

# PROFESSIONAL SALESMANSHIP

## Chapter 5

# Types of Purchasing Decisions

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# LEARNING OUTCOMES

*After completing this module, you should be able to:*

- Elaborate on the various categories of buying decisions.
- Detail the four communication styles and elucidate how salespersons should adjust and vary their own styles for optimal communication.
- Define buying teams and delineate the distinct roles of their members.

# TYPES OF PURCHASING DECISIONS

- Buyers are learners
- The level of experience and knowledge

# TYPES OF PURCHASING DECISIONS

## Three Types of Buying Decisions

## EXHIBIT 3.6

	Decision Type		
	Straight Rebuy	Modified Rebuy	New Task
Newness of problem or need	Low	Medium	High
Information requirements	Minimal	Moderate	Maximum
Information search	Minimal	Limited	Extensive
Consideration of new alternatives	None	Limited	Extensive
Multiple buying influences	Very small	Moderate	Large
Financial risks	Low	Moderate	High

source: Ingram, et.al. (2008) *Professional Selling A trust-based Approach 4<sup>th</sup> edition*. pp 77

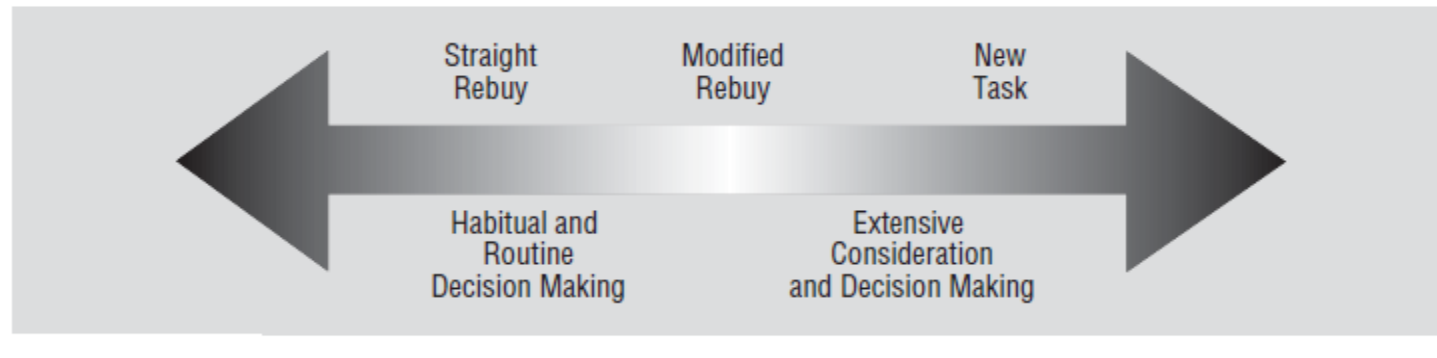
# Straight Rebuys

- straight rebuy decision
- electronic data interchange (EDI)
- e-commerce

# Straight Rebuys

**FIGURE 3.5**

**Continuum of Types of Buying Decisions**



*source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4<sup>th</sup> edition. pp 78*

# New Tasks

- new task decision
- no in- or out-supplier

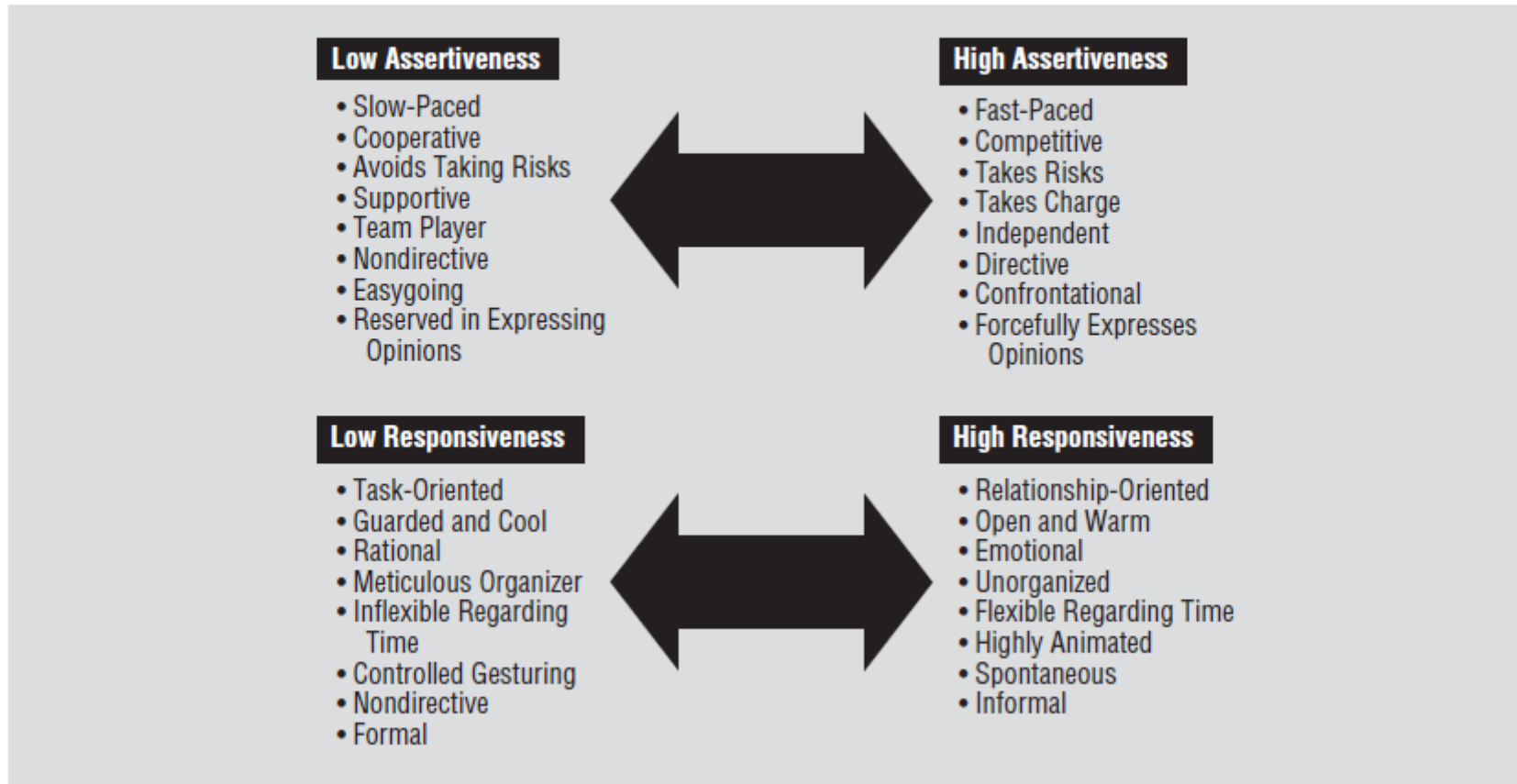
# Modified Rebuys

- Modified rebuy decisions
- result of changing conditions or needs.

# UNDERSTANDING COMMUNICATION STYLES

Comparison of the Principal Characteristics of Assertiveness and Responsiveness

FIGURE 3.6



# UNDERSTANDING COMMUNICATION STYLES

**Assertiveness** - Assertiveness refers to the degree to which a person holds opinions about issues and attempts to dominate or control situations by directing the thoughts and actions of others.

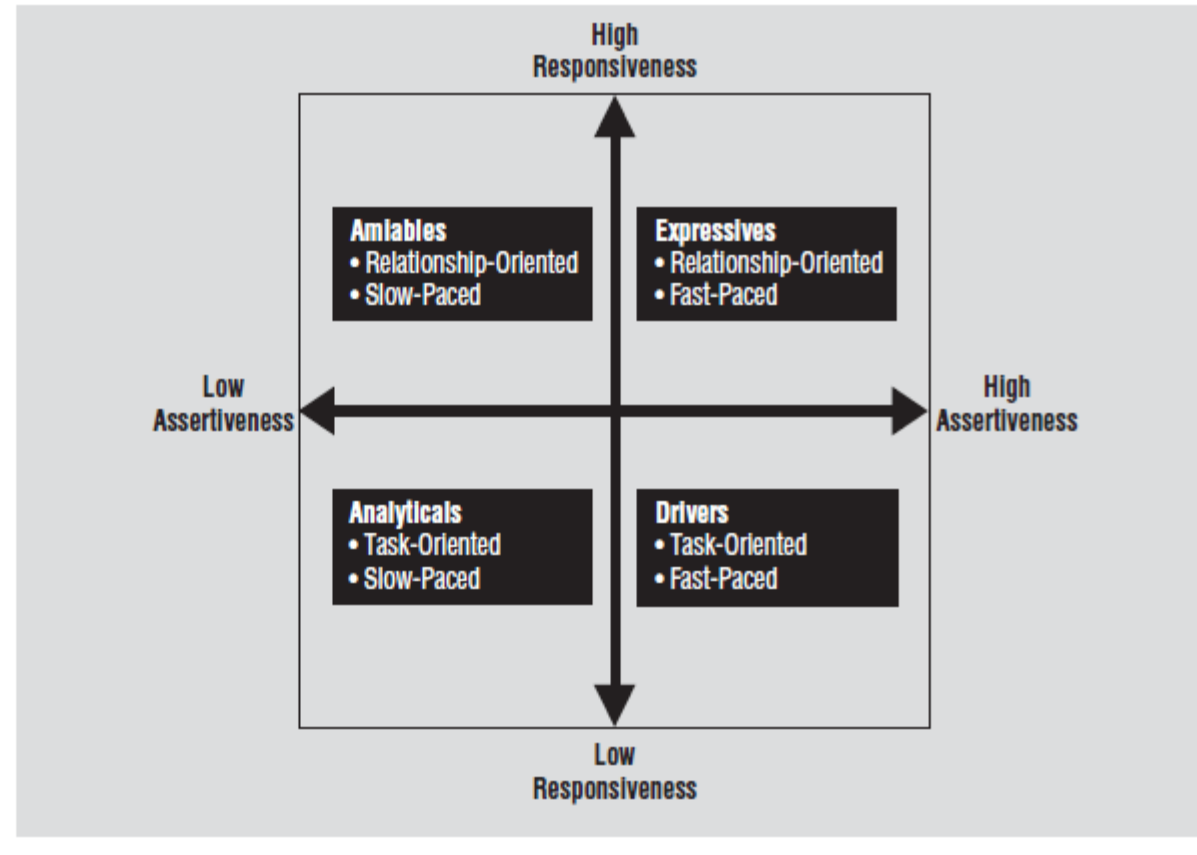
# UNDERSTANDING COMMUNICATION STYLES

**Responsiveness**—Responsiveness points to the level of feelings and sociability an individual openly displays.

# UNDERSTANDING COMMUNICATION STYLES

**FIGURE 3.7**

**Communication Styles Matrix**



source: Ingram, et.al. (2008) *Professional Selling A trust-based Approach 4<sup>th</sup> edition*. pp 80

# UNDERSTANDING COMMUNICATION STYLES

**Analyticals** are characterized as being low on assertiveness as well as responsiveness.

# UNDERSTANDING COMMUNICATION STYLES

**Amiables**—Developing and maintaining close personal relationships is important to amiables

# UNDERSTANDING COMMUNICATION STYLES

**Expressives** — Expressives are animated and highly communicative. Although very competitive by nature, they also exhibit warm personalities and value building close relationships with others.

# UNDERSTANDING COMMUNICATION STYLES

**Drivers**—Sometimes referred to as the director or dictator style, drivers are hard and detached from their relationships with others

# UNDERSTANDING COMMUNICATION STYLES

**Analyticals**—The descriptive name for this style is derived from their penchant for gathering and analyzing facts and details before making a decision. Analyticals are meticulous and disciplined in everything they do.

# MASTERING COMMUNICATION STYLE FLEXING

- Salespeople must also be aware of his or her own personal style
- Adapting to buyers by flexing his or her own communication style

# MULTIPLE BUYING INFLUENCES

**Buying teams** also referred to as buying centers

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# MULTIPLE BUYING INFLUENCES

**EXHIBIT 3.7** Recommended Flexing Behaviors for Different Communication Styles—*Continued*

Selling Task or Objective	Selling to the Analytical	Selling to the Driver	Selling to the Amiable	Selling to the Expressive
Gathering Information (Continued)			<ul style="list-style-type: none"> <li>Find out who else will contribute to the buying decision.</li> <li>Summarize what you believe to be the Amiable's key ideas and feelings.</li> </ul>	<ul style="list-style-type: none"> <li>If the Expressive shows limited interest in specifics, summarize what has been discussed and begin to suggest ways to move the vision toward reality.</li> </ul>
Activating the Need to Change	<ul style="list-style-type: none"> <li>Use their records to supply information.</li> <li>Use a logical approach.</li> <li>Illustrate with dollars and cents.</li> </ul>	<ul style="list-style-type: none"> <li>Be fast paced and businesslike. Be sure of your figures. Show the Driver the bottom line. Appeal to rational thinking and avoid appeal to emotions.</li> </ul>	<ul style="list-style-type: none"> <li>Address emotional needs in line with safety and comfort needs.</li> <li>Use the Amiable's own figures rather than your own.</li> <li>Do not push!</li> </ul>	<ul style="list-style-type: none"> <li>Support the Expressive's ideas and goals.</li> <li>Work toward his/her esteem needs.</li> <li>Supply data from people seen as leaders to the Expressive.</li> </ul>
Engaging in the Sales Conversation	<ul style="list-style-type: none"> <li>Provide a detailed written proposal as part of presentation.</li> <li>Include strongest cost-benefit justifications.</li> <li>Support with third-party data.</li> <li>Be reserved and decisive but not aggressive.</li> <li>Limit emotional or testimonial appeals.</li> <li>Recommend specific course of action.</li> <li>Give buyer chance to review all documents related to purchase and delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Present your recommendation so that the Driver can compare alternative solutions and his or her probable outcomes.</li> <li>Provide documented options.</li> <li>Offer the best quality given the cost limitations.</li> <li>Be specific and factual without overwhelming the Driver with details.</li> <li>Appeal to esteem and independence needs.</li> <li>Reinforce the Driver's preference for acting in a forthright manner.</li> <li>Summarize content quickly, then let Driver choose a course of action.</li> </ul>	<ul style="list-style-type: none"> <li>Define clearly in writing and make sure the Amiable understands:                             <ul style="list-style-type: none"> <li>What you can do to support the Amiable's personal goals;</li> <li>What you will contribute and what the Amiable needs to contribute; and</li> <li>The support resources you intend to commit to the project.</li> </ul> </li> <li>Provide a clear solution to the Amiable's problem with maximum assurances that: this is the best solution and that there is no need to consider others.</li> <li>Ask the Amiable to involve other decision makers.</li> <li>Satisfy needs by showing how your solution is best now and will be best in the future and support it with references and third-party evidence.</li> <li>Use testimonials from perceived experts and others close to the Amiable.</li> </ul>	<ul style="list-style-type: none"> <li>Provide specific solutions to the Expressive's ideas—in writing.</li> <li>Build confidence that you have the necessary facts, but do not overwhelm the Expressive with details.</li> <li>Do not rush the discussion. Spend time developing ways to implement ideas.</li> <li>Appeal to personal esteem needs.</li> <li>Try to get commitments to action in writing.</li> </ul>

source: Ingram, et.al. (2008) *Professional Selling A trust-based Approach 4<sup>th</sup> edition*. pp 84

# MULTIPLE BUYING INFLUENCES

## EXHIBIT 3.7 Recommended Flexing Behaviors for Different Communication Styles—*Continued*

Selling Task or Objective	Selling to the Analytical	Selling to the Driver	Selling to the Amiable	Selling to the Expressive
Earning Commitment	<ul style="list-style-type: none"> <li>• Ask for commitment in a low-key but direct manner.</li> <li>• Expect to negotiate changes.</li> <li>• Pay special attention to pricing issues.</li> <li>• Work for commitment now to avoid Analytical's tendency to delay decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Ask for the order directly.</li> <li>• Put your offer in clear factual terms.</li> <li>• Offer options and alternatives.</li> <li>• Be prepared to negotiate changes and concessions.</li> <li>• Drivers sometimes attach conditions to a sale.</li> <li>• Offer the Driver time to consider the options.</li> </ul>	<ul style="list-style-type: none"> <li>• Ask for the order indirectly—do not push.</li> <li>• Emphasize the guarantees that offer protection to the Amiable.</li> <li>• Do not corner the Amiables, they want a way out if things go wrong.</li> <li>• Guard against "buyer's remorse"—get a commitment even if you have to base it on a contingency.</li> </ul>	<ul style="list-style-type: none"> <li>• When you have enough information to understand the need and have tested the appropriateness of the recommendation, assume the sale and ask for the order in a casual and informal way.</li> <li>• When the opportunity presents itself, offer incentives to encourage the purchase.</li> </ul>

# MULTIPLE BUYING INFLUENCES

Selling Task or Objective	Selling to the Analytical	Selling to the Driver	Selling to the Amiable	Selling to the Expressive
Earning Commitment <i>(continued)</i>	<ul style="list-style-type: none"> <li>• Cite data supporting company's service records.</li> <li>• Respond to objections by emphasizing the Analytical's buying principles and objectivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Anticipate objections in advance and come prepared with facts.</li> <li>• Respond to objections based on Driver's values and priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Stress your personal involvement after the sale.</li> <li>• Encourage the Amiable to involve others in the final purchase decision.</li> <li>• Welcome objections and be patient and thorough in responding to them.</li> <li>• When responding to objections:               <ul style="list-style-type: none"> <li>• Describe financial justification;</li> <li>• Refer to experts or others the Amiable respects; and</li> <li>• Keep in mind how the Amiable feels about and will be affected by the purchase decision.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Do not confuse the issue by presenting too many options or choices.</li> <li>• Get a definite commitment. Be sure the Expressive understands the decision to purchase.</li> <li>• Save the details until after you have a firm buying decision. The Expressive believes it is the salesperson's job to handle details.</li> <li>• In handling objections:               <ul style="list-style-type: none"> <li>• Describe what others have done to get over that hurdle;</li> <li>• Respond to the Expressive's enthusiasm for his/her goals;</li> <li>• Deal with how the recommendation meets with this buyer's options; and</li> <li>• Restate benefits that focus on the satisfaction a buying decision will bring.</li> </ul> </li> </ul>
Providing Follow-Up	<ul style="list-style-type: none"> <li>• Provide a detailed implementation plan.</li> <li>• Maintain regular contact.</li> <li>• Check to confirm satisfactory and on-schedule delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Set up communication process with the Driver that encourages quick exchange of information about checkpoints and milestones.</li> <li>• Make sure you have a contingency plan to responsively implement corrections and incorporate changes.</li> <li>• Make sure there are no surprises.</li> </ul>	<ul style="list-style-type: none"> <li>• Immediately after the purchase decision is made, make a follow-up appointment.</li> <li>• Initiate and maintain frequent contacts providing services such as:               <ul style="list-style-type: none"> <li>• Periodic progress reports on installation;</li> <li>• Arrangements for service and training;</li> <li>• Introduction of new products and services; and</li> <li>• Listening carefully to concerns, even those that seem trivial.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• As soon as the order is signed, reaffirm the schedule for delivery and your personal relationship with the buyer, and introduce the implementation person or team.</li> <li>• A social situation such as a lunch can be a very effective opportunity for following up on business with this buyer.</li> <li>• Work toward becoming an ongoing member of the buyer's team.</li> <li>• In case of any complaints, handle them yourself. Never refer them to another in your organization without the buyer's assent.</li> </ul>

# MULTIPLE BUYING INFLUENCES

Buying team members are described in terms of their roles and responsibilities within the team.

- Initiators
- Influencers
- Users
- Deciders
- Purchasers
- Gatekeepers

# CURRENT DEVELOPMENTS IN PURCHASING

- profound change in response
- Worldwide spread of technology

# Increasing Use of Information Technology

- Information technology
- Transactional exchanges
- Online catalogs

# Relationship Emphasis on Cooperation and Collaboration

- Today's fast-paced and dynamic marketplace
- Longer-term buyer - seller relationships

# Supply Chain Management

PROFESSIONAL SELLING IN THE 21ST CENTURY

## Enhancing Value for the Customer through Mobile Technology

Consistent, effective communication is critical for managing the buyer-seller relationships that deliver successful sales outcomes. Yet, with salespeople increasingly on the road, effective communication becomes a challenge that one needs to address. Harprit Singh, CEO of Intellicomm, a communications services organization, discusses the variety of ways a salesperson can stay productive and work with customers while on the road.

*From a communications standpoint, having broadband access is probably number one. Secondly, you want*

*to address the need for a cell phone so that you have a good communication channel. Then, when you have Internet access, you essentially have phone functionality via VoIP (Voice-over-Internet Protocol). You can also use faxes, e-mail, and instant messaging—all powerful tools for keeping in touch. These combinations of communication technologies also enable the use of additional channels such as Web conferencing and teleconferencing, which can help make your communication tasks more efficient. In today's mobile world, with the realities of increased communication requirements, applications that offer unified voice, fax, and data messaging are becoming essential tools for working successfully and staying in touch.*

# Increased Outsourcing

- expanded agreements
- to focus on what it does best

# Target Pricing

- buyers establish a target price
- subsystems and parts to estimate

# Increased Importance of Knowledge and Creativity

- problem solver in a dynamic
- generating innovative solutions

# SUMMARY

- The different types of purchasing decisions
  - Straight Rebuy.
  - Modified Rebuy.
  - New Task.
- The four communication styles and how salespeople must adapt and flex their own styles to maximize communication.

# SUMMARY

- The concept of buying teams and specify the different member roles.

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The End