

## **A NEW VISION ON SALES**

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**Abstract:** Companies are complaining about the decrease of sales and their constant tendency to go down. Nevertheless, they have detected serious and expensive policies in their specialized departments, they have modified the organizational structures, they have technically trained salespeople and have adapted their products to the demands of the market. Results were weak and their investment was hardly recuperated. Tough redundancy measures have been imposed, plants have been closed and the unemployment rate has become higher. What can be the reason for all these failures? In the early 80s, a professor asked what the most important event in the world was. The professor's answer was that the Second World War's influence upon the world had been over and that both economists and politicians continued to function under old standards, without being aware of the major transformations and reforms which highly affected the business world. New economic forces have appeared, especially in Asia, developing policies and military problems are completely different from those in the 50s-60s. Regarding these transformations which do not take into consideration the implications of the Second World War, new policies are to be adopted in business and in politics. Our comment on the example above refers to the evolution of economy in the 8th and 9th decades of the last century and further, after the 90s, until today: crises, especially the one in Asia, the change in consumers' needs, the importance of the growth of mass consumption in the evolution of national and global economies. In Europe, the EU expanded to the ex-communist countries after the 90s, which allowed the emergence of new markets on the background of globalization. The question which arises vis-a-vis the things previously presented is: what is the most important problem of sales policies now? In this paper, we try to find the correct answer to this question, which will help us find the antidote for the recent weak sales and discover methods to relaunch sales.

**JEL classification: M30, M31**

**Key words: sales, redundancy, failure, commerce, relaunch**

### **1. INTRODUCTION**

It is now the time when all that has been done so far in sales may not meet the present and especially the future needs. Sergio Zyman (2001: 13) stated that "... the era of

marketing the way we know it, is finished, kaput, and most marketers do not even realize it."

## 2. OBJECTIVES

These Sales, defined as "the process of passing the goods or services from one owner to another for a sum of money called the price" (Nicolescu 2011: 643) has always involved convincing potential customers to buy what the salesman proposes. Due to the ongoing changes of needs, their diversification, the buying or selling process either does not occur, or the proper conditions are more difficult to be met and costs are increasing. One can easily see that many products and services simply disappear or are required to be redrawn properly to the new demands coming from customers. Under these conditions, the salesman's job acquires new meanings, new concerns, the training should aim to overcome "the study of a passive receiver of orders (from the market), generating he himself orders." (Mâlcomete 2003: 762)

A first approach adapted to the present relates to the comparison between the two attitudes that may possess a salesperson (Mâlcomete 2003: 762):

- the salesman who can adopt a sales-oriented attitude;
- the salesman who can adopt a customer-oriented attitude.

If the first guideline reflects a traditional approach to the sales process and meets the old marketing concept, the second one reflects a shift towards a new marketing concept, reflecting a modern approach of selling where needs are identified, discussions with clients are being carried out and, at the same time, new customers appear (Jackson, D.W., W.H. Cunningham, & I.C.M. Cunningham 1998: 519).

Where is the sales limit between art and science in these circumstances? To a certain extent, it can be said that the art of sales involves convincing the customer to buy what the salesman proposes and not what he really wants as previously communicated. The art of sales cannot be achieved without taking into consideration some scientific stages related to traditionalism.

## 3. METHODOLOGY

If the modern approach of the selling process, involving the emergence of needs, means that salesmen are no longer limited to just selling, but they must also be involved in all stages of production (acquisition) of the sold product and then report it in the post-sale activity. This means that the salesman, together with the company he represents, and the customer must somehow become partners.

In other words, if the selling process complies with certain traditional steps, the present, and especially the future, involve that the selling company must become a partner of the client, following an appropriate policy which takes into consideration the client's needs. Needs vary from customer to customer, or there can be cases when the same need manifests differently from one client to another. The modern approach of sales involves giving clients the same opportunities regardless of whether some of them are or may be different. It would be much easier if customers could be chosen: it is already known that the remaining available customers are usually the ones difficult to deal with, as the competition has already taken care to attract easy-to-convince target customers. Under these conditions, the basic element is adaptation. Based on a careful observation, the salesman must adapt in order for him and the person he has in front of him to be alike (Caron 2007: 84). This similarity has to reach the stage when even the salesman wishes to buy the product he wants to sell to his interlocutor.

All these lead to an aspect often neglected: sales strategy. The sales strategy is the “new” element in the vision of local and world trade growth. The policy *anywhere, anyhow, anyone, anyway* represented a perfect choice for the 20<sup>th</sup> century, and mostly for the beginning of the 20<sup>th</sup> century. With the advent of globalization, the unprecedented development of the competitive chain, diversification of products, their almost continuous modernization and especially their availability on any market anywhere in the world, regardless of their place of origin or production, require the application of new selling policies to accommodate the new market needs and customers’ new demands. All these needs have transformed the customer into an informed person who buys products like a professional and the most important consumers purchase products as experts. In this case, the salesman must be more than a collector and a user, he must be a strategist who prepares the market, sells the product and struggles to grow its perspective on the market in order to remain on the market and increase its market share.

Sales strategy should not be known and/ or applied only by salesmen or those working directly in sales, but by the whole staff of a company which must somehow be involved in the sales force. Each member of the company must be directly or indirectly involved in the sales strategy. In a tough competitive world, any uninspired procedure can have serious consequences upon sales trends. Imagine a driver working in the acquisitions sector who, in a discussion with the supplier, accepts a component of questionable quality, the supplier’s representative may immediately lose confidence in the finite product made with the poor quality component chosen by the driver.

A suitable sales strategy has to make every member of the company realize that he is a member with rights and obligations towards the sales force. When dealing directly with the market, regardless of his tasks, he also stands for the selling policy of his company.

It should be insisted on an element of sales strategy which is often ignored: consumer knowledge, consumer behaviour. Salesmen often master selling techniques very well, they know the product to be sold, they skilfully choose the market segments, but, unfortunately, they do not possess any information regarding the criteria the customer takes into consideration when choosing a product. Consumer knowledge is a very difficult thing that goes hand in hand with pure technical elements, but also with psychological interaction. Solving such problems could start with the acknowledgement of the appropriate need of the customer to buy a certain product. This need may concur with the main or secondary attributes of the product.

#### 4. ANALYSES

In 1997-1998, as a result of the extremely difficult economic situation even compared to 1996, we can see (*Annual and monthly bulletins -sources NBR 1996-1997*):

- Interest rate	55.6% / 53.6% (1996)
- Inflation rate	151.4% / 56.9% (1996)
- Exchange rate ROL / U.S. dollar	
1996 - 3082 ROL / USD.	
1997 – 7000 ROL / USD	
- Fuel price	1996 – 4500 ROL / l 1997 – 9000 ROL / l
- First car registration fee	5%

Doing a simple calculation, we can reach the following result:

1996 - car price	10000 USD = 30820000ROL
1997	10000 USD = 70000000ROL
Fee	5%
	10500 USD = 73505000ROL

In ROL, only due to the higher exchange rate ROL / USD and the introduction of the 5% fee (after the initial proposal of that being of 10%), we can see the price increased 2.38 times, while the net salary changed from 321,169 ROL (104 USD) to 632,086 ROL (91 USD) in 1997 (1997 compared to 1996: the price increased 1.96 times in ROL and 0.875 in USD).

If we take into account the other aspects: doubling gas price, more than doubling the inflation, economic conditions of the market in Romania- all of these factors “blocked” the selling of cars.

Under these circumstances, a sale strategy was applied in order to facilitate the further sales, starting from the immediate complementary secondary need of customers:

- Main need: car use
- Secondary need: financing

Proposed solutions:

- credit provider
- Bank loan
- Leasing

Difficulties:

- The absence of a law on leasing
- Banks’ refusal to offer loans
- The leasing companies’ developing network

The chosen solution:

- credit provider - selling in instalments
- the selling company’s lease financing

Result: increased sales from 250 units per month in February 1997 to 1,100 units per month in November 1997 and to 4,000 units per month in March 1998. (Personal archive)

#### *4.1 Critical*

As already shown above, results were not magnificent, which meant that something is incomplete in the used sales strategy. An empirical study showed that it takes something extra to the consumer to decide to purchase the product; an additional need which did not exist in the initial sales strategy. This need was referring to the initial impulse in terms of financing for consumers who were able to pay lease rates or leasing charges but were undecided whether to buy the car or not.

This discovery changed the sales strategy. Experimentally, for a lot of 4,000 pieces, an advance payment of 10% was set, payable in two instalments of 5% each: one upon signing the contract/ delivery; and the other after three months. Then, the leasing instalments had to be paid within 3-4 years, together with the corresponding warranty.

The result: 4,000 units sold in a month.

The above example demonstrates the importance of sales strategy and its continuous need to adapt to market reality.

## 5. CONCLUSIONS

It is clear that the period of product distribution ended and that a policy modernization is required, at least in the following directions:

1. Salespeople must be customer-oriented and, at the same time, be able to create needs for their target customers.

2. Salespeople's sales strategies must be adopted for medium to long periods of time, which to take into account a proactive sale. This means that all companies should participate in setting sales strategies. All companies should thus use the same strategy, and, in this way, they should be able to keep the same trading conditions during the contracted period.

3. Taking into consideration all the needs a customer can satisfy with purchasing a product and changing the selling policy will make the customer decide to buy the product.

4. Adapting products /technological breakthroughs to customer needs/requirements (e.g. the iPhone 5)

5. Certain products' reciprocal financing and transforming the salesman into buyer's virtual partner.

6. A new sales policy at a regional or even global level, for the same product. Selling prices for the same product are different from country to country, including in euro countries. It is strange that there are not massive customer migrations towards the countries products are cheaper in. On the unique European Union market, revenues are very different, and, consequently, buyers' interest in lower prices countries should be higher.

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