**MKT- 724- Sales and Salesmanship**

**Answer of the question n. 1**

**Different kind of market selling on basis of competition:**

There are four types of competition in a free market system: perfect competition, monopolistic competition, oligopoly, and monopoly.

Direct competition is the most common form of competition in marketing, where two companies offer similar products or services and have almost identical missions or business goals.

For example, two male birds of the same species might compete for mates in the same area. This type of competition is a basic factor in natural selection. It leads to the evolution of better adaptations within a species. Interspecific competition occurs between members of different species.

The high rivalry may be due to internal factors, namely the nature of the market. For example, markets require low economies of scale and small investments to operate and compete effectively. Thus, many small companies easily enter the market. Or, high rivalry can also occur due to external factors.

A market structure comprises a number of interrelated features or characteristics of a market.

These features include number of buyers and sellers in the market, level and type of competition, degree of differentiation in products, and entry and exit of organizations from the market.

Among all these features, competition is the main characteristic of a market. It acts as a guide for organizations to react and take decisions in a particular situation. Therefore, market structures can be classified on the basis of degree of competition in a market.

The concept of market structure is central to both economics and marketing. Both disciplines are concerned with strategic decision making. In decision-making analysis, market structure has an important role through its impact on the decision-making environment. The extent and characteristics of competition in the market affect choice behavior among the actors.

The problem for economists and marketers is that a meaningful operational definition of market structure is elusive.

Each discipline takes a different methodological approach toward solving this problem, and each has its own strengths and limitations. Economics is concerned with broad socio-economic issues (e.g., market competition and fair pricing) as well as managerial, microeconomic problems.

Marketing, on the other hand, is more concerned with the managerial aspects of market structure analysis. Each touches on the primary domain of the other; the distinction between economic and marketing market structure analysis is a matter of relative emphasis.

This study is concerned with the contribution marketing market structure analysis (MSA) can make to economic MSA, and, more specifically, to the problem of market definition. It is argued that marketers have developed important MSA concepts and tools that could strengthen economic MSA. Though also important, in this article the potential benefits of economic MSA to marketing are not investigated.

Market structure is defined by economists as the characteristics of the market. It can be organizational characteristics or competitive characteristics or any other features that can best describe a goods and services market. The major characteristics that economist have focused on in describing the market structures are the nature of competition and the mode of pricing in that market.

Market structures can also be described as the number of firms in the market that produce identical goods and services. The market structure has great influence on the behaviour of individuals firms in the market. The market structure will affect how firm price their product in the industry.

The market structure will affect the supply of different commodity in the market. When the competition is high there is a high supply of commodity as different companies tries to dominate the markets. A market structure will affect the barrier to entry for the companies that intend to join that market.

Neoclassical economists claim that perfect competition—a theoretical market structure—would produce the best possible economic outcomes for both consumers and society. All real markets exist outside of the perfect competition model because it is an abstract, theoretical model.

The term perfect competition refers to a theoretical market structure. Although perfect competition rarely occurs in real-world markets, it provides a useful model for explaining how supply and demand affect prices and behavior in a market economy.

Under perfect competition, there are many buyers and sellers, and prices reflect [supply and demand](https://www.investopedia.com/terms/l/law-of-supply-demand.asp). Companies earn just enough profit to stay in business and no more. If they were to earn excess profits, other companies would enter the market and drive profits down.

Perfect competition is an ideal type of market structure where all producers and consumers have full and symmetric information and no transaction costs.

There are a large number of producers and consumers competing with one another in this kind of environment.

Perfect competition is theoretically the opposite of a monopolistic market.

Since all real markets exist outside of the plane of the perfect competition model, each can be classified as imperfect.

The opposite of perfect competition is imperfect competition, which exists when a market violates the abstract tenets of neoclassical pure or perfect competition.

**Duties and responsibilities as a sales manager of an organization:**

As leaders, sales managers are generally responsible for hiring and firing, identifying where training is needed and providing it, mentoring sales reps, and assigning sales territories. Their role also includes creating sales plans and analyzing data in order to make informed decisions.

Sales managers help to set those revenue targets and plan the sales efforts that will support the sales team to achieve them. The nature of the product, the buying preferences of customers, and the expectations of the salesforce are all contributing to a changed sales function.

Sales managers, like other frontline managers everywhere, are tasked with [making the new hybrid work](https://www.betterup.com/blog/5-questions-for-hybrid-return-to-work?hsLang=en), work.

This new sales landscape is so much more than just quotas and motivating speeches. Managers must lean into a range of skills that they may not have focused on before to best support their teams.

In this article, we'll look at what sales management is today, what exactly sales managers do, and how, despite having access to [more technology and sales enablement tools](https://www.betterup.com/blog/sales-enablement-tools?hsLang=en), management is the crux of sales performance.

Sales managers are responsible for the success and development of the sales representatives on their sales teams and for the performance of the team itself.  "Manager" is in the job title and this is definitely a [people management](https://www.betterup.com/blog/people-management) role.

As part of their day-to-day, they guide and direct sales efforts for a subset of the organization. That generally means handling hiring, training, assigning sales territories, quotas, and the development of sales team members.

There are a few different paths to becoming a sales manager. Many sales managers are former sales leaders, with extensive experience in the field. Traditionally, many were star performers promoted into management with little training or support to develop managerial and leadership skills. Some do have formal training or certifications in sales leadership.

Organizations often prefer to hire and promote sales managers that have at least a bachelor's degree in business administration or marketing. However, even with a degree or certification, an aspiring sales manager will need to have at least some hands-on sales experience. In addition, given the tight talent market, multigenerational sales teams, and the higher turnover in the profession, experience in talent management and retention may be key for success in this role.

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Today, many organizations are shifting to value-selling and team-based account models led by an account manager. In addition to attaining quota overall, sales managers are expected to broaden quota attainment across the team to be less reliant on one or two superstar sellers. They also give more attention to building pipeline, which means working with reps to identify the right opportunities for overall quality coverage and a speedier sales cycle.

Being a successful sales manager means paying equal attention to your team and your numbers — that is, both the people and the bottom line. It’s not an easy line to walk, and it’s not for everyone. But when done well, sales managers are the secret to a profitable, thriving, organization.

1. One of the most important duties of a Sales Manager is to plan and organize [market research](https://accountlearning.com/objectives-of-marketing-research/).

2. I should establish proper [proper sales policy](https://accountlearning.com/sales-policy-and-product-policy-decision-in-marketing/) based on the market research.

3. Sales manager has to advise the [board of directors](https://accountlearning.com/roles-duties-responsibilities-of-board-of-directors/) about the location and the layout of the sales office, opening or closure of branch offices, the sales policy to be adopted and all other matters relating to the business of the firm.

4. I have to assist the firm in [product planning](https://accountlearning.com/production-planning-control-meaning-objectives-elements-stages/) by suggesting improvements in [product design](https://accountlearning.com/product-design-strategy-in-marketing/), style, size, attributes, etc.

5. I should [forecast sales](https://accountlearning.com/sales-forecast-meaning-importance-methods-of-sales-forecasting/) accurately or scientifically.

6. Sales manager has to prepare [sales budget](https://accountlearning.com/sales-budget-how-to-prepare-sales-budget/).

7. I have to arrange for [advertising](https://accountlearning.com/advertising-meaning-definition-objectives-kinds/), publicity and [sales promotion](https://accountlearning.com/sales-promotion-meaning-definition-objectives/).

8. Sales manager has to arrange for careful selection and [appointment of the salesmen](https://accountlearning.com/salesmanship-qualities-of-good-salesmen-knowledge-expected/).

9. I have to arrange for the [training of the sales force](https://accountlearning.com/training-salesmen-need-objectives/).

10. I have to allocate the sales territories and [fix sales quotas for salesmen](https://accountlearning.com/sales-quotas-meaning-factors-fixing-sales-quotas/).

11. I have to devise the best [method of remunerating the salesmen](https://accountlearning.com/remunerating-salesmen-conditions-methods/) and motivating them to give their best to the firm.

12. I must create a team of competitive and efficient salesmen by [effective supervision and control](https://accountlearning.com/problems-of-supervision-solutions-for-effective-supervision/).

13. A sales manager must make a careful study of the competitors, products and sales policies and alter the products and the sales policies accordingly.

14. I have to decide about the proper [channels of distribution](https://accountlearning.com/types-of-channels-of-distribution/).

15. He have to be in constant search of new and profitable markets.

16. He have to define clearly the line of authority flowing from him to the heads of the various departments of the [sales organization](https://accountlearning.com/sales-organization-definition-meaning-importance-need-functions/) and their respective staff.

17. Sales manager must delegate the necessary powers to the heads of various departments of the sales organization and co-ordinate their activities.

18. I must keep in touch with the dealers and customers and ensure their continued patronage.

19. I must maintain contacts with other departments of the firm, such as the production, purchase, R&D, etc.

**Answer of the question n. 2**

**The relationship between the personal selling and marketing activities:**

Personal selling is a marketing technique that involves direct, face-to-face interaction with potential customers. Not only does this technique build relationships, but it also improves customer satisfaction, builds trust, and helps build brand awareness.

Customers like to do business with people they know, like, and trust, which is why personal selling is such an important technique in sales and business.

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Personal selling involves person-to-person communication, which requires interpersonal skills and expertise to persuade leads to buy products and services.

There are many different types of personal selling, including retail sales, business-to-business sales, and telemarketing. Personal selling is especially effective with high-end products like cars and homes but is just effective with smaller purchases, especially for repeat sales and sales referrals.

Having a personal selling strategy is important for many reasons. Continue reading to learn more about the personal selling process and how it can benefit your customer relationships.

Personal selling is a type of marketing strategy that involves one-on-one interaction with prospective customers to sell a product or service.

While personal selling is a part of marketing, there are several key differences between the two. Personal selling and marketing are both important components of [building a brand strategy](https://mailchimp.com/resources/how-to-build-a-brand-strategy/), but they differ in their approach and objectives.

Marketing entails a broader set of activities that are designed to create awareness of a company's products or services, generate interest among potential customers, and ultimately lead to sales. Marketing can involve a wide range of tactics, including advertising, public relations, content marketing, email campaigns, social media, and more.

Personal selling is a technique that involves face-to-face selling between a sales rep and a prospective customer. With personal selling, sales representatives try to persuade a potential customer to purchase your product or service. This technique helps to build relationships with customers and ensure customer satisfaction.

Personal selling is important because it involves direct communication between a salesperson and a prospective customer, with the aim of persuading them to purchase a product or service or [increase revenue through personalization](https://mailchimp.com/andco/resources/increasing-revenue-personalization-social-media/).

Personal selling typically happens with face-to-face meetings, but it can also be conducted via phone, video conferencing, or other communication channels.

The focus of personal selling is on building relationships with customers and tailoring the sales approach to their specific needs and preferences.
Examples of personal selling might include a car salesperson meeting with a potential customer to show them different car models and features, a real estate agent giving a tour of a property to a prospective buyer, or a financial advisor meeting with a client to discuss investment options. Personal selling can also help you build a [personal brand strategy](https://mailchimp.com/resources/personal-brand/).

The focus of marketing is on reaching as many people as possible and generating interest and demand for a product or service, which you can do by using personal selling techniques.

The personal selling process typically includes several steps, each designed to move the potential customer closer to making a purchase. Understanding these personal selling techniques is crucial so you can optimize the selling process.

By following these steps, salespeople can effectively move prospects through [the customer journey](https://mailchimp.com/marketing-glossary/customer-journey/) and increase their chances of making a successful sale.

Personal selling and the marketing concept are directly related. In personal selling the seller must understand the needs of their target market so that they can sell a solution to their customers that comes from their target market.

Thus, sales management is ultimately responsible for planning, organizing, directing and controlling personal selling efforts also for recruitment, selection, training, supervision and motivation of the personal sales force.

One of the common examples of personal selling is door-to-door sales. The salespeople knock on the doors of potential customers to advertise and sell the products/services. They try to convince the customers to buy from them with their strong interpersonal skills.

Personal selling is a process of promoting and selling products or services to customers through personal and direct interaction. It is a face-to-face process that allows businesses to form a relationship with potential customers and build trust.

Direct marketing involves mail, email, brochures, catalogues, flyers, database marketing, newsletters, coupons, social media, and texting campaigns. Personal selling, on the other hand, involves salespeople using their skills and abilities to convince the customers to buy products.

The main difference between direct marketing and personal selling is that directing marketing is the action of selling [products or services](https://pediaa.com/difference-between-product-and-service/) directly to the public, rather than through retailers, whereas personal selling is a type of selling where a salesperson tries to persuade customers to buy a product.

Direct marketing and personal selling are two methods of selling products and services. Moreover, in both methods, the company directly approaches the customers without a third party.

Marketing consists of the strategies your company employs to generate interest in your business. Sales are the methods by which you convert that interest into a transaction. Marketing strategies attract cold, warm and hot leads, while sales techniques turn them into full customers.

Integrating the work of your sales and marketing teams enables you to reach prospects at all three levels: cold, warm, and hot.

If sales and marketing teams are in different departments, those departments must communicate in order to be effective. Have them work together to create a comprehensive strategy for reaching prospects from all three categories of leads.

Cold lead strategy: Send out a direct mailing, run a digital ad, or sponsor a social media post.

Warm lead strategy: Write a personal follow-up email, send out a sales letter, or invite leads to a special seminar or free training session. If your warm lead strategy creates a qualified lead, it's time to proceed with closing the sale.

Qualified lead strategy: Conduct a one-on-one call; schedule an in-person meeting; offer a time-limited discount; or present a proposal, estimate, or contract.

**The steps in setting a sales organization:**

A six-person sales pod would be composed of three SDRs, two AEs, and one customer success rep. Rather than having large teams, create little pods of specialized roles, and each pod is responsible for the entire journey of specific customers.

A sales organization is responsible for the sale and distribution of goods and services. It represents the selling unit as a legal entity. It is responsible for product guarantees and other rights to recourse, for example. Regional subdividing of the market can also be carried out with the help of sales organizations.

The first step in setting up a sales organization is to define objectives. The top management defines the long-term objectives for the company and from these, the long-term objectives for the sales department are derived.

This is arguably the most important step of the sales process because it allows to determine how can truly be of service. To be a highly effective salesperson, that is to sell to the prospect's needs, first have to understand what those needs are.

There are four basic types of sales organizational structure line, line and staff, functional, and committee. The grouping of activities into positions and the charting of relationships of positions causes the organization to take on Structural form. The first two types (line and line and staff) are the most common.

An efficient sales team boosts growth in business by using various sales strategies to build customer trust and loyalty. An efficient sales team achieves a positive brand image by identifying a target audience, assessing their need, catering to their requirements, and following up to get a positive review.

The selling process is the interaction between a salesperson and their potential buyer. There are seven common steps to the selling process: prospecting, preparation, approach, presentation, handling objections, closing and follow-up.

Salespeople should handle their customers with unselfish and ethical service. III. THE GOLDEN RULE OF PERSONAL SELLING refers to the sales philosophy of unselfishly treating others as you would like to be treated.

The number one sales rule to follow is to never end your day without taking at least one proactive step to put prospective business in the top of your sales funnel. That means making one call, asking for one referral, sending a letter, an email, or going to a networking event.

Sales organisation co-ordinates the efforts of members of a group to bring about a desirable result. It provides an efficient, economic and flexible administrative set up to ensure timely movement of products from the warehouse to the ultimate consumer. Thus it provides satisfactory job to buyers and sellers.

Sales organisation consists of human beings or persons working together for the effective marketing of products manufactured by the firm or the products purchased for resale. Sales organisation co-ordinates the efforts of members of a group to bring about a desirable result. It provides an efficient, economic and flexible administrative set up to ensure timely movement of products from the warehouse to the ultimate consumer. Thus it provides satisfactory job to buyers and sellers.

A sales organisation has a number of departments. It has a planned and well co-ordinated structure. It performs the functions of planning, organizing and controlling marketing and distribution of products. Sales organisation is a foundation for effective sales planning and sales policies. Systematic execution of plans and policies and programmes of a sales organisation control all the sales activities. As such it ensures maximum efficiency and profitability without losing consumer service and satisfaction.

According to Boiling, “A good sales organisation is one wherein the functions or departments have each been carefully planned and co-ordinated towards the objective of putting the product in the hands of the consumers—the whole effort being efficiently supervised and managed, so that each function is carried out in the desired manner.”

 “A sales organisation is like a power station sending out energy, which is devoted to the advertising and selling of particular lines; and there is a tremendous waste of energy between the power station and the points where it reaches the consumers. Therefore, there arises the necessity of organizing the sales department.”

So long as the firm is a small one, there is no need for sales organisation, as the proprietor himself can sell all the output or in certain cases, he is assisted by one or two salesmen, under his direct control. But when the firm or the business itself expands, because of extension of markets, production in large-scale, competitive market etc., the need for a sales organisation is felt.

1. Production in anticipation of demand, which must be sold.

2. To create demand for the products through efficient salesmen.

3. Execution of orders without delay.

4. Satisfactory action against complaints from customers.

5. Collection of credit sales.

6. Keeping enough stock by looking at the future demand.

7. Maximum contribution to profit.

8. To enforce proper supervision of sales-force.

9. To divide and fix authority among the subordinates.

10. To locate responsibility.

A sales organisation is the mechanism through which a sales manager’s philosophy is translated into action. The sales organisation provides the vehicle for making decisions on planning, organisation, selection and training of salesmen, their motivation, directing and controlling them. It also provides vehicle through which these decisions are implemented.

“A business organisation is like a home. It has characteristic atmosphere. In some homes the head of the household and all its members are vitally concerned about religion, politics or some other interest—the occupations of the individual members being only of minor interest. In other homes where the personality of the head of the household dominates the activities and spirit of the members the opposite occurs. Like any group a business organisation has its own culture, traditions, and to some extent its own language and climate.” —Hepner

 “A sale organisation is like a power-station sending out energy which is devoted to the advertising and selling of particular lines and there is a tremendous waste of energy between the power station and the points where it reaches the consumers. Therefore, there arises the necessity of organizing the sales department.” —Boiling

“Sales are the life blood of business,” Sales organisation is part and parcel of a business firm. All the departments are carefully plaited in a good sales organisation.

**Answer of the question n. 3**

**(a) Quantity discount:**

A quantity discount is **an incentive offered to buyers that results in a decreased cost per unit of goods or materials when purchased in greater numbers**.

A quantity discount is an incentive offered to a buyer that results in a decreased [cost per unit](https://www.investopedia.com/terms/u/unitcost.asp) of goods or materials when purchased in greater numbers. A quantity discount is often offered by sellers to entice customers to purchase in larger quantities.

The seller is able to move more goods or materials, and the buyer receives a more favorable price for them. At the consumer level, a quantity discount can appear as a BOGO (buy one, get one discount) or other incentives, such as buy two, get one free.

* A quantity discount is an incentive offered to buyers that results in a decreased cost per unit of goods or materials when purchased in greater numbers.
* Enticing buyers to purchase in bulk enables sellers to increase their units per transaction (UPT), lower their inventories, and potentially reduce per-unit costs.
* Discounts can have an adverse impact on profit per unit, also known as the marginal profit.
* An alternative to quantity discount is linear pricing: charging the same price regardless of how many items the customer buys.

Retailers often get better deals if they order more of the same item. For example, the cost per unit for t-shirts might be $7.50 per unit if fewer than 48 pieces are ordered; $7.25 per unit if 49-72 pieces are ordered; or $7 per unit if 73 or more pieces are ordered.

Depending on the quantity discount, all pieces ordered must be delivered and paid for by a certain date. Alternatively, the purchases and payments can be spread out over a specified period of time.

By selling in larger quantities, the seller can increase their revenues per transaction (RPT). The vendor can also scale quantity discounts in "steps," with lower per-unit prices at higher quantities to encourage bulk buyers. For instance, a coat maker that employs "steps" in its pricing strategy could offer coats at $20 each, five for $90, and 10 for $160.

Quantity discounting can be fruitful. The principal benefit is to increase total sales volume in order to realize [economies of scale](https://www.investopedia.com/terms/e/economiesofscale.asp). Quantity discounts boost [units per transaction](https://www.investopedia.com/terms/u/units-per-transaction.asp) (UPT). The resulting increased sales volume can lead to economies of scale in the form of purchasing goods and materials in bulk at a quantity discount from suppliers, and the ability to combine incidental per-order costs, such as shipping and packaging, into one sale. These economies of scale have the potential to reduce per-unit costs to the seller.

Quantity discounting can also come in handy when a seller is keen to lower its [inventory](https://www.investopedia.com/terms/i/inventory.asp). Taking such action can be particularly useful when the product in question risks going out of fashion or becoming [obsolete](https://www.investopedia.com/terms/o/obsoleteinventory.asp), due to a technological breakthrough.

**(b) Promotion pricing:**

 Promotional pricing is a pricing method where a company temporarily reduces the price of a product or service in the interest of quickly driving sales. In many cases, those deals and discounts are supported by dedicated promotional materials or marketing campaigns.

The most common promotional pricing types include BOGOF (buy one get one free), seasonal sales promotions, discounts, and flash sales.

Promotional pricing is a sales strategy in which brands temporarily reduce the price of a product or service to attract prospects and customers. By lowering the price for a short time, a brand [artificially increases the value of a product or service](https://www.priceintelligently.com/promotional-pricing) by creating a sense of scarcity. Promotional pricing can help with customer acquisition by [encouraging cost-conscious shoppers to buy](https://www.businessdictionary.com/definition/promotional-pricing.html). It can increase revenue, build customer loyalty, and improve short-term cash flow.

A promotional pricing strategy works best in the short-term. Used excessively, it costs brands money by eroding profit margins. Customers become accustomed to lower pricing—so-called “[price orientation](https://blog.blackcurve.com/why-use-promotional-pricing)”—or they may stock up during the promotional period. It also adds to the noise in an already-crowded marketplace where promotions and discounts are commonly used.

A promotional pricing definition or promotional discount definition covers a wide range of promo pricing tactics, including:

Buy One Get One Free (BOGOF). To celebrate Youth Soccer Month, [Chipotle](https://www.vendhq.com/blog/sales-promotion/) customers who wore a youth soccer jersey could “score” a buy-one/get-one-free entree or kid’s meal during Labor Day weekend.

Coupons.  A coupon is a voucher entitling the holder to a discount for a particular product. [TackleDirect](https://keap.com/business-success-blog/sales/e-commerce/26-best-examples-of-sales-promotions-to-inspire-your-next-offer), a brand that sells fishing gear, offers coupons to people who abandoned a shopping cart. Researchers found that the [average cart abandonment rate is nearly 70%](https://baymard.com/lists/cart-abandonment-rate).

Flash Sales. For a very short time—sometimes just hours—[brands will slash their prices](https://www.shopify.com/enterprise/flash-sale) to unload excess inventory, acquire customers, or lift profits. [Travel brand Globus](https://resources.sheerid.com/) boosted flash sale success by 20% by offering personalized promotions to the military. The company’s personalized promotion strategy reduced coupon abuse by 35% and took 75% less effort and resources to implement.

Loyalty Programs. A loyalty program is a rewards program a company offers to its customers who frequently make purchases. Since it costs [five to 25 times more to acquire a new customer than it does to retain an existing one](https://hbr.org/2014/10/the-value-of-keeping-the-right-customers), loyalty programs are a popular type of pricing promotion. The [Virgin Atlantic Flying Club](https://blog.hubspot.com/service/customer-loyalty#sm.0018idp7t13y2e5myfl1k92n5twd6) allows members to earn points that move them up to different tiers. The higher the tier, the greater the benefits.

Seasonal Tie-Ins. Certain times of the year, such as Black Friday, Cyber Monday, or Veterans Day are a good fit for promotional pricing. [*U.S. News & World Report*](https://money.usnews.com/money/blogs/my-money/articles/shopping-holidays-the-best-days-to-shop-this-year) offers a shopper’s guide on the best months to find the best deals.
(*Hint:* Memorial Day is prime time for appliance shopping.)

Segment-Specific Promotions. An effective promotional pricing example targets certain buyer segments, such as students, teachers, seniors, or the military. [CheapCaribbean](https://resources.sheerid.com/customer-stories/cheap-caribbean-success-story), a travel company that provides low-cost luxury vacation packages in the Caribbean, Mexico, and Central America, offers gated, personalized promotions to nurses. When the brand launched its first nurses program, it brought 8,000 new nurses into its travel club and reduced fraud by 36%.

The cost of a product can impact a customer's desire and attitude toward making a purchase. Companies often use promotional pricing, or discounts, to attract customers and increase their brand exposure. Understanding how promotional pricing works can help you create a promotional strategy for your business that increases revenue and short-term sales and attracts satisfied customers. In this article, we discuss what promotional pricing is, the benefits of using it, different types you can use and how to implement a promotional pricing campaign.

Promotional pricing is a marketing strategy where businesses reduce the typical cost of their goods or services for a specific amount of time. Discounts differ by company and may include common promotions such as half-off or buy one, get one free deals. Businesses use promotional pricing to appeal to current customers and attract new [sales leads](https://www.indeed.com/q-sales-leads-jobs.html?from=careerguide-autohyperlink-en-US) by increasing the perceived value of a product or service the company is offering.

**(c) F.O.B. Pricing:**

The FOB (Free On Board) price is the price of goods at the frontier of the exporting country or price of a service provided to a non-resident. It includes the values of the goods or services at the basic price, the transport and distribution services up to the frontier, the taxes minus the subsidies.

FOB Value = Ex-Factory Price + Other Costs

Other Costs in the calculation of the FOB value shall refer to the costs incurred in placing the goods in the ship for export, including but not limited to, domestic transport costs, storage and warehousing, port handling, brokerage fees, service charges, et cetera.

FOB stands for Free On Board. AS we have already mentioned, it is an Incoterm that is most commonly used when it comes to sea freight importation. Under FOB terms, it is the seller that is responsible for the costs leading up to goods being loaded onto the ship.

The purchaser is then the one who pays the shipping cost and would hold the responsibility for any goods that became damaged during the shipment period.

“FOB shipping point”, “FOB destination”, freight collect”, or “FOB origin” are terms that indicate that the buyer is the one at risk once the seller has shipped the product.

“FOB destination, freight prepaid”  means that the seller is the one who retains the risk until the goods safely reach the buyer.

Knowing how FOB works is fundamental in beginning any sort of import/export negotiations as a business owner. While FOB was once a term that was used exclusively for goods transported by ship, it now slabs almost all types of transport.

Under FOB terms, it is the seller that needs to make the necessary arrangements to get the goods to the port in the country of origin. The costs involved here are usually:

Local haulage

Loading and export customs

Clearance

From this point, it is the buyer who takes over responsibility for all of the costs and risks that may be involved in the process.

Any official contract between a vendor and a client needs to have very clear FOB terms that are easy to find in the purchase order. It should clearly state which party is responsible for shipping costs and insurance costs. However, you should also note that FOB status is not what determines the ownership of the goods. Ownership is determined by the bill of sale.

Under the usual FOB terms, the buyer is the one who becomes responsible for the costs involved in shipment once the goods have been delivered to the port and loaded onto the ship. Someone will carry the responsibility for paying for shipment, insurance, as well as having your goods unloaded, clearing customs and then making their way to premises or storage facility. It is quite an intimidating process that can definitely be challenging the first time around, and it is safe to say that there are many costs involved for the buyer when it comes to FOB shipping.

One issue that should be taken into consideration is that international payments and transactions can work to be quite costly, thus increasing overall costs and bringing down profit margin. Words no business owner wants to hear can expect upfront fees that are held for international transactions, and exchange rates are often rounded up by banks. So if are making international transfers, there are definitely a few things that should be aware of.

To further understand FOB, it’s always a good idea to have a look at an example, no matter how simple or fictional it may be.

For example’s sake, let’s say that ‘Chippy’s Clothing Brand’ manufactures T-shirts in Mumbai, India and sells them to a retailer in the UK called ‘Sailor Season’. When the FOB shipping point is marked as Mumbai, it is Sailor Season that would be held responsible for any damage or destruction of goods. It would be up to them to pay for shipping and insurance.

Alternatively, if the shipped goods were marked with a FOB destination of UK, it would be up to Chippy’s Clothing Brand to ensure that the goods reach Sailor Season in the UK, and they would be responsible for any loss or damage.

**(d) Trade selling:**

A trade sale is the sale of a company, or part of a company, to another business that will carry on the company's trade. A company may sell off one of its divisions to another business so that it can concentrate on the rest of its business.

A trade sale meaning refers to the process of a business selling itself to prospective buyers. The buyer can be a private equity firm or another business. The business valuation is done based on its assets, liabilities, capital, brand reputation, and goodwill.

A trade sale allows the owner to explore new opportunities such as fresh business ideas, diversify business assets into other investments or simply allows to spend more time with family.

According to the World Bank, economies that trade more generally grow faster, are more productive, more innovative and have higher incomes. Additionally, trade usually benefits lower-income households by increasing competition in the market and helping to keep prices lower.

A trade sale is a type of business transaction that involves the sale of one business to another business. The acquiring company, known as the [trade buyer](https://www.smartcapitalmind.com/what-is-a-trade-buyer.htm), works with the acquired company or the trade seller to make sure that all the terms of the trade sale go smoothly. Once the sale is completed, the new owners have full control of all assets and can make use of those assets in any way they choose.

The particulars of a trade sale normally involve the systematic disposal of the assets and liabilities held by the business that is being sold. This effort will normally focus on any assets that the acquiring company does not wish to continue holding, making it possible to dispose of those assets and use the proceeds to settle any liabilities that the new owners do not wish to assume.

For example, as part of the acquisition process, the seller may be required by the buyer to sell certain assets and use the proceeds to settle an open line of credit or even a pension plan that the new owner does not wish to assume as part of the acquisition.

A trade sale is a form of business sale where a company can be sold to another business typically operating in the same industry or sector, either based in the UK or overseas. This option involves taking a number of legal, financial, and structural steps to prepare business for sale.

A trade sale of a business is a type of transaction whereby the purchasing company will continue the trade of the company which is being bought. The purchaser will often already be involved in the same industry or sector. A trade sale can involve the purchasing of the company’s shareholding or its assets (including stock, machinery, and premises). Trade sales can also involve insolvent companies particularly when used as an exit route from administration.

A trade sale is a commonly used form of business sale whereby a company is sold to another business typically operating in the same industry or sector. It’s often the case that a business broker or independent intermediary acts on behalf of the owner/directors, making initial contact with parties interested in purchasing.

But even if a business has entered insolvency or is facing legal action by creditors, a trade sale organised from within a formal insolvency process may still be a viable option, and offer the best returns for the company’s creditors.

**(e) Formal vs informal coordinating method:**

The successful implementation of international strategies strongly depends on adequate coordination of the dispersed activities by the MNC mostly by the MNC's headquarters. Solving the problem of coordinating *heterogeneous and geographically distant subsidiaries* is an essential part of International Management.

The core coordination task for an MNC is to ensure that all subsidiaries strive towards *common organisational goals* and the actions and behaviour of the subsidiaries conform to the MNC's overall strategy. At the same time, coordination must support the necessary capabilities, *motivation* and entrepreneurship of the subsidiary management in adapting to the local environment of their host countries (Macharzina 1990, p. 372). This should be achieved with minimum management costs (or *agency costs*). So-called *administrative rationality* (Thompson 1967) argues that the most efficient type of coordination should be chosen in each situation.

Formal coordination mechanisms refer to structural organisational elements – departmentalisation, (de)centralisation, formalisation, planning or output and behavioural control – an organisation can use to influence individuals' behaviour, by shaping their relations and interactions with other individuals, groups.

Personnel policies are decided through formal coordination while the routine matters are informed through informal coordination. realistic sales budget by doing a thorough market and customer research.

Businesses and governments are examples of formal organizations. Clubs or social networks are examples of informal organizations.

Formal organizational structure tends to be more hierarchical, with clear lines of authority and communication, while informal organizational structure tends to be more decentralized, with more fluid relationships and communication patterns.

Coordination is the function of management which ensures that different departments and groups work in sync. Therefore, there is unity of action among the employees, groups, and departments. It also brings harmony in carrying out the different tasks and activities to achieve the organization's objectives efficiently.

With the coordination of health care services becoming increasingly complex, the challenges of fragmentation cannot be solved by administrative restructuring alone. Attention must also be given to the coordination practices of professional groups, and, in this respect, the nursing profession is a particularly interesting case.

Based on a qualitative case study of Danish nurses in hospital, municipality, and general practice. The findings contribute to our knowledge of coordination at the operative level of health care by identifying specific informal practices in inter-organisational coordination and by showing how informal coordination is activated to support formal coordination in a concurrent organisational and professional ambition of integration.

The nurses studied here proved very loyal to formal inter-organisational coordination mechanisms, prioritising them as first choices of action. When formal procedures were found insufficient, however, the nurses temporarily switched to informal coordination. This was triggered by random encounters with fragmentation, a strong professional engagement in making things work in the interest of the patient, and a constant striving to be on top of things.

 Informal inter-organisational coordination is broken down into supplementary and by-passing practices, and 4 specific by-passing practices are identified. The discussion offers insight into how a lack of agency related to formal inter-organisational coordination can be related to negotiated settlements, and informal coordination is considered in terms of “rule bending” within complex systems.