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Theories of Selling

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Theories of Selling

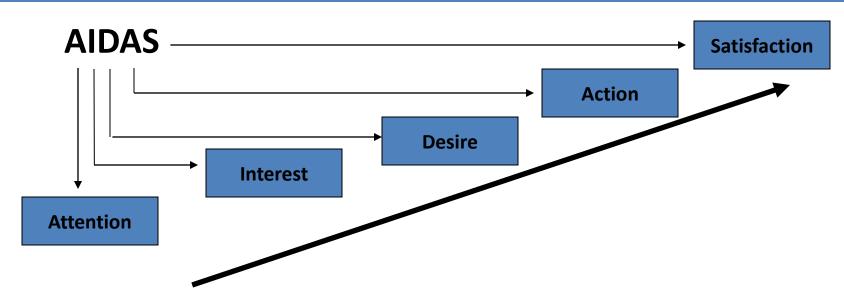
The theories of selling emphasizes on "what to do" and "how to do" rather than "why". There are four theories of selling such as:

- 1."AIDAS" theory
- 2. "Right set of circumstances" theory
- 3. "Buying-formula" theory
- 4. "Behavioural equation" theory.

"AIDAS" theory and "Right set of circumstances" theory is seller oriented. "Buying-formula" theory is buyer oriented and "Behavioural equation" theory emphasizes the buyer's decision process but also takes the sales person's influence process into account.







AIDAS theory, after the initials of the five words used to express it (attention, interest, desire, action and satisfaction). During the successful selling interview, according to this theory, the prospects mind passes through five successive mental states: **Attention, Interest, Desire, Action and Satisfaction** consciously, so the presentation must lead the prospect through them in the right sequence if a sale is to result.





The seller has to accomplish the presentation task in the following sequence according to the theory:

- Securing Attention: The main aim is to put the prospect into a receptive state of mind so that the prospect pay attention to the presentation. The sales person must establish good rapport at once. Favourable first impressions are to be assured in first step.
- **Gaining Interest:** The second goal is to intensify the prospect's attention so that it evolves into strong interest. Many techniques are used to gain interest such as showing visual aids, flipcharts, technical aids etc.





- Kindling Desire: The third goal is to kindle the prospect's desire to the ready- to – buy point. The sales person must keep the conversation running along the main line toward the sale. The objections to be handled carefully and the desire of the buyer to be aroused.
- Inducing Actions: The presentation may arouse strong desire in the buyer's mind to buy but the sales person must induce the prospect to act that the prospect to buy as buying is not automatic. The sales person will try to find out the right time to close the sale with the positive action from the buyer's agreement to buy.





 Building Satisfaction: After the customer has given the order, the sales person should reassure the customer that the decision was correct. The sales person should left an impression in the buyer's mind that he mere helped the buyer to decide to buy.





Theories of Selling ("Right Set Circumstances" Theory of Selling)

This theory sometimes called "Situation-Response" theory and it emphasizes on creating a right circumstance or situation by the sales person so that he succeeds in securing the attention and gaining the interest of the prospect, and if the sales person presents the proper stimuli or appeals, the desired response (that is the sale) will result.

This is a seller-oriented theory and stresses upon the sales person controlling the situation.





Theories of Selling ("Buying Formula" Theory of Selling)

This is a buyer oriented theory and it emphasizes on the buyer's side of the buyer-seller dyad. The buyer's needs or problems receive major attention, and the sales person's role is to help the buyer to find solutions.

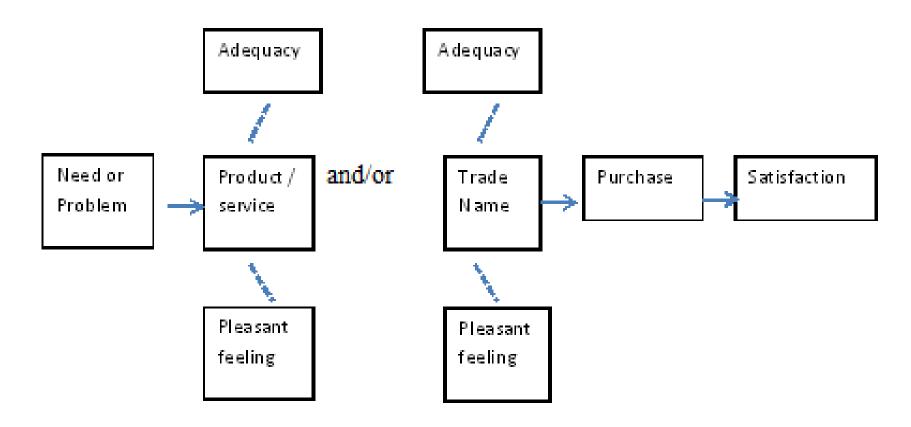
This theory treats the job of a sales person as problem solving. The purchase must solve buyer's problem and when the purchase gives satisfaction the buyer-seller relationship will continue.





Theories of Selling ("Buying Formula" Theory of Selling)

Buying Formula







Theories of Selling ("Buying Formula" Theory of Selling)

To ensure purchase, the product or service and the trade name (that the source of supply) must be considered adequate, and the buyer must experience a (pleasant) feeling of anticipated satisfaction when thinking of the product and/or service and/or the trade name.





- **J.A Howard** explains buying behavior in terms of the purchasing decision process, viewed as phases of the learning process.
- Four essential elements of the learning process included in the stimulus-response model are drive, cue, response and reinforcement, described as follows:
- **1. Drives**: are strong internal stimuli that impel the buyer's response, and are of two kinds:
 - a) Innate drives: stem from the physiological needs, such as hunger, thirst, pain, cold and sex.
 - b) Learned drives: such as striving for status or social approval, are acquired when paired with satisfying of innate drives, in marketing the learned drives are dominant in economically advanced societies.



- 2. Cues: are weak stimuli that determine when the buyer will respond.
 - a)Triggering cues: activate the decision process for any given purchase.
 - **b)Non-triggering cues:** influence the decision process but do not activate it, and may operate at any time even though the buyer is not contemplating a purchase.

Triggering cues take a buyer to the buying point and non-triggering cues help in selecting the product and making a purchase decision.





Non-triggering cues are two kinds:

- (i) **Product cues:** are external stimuli received from the product directly, for example colour of the package, weight, or price.
- (ii) *Informational cues:* are external stimuli that provide information of a symbolic nature about the product. Such stimuli may come from advertising, conversation with other people (including sales personnel) and so on.





- **C) Specific product information cues** may also function as triggering cues. This may happen when price triggers the buyer's decision.
- 3. Response: is what buyer does.
- **4. A Reinforcement** is any event that strengthens the buyer's tendency to arrive at a particular response.





Howard incorporated these four elements into an equation:

$$B = \underline{P} \times \underline{D} \times \underline{K} \times \underline{V}$$

Where

B = Response of the buyer

P = Predisposition or force of habit

D = Drive level of the buyer or motivation to buy

K = "Incentive potential", that is the value of the product or its potential satisfaction to the buyer.

V = Intensity of all cues : triggering, product or informational





The relation among the variables is multiplicative. Thus, if any independent variable has a zero value, 'B' will also be zero and there is no response. No matter how much 'P' is there may be , if the individual is unmotivated (D = 0), there is no response.

When 'K' value is more, 'P' increases in value, means when the satisfaction is more the reinforcement occurs and the tendency to make response in future increases and as a result the buyer will buy the product next time the cue appears.





Theories of Selling

References:

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Sales and Distribution Management, Sukhvinder Singh, Sun India Publications, 2013

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