E2-E3: MANAGEMENT

CHAPTER-17

RETAIL SALES

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Retail Sales

Introduction
Every organization wants to make more profit. This can be achieved by increasing sales. More selling depends on many factors such as skills of sales people, number of outlets; channel management etc. In an ideal business world, most marketers would prefer to handle all their distribution activities by way of their own channel arrangement. This arrangement provides the marketer with two important benefits. First, being responsible for all distribution means the marketing organization need only worry about making decisions concerning their product. Second, having control on all distribution means the marketer is always in direct contact with buyers of their products, which can make it easier to build strong, long-term relationships with customers. Unfortunately, for many marketing organizations a company owned channel is not feasible either due to high cost or lack of experience needed to run a channel efficiently necessitating reliance on third parties to get their products into the hands of customers. This chapter explains the concept of retail sales and application in BSNL.

Learning Objective
After this session, participants will be able to
1. Define Sale & Retail Sales
2. Describe Retail Sales process
3. Understand Retail Selling Skills & technique
4. Understand BSNL retail Sales structure

Sales: Simply stated it is the Exchange of Goods or Services for an Amount of Money or its equivalent. Sales is a process which involves the buying and selling processes. One buys a product( service) which solves his problem or satisfies a Need. We do not buy the product as such; but the Benefits that it will bring to us. Thus, SALES is basically a Need Satisfying Process or A Problem Solving Activity.

Retailing consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply
Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. Shops may be on residential streets, shopping streets with few or no houses or in a shopping mall. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing. There are several ways in which consumers can receive goods from a retailer:

- **Counter service**, where goods are out of reach of buyers and must be obtained from the seller. This type of retail is common for small expensive items (e.g. jewelry) and controlled items like medicine and liquor. In telecom sector FWT, new mobile connection, recharge vouchers sale happens over the counters now. (activation of connections may happen later)

- **Delivery** (commerce), where goods are shipped directly to consumer's homes or workplaces. Ordering by telephone is now common, either from a catalog, newspaper, television advertisement or a local restaurant menu, for immediate service (especially for pizza delivery). Direct marketing, including telemarketing and television shopping channels, are also used to generate telephone orders. In telecom sector, new connections can be ordered over phone.

- **Door-to-door sales**, where the salesperson sometimes travels with the goods or takes order for sale. DSA concept in BSNL is an example of this category.

- **Self-service**, where goods may be handled and examined prior to purchase, has become more common now.

Key issues of concern to a retailer are:

- Location of outlet
- Stock availability
- Layout of outlet
- Margins
- Incentives
- Promotional-Push, Pull techniques
- Exclusive or Multi brand outlet

Key issues of concern to a company appointing retailers are:

Reach: Number of outlets that need to be opened so that the items are available at convenient locations.
Retailer service: Activities other than sale to be handled by retailer
Brand control: Ensuring correct branding and level of service at retail outlets
Cost of retailing: Incentives, margins, credit stock, replacement terms, product & sales training to retailer staff, monitoring system etc.
Stock ownership: Whether retailer assumes the title or manages stock on behalf of company
Target assignment: Assessing sales potential and fixing sales targets

Sales Management: It is the management process of establishing, directing, and coordinating the sales development activities for the company products. Strategically plan for, develop and profitably penetrate the market to which the products, services and capabilities of the company can be directed ensuring the sales to customers, distributors and resellers achieve the budgeted target. The scope of the sales management, in broad terms includes, the following
- Establish Sales force objectives
- Organizing the Sales force
- Recruiting and Selecting Salespeople
- Training Sales Personnel
- Compensating Sales People
- Motivating Sales People
- Developing sales plans
- Developing sales development programs

3.0 Selling Skills Retail Salesperson should essentially have certain skills and attributes such as:

i) Knowledge: About:
   - The organization,
   - The products,
   - The customer,
   - Technical and commercial aspects,
   - Similar products of the competitor.

ii) Communication skills: Verbal, non verbal, listening

iii) Administrative skills: Organizing, planning and prioritizing, coordinating

iv) Strategies or “Game plan”: Building long-term relationship, sensing customer reactions, Managing customer perception and expectations
v) **“YOU” factor**: Personal appearance, Interpersonal skills. The Sales personnel serve as the company’s link to customers. In fact “They are the Company for the customers and the Customers for the company”.

3.1 **Selling Technique**: Depending on the situation, product and profile of customer a Salesperson has to decide the technique such as focus on features & advantages of the product/service or customer need satisfaction or product itself. One important selling technique is FABV-Feature, Advantages, Benefits & Value.

- **Feature**: part of the product or service – or what the product/service IS. Physical characteristics of the product: e.g. *Broadband through ADSL technology*

- **Advantage** describes why the feature provide an advantage to the customer e.g. *Faster download speed*

- **Benefit** describes the economic, technical, service, and social benefits delivered by the product offering: *Time saving, more business, competitiveness, more options*

- **Value**: The worth (often in money term) of the offering. Anyone buys when the *value perceived* is *more than the money* parted with

4.0 **Retail Sales structure & system in BSNL**: Initially BSNL did not have a well-defined exclusive sales structure. The concept of commercial officer, CSCs and Marketing agents was expanded by introduction of franchisees with the launch of BSNL mobile services in October 2002. Since then, a strong need was felt to strengthen sales channels in BSNL and also to create sales role specific job structure in BSNL. In October 2009, as part of Project Shikhar, a new sales setup has been designed. Consumer mobility and Consumer Fixed Access verticals have dedicated GM/DGM rank officers at Corporate as well as Circle level to plan, manage and effect retail sales.

4.1 **Franchisees**: BSNL has put in place Franchisee Sales & Distribution policy 2009. A comprehensive Sales & Distribution Policy is also being worked out. Franchisees are appointed through EoI route by respective SSAs. Salient features of this scheme are:

- Well defined geographical area for franchisee called as primary area
- Exclusive franchisee showroom as per design specified by BSNL
- Franchisees to appoint Feet on Street (FoS)
Franchisee play a very important role in serving customers across the country and improve BSNL visibility. BSNL is yet to build the reach comparable to competitors. In order to motivate franchisees, time to time reward scheme are introduced.

4.2 Direct Selling Agents: Any 10th pass can become a DSA. Retired BSNL employees/spouses can also become DSAs. The objective is to sell BSNL services door to door extending ultimate convenience to BSNL customers. Any number of DSAs can be appointed by SSA Heads.

4.3 Other Retail outlets: Any other outlets such as shopping malls etc. can also be appointed as DSA to sell BSNL services with the approval of concerned CGM. BSNL has also allowed to appoint Service Center Agents (SCA) of Common Service Centers (CSC) of Department of Information Technology being setup in rural areas across the country as DSAs. DIT is setting up 1,12,000 CSCs and is expected to strengthen BSNL’s reach.

4.4 EPIN Franchisees: BSNL has also appointed EPIN franchisees across the country. All recharge vouchers, sancharnet card, VCC card etc. have a secret PIN for sue of respective service. These PINs are sold in bulk to appointed franchisees. Any Indian Registered company / Registered Cooperative Society / Registered NGO fulfilling prescribed criteria can become Circle level or All India level franchisee. For Circle level franchisees, the commission structure depends on the type of agreement i.e. exclusive or non-exclusive. All India franchisees are appointed on non-exclusive basis. These franchisees can sell these PINs through point of sales terminal or through PC connected to main server of franchisee.

To improve BSNL-external channel partners, monthly meetings are to be held by SSAs with franchisees along with retailers and separately with DSAs/PCOs/other channel partners.

4.6 BSNL owned Sales setup:

4.6.1 Customer Service Centers: BSNL has about 3000 CSCs across the country. CSCs are supposed to act as single window service centers and open from 8AM to 8PM.
Appropriate arrangements need to be done to ensure that even cash transactions are handled till the closing hours. Staff posted at CSC has to be smart, courteous and knowledgeable about BSNL services.

4.6.2 **1500**: BSNL has opened 1500 dialup service across the country. This service is supposed to be centralized for whole circle and handle queries related to various services of BSNL such as billing, new facilities, on demand areas, new bookings etc. Customer queries can be made over either to BSNL sales team/franchisees/DSAs for follow up and converting it into sales. For mobile related queries centralized number is 09400024365

4.6.3 **WEB self Care**: Sales are possible through link provided on BSNL website www.bsnl.co.in. VCC card, CallNow, FLPP and mobile recharge vouchers can be purchased with the help of Internet banking account of certain banks such as ABN, AXIS, BoB, BoI,BoP, IDBI, PNB, SBI, UBI etc.

4.6.4 **Sales Teams**:

4.6.4.1 **Nodal officer**: Heads of SSA have to appoint a suitable BSNL executive preferable CSC incharge to act as single window interface for the franchisees. Nodal officer is required to maintain inventory, stock register and reconcile revenue and sales made by franchisees. Minimum three months inventory has to be stocked by SSAs.

4.6.4.2 **Sales staff**: In October 2008, BSNL decided to appoint sales staff in each SSA. Each circle has been asked to appoint 250-300 sales teams. Each team comprises of 4-6 Telephone mechanics, TOAs lead by JTO/SDE/Sr SDE rank officer. 4-6 such teams have to report to an officer of AGM rank who has to be allocated specific sales targets by SSA Head. Existing line staff accepting sales duty is being designated as Retailer Manager. Special teams are being appointed under Project Udaan and Project Vijay. Very lucrative reimbursement schemes have been put in place. For example under Project Vijay, travel & meal allowance varying from Rs 1300-Rs 2600 is allowed to sales team member depending on their quantum of work. Similarly for Udaan sales team leader & sales associates Rs 1400/- per month is allowed towards meal & travel expenses.

4.6.5 **Sales software in CRM module of CDR project**: As part of BSNL CDR/Convergent billing project under commissioning, a centralized CRM module having sales features is also being put in place for handling all BSNL service as a single
window concept. Functions like lead generation, lead qualification, selling to a retail new/existing Customer will be available.

4.6.7 Sancharsoft: This software has been developed and made operational by IT project circle for retail/bulk Inventory Management which is a web based module for management of Sales & Distribution Channels. Software provides various reports for planning and redistribution of inventory, manages stock issuing, invoice management, commission payouts, sales data on geographical as well franchisee/retailer/DSA vise for analysis.

Conclusion: Many initiatives are being taken by BSNL to improve the sales management. All employees are required to contribute their best by learning sales skills & ensure best returns from these initiatives. External sales channel need to be treated as BSNL partners and extended full back end support in terms of timely supply of products, marketing material, office support, payments and prompt handling of customer grievances made over by them to BSNL.
Chapter 17: Retail Sales

Sample self study Questions

Subjective Questions
1. What is Sales
2. What are the requirement for retailer
3. What are different selling technique
4. Who can be appointed as DSA? Write any 2 Requirement

Write True/False
1. Sales is a process which involve buying and selling
2. People purchase benefits of the products
3. Sales management is a process involving Establish, Divert & coordinate
4. Selling skills include Knowledge & Administrative skills
5. Long term Relationship is a part of Strategy
6. CFA & CM are parts of Retail Sales