shoppers instant access to a range of important in-store functions price checks, current inventory, mobile checkouts, in-store pickups, etc. Wherever they happen to be in the store. Access to digital tools on the go is vital to helping associates work efficiently and deliver seamless in-store experiences to shoppers.

Mobile devices Help Distributors Create More Consistent Cross-Channel In-store Experiences

With over 60% of buyers using smartphones in stores to investigate products and prices, it's a natural move for retailers to provide their sales employees with the same ease and utility. These tools help associates assist shoppers anywhere in the store, empowering them to deliver a personalised shopping experience by accessing the customers' online cart, wish list or past orders for example Distributors can use

mobile devices in the store to bring digital into the physical store and vice versa. Customers can begin their shopping experience on a retailer's website and select to buy online and pick up in-store (BOPIS). In-store buyers may opt to buy in-store and ship to home if a mobile checkout is available, such as in the Apple store. By providing workers with mobile devices around the store, both use cases can be enabled and improved.

Activities

Activity 1: Discuss the implementation of the order capture process on the palmtop.

Material required: Notebook, Pen, Pencil

Procedure:

1. Visit a local market.
2. Observe various types of wholesalers.
3. Note down the different types of wholesalers.
4. Visit all the stores.
5. Ask the retailer about the functions of wholesalers.
6. Prepare a report.
7. Submit the report to the teacher.

Check Your Progress

A. Fill in the Blanks

1. _____ helps planning and decision-making at the executive level.
2. _____ technology helps retailers and shoppers interact anytime and anywhere.
3. Product _____ system using bar code and unique numbering.
4. _____ devices have been successfully used by supply chain personnel at the lowest end.
5. Customers can begin their shopping experience on a _____ website and select to buy online and pick up in-store (BOPIS).

B. Multiple Choice Questions

1. Direct computer-to-computer transactions from the store to the vendors' databases and ordering systems are called as
 - a) UPC
 - b) Electronic Data Interchange

- c) Shelves
d) None of the above
2. Product identification system using bar codes and unique numbering is called as
- a) Automatic Replenishment
b) Inventory Tracking
c) Universal Product Code
d) None of the Above
3. Mobile Devices can give associates and shoppers instant access to a range of important in-store functions -
- a) Price checks
b) Mobile checkouts
c) In-store pickups
d) All of the Above
4. High-tech advancements, according to Jim Dion, a Chicago-based retail technology expert, enable merchants to compete in four important categories which one does not include:
- a) Convenience
b) Affordability
c) Size
d) Atomization

C. State whether the following statements are True or False

1. Retailer and vendor intranets that help with communication and replenishment on time.
2. Technology is increasingly assisting in the achievement of the organisational objectives.
3. Retailers can use mobile devices in the store to bring digital into the physical store and vice versa.
4. The function of the retail associate is not changing at a rapid pace.
5. People are no longer required to do many simple, monotonous administrative tasks because to automation and self-service technologies.

D. Short Answer Questions

1. What do you understand by data warehousing?

2. Define technology in the distribution of goods by the business.
3. What is inventory tracking?
4. What are the wireless hand-held inventory units?
5. What is the Universal Product Code?

E. Long Answer Questions

1. Explain the high-tech devices used to order the products.
2. How data warehousing undertakes the distribution process.

F. Check Your Performance

1. Demonstrate handheld devices.
2. Prepare a presentation on devices.

Session 4: Guidelines to Motivate the Retailer

Distributors play an important role to please retailers for increasing their sales. They are in direct touch with the retailers and take updates on orders from time to time. They are highly involved in the communication process with the retailer and enhancing sales of their products and services. Retailers are directly focusing to meet the need of the customers. Therefore, they know each and every requirement of the customers which helps distributors to understand the customers.

Active listening entails more than simply standing calmly in front of a customer. The most crucial aspect of active listening is not forming a response while the customer speaks. This is really difficult to accomplish and will necessitate a significant amount of practice. It's natural to focus on one portion of a comment and respond to it, then ignore the rest. A sales person must avoid this in order to become a good listener (fig.3.4).



Fig. 3.4: Please the Customer

The Whole body should be involved in active listening. Nodding and maintaining an open stance suggest that are paying attention to what the consumer is speaking. Give the customer a concise recap of what they stated when it's their turn to talk. This serves a number of uses. For starters, it allows responding to comments without having to wait awkwardly. In active listening, the distributor is completely focused on knowing what the customer wants. This involvement has a significant impact. Not only will distributors understand what the customer needs in a deeper way, but they also gain their trust easier.

Following are the few tips that every salesperson should follow in order to attract and motivate customers.

- Consumers have the right to use pages of information on the internet. In numerous occurrences, they might be as learned as your business group. At the point when dealers interface with proficient clients, they may be enticed to talk continually to show them that they are qualified.
- It is imperative to remind sales representatives that they ought to never get into an information power battle with clients.
- Sales professionals should always listen more than they talk. Simply listening to customers' answers can be one of the highest effective sales tactics in your team's arsenal. They should ask questions that probe into their clients' thought processes and carefully consider the responses.
- The objective is to cause customers to feel as though they are regarded all through the business cycle.
- Utilise amenable terms when talking about the opposition: Sales group ought to consistently endeavor to introduce themselves in a positive light and utilise proficient language. There is not anything that shouts amateurish like utilising unfavorable terms to examine others or organisations. Regardless of whether or not clients participate in the negative discussion, badmouthing anyone or any organisation is never a successful sales strategy. Members of your sales staff should remain neutral if a competition has a bad reputation.

EFFECTIVE SALES CALLS

Sales professionals should never lose sight that the only purpose of the sales transaction is to help customers. Since transactions are closely associated with money, it is easy to lose sight of this fact. Make neglected inquiries that you can practice to pinpoint precisely what the client needs from the exchange. These inquiries will empower you to spare time with clients and concentrate on the business at hand. When clients accept that you comprehend their issues, they will work with you to address their issues. Ace the specialty of narrating: When deals experts meet with clients, they are generally outfitted with a different range of realities and information. Despite the fact that information may appear to be

significant, contemplates recommending that a solitary five percent of individuals recall insights after an introduction. Nonetheless, a noteworthy 63 percent of individuals recall stories after an introduction. Dealers need to arm themselves with tales about important encounters of individuals who have gotten good outcomes in the wake of their experiences with them (fig.3.5).



Fig. 3.5: Customer Meet

QUALITIES OF SALESPERSON

1. **Must keep up a Decent Character:** A salesperson should have a respectable character. What scent is to blossom is a character to a person. It is the capacity to intrigue others. A begging character consistently makes a bad impression. He/she ought to have great well-being, an appealing appearance and a noteworthy voice. He/she ought not to experience the ill effects of actual impediments like stammering and limping and so on and must be happy and grinning: He/she should have a grinning face. It is properly said that a man without a grinning face must not open a shop. To present to the clients He/she ought to consistently be sprightly and good-natured. He/she ought to be appropriately dressed as the dress enormously upgrades the character.
2. **Positive Mental Qualities:** An individual cannot be a fruitful sales representative except if he has certain psychological characteristics like a creative mind, savvy instinct, sound judgment, foresightedness, activity and solid memory. These characteristics are of extraordinary assistance to a salesperson in managing clients having distinctive natures and personalities. He/she can effectively handle clients. The psychological characteristics are extremely useful in making lasting clients for the item.
3. **Persistence and Perseverance:** A sales representative goes over various kinds of clients. Some of them buy only sit around idly by posing unessential inquiries

about the items. Under such conditions, he ought not to free temper but give a persistent hearing to the clients. He ought not to get drained with his clients soon. He/she should attempt consistently to persuade the clients. The client is incomparable to distributors and He/she ought not to leave any stone unturned to give full fulfillment to the clients.

- 4. Complete Knowledge about the Self, Product, Company and Customer:** A salesperson ought to plainly think about himself. He/she should attempt to discover his restrictions and put forth steady attempts to conquer them. Simultaneously, He/she should know his/her solid focus. While managing the clients he should show him in addition to focusing and try not to show shortcomings. He/she can eliminate his/her shortcomings by going through appropriate preparation. There is no denying the way that salespersons are made and not conceived. The salesmen should have full information about the product so that they can properly respond to the questions of the consumers at the instance of sale. The purchaser depends on a great amount on the salesman, particularly in circumstances of an innovative product.
- 5. Well Dressed and Attractive:** Salesmen should wear an attractive dress with a professional appearance. He/she should follow the company rules and guidelines regarding dressing and appearance.
- 6. Use Polite Language:** In order to attract customers, the salesperson should use polite language. Sometimes, customers may irritate the sales persons. In spite, he must be polite and calm even in adverse circumstances. He/she should not use his/her temper even in odd situations.
- 7. Maintain Distance:** Body language plays an effective role in the process of communication. Distributors who are effective in communicating with the retailer are always focusing on their body language. "A change in a mental state that may easily imply ready to buy" is signaled by a change in body language. When sellers notice clients displaying these signs, be sure to approach them. If the seller does not recognise these indicators or act quickly enough, the seller may miss out on the sale. On the other hand, here are some nonverbal cues that someone is not ready to buy. When customer does not keep eye contact it is a sign that they are not to buy. Customers 'just browsing' or 'not now' are indications that they are not ready to buy. Customers looking at various products and not focusing on just one product is another indication that shoppers should be given space. Developing a strong sales program is the most critical aspect of any business. Without effective sales strategies, companies will not be capable to struggle and grow.
- 8. Refrain from Irritating:** Do not communicate in a way that may irritate customers. Distributors should communicate and discuss well with the retailer. They should solve their queries and take feedback from time to time.

- 9. Speak Clearly in a Soft Tone:** Business communication plays a vital role. Distributors should always communicate with the retailer in a soft manner. They should resolve the queries of the retailers and ask about their requirements. They should accept their mistakes and apologies for them. They should assure for the improvement in future business activities.
- 10. Maintain eye contact:** Eye contact is one of the simplest ways to identify what someone is focusing on is to glance at their eyes. It's a positive sign if the customer is gazing at the seller or the things you are dealing with. It suggests that they are interested in the seller and what they are selling. What people do with their hands and arms is also something to pay attention to. When someone's arms are crossed, they are usually uncomfortable and uninterested in what they are saying. Facial expression is also a way of effective communication with customers. When a customer spends time focusing on a single product, there's a significant likelihood they've already decided on that thing and want to buy it. When sellers notice a consumer glancing, try to get their attention. The seller can approach them if they "maintain the gaze or lift their eyebrows," according to Perlitz. When sellers notice a consumer glancing about, try to get their attention. The seller can approach them if they "maintain the gaze or lift their eyebrows".

Activities

Activity 1: Role-play on an effective sales call.

Material required: Notebook, Pen, Pencil

Procedure:

1. Visit a local market.
2. Observe various types of wholesalers.
3. Note down the different types of wholesalers.
4. Visit all the stores.
5. Ask the retailer about the functions of wholesalers.
6. Prepare a report.
7. Submit the report to the teacher.

Activity 2: Presentation on a sales call.

Materials Required: Pen, Pencil, Rubber, Stopwatch, Tables and Chairs

Procedure:

1. Make groups of four students each.
2. Visit a retail lab.

3. Ask students to organise a group discussion on the position of wholesalers in India.
4. Ask the group to discuss the topic.
5. Allot 2-5 minutes for introduction and 5 minutes of discussion.
6. Use stopwatch to measure the timing.

Check Your Progress

A. Fill in the Blanks

1. _____ professionals should never lose sight that the only purpose of the sales transaction is to help customers.
2. The _____ should have the full information about the product so that he can properly respond the questions of the consumers at the instance of sale.
3. _____ and maintaining an open stance suggest that are paying attention to what the consumer is speaking.
4. Without _____ sales strategies, companies will not be capable to struggle and grow.
5. The _____ should follow the company rules and guidelines regarding dressing and appearance.

B. Multiple Choice Questions

1. Salesman should use
 - a) Polite language
 - b) Sign language
 - c) Miscommunication
 - d) None of the above
2. When practice _____, the distributor should completely focus on knowing what the customer wants.
 - a) Active listening
 - b) Symbolic representation
 - c) Communication
 - d) None of the Above
3. When a customer spends _____ focusing on a single product, there is a significant likelihood they have already decided and want to buy it.
 - a) Time

- b) Expenditure
 - c) Selling
 - d) None of the Above
4. Which of the following practice should not be followed by the sales professional?
- a) Polite language
 - b) Listening
 - c) Sales strategies
 - d) None of the Above

C. State whether the following statements are True or False

1. Active listening entails more than simply standing calmly in front of a customer.
2. Body language does not play an effective role in the process of communication.
3. A salesperson should have a respectable character.
4. The salesman should not wear an attractive dress with a professional appearance.
5. In order to attract customers, the salesperson should use polite language.
6. Eye contact is one of the simplest ways to identify what someone is focusing glancing at their eyes.
7. Developing a strong sales program is the most critical aspect of any business.

D. Short Answer Questions

1. Write a brief note on active listening.
2. Define body language.
3. What are the qualities of a salesperson?
4. Write a note on how to identify customers' needs.
5. What is meant by an effective sales call?

E. Long Answer Questions

1. Explain the formalities followed for an effective sales call.
2. Elaborate on the qualities of the distributive salesperson for convincing the retailers.

F. Check Your Performance

1. Demonstrate how to serve customers.
2. Prepare a chart on the qualities of sales professionals.

Module 4**Credit Management****Module Overview**

Credit management plays a significant role in the business. In the channels of distribution also credit management plays a vital role. Many businesses open and get closed in a very small span of their operations due to improper credit management. For every business, there is a need to adopt a proper credit policy.

Credit management assists in the determination of the credit rating, assessing the credit risk, maintaining and building the customer relationship and preventing bad debts. A credit management system assists in the right business to take place before a deal is locked. It helps to provide shorter distribution times and improved payment terms. It monitors creditworthiness and checks it by using trade credit insurers, payment experience pools and international credit bureaus to find out any default risks of the previous period. It monitors production and stock availability for reliable cash flow planning.

Distributors and wholesalers use the inventory management system to design warehouse storage and maintenance of the raw materials and finished goods to meet the demand and lesser the expenses related to the possession of the stock. But it can be successful if they supply the goods at right time. To safeguard sales, they often sustain a larger inventory than required. They should maintain their unanticipated changes in the demand and supply in their varying and explosive markets. In this direction the firms use inventory management procedures to estimate demand and future sales by enhancing efficiency, selling prices and tracking income and expenses. Sales should have creditworthiness and credit limits to fulfil upcoming obligations. The distributor should have to perform purchasing and inventory control strategies, as credit data on new and existing customers is reliable which allows accurate placing on order for the manufacturing, replacement or purchase of goods. Products bring the larger part of net revenues and finest sellers with any margin avoiding out-of-stock situations and giving customer satisfaction.

The distributor can offer more credit to the creditworthy prospects and customers as well as reasonable payment terms and proper storage space for more worthwhile products while promising a cash-convertible inventory. In this unit, we will discuss credit management of channels of distribution, particularly the distributor salesman.

This unit has been divided into four sessions. The first session deals with the introduction to credit management. The second session describes credit information, the third session explains pending display payment which is a credit crunch creator for the distributor and the manufacturer. The fourth session explained the pending account receivables and payments.

Learning Outcomes

After completing this module, you will be able to:

- Explain about credit management
- Identify the information of pending bills.
- Find out how to handle pending display payment
- Demonstrate Pending delivery

Module Structure

Session 1: Introduction to Credit Management

Session 2: Invoice and Credit Information

Session 3: Pending Display Payment

Session 4: Pending Accounts Payables and Receivables

Session 1: Introduction to Credit Management

MEANING OF CREDIT MANAGEMENT

Credit management is the procedure of providing and recovering credit on the due date. It also develops a credit policy for a company. Credit management is an important method for effectively managing problematic debts. In most circumstances, the credit period ranges from 15 to 60 days and in certain cases, even 90 days. Credit policy is based on an organisation's account receivables investment.

OBJECTIVES OF THE CREDIT MANAGEMENT

Following are the objectives of credit management (fig.4.1):

1. Maintaining effective cash collections.
2. Scrutinizing accounts receivables portfolio and warning signs.
3. Describing the credit levels for several customers.
4. Describing the credit policy.
5. Preventing delayed payments.
6. Controlling finances.
7. Limiting of debts.



Fig. 4.1: Objectives of Credit Management

Various problems arising in the business due to improper credit management are; an increase in bad debts, affecting day-to-day operations, inadequate working capital, losing credit rating, an increase in debts to creditors and low cash inflow.

Benefits of Credit Management: The Credit Management function incorporates all of a company's activities targeted at ensuring that customers pay their invoices within the defined payment terms and conditions. Effective credit management helps to avoid late or incomplete payments (fig.4.2).

<ul style="list-style-type: none"> • Credit management increase in cash conversion.
<ul style="list-style-type: none"> • It increases profitability.
<ul style="list-style-type: none"> • It increases liquidity.
<ul style="list-style-type: none"> • It lowers the cost and increases the production level.
<ul style="list-style-type: none"> • It builds brand reputation and credit rating.
<ul style="list-style-type: none"> • It enables efficient working capital management.

Fig. 4.2: Benefits of the Credit Management

Thus, to conclude credit management is very significant for any business and plays an important role in the business. To run a business smoothly without any cash problems, credit management plays a significant role.

MEANING OF ACCOUNTS RECEIVABLES

Accounts Receivable (AR) is the payment or proceeds which the company will acquire from its customers who have bought its goods/services based on credit. Generally, credit obtained from its purchaser is extended from a few days to months.

When a company grants credit to a customer, the sale is recognised and the invoice is generated. But the company gives the customer a grace period to pay the amount after a certain length of time has passed. The time frame could range from one month to many months. Hence, account receivables are a type of current asset that appears on a balance sheet. Let's use an example to better understand account receivables. Assume you're employed as a distributor for the XYZ private limited corporation. A shop places an order for 10,000 biscuits for Rs. 1,00,000. Now, when the invoice is generated for that amount, the sale is recorded, but in order to create the payment, the distributor extends the credit period to the store by 30 days.

Because the retailer will pay that amount before the period ends, the amount of Rs. 1,00,000 becomes the distributors' account receivables till that time. If the amount is not paid, the distributor may levy a late fee or delegate the accounting job to a collection agency the payment is made by the customer, the cash section of the balance sheet will increase by Rs. 1,00,000 and the account receivables would be reduced by the same amount. Account receivables are reliant on the organisation's line of credit. Customers who buy frequently are usually eligible for the credit.

MEANING OF ACCOUNTS PAYABLE

Accounts payable is a current liability account in which an organisation tracks the sums it owes to credit-worthy suppliers. It is a short-term debt, where a business owes money to its vendors/suppliers who provided goods and services on a credit basis. The accounts payable process includes responding to vendor inquiries, negotiating terms and ensuring the vendors are paid on time.

Examples of accounts payable and accounts receivable are:

Assume that firm A sells items on credit to company B. Company A will credit and debit accounts receivable for the sale quantity. The purchase will be recorded by firm B as a credit to its accounts payable account.

Company B will debit its payable liability accounts and cash credit when the credit sale is established. Company A's current asset account receivables will be debited and credited. Every transaction has two sides to it.

At the time of selling

Company A started a sale and a current asset

Company B stated a buying and a current liability

At the time of making the payment

The cash of company A increased and its account receivables reduced

The cash of company B was reduced and its accounts payable reduced

DIFFERENCE BETWEEN ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE

S.No	Accounts Receivable	Accounts Payable
1.	Accounts receivable is a short-term asset	Accounts payable is a short-term liability
2.	Accounts receivable takes place as a result of credit sales	Accounts payable takes place as a result of credit purchase
3.	Accounts receivable is the amount to be collected by the organisation	Accounts payable is the amount to be paid by the organisation to the outside suppliers
4.	Accounts receivable lead to generating future cash inflows to the organisation	Accounts payable lead to future cash outflows from the organisation

Activities

Activity 1: Visit a retail store and discuss the concept of credit management and prepare the report.

Materials Required: Pen/Pencil, Notebook and Checklist

Procedure:

1. Form groups of 4 students each.
2. Ask them to visit nearby stores
3. Meet the retail store manager and greet him.
4. Tell him/her the purpose of the visit and take the permission for the visit.
5. Ask the following questions and note down their replies in your notebook
 - a) In what way you are managing credit purchases with the distributors?
 - b) What are the methods used by your retail store to increase sales?

- c) What promotional methods are used by the distributors to increase their credit sales?
- d) How credit management of your stores is undertaken?
6. Analyse the answers and write them in your notebook.
7. Prepare a report on credit management.
8. Present in the class and submit to the subject teacher.

Activity 2: Role-play on credit management.

Material required: Pen/Pencil, Notes, Notebook

Procedure:

1. Form a group of four students each.
2. Teacher introduces the topic of credit management.
3. Conduct a role-play between the students on the topic of credit management.
4. Students are allotted roles in a group.
5. Prepare a script for the role-play.
6. Practice the roles allotted and dialogues.
7. Well-prepared for the role-play.
8. At the end teacher comment on the student's performance.

Check Your Progress

A. Fill in the Blanks

1. _____ are current assets that show on the balance sheet.
2. _____ is the procedure of providing and recovering credit on the due date.
3. _____ is based on the investment an organisation does in account receivables.
4. _____ management is taking an important role in the business.
5. Accounts _____ is a current liability account in which a company records the sums it owes to suppliers for goods purchased on credit.

B. Multiple Choice Questions

1. Which is the process of providing and recovering credit on the due date?
 - a) Credit Management
 - b) Accounts

- c) Credit
d) Debit
2. _____ is the payment which the organisation will obtain from its customers who have bought its goods and services on the basis of credit.
- a) Payable
b) Account Receivables
c) Budget
d) None of the Above
3. The objectives of credit management are _____.
- a) it increases profitability
b) build a brand reputation
c) it increases the production level
d) All of the Above
4. Credit management increases _____.
- a) burden
b) cash conversion
c) cash deduction
d) None of the above

C. State whether the following statements are True or False

1. Accounts payable is an existing liability account in which an organisation records the amounts it owes to suppliers that are received based on credit.
2. Credit management is not important for a business.
3. Various problems arise in the business due to improper credit management which are; an increase in bad debts, inadequate working capital, losing credit rating, an increase in debts to creditors, affecting daily operational activities and low cash inflow.
4. Inventory management procedures are progressively used to estimate demand and future sales by enhancing efficiency, selling prices and tracking income and expenses.
5. Credit management is very significant for any business and plays a vital role in the business.

D. Short Answer Questions

1. What is the role of credit management in the organisation?
2. What are the objectives of credit management?
3. What do you understand by account receivables?
4. What do you understand by account payables?

E. Long Answer Questions

1. Differentiate between account receivables and payables.
2. Explain the benefits of credit management in an organisation.
3. Discuss the accounts receivable and payment in an organisation.

F. Check Your Performance

1. Prepare a list of various problems that arises due to poor credit management.
2. Make a chart on the benefits of credit management.
3. Undertake a presentation on the importance of credit management.

Session 2: Invoice and Credit Information

A business organisation is involved in buying and selling activities of goods and services. They get paid for it by the customers. Invoices play an important part to receive payment. There are many industries such as agriculture, manufacturing, mining, utility, transporting, manufacturing, education, retail, healthcare and finance which make use of credit information. Buying and selling are significant for all these industries. Business transactions are possible everywhere and all the transactions need a record.

Meaning of Invoice

An invoice is a piece of paper that serves as a permanent record of the transaction. When it comes to invoicing, every industry has its own set of requirements. An invoice for a construction transaction will differ from one for a retail transaction. It is because invoices are prepared on a daily or hourly basis.

DIFFERENT TYPES OF INVOICES

1. **Standard Invoice:** Standard invoice involves all the basic information that is to be incorporated in any invoice, for example; contact details, unique invoice number, company's name, items purchased, address, total cost, etc.(fig.4.3) It is also used in a similar format for diverse business transactions. Standard invoices are used by multiple industries for example wholesale trade industry, agriculture industry, retail industry, etc. The

Standard Invoice is the basic organised invoice that is used almost every day.

FORM 427-200
03/01/02

STANDARD INVOICE

Hardin County Board of Education
65 W. A. Jenkins Road
Elizabethtown, KY 42701

Vendor W-9 On File
 Yes No

VENDOR NAME: _____

EMPLOYEE NAME: _____

Send Check To: School _____

Hold at Central Office _____

Mail to: _____

(All invoices must be promptly made out in required form and filed with the Board "in writing, itemized and verified" - according to law. A properly prepared invoice shows exact kind of service, where, when, and by whom performed; also time and rate per day or hour and is signed by the vendor or his/her authorized representative.)

DATE	DESCRIPTION	AMOUNT

Note: Staple receipts to back of standard invoice. State Tax will not be reimbursed.

For C. O. Use VENDOR	ORG# UNIT-FUND-KEY	OBJECT	PROJECT	FUNDING APPROVAL SIGNATURE	TOTAL AMOUNT

VENDOR'S CERTIFICATION TOTAL STANDARD INVOICE \$ _____

I hereby certify that the above is a correct statement of amount due from the above named board of education for articles furnished or services rendered as itemized.

Signed _____ Date _____

Vendor/Employee

C.O. Use Only: Invoices for attached
Check have been checked by
HCBE/APY _____

Fig. 4.3: Format of Standard Invoice

Commercial Invoice: Commercial invoices are also called business invoices. It is a special invoice that is designed for the documentation of any foreign trade (fig.4.4). For example, a shipment of machines component from one country to another. It is used for customs declaration when the product passes international borders. It includes the name and address of the sender and the buyer, the amount of tax payable, the cost of items and the quantity being sold. Custom invoices include special attributes such as the country of origin, harmonised code of each item, identification number, a declaration that the invoiced is valid and the signature of the person in charge.

COMMERCIAL INVOICE						
Date			Invoice No			
Exporter Address City/State/ZIP Code Country Phone/Fax Contact Person			Consignee Address City/State/ZIP Code Country Phone/Fax Contact Person			
Tax ID No (EIN)	Total Gross Weight	Transportation	Tax ID No (EIN)	Terms of Sale:		
Other	Total # of Pieces	AWB/BL #	Currency			
Commodity Description	HS	Country of Manufacture	Qty	UOM	Unit Price	Total Amount
These commodities, technologies, or softwares were exported from the United States in accordance with export administration regulations. Diversion contrary to United States law prohibited. We certify that this commercial invoice is true and correct.			Subtotal			
			Freight Cost			
			Insurance Cost			
			Total Invoice Value			
I/we hereby certify that the information on this invoice is true and correct and that the contents of this shipment are as stated above.						
Name		Signature			Date	

Fig. 4.4: Format of Commercial Invoice

3. Progress Invoice: Progress Invoice is used in works that enlarge over a long period. Generally, it is used in the construction line (fig.4.5). Contactors are sending invoices from time to time. They show the work progress and quote the amount that is to be paid to them by contractors.

Progress Payment Invoice

Company Name: _____
 Address: _____
 Address: _____
 Phone: _____

Customer _____ _____ _____	Invoice No. _____
	Date _____
	Order No. _____

Last Payment Amount: _____	Date Paid: _____
Total Amt. Paid: _____	

INVOICE

SKU	Description	Price	QTY	Total
Subtotal				
Tax				
Amt. Paid				
Total Due				

P.c

Fig. 4.5: Format of Progress Payment invoice

www.PrintableInvoiceTemplates.net

- 4. Timesheet:** This distinctive kind of invoice is used by professionals who evaluate services based on time. This type of invoice is used by a consultant, lawyers and tuition teachers and is used for more intellectual services (fig.4.6).

Provider Agency/Contractor _____

Date of Invoice (mm/dd/yyyy) _____

Member/Participant Name: _____

Date	Service Code	Hours per Day *	Rate per Hour *	Rate per Unit **	# of Units **	Total Charge
Total Hours			Total Units/Charge			\$

*Hours are entered for any service that is delivered hourly.
 ** A 'UNIT' is defined as a service that is delivered

Fig. 4.6: Format of Timesheet

- 5. Utility Invoices:** A utility invoice is also called as bill. It represents the amount payable for the use of electricity, internet connection etc. This invoice mentions the date, amount, billing period and due date (fig.4.7).

Logo/Company Name		Location [Address] [Address] [Address]		Water and Electricity Invoice		Customer Service [Phone] [Email/Fax] [Website]		SERVICE FOR: [Name] [Property Location] [Account Number]			
Current Charge Summary		Previous Balance		Payments Made		Balance Forward		Current Charges		Amount Due	Date Payment Due
Electric											
Gas											
Water											
Sewage											
Totals:											
Electric Detail											
Meter #	Month	Date Started	Date Ended	Read	Usage (KWH)	Rate	Service	Delivery	Energy	Charge(s)	Total
Water Detail											
Meter #	Month	Date Started	Date Ended	Read	Usage (KGFAL)	Rate	Storm Water	Waste Water	Charge(s)	Total	
Gas Detail											
Meter #	Month	Date Started	Date Ended	Read	Usage (Therms)	Rate	Fee(s)	Charge(s)	Total		
Sewage Detail											
Meter #	Month	Date Started	Date Ended	Read	Usage (CF, CCF, Gal.)	Rate	Fee(s)	Charge(s)	Total		

Fig. 4.7: Format of Utility Invoice

6. **Recurring Invoice:** It is an invoice that includes a fixed rate and is delivered at the end of the month. This comprises houses to rent as well as rental tools (fig.4.8). For example, rent of machines or any other item.

 Recurring Invoice Templates

+ Recurring Invoice					
Customer	Template Name	Status	Schedule	Start From	
Raleigh O'Connell	Recurring Invoice Template - 1056	Active		10/14/2014	
Raleigh O'Connell	Recurring Invoice Template - 1055	Active	Monthly on the 18th day of the month	10/14/2014	
Frank Ruecker	Recurring Invoice Template - 1054	Active	Monthly on the 1st day of the month	10/14/2014	

Fig. 4.8: Format of Recurring Invoice

7. **Performa Invoice:** It is termed as the invoice which gives knowledge to the buyer about the price of the product and service. It is generally called a quote (fig.4.9).

<p>[Company Name] [Company Slogan]</p> <p>[Street Address] [City, ST ZIP] Phone: [000-000-0000] Fax: [000-000-0000]</p>			<h2 style="margin: 0;">PRO FORMA INVOICE</h2> <p>Date: 1/17/2011 Expiration Date: 1/30/2011 Invoice #: [123456] Customer ID: [123]</p>			
<p>CUSTOMER</p> <p>[Name] [Company Name] [Street Address] [City, ST ZIP] [Phone]</p>			<p>SHIP TO</p> <p>[Name] [Company Name] [Street Address] [City, ST ZIP] [Phone]</p>			
<p>SHIPPING DETAILS</p> <p>Freight Type: [Air or Ocean] Est Ship Date: [Date] Est Gross Weight: [weight] [units] Est Cubic Weight: [weight] [units] Total Packages: [Qty]</p>						
PART NUMBER	UNIT OF MEASURE	DESCRIPTION	UNIT QTY	PRICE	TAX	TOTAL AMOUNT
123456	pounds	Material ABC	3	45.23	X	135.69
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
<p>TERMS OF SALE AND OTHER COMMENTS</p> <p>[Include and terms of sale or other information as needed] [Include payment terms such as Letter of Credit, Open Account or other terms.]</p>						<p>Subtotal \$ 135.69 Taxable \$ 135.69 Tax rate 6.250% Tax \$ 8.48 Freight \$ - Insurance \$ - Legal / Consular \$ - Inspection / Cert. \$ - Other (specify) \$ - Other (specify) \$ -</p> <hr/> <p>TOTAL \$ 144.17</p> <p>Currency USD</p>
<p>ADDITIONAL DETAILS</p> <p>Country of Origin: [Country] Port of Embarkation: [Name] Port of Discharge: [Name]</p> <p>Reason for Export: <input type="text"/></p> <p>I certify the above to be true and correct to the best of my knowledge.</p> <p>_____ Date _____ [Typed Name] [Company Name]</p>						
<p>Page 1 of 1</p>						

Fig. 4.9: Format of Proforma Invoice

- 8. Debit Memo:** When an organisation earns a large bill and fails to pay the sum on time a debit memo is issued by the organisation. A debit memo is similar to an invoice if we talk about its function. It represents the balance as well as late fees if any (fig.4.10).

DEBIT MEMO

Date					
Bill to:			Ship to:		
ADDRESS:			ADDRESS:		
CITY:	STATE:	ZIP:	CITY:	STATE:	ZIP:
PHONE:			PHONE:		
CUSTOMER ID:			TERMS:		
REASON FOR DEBIT:					
APPROVED BY:			DATE:		
P.O./ORDER #:	DATE:		INTERNAL BILLING #:		

Invoice	Item	Quantity	Description	Price	Total
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total Amount of Debit \$					-

Fig. 4.16: Format of Debit Memo

- 9. Pending Invoice:** This is the pending amount or balance amount which is part of a pending invoice. The amount which is not paid during the last payment is shown in the awaiting invoice.
- 10. Value-based Billing:** This is a type of billing that is totally based on the services that are provided to the client and it is the worth of those services. This is generally performance-based billing.
- 11. Fixed Bid Billing:** This is a type of billing that is best matched for projects with well-defined requirements. When it is specified, then it simply determines the price of the project. The client is quoted a fixed cost for the project.

These are the different types of invoices, which are used in the retail business organisation for buying and selling of the products and services (fig.4.11).

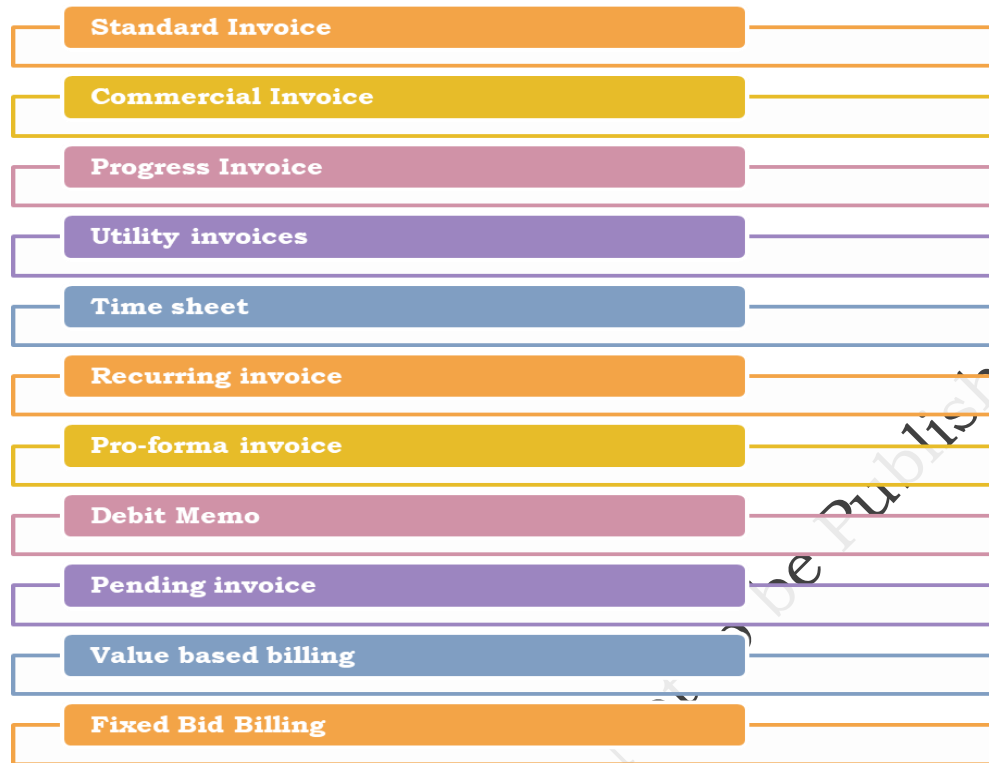


Fig. 4.11: Types of Invoices

CREDIT INFORMATION

Credit information plays an important role in retail and other business industries. It is necessary to monitor it regularly. Therefore, up-to-date information is required regularly to check for any inaccurate information. Credit information is determined for creditworthiness (fig.4.12).



Fig. 4.12: Information Collection

Credit information report includes;

- Details of the credit history
- Record in acquiring and repaying loans from banks

Thus, credit information is a report based on past repayment activities reported by various financial institutions and banks about an individual. The monitoring of credit information is very important. Various things are necessary to improve the credit profile of the individual. It refers to prompt payments as well as default payment information (fig.4.13).

- **Credit Score:** The credit score is the score that represents the repayment history of the individual. A credit score is checked before the product is sold on credit.
- **Credit Note or Credit memo:** It is a commercial document that a seller distributes or issues to a buyer. The sales return diary uses credit notes as a source document. From another perspective, a credit note is evidence of a decrease in sales. A credit memo is a condensed version of the term "credit memorandum," which is evidence of a reduction in the amount owed to a buyer under the terms of a previous invoice. ©

The credit reporting system includes credit history data from various sources. In economies, credit bureaus include data from retailers, utility companies and trade creditors, the common coverage of the credit reporting system would be likely to be higher in comparison to those where such information is not available.



Fig. 4.13: Credit Report

Poor creditworthiness can badly damage the cash position, particularly on goods with low-profit margins.

Activities

Activity 1: Visit a nearby store to learn how to handle pending invoices.

Materials Required: Notebook, Pen, Pencil and Checklist

Procedure:

1. Visit a nearby store and take permission from the retail distributor.
2. Ask the manager to show the invoices and bills of the store and how they manage them.
3. Ask the manager about:
 - a) Handling pending invoices.
 - b) Difficulty in handling invoices
 - c) Dealing with the credit system
4. Note down the points.
5. Prepare a brief report.
6. Submit the report to the teacher.

Activity 2: Draw a chart on credit information.

Material required: Pen/Pencil, Notebook, a Checklist for a Visit, Drawing Sheet

Procedure:

1. Make four groups, with 5 students in each group.
2. Ask them to collect the matter on credit information.
3. Meet the Distributor salesman and greet him/her properly.
4. Tell him/her the reason for the visit and take permission for the visit.
5. Observe the stores and try to find out how they are keeping a record of credit information.
6. Prepare notes.
 - a) Credit information to be gathered
 - b) Mode of collecting credit information
7. Write down all the notes and prepare a chart on it.
8. Draw a chart on the credit information and present it in the classroom.
9. Teacher evaluates the activity.

Check Your Progress**A. Fill in the Blanks**

1. _____ is a commercial document that is distributed by a seller to the buyer.
2. An _____ is a document that sustains the necessary record of a transaction in stores losses.
3. _____ invoice is termed as the invoice which gives a clue to the buyer regarding the price of product and services.
4. _____ notes perform as a source document for the sales return journal.

B. Multiple Choice Questions

1. Which of the following can badly damage the cash position, particularly on goods with low-profit margins?
 - a) Risk
 - b) Poor creditworthiness
 - c) Settlement
 - d) None of the Above
2. An _____ is a document that sustains the necessary record of the transaction.
 - a) Invoices
 - b) Activity paper
 - c) Credit score
 - d) None of the above
3. _____ is determined for your credit worthiness.
 - a) Credit policy
 - b) Credit information
 - c) Product information
 - d) Services information
4. Which is a type of billing that is best suited for projects with well-defined measures for the safety of employees, customers and other stakeholders necessary for a store.
 - a) Fixed Bid Billing

- b) Billing
 - c) Security
 - d) All of the above
5. Which of the following is the invoices that include fixed-rate and it delivered at the end of the month?
- a) Billing
 - b) Recurring invoices
 - c) Progress Invoice
 - d) Timesheet

C. State whether the following statements are True or False

1. A credit score is a score that represents the repayment history of the individual.
2. Poor creditworthiness can badly damage the cash position, particularly on goods with low-profit margins.
3. Credit information does not play a significant role in the retail and other business industry.
4. A debit memo is similar to an invoice if we talk about its function.
5. A utility invoice is an invoice that is generally called a bill.

D. Short Answer Questions

1. What do you understand by credit information?
2. What is a standard invoice?
3. Define Progress invoice.
4. What do you mean by the timesheet?
5. Why utility invoice is required?
6. What is a recurring invoice?
7. Define credit score.
8. What is a Performa invoice?
9. What is a debit memo?
10. What is a pending invoice?
11. What is fixed bid billing?
12. What is meant by a credit memo?

E. Long Answer Questions

1. Explain the different types of invoices used under credit management with suitable proformas.
2. Elaborate on the credit information system.

F. Check Your Performance

1. Demonstrate the invoices.
2. Prepare a chart of pending bills.

Group discussion on 'how to handle pending bills and maintain creditworthiness'.

Session 3: Pending Display Payment

Most of the manufacturers are not interested to cover credit extensions. In other words, the cash transaction would be an advantage for various situations like new product introductions, ad-hoc promotions and other events. Due to this credit crunch is created for the distributor and manufacturer and extending credit facilities is becoming enviable. A credit analysis is conducted and it should be reviewed by the manufacturer. Distributors or manufacturers should have to align according to the changing market situation. Distributors and other channel partners should have to leverage credit to increase consumer sales.

PENDING PAYMENT OF MERCHANTS AND CUSTOMERS

1. **Meaning of Pending payment** - A pending transaction is a recent card transaction that has not yet been fully processed by the merchant. If the merchant doesn't take the funds from your account, in most cases it will drop back into the account after 7 days. When a payment is marked as "pending" it means that the payment process still needs to be completed. In most cases, this simply means that you need to wait for this to happen. In some cases, however, the merchant may need to take action.
2. **Basics of Payment processing** - Any method used to settle financial transactions through the transfer of monetary value is referred to as a payment system. This encompasses the organisations, tools, people, guidelines, processes, norms and tools that enable its exchange.
3. **Managing Pending payments** - As a customer, all you have to do is confirm that you recognise the money. If so, just let it run; your bank will eventually pay the merchant. Make communication with the merchant and/or your bank if you don't recognise the payment to find a solution.

PENDING DISPLAY PAYMENT

Distributors are maintaining a relationship with the retailer to handle credit payments. They are providing products to the retailer to display in their shops and retailers charge for it. Distributors are selling products to the retailer and give a discount to them and take the space in the retail shop to display their items for branding it. The promotion and branding of the products are possible with the support of retailers.

Distributors sell products based on credit to the retailer to maintain a long-term relationship with them. In this way, there is a symbiosis relationship that takes place between distributor and retailer. Customer purchase only those products that are available to them or that are displayed in the shop. Distributors sell the products in the market with the selling efforts made by the retailer. Retailers are increasing sales of a particular brand or product and thereby earning some profit margin. Therefore, distributors try to attract the retailer to purchase the goods through various promotional tools and credit sales.

PENDING TRANSACTION

A pending transaction is a debit or credit card transaction that has yet to be processed. A transaction stays in the pending status for 3–5 business days on average. A customer uses this card to purchase goods and services from a merchant. There is an online system to check the card is valid and that there are enough funds to pay. The customer's bank will then allow the transaction and withhold the amount from their available fund that the transaction now represents as pending on the account. The merchant then sends the bank their transaction file for the settlement of the final amounts. Finally, the bank sends the merchant the customer's money and the transaction is established and the pending transaction is deleted. The account balance is also updated to reflect the amount of transactions. Each transaction has a status of posted or pending. Every time a user's latest financial data is retrieved. The pending transactions are deleted and the recent one is significant.

Dealing with Pending Transaction

- The pending transactions should be separated from the posted ones in the database and treated as temporary records.
- Pending transactions should be displayed in your app and in other ways so that users know that these may modify.

Distributors are in the effort of digital transformation from improving the business process to fronting pressure to achieve buyer expectations of speed, convenience, personalisation. Simultaneously, producers switching to direct-to-customer models are having a difficult time assisting customers with their purchases. Hence, there is a need for value-added services from distribution and the credit manager plays the most significant role for the distributor.

Various companies are working and maintaining a relationship with the distributor. For example, Cisco is working with its distributors to plan out its solution provider exposure to identify technological and vertical markets. Distributors should maintain relations and connections with the retailers to generate value for the products of the manufacturer.

Customer defaults and poor credit systems can damage the cash position, especially on products with low-profit limits. In the channel, marketing distributors sell the products to the shop or retailer based on credit to increase their sales. If they are not keeping a proper credit system, then the retailer's defaults can obstruct the cash position of the distributor. In such cases, suppliers and distributors receive low-profit margins.

INVENTORY MANAGEMENT

Wholesalers and distributors utilise inventory management to plan and design warehouse storage, finished goods and maintenance of raw materials in order to reduce the expenses related to Possessing stock. To get success they should have to deliver goods at right time. To safeguard sales, they regularly keep and maintain a larger inventory and protect against unpredicted changes in the market. Proper maintenance and keeping inventory are used to estimate demand and future sales which helps in improving efficiency, income, tracking expense and selling prices.

Various methods to manage the inventory system are:

- Provide delivery time
- Provide better terms of payment
- Check creditworthiness
- Monitoring creditworthiness
- Monitor stock availability for cash flow
- Confirm the right finance that occurs before a deal is locked.

Credit reports assist in making credit decisions and evaluate requirements for future stock levels which are based on the creditworthiness of the prospects. Sales forecasting can be unified into credit management, which allows salespersons to assess the creditworthiness of prospects and existing customers. It enables to design and plan further purchase and inventory activities that focus on reliable and revenue-generating deals.

Benefits of Early Credit Checks

1. **Creditworthiness:** It ensures creditworthiness and estimated credit limits to accomplish future payment obligations. This protects the worth of the inventory and revenues.
2. **Helps in Purchasing and Inventory Control:** Assist purchasing and inventory control approaches and strategies as credit data on new and present customers is more trustworthy. It allows us to accurately order the manufacturing or purchase of goods.
3. **Net Product/Margin:** Net product margins are considered to define inventory significances by uninterruptedly an ABC Analysis.
4. **Helps in offering more credit:** Offer more credit to creditworthy prospects and customers.
5. **Identify Customer Default Risks:** Find out default risk by mechanizing and monitoring creditworthiness and informing available credit limit exposure for incoming sales forecasting and credit needs.

Credit management techniques reduce the financial risks that are incurred in the day-day operations up to delivery and invoicing takes place. With the usage of software like SAP, it is easy to monitor customers' credit availability. There should be an integration of the finance, accounting, sales and distribution procedure. Distributors and manufacturers facilitate credit checks during entire order-to-cash by checking changes in the revenue trends, outstanding debts, external credit information, etc.

Role of Distributor

Distributors or agents do not take possession of goods but they perform as a representative of the supplier. They are also involved by exporters of services to indicate them in overseas markets. A distributor is paid by the exporter based on the commission of the sales value generated by them. Retailers receive goods from the distributor and sell those goods to the customers. Retailers are also deciding on selling prices and collecting payments from customers.

Advantages of the Distributor to the Retailers

- Retailers can control branding and marketing.
- Retailers can decide their own selling price to sell in the market.
- Retailers use various promotional methods of distributors to increase sales.
- Retailers are able to satisfy customers by providing different variety of products.
- Retailers can purchase the goods on the foundation of credit

Distributors buy products and resell them to merchants or end users. The distributor may also sell to wholesalers who then sell to retailers or end customers. Distributors usually offer after-sales services. Distributors generally carry inventory, are involved in marketing activities and extend credit for the retailers or customers. Distributors are in charge of selling products to retailers and consumers. The product's pricing may be high or cheap depending on the distribution margin.

Distributors hold stock in the market to lessen order lead time for customers. They assist pay and undertake promotion and marketing of the product in the market. They build a clientele for the merchandise. The goods are also covered by a warranty. The distribution system's drawback is that they have no influence over the selling process. A distributor, for example, may mark up a product by up to 70% or more before it reaches a retailer. To select a distributor the most significant factor is to launch a close working relationship. Retailers have to build trust and communicate regularly with distributors.

Activities

Activity 1: Visit a retail store to know the pending display payment.

Materials Required: Notebook, Pen, Pencil and Checklist.

Procedure:

1. Visit a retail store to identify the pending display payment.
2. Meet the retail manager and take permission to identify the pending display payment.
3. Ask the following questions to the retailer
 - a) What are the different ways of promotion and branding used by the distributor?
 - b) What are the methods of displaying different brands to the customers by the distributor?
 - c) In what way do distributors take space for promoting their products?
 - d) What are the ways used by you to attract customers?
 - e) How do distributors and you share the profit margin?
 - f) How do they identify the space in the retail store where the display is available?
 - g) In what way you are handling pending display payments in the retail store?
4. Prepare notes and submit them to the teacher.

Activity 2: Group discussion to resolve issues of pending delivery and make aware distributor and organisations representatives.

Materials Required: Notebook, Pen, Pencil

Procedure:

1. Select 5 students from the class for the group activity.
2. Ask them to write down the points on the issues related to the pending delivery and make aware distributor and organisations representative.
3. Give 10 minutes to think about the topic 'how to resolve issues due to pending delivery and make aware distributor and organisation's representative.
4. Ask them to discuss the topic for 15 minutes.
5. Give chance to every student to speak about the topic.
6. Teacher evaluates the performance of each student.

Check Your Progress

A. Fill in the Blanks

1. _____ holds stock in the market to lessen order lead time for customers.
2. _____ assist in taking credit decisions and evaluates requirements for future stock levels which are based on the creditworthiness of the prospects.
3. _____ transactions should display in your app and in other ways so that users know that these may modify.
4. Retailers are able to satisfy the _____ by providing different variety of products.

B. Multiple Choice Questions

1. The advantage of the distributor to the retailers are:
 - a) Retailers can control branding and marketing.
 - b) Retailers can decide their own selling price to sell it in the market.
 - c) Retailers can purchase the goods on the basis of credit.
 - d) All of the Above
2. Role of the distributor are:
 - a) The distributor acts as a representative of the supplier.
 - b) Distributors are also involved by exporters of services to indicate them in overseas markets.

- c) Retailers receive goods from the distributor and sell those to the customers.
 d) All of the above
3. Credit management techniques:
- a) Reduces financial risks
 b) Increases risk
 c) Reduces customers
 d) None of the Above
4. Early credit checks:
- a) Assist purchasing and inventory control
 b) Offer more credit to the creditworthy customers
 c) Ensures creditworthiness.
 d) All of the above
5. In the channel, marketing distributors sell the products to the shop or retailer based on credit to increase their _____ .
- a) Overheads
 b) Sales
 c) Receivables
 d) Purchases

C. State whether the following statements are True or False

- Retailers can decide their own selling price to sell in the market.
- The disadvantage of the distribution system is that they do not have control over the selling process.
- Distributors do not sell products on the basis of credit to the retailer to maintain a long-term relationship with them.
- Customer defaults and poor credit systems cannot damage cash position, especially on products with low-profit limits.
- The distributor or manufacturer should have to align according to the changing market situation.

D. Match the Columns

	Column A		Column B

1	Credit Management	A	Plan and design the warehouse storage, finished goods and maintenance of raw materials to reduce the expenses related to possessing stock.
2	Credit Report	B	Techniques reduce the financial risks that are incurred in the day-day operations up to delivery and invoicing takes place.
3	Inventory Management	C	Assist in taking credit decisions
4	Sales Forecasting	D	Should be integrated with credit management to assess the creditworthiness of the prospects

E. Short Answer Questions

1. What is the role of the distributor?
2. What is the pending transaction?
3. What is the pending display payment?
4. What are the two advantages of the distributor to the retailer?
5. What is inventory management?
6. List out the methods used for Inventory management.

F. Long Answer Questions

1. Explain the process of dealing with pending transactions.
2. Explain the benefits of early credit checks.
3. Discuss the role of distributors in the channels of distribution.

G. Check Your Performance

1. Demonstrate how the distributor works with the retailer.
2. Prepare a chart on the creditworthiness of customers.
3. Presentation on the benefits of early credit checks.

Group discussion on how credit management is useful from the distributor's point of view.

Session 4: Pending Accounts Payables and Receivables

Accounts payables (AP) are a company's obligations to reimburse a specific sum to a third party. Payables are usually a current liability that must be settled in less than a year. Longer debts are long-term debts that do not fall under accounts payable.

Accounts payables include outstanding wages and interest bonds payable. Accounts payable is the money that is owed to suppliers while wages payable is money owed to staff for the work they accomplished for the company. Briefing the total of these categories assists businesses to determine their financial well-being. When short-term assets go beyond short-term liabilities it is an indicator of financial health. Processing accounts payable is a time-consuming process. Through verification of vendor data, human makes inevitable errors. Accounts payable automation generates routine processes touchless improves productivity and saves time. The accounts payable team appreciates the better quality of work, which focused on thoughtful projects to assist the organisation to save money.

Accounts Receivables

Money owed to an organisation is known as Accounts Receivables (AR), which the stability of money is earned that the buyers have yet to pay. Account Receivables are based on the agreement of the organisation. Buyers may have thirty days or longer to pay outstanding bills.

Buyers who purchase on account do not have to pay at the moment of purchase and typically receive invoices with a nominal discount if paid within 30 days. After 30-90 days, many firms charge late fees. Some organisations penalize for late payment of the customers which also comprises the termination of their business arrangement. Penalties are to encourage customers to pay money on time. Customers paying early save money by getting small discounts.

An exclusive factor for accounts receivables versus payable is that businesses often need to estimate what percentage of amounts due to them will not be recovered which is called as bad debt. For some business organisations, bad debt can be as high as 1-5% of the sales completed. Account receivables and account payable are shown on an organisation's balance sheet because both play an important role in the cash flow. A stronger cash flow of the organisation is needed for a stable financial position.

The method of managing accounts payable and account receivables is a sign of its overall efficiency. In the account receivables, organisations are viewing to collect more cash to reduce payment time which offers a discount for fast recovery. In the retail sector also, distributors are offering discounts to the retailers for the settlement of the account. With accounts payable, business organisations must have to compare the benefits of interest savings and discounts. Some of the outstanding receivables may be converted into bad debts. Increasing accounts payable means that less is going out but the money must be remunerated. Sometimes account payable is increasing which is the first sign of having cash flow difficulties. Accounts payable may be a source of cash. The CCC (cash conversion cycle) is an important indicator that shows how long it takes a firm to convert its resources into cash. It is determined by the nature of the business, which requires time to sell a product, get payment and repay its distributors or suppliers.

The financial health of a company can be seen in its accounts payable and receivables. The financial state of the firm can be determined in minutes rather than weeks or months after implementing account payable automation. To make creative decisions and remain profitable, it is necessary to observe account payables and receivables. Being proactive in business helps in taking the right decisions to make a business profitable and productive in any situation.

THREE KEY STEPS OF THE ACCOUNTS RECEIVABLES

1. The first step is to send the invoice: After the completion of the work, an invoice will be sent to the customer instantly.
2. The second step is to track the invoice: It is necessary to track the invoice regularly. Reminders for the payment will be sent to the customers. In the exchange relationship of retailer and distributor, the retailer works as a purchaser and the distributor as a seller.
3. The third step is to receive payment. When the payment is received the accounts, receivable team marked it into the account's receivable ledger

THREE KEY STEPS OF THE ACCOUNTS PAYABLE

1. The first step is to receive the invoice after purchasing goods or services from a supplier. Through the invoice, the supplier requests payment.
2. The second step is to record the invoice in the account payable ledger.
3. In the third step, payment will be made. After the payment is made the entry is recorded in the ledger.

Accounts Receivables Process Automation

Various organisations are handling account receivables through email. Accounts process automation is the way to appreciate customers to pay more speedily. There is a range of electronic billing systems like Xerox and quick books.

RECONCILE RECEIVABLES AND PAYABLES

Accounts payable are considered current liabilities and are shown on the balance sheet. With respect, to close the books at month-end or year-end accounts payable should be in reconciliation. This may be a very large account or a small one.

If the organisation is using accounting, it records expenses as it arises not when they are paid. Generally, organisations use a general ledger balance and a subsidiary balance to record the payable. Account payable statements are generally called to an account payable control account. Reconciling an accounts payable statement is checking that the accounts payable control account should match the account payable subsidiary accounts. The account used to track the amount that an

organisation owes is called an account payable and the control account represents the total of all money owed. For the reconciliation, the accounts payable control account balance is mandatory as well as the subsidiary account balances. The two amounts should balance.

SETTLE QUERIES OF CUSTOMERS

The retailers must solve the various issues of the customers related to products and services. To maintain the relationship with retailers, the distributors need to understand the various problems related to retailers. They should have to identify the problems related to selling the products. Customer complaints and various other issues need to be discussed with the distributors. Customers may be unhappy with the product quality, price of the product, poor communication with the retailers, etc. It is necessary to identify the problems of customers related to products and services provided by retailers. Distributors should follow prompt delivery schedules to provide products to retailers. They should have to take a follow-up for the delivery of their products.

MANAGE DELIVERY

In business management, it is necessary to keep informing customers and other stakeholders and make them satisfied. To make them happy sales on the basis of credit is one of the best strategies. However, it is also necessary to manage the delivery of the products and services. Managing delivery is the most important to repeat sales. For effective delivery management. It is necessary to focus on the following key points:

- 1. Time Delivery:** Delivery of the product on time.
- 2. Speedy Delivery:** Try to deliver the product as speedily as possible.
- 3. Accurate delivery:** Deliver products as per the need of the customers.
- 4. Delivery on the correct location:** Deliver goods to the correct address.
- 5. Deliver as per the requirements:** Deliver as per the requirements of the customers.
- 6. Effective communication:** Effective communication between the channel members helps to manage delivery.
- 7. Usage of technology:** Use recent technology to make the ease of customers.

Activities

Activity 1: Presentation on Receivables and Payables of outlets

Materials Required: Notebook, Pen, Pencil, Colour and Drawing Sheet

Procedure:

1. Make a group of 5 students.
2. Allow 10 minutes for all of the students to discuss the questions to answer.
3. The teacher writes the following questions on the blackboard and students need to answer all of the questions:
 - a) What are the steps followed in account receivables?
 - b) What are the steps to be account payable?
 - c) Assume you are a distributor. Write down the difficulties faced by him/her to manage pending bills.

Activity 2: A group discussion on how to settle customer queries.

Materials Required: Notebook, Pen, Pencil

Procedure:

1. Select 5 students from the class at one time.
2. Ask them to discuss how to settle the queries of the customers.
3. Give 10 minutes to think about the topic 'how to settle customer queries.
4. Ask them to discuss the topic for 15 minutes.
5. Give chance to every student to speak about on the topic.
6. The teacher evaluates the performance of each student.

Check Your Progress

A. Fill in the Blanks

1. Accounts _____ and accounts receivables show the financial health of the business organisation.
2. The first step of account receivables is to send the _____.
3. Money owed to an organisation is known as account _____.
4. Accounts payable may be a _____ of cash.
5. _____ an accounts payables statement is checking that the accounts payable control account is matched with the account payable subsidiary accounts.

B. Multiple Choice Questions

1. Customers may be unhappy with the _____.
 - a) product Quality
 - b) price of the product
 - c) poor communication

- d) All of the Above
2. Distributors should _____.
- a) provide prompt delivery of products to retailers.
 - b) take follow-up for their product delivery.
 - c) A and B
 - d) None of the above
3. The CCC technique is _____.
- a) cycle cash conversion
 - b) cash conversion cycle
 - c) cash conversion clear
 - d) None of the Above
4. Accounts payable automation refers to _____.
- a) improving productivity
 - b) saving time and facilitating credit checks
 - c) Both a and b
 - d) None of the above
5. There is a range of electronic billing systems _____.
- a) xerox and quick books
 - b) manual
 - c) paper billing
 - d) None of the Above

C. State whether the following statements are True or False

1. Accounts payable and accounts receivables show the financial health of the business organisation.
2. Accounts payable are the obligations of a business to reimburse a certain amount over time, accounts payable (AP) are obligations of a business to refund a certain amount to another party.
3. The CCC (cash conversion cycle) is not a necessary metric that discloses how long it takes for an organisation to transform resources into cash.
4. Customer defaults and poor credit systems cannot damage the cash position, especially on products with low-profit limits.
5. The distributor or manufacturer should have to align according to the changing market situation.

D. Match the Columns

	Column A		Column B
1	The first step of account payable	A	Record the invoice in the account payable ledger.
2	The third step of account payable	B	Receive the invoice
3	The second step of account payable	C	Making the payment

E. Short Answer Questions

1. What is account receivables?
2. What is account payables?
3. What is meant by money transactions?
4. How queries of customers are handled?
5. What is CCC?
6. What is meant by reconciling receivables and payables?

F. Long Answer Questions

1. Explain the pending delivery process in a distributive organisation.
2. What are the steps followed under account receivables and payables?
3. Explain the steps to be followed for an effective delivery system.

G. Check Your Performance

1. How does Account receivable process automation occur?
2. Prepare a chart on the Account Receivable and Payments system.
3. Presentation on the benefits of account receivables.
4. How to avoid loss in dealing with account receivables and payables?

Module 5**Building Personal Relationship****Module Overview**

The success of a business depends on the relationship with the employees and customers. There is a need to build a personal relationship with them. Building relationship is about developing employee loyalty. It is necessary to know employees and show them that they are working sincerely, understanding the employees' backgrounds, family lives, skills and hobbies is necessary to build a positive environment in the organisation. Spending quality time with the employees and conducting meetings is necessary to have a stronger relationship with the employees.

A clear and open communication system assists employees in their voice and concerns their value. This assists them to focus their work and enhance their performance. The organisation must be open-minded, patient and willing to hear people. It is also necessary to maintain and build strong relations with the channel members. This help in avoiding conflict between the channel members. To improve the business functioning of the organisation, it is necessary to build and maintain the relationship between the channel members.

This unit covers techniques to adopt in trade to maintain personal relationships with the traders and this unit divided into four sessions. The first session deals relationship with traders. The second session discusses on handling customers. The third session explains the retailer's problems and grievances and the fourth session focuses on handling objections and resolving the issues.

Learning Outcomes

After completing this module, you will be able to:

- Learn to maintain good personal relationship
- Dealing with customers patiently
- Understand retailer's problems and grievances
- Understand retailer's problems
- Channel cooperation and conflicts

Module Structure

Session 1: Relationship with Traders

Session 2: Dealing with Customers

Session 3: Retailer's Grievances and Complaints

Session 4: Handling Objections and Resolving the Issues

Session 1: Relationship with Traders

Personal relationship in marketing refers to those marketing activities that are adapted to build and administer long-term relationships with customers. It is not only to attract new customers but mainly to change them into faithful ones (fig.5.1). Although it has no single, agreed definition the American Marketing Association (1995) has defined relationship marketing as follows, "Relationship Marketing is marketing with the conscious aim to develop and manage long-term and/or trusting relationship with customers, distributors, suppliers or other parties in the marketing environment".

Being a Distributor salesman, He/she has to pay more attention to building a good rapport with their immediate next linkage in the supply and distribution channel, i.e., Retailers. The building and management of the relationship with traders have always been a key approach to marketing practices. However, the use of the term Relationship Marketing recommends that planned efforts are being made to retain traders and have effective communication with them for a long-term business.



Fig. 5.1: Good Personal Relationships

BUILDING RAPPORT WITH THE TRADERS

For a successful and continuous business, healthy relationship-building with traders is a must. To build a good and long-term relationship, the distributor has to follow and adapt some of the strategies given below:

- Based on punctuality

- Based on regularity
- Based on courtesy
- Based on mannerism

Let us see how these strategies work in building rapport with the traders;

- **Based on Punctuality:** Being on time is a simple sign of respect showing that a person's time is valuable. Being punctual supports and reveals truthfulness. Maintaining the right time in the business brings honesty to business. As a distributor, do not make traders wait for deliveries. We should respect their time and effort. When you are on time it generally means that you are prepared and organized.

Practicing Punctuality requires a lot of preparation, for example, Mr. X is a distributor and he has an order from his trader Mr. Y to be delivered on the 1st of December. To be punctual in delivering this order, Mr. X has to plan backward so that his delivery has to be on the said date. That means Mr. X has to know when he is getting the consignment from the manufacturer, when Mr. X has to complete his part of the work like billing, checking the consignment, separating the consignments according to different requirements from different retailers, calculating the time to reach them to the retailers, etc. Then only Mr. X can commit his deliveries to Mr. Y. If Mr. X doesn't do all these preparations and get a clear picture, he cannot maintain punctuality hence damaging his credibility.

Punctuality always shows that the person is reliable and can depend on him for the promises done to their customers. Being punctual, we can spare a little more time for our clients in understanding their needs and requirements. This will help the distributor to build a positive rapport with his traders.

- **Based on Regularity:** When a trader comes to the distributor for purchase, the distributor should give him the best service. Then the same customer will visit you regularly. This is one more kind of building rapport with the traders. Here the services of the distributor need to be punctual on a standard basis and without any delay in providing the services. This makes the traders rely on distributors for their business requirements. The services or the products should be delivered regularly and without any problems to the traders so that their business will run smoothly. Whatever services you are providing to your traders should not be discontinued from your end. Many distributors these days have software that maintains all the details of their retailers like the name of the retailer, their association with the distributor, the order pattern, the payment mode, the credibility of the retailer, their preferred ordering products, etc. The distributor can categorize the retailers and understand how regular these retailers with respect to giving orders for new products are. Based on this, the distributor can make proper arrangements to deliver the goods to

regular traders. The rapport between the distributor and the retailer becomes strong and boosts the retailer to be a loyal customer. Once the retailer is a regular customer of the distributor, the distributor should know when the next requirement forms the retailer will be and how much quantity of the order has to be kept ready. This leads to a hassle-free business and makes the retailer a satisfied customer.

- **Based on Courtesy:** The more polite, respectful and considerate you are, the more chances of building a good rapport with your traders. True courtesy can make a great, lasting first impression. A courteous distributor salesman makes the trader feel welcome, valued and comfortable in business situations.

The traders feel good corresponding with the distributor and they feel comfortable having a long-term business with them. To build this rapport, one should follow some simple practices like,

- Handling uncomfortable situations in soft ways
- Allow traders to share their problems before you come to conclusions
- Reassuring to address their problems.
- Listening to the retailers calmly
- Quick response to retailers.
- **Based on Mannerism:** Mannerism is nothing but the “Behavior pattern or style in communicating with others”. While conversing with the traders, we need to be very careful and watch out for our behavior. Distributors’ style, tone and attention towards the traders and talks, matter a lot in holding up clients. If we share some common mannerisms, like posture and tone of voice, the customer will feel more comfortable communicating with us resulting in building a good rapport. Creating an environment of “safety” and “belongingness”, which have significance when it comes to building rapport. For a retailer who complains that the delivery of the product was the faulty product, the distributor should make the retailer a sense of empathy towards his/her problem and simultaneously provides subtle assurance that the complaint is now in good hands. Providing reassurance on solving the problems of retailers is also important.

Also, the distributor has to follow small things which give a good feel to the retailers like:

- Providing them with some quick attention,
- Calling them by their first names so that they feel one among them,
- Understanding the retailer's background and talking about their business,
- Knowing more about the retailer’s family and conveying good regards to them

The distributor can build a good rapport with their retailers by adapting many more such mannerisms.

Interest in Retailer's Business and Uplifting the Outlets Appearance

For a good healthy relationship with the retailers, the distributor should show the interest in retailers' business. The distributor has to build that rapport by discussing the retailers' outlets, their network, the way they attract their customers, etc. When you discuss these things with retailers, the retailer will feel that belongingness with you and the business relationship grows stronger.

Being one link upper to your retailer in the distribution channel, the distributor should suggest and guide the retailer to make his outlet better-looking and hence can attract more and more customers. The distributor can recommend some tips to design and arrange the merchandise in his outlet more creatively and draw the attention of his customers. Some of the ideas which can be helpful to retailers in attracting and maximizing sales are:

- Avoid too many products or signs near the entrance.
- Good shopping experience by keeping the store light and airy.
- Setting up eye-catching sign boards for easy identification of products
- Updating the displays regularly
- Setting the layout based on the flow of traffic in-store

Along with these, the retailers should also keep in mind giving the customers a nice and pleasant shopping experience by designing the layout of the store, Lighting, sound and colour of the store which can be enjoyable. Once the appearance of the outlet is up to the expectation, the distributor can also suggest how to upgrade the system between the distributor and the retailer. By saying that, it means that the back-end procedures of the distribution channel from the distributor to the retailer have to be improved. This has to be set by discussing things like the Order pattern of the retailer, duration of the Order, payment terms, buyback conditions, etc. This helps to keep the business relationship transparent and free from any conflicts.

Activities

Activity 1: Role-play on rapport building.

Material required: Notebook, Pen, Pencil, Checklist

Procedure:

1. Assign role-play on rapport building.
2. Ask students to prepare notes on rapport building.
3. Rapport is best for building a long-term relationship.

4. Make a group of three students.
5. Ask one student to follow the following steps to build rapport for mutual trust and friendship.
 - a) Ask the student to check their appearance.
 - b) Prepare to develop good communication skills.
 - c) Find common ground for discussion.
 - d) Shared experience
 - e) Be empathic for others.
 - f) Learn mannerisms and speech appropriately.
6. Teacher provides assistance to the students.
7. Teacher evaluates the whole activity.

Activity 2: Make a chart on personal relationships.

Materials Required: Pen, Pencil, Rubber, colours, drawing sheet

Procedure:

1. Make groups of four students each.
2. Ask students to write down the main points on personal relationships.
3. Ask students to discuss the subject of personal relationships.
 - a) Personal relationship in marketing refers to those marketing activities that are adapted to build and administer long-term relationships with customers.
 - b) To build a good and long-term relationship, the distributor has to follow and adapt some of the strategies. These strategies are classified as below:
 - Based on Punctuality
 - Based on Regularity
 - Based on Courtesy
 - Based on Mannerism
 - c) Write down 2-3 sentences on the above points. And explained all the points on the chart.
4. Distribute drawing sheet, pen, pencil and colors.
5. Ask the group to prepare a chart on personal relationships.
6. Teacher evaluates the activity.

Check Your Progress**A. Fill in the Blanks**

1. Punctuality always shows that the person is _____.
2. Regularity makes the traders to _____ on distributors for their business requirements.
3. Distributor should handle the uncomfortable situations with _____.
4. Mannerism is nothing but the “_____ or _____ in communicating with others.
5. The outlet’s layout should be based on the flow of _____.

B. Multiple Choice Questions

1. Clear and open _____ assists employee’s voices and concerns about their value.
 - a) selling
 - b) communication
 - c) wholesaling
 - d) None of the above
2. Strategies/strategy adopted to build long-term relationships are _____
 - a) based on punctuality
 - b) based on courtesy
 - c) based on mannerism
 - d) All of the above
3. Be on time is the strategy of _____
 - a) punctuality
 - b) mannerism
 - c) regularity
 - d) courtesy
4. The distributor should build _____ by discussing the retailers’ outlets, their network and the way they attract their customers.
 - a) internal selling
 - b) customers
 - c) rapport

d) None of the above

State whether the following statements are True or False

1. Mannerism is nothing but the “Behavior pattern or style in communicating with others”.
2. The more polite, respectful and considerate you are, the more chances of building a good rapport with your traders.
3. When a trader comes to the distributor for purchase, the distributor should give him the best service.
4. Punctuality always shows that the person is reliable and can depend on him for the promises done to their customers.
5. The distributor cannot make proper arrangements to deliver the goods to the regular traders
6. The building and management of the relationship with traders have not a key approach to marketing practices.

C. Match the Columns

	Column A		Column B
1	Courtesy		Behavior pattern
2	Regularity	B	Polite, courtesy
3	Mannerism	C	Time value
4	Punctuality	D	Be punctual

D. Short Answer Questions

1. What is the meaning of a personal relationship?
2. Why building a personal relationship with traders is important?
3. What are the important aspects of courtesy?
4. Give any three suggestions which can help to improve mannerism.
5. What is relationship marketing?

E. Long Answer Questions

1. Explain how to build rapport with traders.
2. What are the factors influencing the interest in the retailer's business and uplifting the outlet's appearance?

F. Check Your Performance

1. Demonstrate on boosting personal relationships with traders.

Prepare a demonstration on increasing sales.

Session 2: Dealing with Customers

We all know that retailing is the most significant part of the supply chain. Working with the retailer is something that a Distributor needs to be very careful about. The Retailer may require a variety of services from the distributor and the distributor must work directly with the retailer and their sales representatives a majority of the time. So, it's very important to keep the Retailer on the good side, like building relationships with the Retailer, knowing what goes in the retail market and most of all, knowing the problems that Retailers face with both sides of the supply chain, i.e. the distributor and the customers.

The Distributor always has to be retailer centric as the retailer is the next link for the distributor and handles a key responsibility of taking the products to final consumers. Hence, the finest way to guarantee business development is to know what the retailer's complaints and problems are and treat them as highly valuable pointers to progress the business.

The majority of issues with retailers come when there is a disconnect between what the distributor promises in terms of services and what the merchant really receives. The retailers perceive the services of the distributor and if they fail to get the desired services their experiences lead to a negative impact on the business.

Whenever the retailer has some issues with the distributor, the distributor should first listen to the problems of the retailer. If the distributor doesn't listen as much as he speaks, they never reach a mutually satisfactory conclusion. Complaints are inevitable and no business can satisfy its customers all the time even when the distributor works hard or gives great services. Hence to understand the business growth there is a need to know what the retailers' complaints are and treat them as highly valuable feedback to improve and progress in giving a good experience to the retailers.

As a distributor, one should understand that the complaints from the retailers can be observed as benefits to his business if the complaints are taken in the right way.

Some of the key benefits from the retailers' complaints are as below:

- Complaints draw attention to the points where products or services need improvement.
- Customer complaints provide valuable information on training the front-line support to improve the quality of their services.
- Help to identify the loopholes in service delivery.
- Helps to comprehend the retailers better with a pattern of their requirements.

- Enhance communication with retailers and helps to understand them better.

Having all these above benefits with the traders' complaint, the distributor should be very polite and empathetic in addressing their problems. The problems of the retailers should be taken on priority and listened them with the utmost attention. The retailers may come to the distributor with different moods and thought processes. Some traders might get aggressive, some might be suggestive and some might be on the verge of discontinuing the business relations. It's up to the distributor's respond whether to learn and gain from their complaints or break the business relationship.

UNDERSTAND THE NEED AND PROBLEMS OF RETAILERS

To have a good business relationship with the retailers, the distributor has to understand the requirements of the retailer and identify the difficulties of the retailer and try to address them as the earliest. Likewise, even from the retailer's end, there should be something to be adapted for a hassle-free relationship.

There are several reasons why retailer gets the problem with distributors. It could be because of internal processes, miscommunication, pressure from external factors, etc. Let us have a glance at some of the difficulties and the requirements of the retailers:

- Non-availability of the stock
- Poor manufactured goods or services
- Tying up of products
- Lack of follow-up from the distributor salesman
- Existence of Dual distribution channels
- Non-adaption of customers' requests
- Restricted dealing agreements
- Repeated problems or unaddressed problems

1. NON-AVAILABILITY OF THE STOCK

For any distributor, it's usually a good sign that the stocks run out of stock. This shows the products are in demand. However, if the "Out of stock" situation continues for a longer time, the retailer gets impatient as he has to serve his customers in time. This typically indicates a time-sensitive want for the product which has to be fulfilled without delay.

The Distributor has to have a proper arrangement to curb this situation by maintaining good Supply Chain Management in place. The automation in ordering the products in advance really helps to reduce the grievances of the retailers.

2. POOR MANUFACTURED GOODS AND SERVICES

Retailer can sell the products and enjoy the monetary and non-monetary benefits only if the products are of good quality. The quality of the product is directly connected to the sales and the goodwill of that retailer. Hence, it is a crucial point for a retailer to maintain the quality of goods and services. If the distributor or manufacturer supplies inferior-grade products or services, the retailer can't face the unhappy customer. It results in a shortage in sales. So, it is the prime responsibility of the manufacturer or the distributor to keep up the good quality products and services.

In India, the Samsung Galaxy Note 7 was launched but it failed miserably because the Smartphone's batteries were suddenly catching fire. This made the company's goodwill fall very badly. 3D Television in India did not do well as the performance of the product was not up to the cost it was priced. Even though many good companies manufactured these 3D Televisions, nobody could win the hearts of the customers.

3. TYING UP OF PRODUCTS

In some of the products and services, the Manufacturer or Distributor makes the retailer take the product which is not necessary and desired by the retailer. It means the manufacturer tries to push the less demanding product tying along with the product which is more in demand. This would be an issue with the retailer as it would be kind of a dead investment for the retailer and has to put more effort to sell it.

4. LACK OF FOLLOW-UP FROM THE DISTRIBUTOR SALESMAN

Communication with the retailers is the primary function of the distributor as the retailer is the highway to reach the customers of any product. When the retailer has got some issue, it has to be solved without delay. Not only solving the issue but also it is important to follow up after addressing the issue. This makes the retailer grow more belongingness towards the distributor and the loyalty grows.

The best way to practice this, the distributor should dedicate a person from the team to converse with the retailer and get first-hand information about the situation. The sales representative should always focus on your trader's needs. If not, the distributors establish a system that works for addressing the traders' issues like a ticketing system. The ticketing system helps in raising the ticket for every problem of the retailer to the distributor and updating the status on a regular time interval. It will be easy for the distributor to manage the active issues of the retailers.

5. EXISTENCE OF DUAL DISTRIBUTION CHANNELS

The systematic distribution channels help to run the business activities smoothly. There will be an ideal understanding and cooperative link between all the channels. However, in some cases, the Manufacturer or the distributor competes directly with their retailers for the same products and in the same area. Dual distribution systems

usually arise when a distributor decides to vertically integrate by starting retailing activities. This creates a problem between the Distributors and the Retailers. Factory outlets and manufacturer-to-consumer shops are examples of such kinds of Dual Distribution Channels.

6. NON-ADAPTION OF CUSTOMERS' REQUEST

The market trend changes in a very short period these days. If the product or service doesn't meet all of the customers' needs, they'll ask the retailer, if they can, propose a new product or feature. This proposal will be communicated to the distributor. If the distributor doesn't adapt to the requirements or changes proposed by the customers, the retailer will lose the customer and even the distributor has to bear the loss. The distributor should read the pulse of the customer and listen to the retailer as He/she is the voice of the ultimate customer.

Before the introduction of smartphones, Blackberry Company was the leader in official phones that has accessibility to the internet. But when touch screen smartphones got introduced, the Blackberry loyal customers demanded the launch of touch screen phones from the Blackberry Company. Unfortunately, the Blackberry did not adapt to the customer's request resulting in the decline of its market.

7. RESTRICTED DEALING AGREEMENTS

Restricted dealing Agreements are nothing but the agreements proposed by the distributor or manufacturer restricting the retailer to carry only their products and not to sell any of their competitors' products. If the retailer is posed with this agreement, the retailer will be at a loss as the scope of his/her business gets narrowed down. This can be a problem for the retailer to develop his/her customers' database who asks for multi-brand products. This type of arrangement works with a partnership, franchise, or any specific type of system.

8. REPEATED PROBLEMS OR UNADDRESSED PROBLEMS

The retailers are the carriers of customers' feedback to the manufacturer. They are the connection between the manufacturer and the consumers. It is the main role of a retailer to pass on the opinion or the requirements of the customer to the distributor or the manufacturer. The information about the taste, fashion, fade and likings of the customers are collected and passed to the upper level of the distribution chain.

Sometimes it so happens that the retailer himself faces so many problems in terms of billing, credit terms, transportation, consignment, proper delivery of the products on time, etc. If these issues are not addressed on priority, the retailers get agitated and there are chances that the agitated retailer shifting his loyalty to another brand.

Activities

Activity 1: Visit a retail outlet to understand the problems of retailers.

Material required: Notebook, Pen, Pencil, Survey Questionnaire

Procedure:

1. Ask students to organise a survey with the help of structured by visiting a retail outlet.
2. Ask the following questions to the retailer:
 - a) Who are your distributors and in what way do you make a relationship with them?
 - b) What are the problems faced by the retailers in the distribution network?
 - c) What are the problems faced by a retailer with distributors?
 - i) Delay in product delivery
 - ii) Poor quality of the products/services
 - iii) Poor distribution network
 - iv) Poor relationship maintained by the distributor
 - d) Describe all the above points with the help of the data gathered.
3. Prepare a brief report and submit it to the teacher.

Activity 2: Organise a group discussion on the desirability of a dual distribution channel.

Materials Required: Pen, Pencil, Rubber

Procedure:

1. Make groups of four students each.
2. Ask students to write down notes on the distribution channel.
3. Ask students to start a group discussion on the desirability of a dual distribution channel
4. Assign 1-2 minutes to all the students for the introduction of the topic.
5. Start a discussion on the topic at a scheduled time.
6. Ask students to discuss the topic with each other and organise a session for classifying doubts, if any.
7. Teacher evaluates the group discussion.

Check Your Progress**A. Fill in the Blanks**

1. _____ are inevitable and no business can satisfy its customers all the time even when the distributor works hard or gives great services.
2. For any _____, it's usually a good sign that the stocks run out of stock. This shows the products are in demand.
3. The _____, in ordering the products in advance really helps to reduce the grievances by the retailers.
4. Retailer can sell the products and enjoy the _____ and non-monetary benefits only if the products are of good quality.
5. The communication with the retailers is the _____ function of the distributor as retailing is the highway to reach the customers of any product.

B. Multiple Choice Questions

1. _____ is the link between Distributor and the consumer.
 - a) Manufacturer
 - b) Wholesaler
 - c) Retailer
 - d) Consumer
2. Unavailability of the stock usually shows that the products are _____.
 - a) in demand
 - b) poor quality
 - c) not liked by the customer
 - d) None of the above
3. _____ of customers' requests is one of the retailer's problems.
 - a) Listening
 - b) Non-Adaption
 - c) Attending
 - d) Focusing
4. Restricted dealing Agreement is the agreement proposed by the distributor or manufacturer restricting the retailer to _____.
 - a) not to sell anything
 - b) close the shop

- c) sell only their products.
d) All of the Above
5. Repeated problems make the retailers feel _____
- a) happy
b) encouraged
c) committed
d) irritated
6. Sometimes it so happens that the retailer himself faces so many problems in terms of
- a) billing
b) transportation
c) consignment
d) All of the Above
7. _____ are the connection between the manufacturer and the consumers.
- a) Wholesalers
b) Retailers
c) Customers
d) None of the Above
8. The systematic _____ channels help to run the business activities smoothly.
- a) distribution
b) retailers
c) system
d) All of the above
9. The retailers are the carriers of customers' feedback to the _____ .
- a) manufacturer
b) channel members
c) people
d) None of the Above

C. State whether the following statements are True or False

1. In India, the Samsung Galaxy Note 7 was launched but it failed miserably because the Smartphone's batteries were suddenly catching fire.
2. The sales representative should not always focus on your trader's needs.
3. Before the introduction of smartphones, Blackberry Company was the leader in official phones that has accessibility to the internet.
4. If the distributor doesn't adapt to the requirements or changes proposed by the customers, the retailer will earn a profit.
5. Factory outlets, direct from the manufacturer to the consumers shops are examples of such kinds of Dual Distribution Channels.

D. Short Answer Questions

1. Why the Distributor always has to be retailer centric?
2. What is the main reason for the problem of retailers with the distributor?
3. List any three benefits to the distributor from the retailer's complaints.
4. Name any three common problems that a retailer faces from the distributor.
5. What do you mean by Dual Distribution Channel?
6. What is meant by a restricted dealing agreement?

E. Long Answers Questions

1. Explain the problem of retailers which needs to be attended by distributors
2. Discuss the distributor has to be retailer centric.
3. Explain how retailer complaints are beneficial to the distributor

F. Check Your Performance

1. Demonstrate how to resolve retailers' complaints.
2. Prepare a presentation on common problems of retailers.

Session 3: Retailer's Grievances and Complaints

Retail organisations often experience grievances and complaints against their distributors. The large size and volume of operations generally lead to the generation of grievances at some part or the other in daily operations. The roots of any grievance and complaint can be either an operational issue or human interaction. The non-availability of the desired products, sufficient choices and absence of some product lines, poor performance, delayed performance, no performance or part performance and so on may be reasons for the grievances. Besides the procedural and human-related dissatisfactions, there may be failures in support services also. The human factor is the key element for the generation of grievances (fig.5.2).



Fig. 5.2: Handling Customer Problems

The Distribution salesman's performance in providing service really is a basis for satisfaction if it is positive and dissatisfaction if it is negative. No matter how good the organisation is at designing the service offer, one loose connection in the team of employees can disturb anything. So, it is completely in the hands of the Distributor to hold the retailers in their hands and the power to retain them coming back - perhaps even to make or break. Therefore, treat every Retailer as if they sign your pay check, because they do. Their complaints are like the school books from which we all learn.

Why the retailers or traders have problems and grievances? Here are some points explaining the reasons for the problems between the distributors and the retailers. These points are from the retailers' perspective which brings out their dissatisfaction with the distributor's behaviour.

REASONS FOR THE RETAILERS' GRIEVANCES

1. **Unpleasant Attitude:** The bad attitude of the distributor or his associates turns the mildest mannered of people irritated. They act as if the trader is an obstruction to their daily routine. This kind of Distribution salesman never acknowledges the presence of traders when they are standing in front of them or still chatting on the phone. Distributors have to change this approach towards the retailers or else the traders won't come back.

2. **Not Enthusiastic to Solve the Problem:** These people are the ones who may acknowledge a trader's problems but just won't be bothered to find a solution; it's feeling too much irritating to the retailers. They don't try anything positive to help the customer. Their ready answer on many occasions is, "I can't help. It's company policy." "Yes, but", "won't", "shouldn't". If this happens, the retailers walk away thinking that the distributor is a kind of 'can't do' nature instead of a 'can do'.
3. **Not Giving Full Product Details:** Even if the products are great and very well manufactured, if the retailer won't get the full details about the product or its features, he can not sell them to the end consumers. So it is necessary that the distributor and his representative should know full information about the product. It is the prime factor that not only they should know the details about the products, but they also should know how to explain the retailers or traders effectively. The Distribution salesman should know to explain the retailers how the product or service meets the customer's requirements
4. **Not Willing to Accept the Mistake:** As a trader, it feels refreshing and relaxing when the distributor accepts his mistakes and is humble to respond to address that issue. But in various cases, the Distribution salesman tries to skip from accepting his mistakes which annoys the retailers. It's just that the distributor has to be polite in saying, "Do you know, you're right. We really messed this up. "If this gets this as an opening line when retailers bring some problem, the distributor will be considered to be the matured in the business.
5. **Not Updating the Traders:** A complaint, followed by days of silence, allows doubt and annoyance in the minds of a retailer. This makes the retailers feel that the distributor is ignoring his traders. The reason for this kind of mistake is mainly a lack of proper complaint handling process, improper supervision or follows up of the complaints, etc.
6. **Broken Promises:** This is likely the most common reason for the human cause of Complaints, as it is eminent that the business relations run on trust and keeping up of promises, the distributor should be very particular when promising anything. The distributor should also make sure that what his representative is promising or assuring the traders about. Any broken promise results into a complaint, which will have an impact on the business in the future period.

PC

RETAILER'S COMPLAINTS AND GRIEVANCES

Retailers face many problems because of their interaction with many people in carrying out their business. In the earlier session, we have seen some of the common problems faced by retailers with respect to their distributors. However, for more understanding, here are some other grievances and complaints of retailers who act as a link between the distributor and the consumer.

- **Managing with Ever-Changing Customer Expectations:** Traders should be capable of keeping up with consumer demand as customer likings keep changing, sometimes faster than one could imagine. Apart from seasons and fashions, many other things such as economic circumstances, classified ads and rivalry in the retail industry give out enormous results on consumer demand. Hence, it is very essential for a retailer to manage the ever-changing expectations of the customer.
- **Maintaining Customer Loyalty:** Retailers have to be very careful in maintaining the expectations of their customers. It takes a longer time to build the brand into the minds of the customers which develop brand and customer loyalty to the retailers. In the modern days, where a lot of competition and options are available for the customers, they get tempted to change their loyalty very soon. As a retailer, if one cannot hold them by addressing their needs and requirements, it will cost very high for the goodwill of the company.
- **Managing Internal Communication:** Although communication with the distributor (External communication) is very crucial for the retailer, the retailer has to make sure that the internal communication should not break at any time as the retail has complex operations. Managing internal communication is a difficult task. This situation is tackled by large-scale retail companies with several vertical divisions. unproductive communication between divisions can upset the business processes.
- **Retaining and Engaging Employees:** Retail industry is one of the few industries with the highest employee turnover rates as the industry is too vast and a lot of opportunities are there for the employees to shift from one to another company. Meanwhile, substituting employees needs a lot of energy and monetary costs. Retailer cannot spend much time in all these activities of recruiting, training and developing employees. Hence the retailer has to retain the existing team for the free flow of work within the company. But holding on to staff is one of the difficult challenges in the industry.
- **Adopting the Best Technology Solutions for the Industry:** It is difficult for a retailer to choose a system that's exclusively designed for the retail industry and help him to automate all retail operations, from managing stock and sales to managing consumers. The system software should provide ease of integration with other systems, in addition to easy-to-use; such as barcode scanners and POS. Most importantly, the retailer should understand his constraints well to help to control the budget cleverly and choose the precise software system.

SOLVING RETAILER'S PROBLEMS

Problems and Grievances are unavoidable in every business. However, hard one tries, but can never satisfy all the customers at all times. A company's goodwill is built by the way it responds to its customer's issues. Failing to manage or intentionally ignoring retailers' complaints can cause negative results such as losing

customers, a negative reputation. Therefore, a distributor should never neglect their trader.

If the retailer's issues are addressed in time and they are offered with right solutions and they feel pleased and satisfied with the service there is up to 99% probability that they will continue to do business with you again. But, if they are unsatisfied with the service, they complain and switch to another similar distributor because of the lack of good service. In this case, the distributor loses a retailer from his list forever. The troubled retailers wish to complain about their problems publicly and can damage the goodwill of the company.

Therefore, it is advisable for the distributors to pay proper attention to the Retailer's complaints. To do this, it is important to know how to address the issues of retailers to not lose business.

Before trying to address the complaints from the retailers, a distributor should take up "Complaint Analysis" which is used to track, sort out and tackle customer complaints.

When the retailer makes a complaint or raises an issue, relative to the product or service, the distributor has to ask several questions himself before taking an action, such as:

- Has this happened before?
- Have the complaints been recorded?
- How frequently has the same complaint arisen?
- Is there a prototype for this complaint when it was received?
- Has the same customer reported this previously?

By answering these questions, the distributor or his representative can take the essential steps to prevent them from being repeated happenings.

However, some of the common and routine problems of the retailers can be solved by the distributor with simple action points. Some of them are given below:

- 1. Put Your Emotions Aside:** When any retailer advises the distributor how to do his job better, with the best of intentions or an annoyed customer ready to explode in anger, the fundamental way to handle him is to listen to him calmly without getting personal emotional coming in the way, then just as calmly reply and react to them with the pleasant mood. This makes the retailer cool down.
- 2. Avoid Challenging their Complaint:** It's easy and quite natural for any person to tell that they are wrong in what they are blaming. However, this won't help the distributor to scatter an angry retailer from getting more upset while sharing a complaint. Instead of challenging their complaint, listen to

what they are saying. Try to be silent until the retailer vents his problem and gets calm. Meanwhile, the distributor can acknowledge what he says.

- 3. Seek Apology - With Gratitude Attached:** As a distributor, to keep a good relationship with the retailer, one should be seeking apology during a grievance. Here, the goal is to legitimately want to end the discussion with earnest regret and yet appreciation for the retailer. Let them know you're sorry for the inconvenience caused or disappointed or upset, then also thank them for giving the option to work with them. For many, this sincere effort goes a long way. And for the ones who are still unsatisfied, it still leaves an impression that their distributor acknowledged his mistake.
- 4. Offer Support:** Offering support should not be black and white, which means it shouldn't be committed or recorded on paper however the distributor can offer support in many varieties and different ways. Sometimes it's just listening to retailers' problems, or sometimes it means exchanging a faulty item for a new one. Many times we get a handful of ways to support the retailers. However, the distributor should know what works best here—but the distributor has to remember that support means giving the retailer something in response to their complaint.
- 5. Make Sure the Retailer is Hearing:** After offering a solution or recognizing what can be or cannot be done, to accommodate any requests they may have or simply to respond to the complaint they stated, the distributor has to ask the retailer if they have understood what he has said. This has to be done in a non-demeaning way, very simply, after all, has been discussed, ask the retailer if they have understood how the help can be extended to them.
- 6. Follow Up:** After saying sorry, showing admiration and overall giving them the support, they were expectantly looking for, consider how else can support customer's issues. Contact them and follow up with the complainant retailers one day to two days after they have expressed their complaint. It's another way to show them that you care and this really works out to build that rapport again.

COMPLAINT HANDLING PROCEDURE

For any kind of problem handling, the distributor has to have a procedure to follow which makes his job easy and also can keep a track of all details about the issues. The best practice of complaint handling procedure for any distributor is as below;

- **Listen to the complaint:** Firstly, thank the trader for bringing the matter to your attention. Apologize and accept ownership and remain humble.
- **Document the details of the complaint:** Go through the grievance in detail to know exactly what the problem is. Store records of all complaints in a single central place or register. This helps to identify new trends or issues.

- **Discuss the alternatives for fixing the problems and Act quickly:** Ask the trader what response they need; it could be a replacement, a repair, a refund, or an apology. Decide if the request is reasonable; intend to resolve the complaint swiftly.
- **Keep the promises and follow up:** Keep the trader informed if there are any delays in resolving their request. Don't promise things that can't be delivered. Contact them again to find out if they were satisfied with the way their complaint is handled. Let them know how you are trying to avoid the problem in the future.

Encourage the customers to provide feedback and register their complaints so that they let you know about a problem and give you a chance to resolve it.

Activities

Activity 1: Visit a retail outlet to understand the retailer's problem and learn how to handle objections and resolve issues by retailers.

Material required: Notebook, Pen, Paper

Procedure:

1. Ask students to visit a retail outlet.
2. Understand the procedure of their ordering, the collection of goods from the distributors and the different problems they face from the distributor side in a routine transaction.
3. Ask students to ask the following questions to the retailer:
 - a) What are your problems related to the distribution channel?
 - b) Who is your distributor?
 - c) What are the ways to deal with channel members?
 - d) How to cooperate with the channel members?
4. Write down answers in their notebook.
5. Prepare a brief report and submit it to the teacher.

Check Your Progress

A. Fill in the Blanks

1. A _____, followed by days of silence, allows doubt and annoyance in the minds of the retailer.
2. The _____ come across many problems because of the above reasons and many more.

3. _____ should be capable of keeping up with consumer's demand as the customer likings keep changing, sometimes faster than one could imagine.
4. Problems and _____ are unavoidable in every business.
5. As a _____, to keep a good relationship with the retailer, one should be seeking apology during a grievance.
6. It is difficult for a _____ to choose a system that's exclusively designed for the retail industry and help him to automate all retail operations, from managing stock and sales to managing consumers.
7. Managing the _____ is a difficult task.

B. Multiple Choice Questions

1. Retailers provide direct job opportunities in a retail store.
 - a) Warehousing
 - b) Retail store
 - c) Banking
 - d) Transportation
2. Health and Longevity depend on _____ style.
 - a) Consumption
 - b) Spending
 - c) Earning
 - d) None of the above.
3. Price objections include _____.
 - a) No money
 - b) The price is too high
 - c) Need a discount to buy
 - d) All of the above
4. Gatekeepers are those who _____.
 - a) Pass the buck
 - b) Is a Watchman
 - c) Trendsetter
 - d) Fixed buyers
5. Return and refund policy should _____.
 - a) Send the Customer back

- b) Be a strict policy
- c) Transparent
- d) None of the above

C. State whether the following statements are True or False

1. The system software should not provide ease of integration with other systems, in addition to easy-to-use; such as barcode scanners and POS.
2. Failing to manage or intentionally ignoring retailers' complaints can cause negative results such as losing customers and a negative reputation.
3. The troubled retailers wish to complain about their problems publicly which can damage the goodwill of the company.
4. Keep the trader informed if there are any delays in resolving their request.
5. Encourage the customers to provide feedback and not register their complaints.

D. Match the Columns

	Column A		Column B
1	Reasons for the Retailer's Problems		Avoid Challenging their Complaint
2	Solving retailer's problems		Record details of the complaint
3	Complaint Handling Procedure		Broken Promises

E. Short Answer Questions

1. Why the distributor always has to be retailer centric?
2. List out any four reasons for the retailers' problems.
3. List out the points in Complaint Handling Procedure.
4. What is meant by retailers' grievances and complaints?
5. Explain the reasons for the retailer's grievances with a customer.
6. Describe the other types of grievances and complaints retailers faced on daily basis.
7. Explain the action taken by a distributor, if the retailer complains about any product.

F. Long Answer Questions

1. Provide essential steps to be taken to prevent the distributor or his representatives from facing the problems.
2. How internal communication plays an important role between retailer and distributor?
3. How communication plays an important role between customer and retailer?

G. Check Your Performance

1. Presentation on complaint handling procedure.
2. Prepare a chart on reasons for the retailers' problems.

Session 4: Handling Objections and Resolving the Issues

The distributor/retailer is able to sell products that are in demand and may get the support and information required to influence the consumer from the suppliers. The retailer can choose a supplier who can supply the products at a minimal price on which they can make a profit after including direct and indirect costs. Suppliers benefit by using retailers who can add value for the customers in terms of quality and service, encouraging the either replicated sale of the products with varieties.

BENEFITS PROVIDED BY RETAILERS IN RETAILING

Retail marketing is the act of promoting a product directly to the consumers who use them. Retailing caters of manufacturers, distributors, consumers etc., the needs at various levels. The retail industry has created opportunities and prospects for all channel members in the business. The benefits can be direct and indirect to the beneficiaries and some of them have been discussed as under:

1. **Increase in Standard of Living:** Organized Retail provides a variety of goods and services. They are made available at a reasonable price and a convenient location for the people. With catering to the changing need of the customers, the retail industries offer new products to the customers. People will be encouraged to get pleasure from comforts and luxuries that will raise their standard of living.
2. **Creates Employment Opportunities:** Retailers provide job opportunities in a retail store. Indirect job opportunities are generated in logistics that is transportation, warehousing and banking which supports retail marketing. Apart from this, retailers induce demand. People are stimulated to use more and more products. This creates demand and production and investment in business activities get increased. Employment of capital and labor increases to meet the additional demand, which results in increased trade and industry activities.

- 3. Benefits to Farmers and Consumers:** The majority of farmers have to sell their products to the middlemen for an un-remunerative price. Farmers cannot hold their stock in expectation of better prices due to underprivileged facilities of storage and transportation. Similarly, Indian customer is compelled to pay a high price for the product, due to the high margin of middlemen. There is no value addition to the merchandise. Further huge quantity of farm produce and vegetable is damaged and wasted due to poor infrastructure. Retailers buy their vegetables and other products directly from the farmers; they can save on the middlemen's expenses which can be passed on to the final consumers.
- 4. Develops a Healthy Way of Life:** Health and Longevity depend on consumption style. Quality of food and lifestyle will lead to quality, healthy and long life. Retail marketing offers a chance for this:
- It generates needs in the minds of people to demand quality goods.
 - Educates people so that they can lead a healthy and quality life.
 - Creates and distributes these goods that are within his reach.
- 5. Bring Awareness:** The primary function of the retailer is to bring awareness to the consumer that the product is present in the market to fill a need or a want that the consumer has. Prospective customers of a product should know about the features of that for the sale of the product to make it successful. Retail marketing acts as the connection between a product and its potential customer target market. By giving this awareness, the retailer expands his network and attracts new customers to make more profits.
- 6. Branding Retail Outlets:** It is essential that retailers have to develop their brand in order to place themselves amongst the many other stores. When it comes to buying, customers have many choices with local boutiques, specialty stores, department stores and internet stores. The competition prevails within each category and competition between categories. It depends on how a retailer places its brand in the mind of the consumer.
- 7. Undertakes Customers Data Collection:** Understanding the customer is the key to successful retailing and multi-channel engagement points provide more opportunities to gather information about customers. The existence of the possibility for gathering more information and the use of information more effectively are the two benefits to the data collection offered by multi-channel retail.

If a retailer can track what a customer is purchasing and where, more target marketing can be established. Customer who tends to surf online and then purchase in-store, for example, can be contacted through email for a private

showing in a store and the catalog of products to be shown can be sent before the event, increasing the probability of purchase.

8. Handle Objection and Resolve Issues by Retailers: The issues and objections are part of routine business. Without the issues or objections, no businessman can see his status of a business. These are like the report cards of any business. To handle objections, one must be prepared for what is coming in for him and listen attentively to the potential retailer and demonstrate that his concerns are truly understood.

Salespeople or retailers often fight with objections because many times they get surprised objections, which were not expected. The nature of the product clearly affects the minor details of the objections, but the truth is, most salespeople face the same issues from their leads. Below are some of the types of objections in sales that most people see on a regular basis:

- **Price objections** – These are common objections by customers on the bases of Price or the cost of the products. Some examples under this objection are “No budget”, “No money”, “the price is too high”, “need a discount to buy” etc.
- **Not a good fit-** This is a type of objection where the customer feels that the product is of no use to him. When the product isn't right for them, the product doesn't make sense in buying, too hard to integrate with their needs, etc.
- **Too busy** - can't talk right now, maybe later, send the information in an e-mail. The customers are objecting to giving time to listen to the details of the products.
- **Gatekeepers** - Passing the buck, need to talk to someone else, “I don't have authority”. Customers after listening to the details, try to get away from taking the decisions hence making some reasons.
- **Competition** - Customer informs that he is going with a competitor, another product is better, we're already locked into a contract etc. This objection is made majorly in two times if the customer is not willing to buy and wants to get rid of the follow-up. Two, He/she wants to create the competition between two retailers and bag some extra discounts.
- **Hardly say NO** – Here the customer is really not interested in buying and he is very straightforward in saying that he is not interested, or may ask directly “How did you get my information,” etc.

OBJECTION RESOLVING PROCEDURE

An objection is an open expression by the customer indicating that a hurdle exists between the expectation and the current product before buying. Beyond that, it's an indication that the buyer is engaged, which surely beats apathy.

When a customer indicates that he is not ready to buy, don't have to get discouraged. The retailer needs to use the following four steps to overcome sales objections and move closer to the sale (fig.5.3).

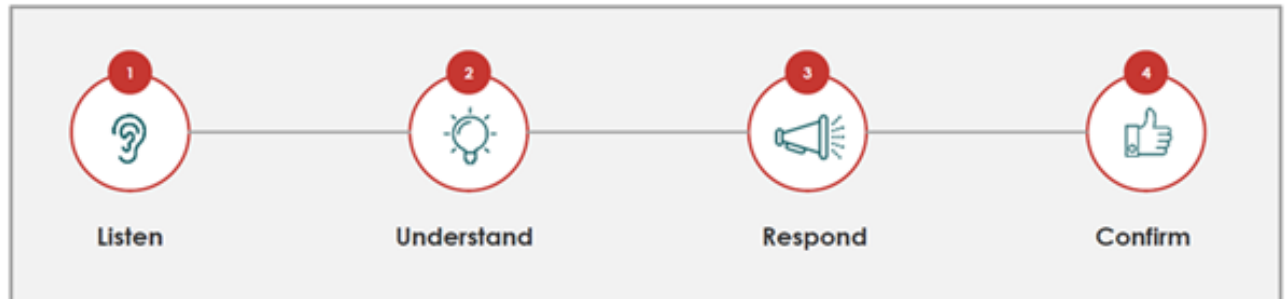


Fig. 5.3: Resolving Procedure

Listen Fully to the Objection: The first reaction when a problem is heard may be to hop right in and take action immediately. Control this temptation. When a retailer reacts too fast, he risks making assumptions about the objection. Take the time to listen to the objection fully.

Do not react defensively. Retailer should train themselves to ignore the feeling of any negative emotions and keep on focusing on the Customer's business problem. Listen with the intent of fully understanding the customer's concerns without prejudice and allow the body language to communicate to the customer that you are listening attentively.

Understand the Objection Completely: Many issues cover underlying problems that the customers can't communicate. Often the real issue isn't what the customer first tells. It's the retailer's work to get to the deepness of the objection and fully understand it and to its true source.

To do this, the retailer has to understand and explore the issue. Once explored, restate the concern as he understands it. Even after the customer confirms retailer that he understood the issue perfectly, ask "What else?" and "Why" questions for clarification. Often it is the answer to that last "What else?" that contains the biggest blockade to moving the sale forward.

Respond Properly: Once the retailer is confident that he has discovered all objections, address the most important objection first. When he works through the greatest obstacle to moving forward, other concerns may no longer matter or feel as important to the customer.

Retailers should do their best to resolve their issues right away. The faster the resolving issues in real-time, the greater the chances he can have more sales. Delayed responses can seem insincere, so retailers have to keep responses clear and to the point.

Confirm You've Satisfied the Objection: Once the retailer responds and addresses the objections of the customer, he shouldn't be relaxed. He must also check whether the solution given has satisfied the customer's needs and concerns. The retailer has to ask if the customer is happy with the solution and explain the solution further if necessary. Because many customers will accept a solution at the moment, but once the retailer is out of sight or off the phone, the objection still remains

When faced with sales objections, the retailer shouldn't lose sight of his goal. The above steps of Listening, Understanding, Responding and Confirming will strengthen the relationships with customers; hence, overcome obstacles in the buying process and move closer to the sale.

The retail industry is becoming more and more competitive. Companies to take a modern approach to survive the current market circumstance, it has to deal with economic challenges, technological advances, consumer fashion and globalization. Thus, as a retailer, one has to study the upcoming challenges and build best strategies to solve the problems as soon as possible.

COMMON CHALLENGES OF THE RETAIL INDUSTRY

- 1. Finding the right market:** Finding the right market is not an easy task. A lot of analysis work has to be done in this process, which involves: defining the target customers, their tastes, buying patterns, most purchased products by a particular group of people, etc. This practice will help in advance insights into what types of products are accessible in a particular market and which types of customers are more likely to buy those products.
- 2. Multichannel user experiences:** Consumers today have plenty of multichannel purchasing options. Viewing products in-store only to make a purchase online- are now more common than ever. Thus, the retailer should now think of extraordinary services. The solution for this will be the right information about the consumers. This will help in creating a single-channel customer experience, which allows customers to interact whenever and however they want to, across all the channels and devices.
- 3. A customer expects flawless understanding:** Customers expect that, if they are regular online customers, they must be treated the same as a regular customer to a brick-mortar store. So, it is necessary for the retailer to maintain the dedicated means to record the details of online purchasers of the store. They can build loyalty by rewarding their consumers and delivering relevant content. This will help in retaining their potential customers.
- 4. Many technologies are available for marketing, but can't be worked together:** The amount of data collected by industries keeps growing at a shocking rate but the number of employees to scrutinize it is continued to be more or less the same. Thus, efforts are to be made to find out the best

technology which can collect, manage, analyze these in a direction that could bring profits to the company.

- 5. Return and refund policy:** A retailer to get the loyalty of the customer, priority should be given to customer satisfaction. The key takes away from this is, to keep a transparent and accessible return policy, which is not too lengthy. When a site mentions a "no return policy," it makes the customer think "it is unsafe to purchase." Thus, having a clear and easy-to-understand return policy will help businesses to gain trust.

Activities

Activity 1: Visit a nearby retail store and assess how the retailer is providing benefits to customers and distributors.

Material required: Notebook, Pen, Pencil.

Procedure:

1. Make groups of four students each.
2. Ask students to visit a nearby retail store. And note down the observations.
 - a) Benefits to customers such as a discount.
 - b) Benefits to distributors.
 - c) Offers, gifts, credit, etc.
 - d) Relationship response of customers towards retailer – positive/ negative.
 - e) Relationship response of distributors towards retailer – positive/ negative.
3. After collecting answers create an analysis report.
4. Discuss in the class/ present.
5. Submit a report to teacher.

Activity 2: Role-play on resolving customer objections/issues raised by the customers

Materials Required: Pen, Pencil, Rubber.

Procedure:

1. Make groups of three students each.
2. Ask students to perform a role-play in the following manner:
 - a) The first student performs the role of distributor.
 - b) The second student play the role of the retailer.
 - c) The third student performs the role of customer.

3. Ask distributor to deliver the products to the retailer.
4. Ask the customer to purchase the product from the store.
5. Customer returns the product to the retailer after 1-2 days.
6. Retailer understands the problem of customers as the product is not up to the standard.
7. Retailer gives feedback to the distributor.
8. Distributor changed all the products of the retail store.
9. In this way issue is resolved by the distributor and the conflict is resolved by them.
10. Teacher evaluates the whole activity.

Check Your Progress

A. Fill in the Blanks

1. _____, is the act of promoting a product directly to the consumers who use them.
2. Organized _____ provides a variety of goods and services.
3. Huge quantity of farm produce and vegetable is damaged and wasted due to _____.
4. Employment of _____ and labor increases to meet the additional demand, that results in an increase in trade and industry activities.
5. As the majority of farmers have to sell their products to the _____ for the un-remunerative price.

B. Multiple-Choice Questions

1. Retailers provide direct job chances in _____,
 - a) warehousing
 - b) retail store
 - c) banking
 - d) transportation

Health and Longevity depend on _____, style

- a) consumption
- b) spending
- c) earning
- d) None of the above.

2. Price objections include _____,
 - a) no money
 - b) the price is too high
 - c) need a discount to buy
 - d) All of the above
3. Gatekeepers are those who _____ .
 - a) pass the buck
 - b) is a Watchman
 - c) trendsetter
 - d) Fixed buyers
4. Return and refund policy should be _____
 - a) send the Customer back
 - b) be a strict policy
 - c) transparent
 - d) None of the Above

C. State whether the following statements are True or False

1. Health and Longevity depend on consumption style.
2. Prospective customers of a product should know about the features of that for the sales of the product to make it successful.
3. It is not essential that retailers have to develop their brand in order to place themselves amongst the many other stores.
4. If a retailer can track what a customer is purchasing and where, more target marketing can be established.
5. With catering to the changing need of the customers, the retail industries do not offer new products to the customers.

D. Short Answer Questions

1. List out any four benefits of the retailer.
2. Trace out the usual types of objections in sales faced by the retailers.
3. Why retailer needs to listen to the objections carefully?
4. What are the benefits to Farmers and Consumers provided by retailers?
5. How awareness is created by the retailers among the customers?

6. What is the price of objection?
7. While listening is important in objection resolving procedure.
8. How do you understand the objection of a customer in retailing?

E. Long Answer Questions

1. What kind of objection-resolving procedure is adopted under the distribution process?
2. Explain the various type of objections faced by the retailer in a distribution network.
3. Explain the benefits provided by a retailer in the retailing.
4. Discuss the common challenges of the retail industry.

F. Check Your Performance

1. Demonstrate how to handle retailers' problems.
2. Prepare a presentation on objection resolution in distribution marketing.

Answer Keys

Module 1: Sales Management in Wholesaling

Session 1: Introduction to wholesaler

A. Fill in the Blanks

- 1-wholesalers
- 2-Retail
- 3-wholesaler
- 4-resells
- 5-technology
- 6-bulk

B. Multiple Choice Questions: 1-a, 2-c, 3-c, 4-b

C. State whether the following statements are True or False

- 1-True
- 2-False
- 3-False
- 4-True

5-True

D. Match the Columns: 1-c, 2-b, 3-c, 4-a

Session 2: Relationship Between Channel Members

A. Fill in the Blanks

1-consumer

2-marketing

3-Third level

4-Consumer

5-conflicts

B. Multiple Choice Questions: 1-D, 2-D, 3-D, 4-A

C. State whether the following statements are True or False

1-True

2-False

3-True

4-True

5-True

6-False

7. True

D. Match the Columns: 1-b, 2-c, 3-d, 4-a

Session 3: Strategic Marketing in Wholesaling

A. Fill in the Blanks

1-marketing

2-plans

3-new

4-incentives

5-tradeshows

6-Merchandise

B. Multiple Choice Questions: 1-b, 2-b-, 3-b,4-c

C. State whether the following statements are True or False

1- True

2- True

3- False

4- True

5- False

D. Match the Columns: 1-b, 2-c, 3-a, 4-d

Session 4: Selling Skills in Wholesaling

A. Fill in the Blanks

1-successful

2-Communication

3-empathy

4-feedback

5-relationship

B. Multiple Choice Questions: 1-a, 2-b, 3-d,4-d

C. State whether the following statements are True or False

1-True

2-True

3-False

4-False

5-True

D: Match the Columns: 1-b,2-a,3-c,4-d

Module 2: Analysing Stock Levels

Session 1: Sales Estimates and Stocking

A. Fill in the Blanks

1-estimate,

2-availability norms,

3-regularly

4-critical,

5-challenge,

6-stock check

7-Avoid

8-result

9-Promote

10-Training

B. Multiple choice questions: 1-d, 2-d, 3-d, 4-a, 5-d

C. State whether the following statements are True or False

- 1-True
- 2-False
- 3-False
- 4-True
- 5-True

D: Match the Columns: 1-b,2-a,3-e,4-c, 5-d

Session 2: Communicating Promotional Schemes

A. Fill in the Blanks

- 1-benefit
- 2-scheme
- 3-regularly
- 4-manage
- 5-Happy Hours

B. Multiple Choice Questions: 1-d, 2-d, 3-d, 4-c, 5-d

C. State whether the following statements are True or False

- 1-False
- 2-True
- 3-False
- 4-True
- 5-False

D: Match the Columns: 1-b, 2-a, 3-d,4-e, 5-c

Session 3: Range of Selling and Guidelines

A) Fill in the Blanks

- 1-portfolio,
- 2-key technique,
- 3-leveraging
- 4-Range selling
- 5-new products

6-Retail

B. Multiple Choice Questions: 1-d, 2-d, 3-d, 4-d, 5-c

C. State whether the following statements are True or False

- 1-True
- 2-False
- 3-True
- 4-False
- 5-True

D. Match the Columns: 1-b, 2-e, 3-a, 4-c, 5-d

Session 4: Functionality of Palmtop/Handheld Device

A. Fill in the Blanks

- 1-palmtop
- 2-PDA
- 3-Pricing Gun
- 4-barcode
- 5-weight

B. Multiple Choice Questions: 1-d, 2-d, 3-b, 4-a, 5-c

C. State whether the following statements are True or False

- 1-True
- 2-True
- 3-False
- 4-True

C. Match the Columns: 1-b, 2-d, 3-e, 4-c, 5-a

Module 3: Customer Order Management

Session 1: Order and Stock Management

A. Fill in the Blanks

- 1-Order Processing
- 2-Order management
- 3- holistic
- 4-long run
- 5-order

B. Multiple Choice Questions: 1-c, 2-d, 3-d, 4-c

C. State whether the following statements are True or False

1- True

2- True

3- False

4-True

D. Match the Columns: 1-c, 2-a, 3-b, 4-d

Session 2: Stock Rotation

A. Fill in the Blanks

1- operators

2- balance

3-accessible

4- Stock

5-ledger

B. Multiple Choice Questions: 1-c, 2-a, 3-d, 4-c, 5-c

C. State whether the following statements are True or False

1-True

2-False

3-False

4-True

5-True

Session 3: Devices used in Stores

A. Fill in the Blanks

1-Technology

2-E-commerce

3-identification

4- Handheld

5-retailers

B. Multiple Choice Questions: 1-b, 2-c,3-d,4-d

C. State whether the following statements are True or False

1- True

2-True

3- True

4-False

5-True

Session 4: Guidelines to Motivate the Retailer

A. Fill in the Blanks

1- Sales

2- salesman

3- Nodding

4- effective

5-salesman

B. Multiple Choice questions: 1-a, 2-a, 3-a, 4-d

C. State whether the following statements are True or False

1-True

2- False

3- True

4-False

5-True

6- True

7-True

D. Match the Columns: 1-d, 2-a, 3-b, 4-e,5-c

Module 4: Credit Management

Session 1: Introduction to Credit Management

A. Fill in the Blanks

1-Account Receivables

2-Credit Management

3-Credit Policy

4-Credit

5-payable

B. Multiple Choice Questions: 1-a,2-b,3-d,4-b

C. State whether the following statements are True or False

1-True

2-False

3-True

4-True

5- True

Session 2: Invoice and Credit Information

A. Fill in the Blanks

1-Credit Note

2-invoice

3-Proforma

4-Credit

B. Multiple Choice Questions: 1-b, 2-a, 3-a, 4-a, 5-b

C. State whether the following statements are True or False

1-True

2-True

3-False

4-True

5-True

Session 3: Pending Display Payment

A. Fill in the Blanks

1-Distributors

2-Credit Report

3-Pending

4-customers

B. Multiple Choice Questions: 1-d, 2-d, 3-a, 4-d, 5-b

C. State whether the following statements are True or False

1-True

2-False

3-False

4-False

5-True

D: Match the Columns: 1-b, 2-c, 3-a, 4-d

Session 4: Pending Accounts Payables and Receivables**A. Fill in the Blanks**

1. payable
2. invoice
3. receivables
4. source
5. Reconciling

B. Multiple Choice Questions: 1-d, 2-c, 3-b, 4-c, 5-a**C. State whether the following statements are True or False**

- 1-True
- 2-True
- 3-False
- 4-False
- 5-True

E. Match the Columns: 1-b, 2-a, 3-c**Module 5: Building Personal Relationship****Session 1: Relationship with Traders****A. Fill in the Blanks**

- 1-reliable
- 2-rely
- 3- uncomfortable
- 4- a) behaviour pattern b) style
- 5-traffic-in-store

B. Multiple Choice Questions: 1-b, 2-d, 3-a, 4-c**C. State whether the following statements are True or False**

- 1-True
- 2-True
- 3-True
- 4-True
- 5-False
- 6-False

D. Match the Columns: 1-b, 2-d, 3-a, 4-c

Session 2: Dealing with Customers

A. Fill in the Blanks

- 1- Complaints
- 2-distributor
- 3-automation
- 4- monetary
- 5-primary

B. Multiple Choice Questions: 1-c, 2-a, 3-a, 4-c, 5-d, 6-d, 7- b, 8-e, 9-a

C. State whether the following statements are True or False

- 1-True
- 2-True
- 3-True
- 4-False
- 5-True

Session 3: Retailers Grievances and Complaints

A. Fill in the Blanks

- 1- complaint
- 2-retailer
- 3-Traders
- 4- grievances
- 5-distributor
- 6-retailer
- 7-Internal communication

B. Multiple Choice Questions: 1-d, 2-a,3-d,4-a,5-c

C. State whether the following statements are True or False

- 1-False
- 2-True
- 3-True
- 4-True
- 5-False

D. Match the Columns: 1-c, 2-a, 3- b

Session 4: Handling Objections and Resolving the Issues

A. Fill in the Blanks

- 1-Retail marketing
- 2-retail
- 3-poor infrastructure
- 4-capital
- 5-middlemen

B. Multiple Choice Questions: 1-b, 2-a,3-d,4-a,5-c

C. State whether the following statements are True or False

- 1-True
- 2-True
- 3-False
- 4-True
- 5-False

Glossary

Word	Meaning
Retailing	Retailing is the business of selling goods and meeting the consumer demand.
Merchandising	It represents finished goods an organisation purchases from a supplier for future resale.
POP DISPLAY	Pop DISPLAYS also called as a point of purchase display. It is any store display that attracts customers to purchase the products.
Microorganisms	It comprises of molds, yeasts and bacteria. Bacteria comprises spoilage organisms, spore-forming bacteria and those that may cause food poisoning through the production.
Shelf-life	It is the period of time established under planned conditions of storage, use and storage that the food would remain suitable and safe.

Publicity	It is a form of communication that involves unpaid presentations about the retailer in the form of a news story in the mass media or newspaper.
Vendor	A person or company offering something for sale, especially a trader in the street.
Negotiation	Discussion aimed at reaching an agreement.
Contract	<i>Contract</i> is a legally binding document between at least two parties that defines and governs the rights and duties of the parties to an agreement.
Attitude	Attitude means what person feels about something.
Emergencies	a serious, unexpected and often dangerous situation requiring immediate action.
Hazards	A <i>hazard</i> is any source of potential damage, harm or adverse health effects on something or someone.
Risk	Potential unexpected event may have adverse impact.
Lifting	the <u>action</u> of <u>moving</u> something from a <u>lower</u> to a <u>higher position</u> .
Fatigue	extreme tiredness resulting from mental or physical exertion or illness.
Stress	Stress can be defined as the degree to which you feel overwhelmed or unable to cope as a result of pressures that are unmanageable.
Dehydration	Excessive loss of body water.
cleanliness	The state or quality of being clean or being kept clean
Safety	The condition of being protected from or unlikely to cause danger, risk, or injury
Customer retention	Ability to keep or hold
Rapport	a close and harmonious relationship in which the people or groups concerned understand each other's feelings or ideas and communicate well.

Feedback	Information about reactions to a product a person's performance of a task, etc. which is used as basis for improvement
Self-development	The process by which a person's character or abilities are gradually developed
Personality	the combination of characteristics or qualities that form an individual's distinctive character
Skills	The ability to do something well; expertise
Diversification	the action of diversifying something or the fact of becoming more diverse.
Expansion	the actions of becoming larger or more extensive
Motivation	<i>Motivation</i> is the process that initiates, guides and maintains goal-oriented behaviors.
Franchising	A franchise is a legal contract between a company (franchiser) and the store owner (franchisee), which allows the store owner to conduct business under an established name, For example, Pizza Hut, Mc Donald's, Van Heusen, etc.
Policy	A policy is a set of principles and guidelines that an enterprise established to explain its long-term goals direct and limit the extent of its actions in search of long-term goals and to protect its interest.
Procedure	A procedure is a predetermined manner that consists of an arrangement of steps that must be tracked in order for the task to be finished
Supplier	They are providers of merchandisers to be sold
Trademarks	A trademark is protecting the symbolic value of product. Trademark is used to recognise the product and it can be a name, symbol, device or a combination of them
Copyrights	Copyright items are art, books, music, advertisements, software, jewelry etc. It rests with either the person who creates the work or with the employer
Data	the collection of facts that comprises of personal data, web data, sensor, data etc.

Advertising	The activity or profession of producing advertisements for commercial products or services
Promotion	A various set of activities which communicate the brand, product or services to the customers or users
Aggressiveness	Hostile or violent behavior
Appearance,	The way that someone or something looks
Assessing	Evaluate or estimate the nature, ability, or quality of
Dissatisfaction	Lack of satisfaction
Disseminating	Spread (something, especially information) widely
Safeguard	A measure is taken to protect someone or something or to prevent something undesirable
Satisfaction	Fulfilment of one's wishes, expectations, or needs, or the pleasure derived from this
Fraud	Wrongful or criminal deception intended to result in financial or personal gain
Grievance	A real or imagined cause for complaint, especially unfair treatment
Guidelines	A general rule, principle, or piece of advice
Inappropriate	Not suitable or proper in the circumstances
Inflammatory.	(Relating to or causing inflammation of a part of the body
Initiatives	The ability to assess and initiate things independently
Integration	The action or process of integrating
Interruption	The action of interrupting or being interrupted
Loyalty	The quality of being loyal
Maintaining	Cause or enable (a condition or situation) to continue
Mechanism	A system of parts working together in a machine; a piece of machinery

Merchandises	Goods to be bought and sold
Obligations	An act or course of action to which a person is morally or legally bound; a duty or commitment
Operation	The action of the functioning or the fact of being active or in effect
Permission	The action of officially allowing someone to do a particular thing; consent or authorization
Personalization	Design or produce (something) to meet someone's requirements
Persuade	Induce (someone) to do something through reasoning or argument
Persuade	Induce (someone) to do something through reasoning or argument
Phenomenon	A fact or situation that is observed to exist or happen, especially one whose cause or explanation is in question

PSSCIVE Draft Study Material © Not to be Published