

Sale and Distribution Management
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Lecture – 16
Buyer – Seller Dyads

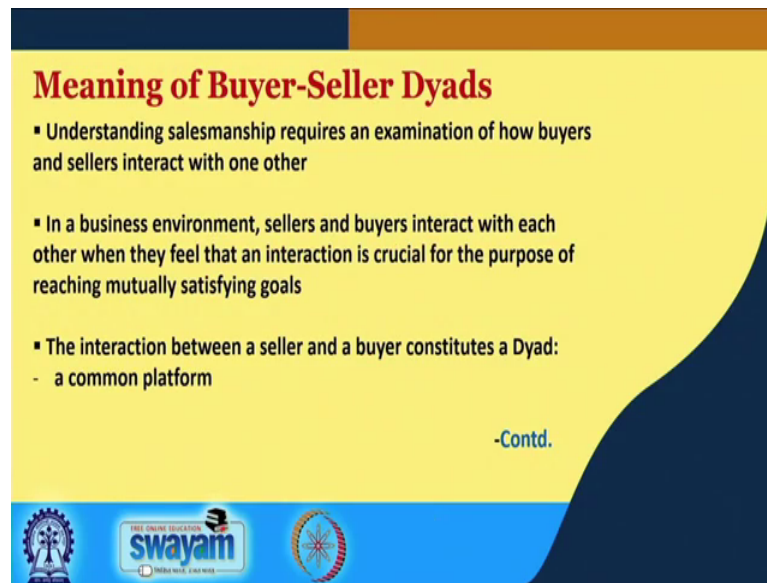
[FL] Today we will be beginning with the fourth module of our course on Sales and Distribution Management. And in this particular a module, we will be speaking about three important topics: one is the buyer seller dyad, the second topic which we shall be discussing in this module is the diversity of personal selling situations, and the third we will be topic which we shall discuss in this module is the various theories of selling. So, in this particular lecture which is lecture 16 which is the first lecture of forth module we shall be talking about Buyer-Seller Dyads.

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So, what are the various concept which we will cover in this particular lecture? One we shall be talking about the meaning of a buyer seller dyad; two we shall be talking about you know how dyadic relationships take place between salesperson and buyers. And, we shall be discussing a model on this particular buyer salesperson buyer dyadic relationship. So, let us first start with what we mean by a buyer seller dyad.

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Meaning of Buyer-Seller Dyads

- Understanding salesmanship requires an examination of how buyers and sellers interact with one other
- In a business environment, sellers and buyers interact with each other when they feel that an interaction is crucial for the purpose of reaching mutually satisfying goals
- The interaction between a seller and a buyer constitutes a Dyad:
 - a common platform

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Now, understanding salesmanship requires you know an examination of how buyer and seller interact with each other or how buyers and sellers interact with one another. Now when we talk about buyers, these buyers could be existing buyers who are your, you know already existing buyers of your brand of your product and those who have been you know using your product. They could also be those who are unknown user of your product or maybe you know they are user of your product, but of a competitive brand. So, what we talking of is that a prospective buyer or a potential buyers. So, when we talk of this relationship here between the buyer and the seller, we include both actual and existing buyers we also include the prospective of the potential buyers.

So, this understanding the interactions between the buyer and seller whether the buyer is an actual buyer or is a potential is very very important. Because, when we speak about selling or when we speak about personal selling, we have discussed that it also involves you know cultivation of relationships. One it is a you know basis for a transaction; two it is also a cultivation of relationships. So, whether you know sales person is intending a transaction or a sale or whether he is intending a long term sales, long term profits, for which relationships are necessary. In both is cases the sales person must have a proper understanding of the consumer or of the client or of the segment at large. So, he must understand the buyers, he must understand the existing buyers or the and the potential buyer. Similarly this, the buyers also need to have an understanding of the marketer of the seller of the salesperson.

And so, whether it is you know sale which is the immediate purpose from the end of the seller or it is the purchase which is the immediate purpose from the end of the buyer or whether it is long term cultivation of relationships between the buyer and seller both require that you know there is a fruitful interaction between the buyer and seller. And so, when we talk about salesmanship, salesmanship also requires an understanding of how buyers and sellers interact with one another.

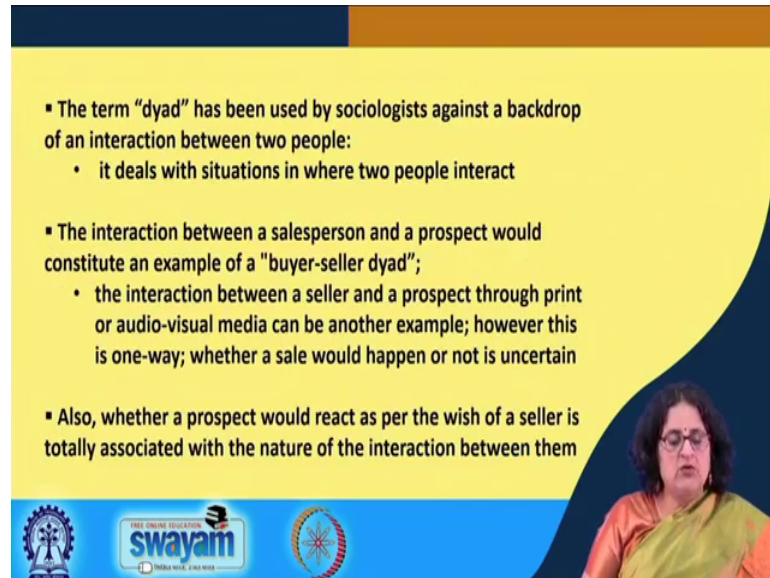
Not only for the purpose of making an immediate sale but also, for cultivation of relationships in the long term. So, in a business environment buyers and sellers they interact with one another and this interaction takes place when they both realize that they have a common objective. In the sense that the buyer has a need which translates into a want and which will help satisfy him, help in satisfy a particular need. On the other hand the seller of the market also has a need which is you know sustained profits and so, when the both realize that they have something mutually beneficial for each other, the buyer has the money and sales person of the seller has a product or service which we can exchange for that money so, that both parties benefit out of this transaction.

So, it is only then this kind of a feeling exist, that both parties have something to offer to each other which will help satisfy both of them. It is in this case that the need for an interaction is felt and this particular interaction paves the way for successful transactions and long term relationships. So, in a business environment buyers and sellers interact with one another, when they realize that this interaction is something which is very crucial for reaching mutually satisfying goals.

As I said the goals being a product or service which will help a customer meet a particular need or want and this is from the perspective of the buyer and from the perspective of the seller or the marketer, the goal of the objective is to earn profits to earn sales and revenue. So, this kind of you know the need for an interaction, paves the way of for an information exchange or the requirement of an information exchange for both of them. And, the extraction between the buyer and the seller this exchange of information this dialogue, this communication that takes place on a common platform, constitute what we refer to as a buyer seller dyad. Now it is very important to understand hear that this interaction is taking place because put the buyer and the seller, both the parties have something to offer to each other, which is value to the other party and both want to enter into an exchange process.

For the exchange to take place it is important that there is an interaction between the buyer and the seller, and they both need to understand each other very well this is what constitutes the dyad.

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- The term “dyad” has been used by sociologists against a backdrop of an interaction between two people:
 - it deals with situations in where two people interact
- The interaction between a salesperson and a prospect would constitute an example of a “buyer-seller dyad”;
 - the interaction between a seller and a prospect through print or audio-visual media can be another example; however this is one-way; whether a sale would happen or not is uncertain
- Also, whether a prospect would react as per the wish of a seller is totally associated with the nature of the interaction between them

Now, the term dyad has actually been used by sociologist, against the backdrop of an interaction between two people. And, it actually deals with situations in where two people interact or two people interact into a communication or a dialogue, and the interaction features around a particular objective or a goal, which is mutually beneficial for both party. So, the interaction between the buyer and seller or between a salesperson and a prospect would constitute the example of a buyer seller dyad this interaction between the buyer and seller could be you know can also happen through print or through audio visual media you know. So, however, this is this would be one way whether a sale would happen or not is not certain.

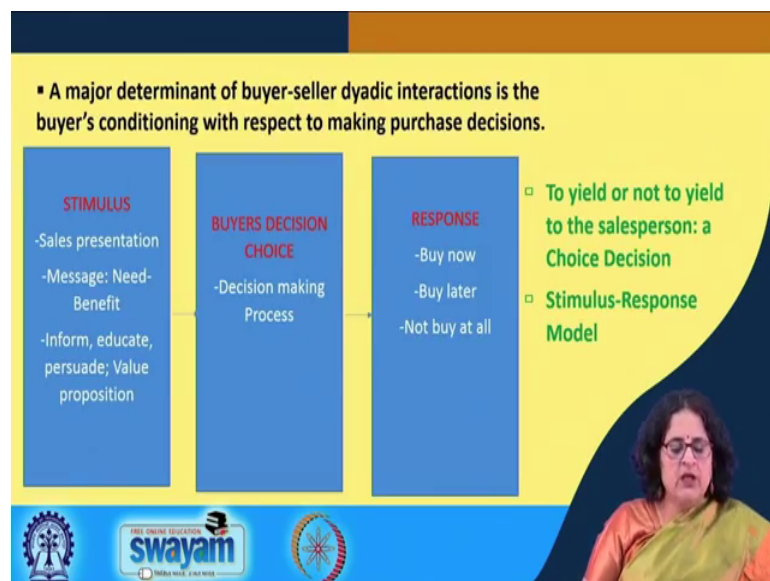
However, in the case of a face to face transaction in the case of a face to face or a physical interaction between the two parties, they enter into a dialogue, they communicate with each other and are able to access for themselves whether they would enter into exchange or not. Again I repeat that the interaction between seller and a prospect through printer, a audio visual media can be another form of interaction, but that would be a monolog that would not be a dialogue. It would be one way from the

marketer's mouth and not from the customers end and whether is sale in this case would happen or not would be something which is very uncertain.

However, in the case of a physical interaction between the buyer and seller or you know or you know between the sales persons and the prospects a this physical interaction would actually be more of you know more bigger and better indicator of each other's reactions to each other it would be you know communication via verbal nonverbal, you know as well as body language. And so, the both the prospect and the salesperson would understand each other, you know they will be able to understand what each other is saying, they would be able to understand the perspectives of each other and they would also be able to enter into a dialogue where the likelihood of sale happening would be much higher.

Also whether a prospect would react to the wishes of the seller is totally associated with the nature of interaction between them. So, if there is a face to face interaction, it does not actually mean for sure for uncertainty that a sale would happen whether a prospect would actually you know become a actual buyer or not much, depends on the kind of interaction that takes place between them. And it is here that salesmanship as an art as a skill again assumes huge amount of importance.

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Now, a major determinant here is you know of whether in interaction will take place and whether it would be fruitful interaction or not, is you know the buyers conditioning with

respect to the purchase decision process. So, a major determinant of the buyer seller dyadic relationship or the dyadic interaction is the buyers conditioning with respect to making purchase decisions, and can we can discuss this in the form of a stimulus response model; where stimulus is presented to the buyer and there is a response to it. Now the stimulus is presented to the buyer, the buyer detects or is a stimulus a gift thought to it and finally, responds in a particular manner.

Now, in this case in a dyadic relationship or in a buyer seller dyadic relationship for example, or sales presentation may be made by the salesperson. The message becomes important, because the message must you know the content must take into account the need benefit. We should always remember that people do not buy products; customers do not buy products they buy the benefit they look for a benefit in the product and it is the value the value here lies in the benefit and value here is with respect to how well the product or the service will be able to deliver a benefit and how well that would help satisfy a need or want. So, it is very important that the salesperson designs is message appropriately and this message and this as well as his you know presentation or the manner in which delivers the message, acts as a stimuli.

The objective of the salesperson here is to inform the consumer or whether actual or prospective about a product and services, about the brand, about the features, about the advantages, about the benefits and then he must also persuade and convince them about the value proposition and then encourage action in the form of a purchase behavior from the from the from the customers end. So, the salesperson here via his sales presentation in forms the customers educates them about the product, about the service, about the brand and he tries to convince or persuade the customer to enter into an exchange process of to enter into a transaction which is you know the sale actually happening.

So, it is very important that the salesperson presents the stimulus in a very efficient manner. He must deliver his presentation in a very good way, a presentation must be very impressive and he must have good communication skills, and good interpersonal skills, he should be able to talk about the product about the service, he should be able to handle queries or objections or any doubts which arise from the customers end. But it is very important that this message actually talks about the benefit, because and the salesperson must be able to relate the benefit to the need of the consumer.

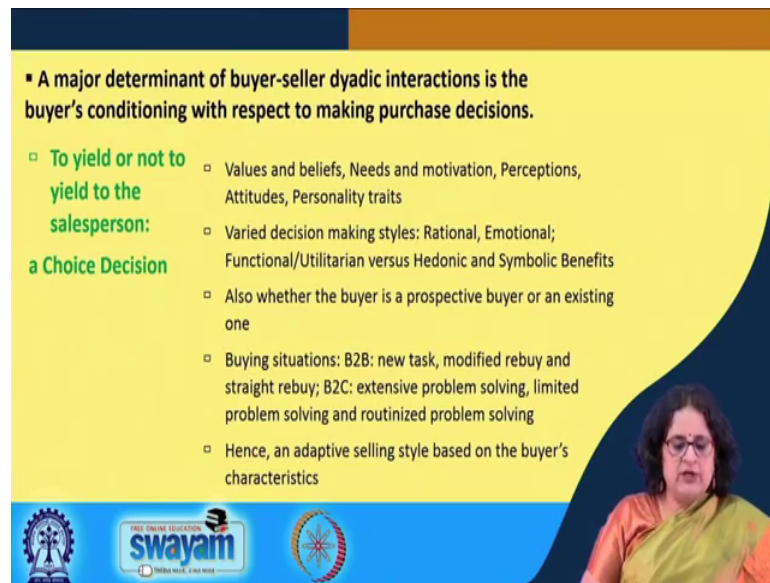
Now, this acts as a stimulus and the buyer who is the recipient of this message actually gives thought to it he thinks over it, he deliberates over it and what happens is in is you know in his black box or his through is cognitive process or through the brain is the decision making process; where he decides on you know he evaluates the value proposition compared to other competitive offering, and then decides and comes up with the response

Now, this response here could again be one by now or in enter into a exchange process now. Two it could be by later when is postponing is purchase decision to sometime later so, that he would maybe he does not have the money or he does not have the resources and that time or it may be so, that he wants to give it a great bigger thought, greater thought he wants to deliberate more think more deeply and then get back or another decision or another kind of response from the buyer maybe to not buy at all.

So, any role of these could be different kinds of responses from the consumers end; one he buys it or he enters into a exchange immediately two he would buy it, but later. So, he postpones his purchase decision process and three he decides to go against the purchase process and decides not to buy it at all.

So, to yield or not to yield to the sales person is a choice decision, and that is how we can we can well explain it with a stimulus response model. That is the stimulus is presented well if the sales presentation is made well. If the sales person is able to inform educate and persuade the customers in a good manner appropriate response, desirable response in terms of sales or in revenue and profit would definitely you know we elicited. So, it is very important the salesperson presents a stimulus, which is so, well presented that there is a favorable response from the end of the consumer.

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▪ A major determinant of buyer-seller dyadic interactions is the buyer's conditioning with respect to making purchase decisions.

□ To yield or not to yield to the salesperson: a Choice Decision

- Values and beliefs, Needs and motivation, Perceptions, Attitudes, Personality traits
- Varied decision making styles: Rational, Emotional; Functional/Utilitarian versus Hedonic and Symbolic Benefits
- Also whether the buyer is a prospective buyer or an existing one
- Buying situations: B2B: new task, modified rebuy and straight rebuy; B2C: extensive problem solving, limited problem solving and routinized problem solving
- Hence, an adaptive selling style based on the buyer's characteristics

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Of course whether he yields to it or does not yield to it is a choice decision and we can talk of this little more here. Now whether a consumer drifting or potential would actually yield or not yield to the salesperson would depend upon several things. One is his own values and beliefs, his needs, his motivation, his perceptions, his attitude, his personality traits two it also varies across decision making styles. So, whether the consumer is very rational in his decision making or whether he is more of emotional, whether he thinks an act or whether he feels an act acts. So, it is whether he takes very cognitive decisions or whether he takes very effective decision is again something which will determine whether the consumer or the prospective consumer yields or does not yield to the salespersons stimulus.

Also a whether, the benefits that are being looked into our functional and utilitarian or whether they hedonic and symbolic. Now any and every product has a benefit and this benefit is what the customer pays for. Some customers would pay for a functional or utilitarian benefit, which leads to product attributes features, benefits, advantages it is more of the functionality which is taken into account and it is and consumers decision with respect to a particular product or a brand, is basically based on a functional motive. If he decides whether to buy or not keeping in mind the functionality.

On the other hand there are also consumers who look for symbolic benefits, who look for emotional benefits or who look for the fun, fantasy associated with the product of with

the brand. So, whether a consumer yields or does not yield to a salesperson, also depends upon the kind of utility he is looking for. As a kind of utility, the kind of benefit that he is looking for is looking into a functional benefit or is he looking into you know symbolic benefits, and whether it is functional or utilitarian or emotional or symbolic. The other thing is that the salesperson must be able to understand what the customer is looking at or looking for.

And an intelligent salesperson would be one, who would design his presentation or you know message in a manner which appeals to the particular customer. So, if there is a customer who looks for a customer segment, with which looks for the functionality, message has to be designed very differently to for and as compared to another segment, which looks for more of a symbol or benefit or a or a you know hedonic benefit or an emotional benefit. So, whether a consumer yields or does not yield to the sales person depends not only upon the decision making style, but it also depends upon the kind of utility the kind of benefit that the consumer is seeking for.

Another determinant of whether the buyer would actually yield to the sales person or not, depending also is the buying situation. Now in the case of B2B we have three different kinds of buying situations. We have a straight rebuy we have a modified rebuy and we have a new task. Straight rebuy is when the consumer or the client has actually or has already bought a product or service or a brand, he already has a vendor in place and he just repeats his order that is what is referred to as a straight rebuy. A modified rebuy is when the client organization in the case of a B2B scenario, wants to bring about changes in the product specifications, or in terms of the quantity ordered or in terms of the quality of the product or in terms of delivery terms of price etcetera. In such cases what he goes through is a modified rebuy and a new task happens when the organization or the client organization is actually buying a product or service for the very first time.

So, in the case of new task, the buying process is very very complex as compared to the modified rebuy or the straight rebuy similarly in the case of B2C we could have these three different kinds of buying situations which could be EPS LPS and RPS; EPS is Extensive Problem Solving LPS is Limited Problem Solving and RPS is Routinized Problem Solving. Routinized problem solving is also referred to as a routinized response behavior. Now what is extensive problem solving? Now whenever a product or a brand is evaluated consumers look have to pay attention to two things one is the evaluative of

criteria and two is the number of different alternative that are available. Now because whenever an evaluation takes place it takes place across alternatives.

And two it takes place on the basis of certain criteria. So, what becomes important theory for a consumer is one to know the different products and all brands available, different options alternatives available. 2 to know about the various alternative criteria on which these different brands need to be evaluated. So, in the case of EPS or extensive problem solving the consumer is neither aware of the different brands which exist in the market nor is he aware of the different evaluative criteria which he must use to evaluate or compare these different brands. This is a situation which happens when a consumer is buying a product for the first time or it is an absolutely new product and he has no idea about it.

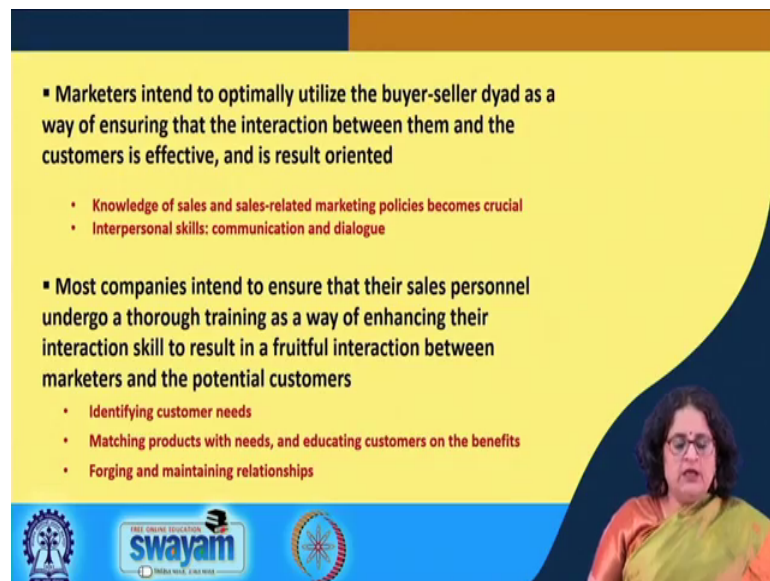
The second is what we refer to as a LPS or a limited problem solving. In the case of a limited problem solving the product the consumer has some idea he has some information some knowledge about the different alternative which are available, he also has some idea about the different evaluative criteria that he can use to evaluate the different alternatives, but the list of brands or the kind of evaluative criteria is not updated yet neither has he prioritized on his preferences with respect to the different brands.

So, this requires some kind of an information search and evaluation some kind of a cognitive you know or a thought process on the part of the consumer and so, we referred to it as the LPS. A routinized problem solving is when the consumer is aware about the different products about different brands is also aware of the different criteria on which he must evaluate them and so, it is more of a routine purchase. He does not go through a cognitive process at all, it is more of a routine purchase a very programmed decision, where he does not have to make any you know evaluation he does not have to think much, he just has to go in and buy a product.

So, across these different stages sorry across different types; so, whether it is EPS LPS or RPS a consumer will behave very very differently. In the case of EPS lot of cognitive thought lot of cognitive you know and thought procedures will go into, but in the case of routinized problem solving it will be more of a physical activity and a transaction which should take place between a buyer who is already made his choice with respect to a product and brand and a seller.

So, also and adaptive selling style would also we know has to be used to based on the buyer characteristics and so, it is very important that the salesperson understand these various determinants and accordingly designs and adaptive selling style or uses a adaptive selling style so, that he can actually enter into a transaction into a exchange, and is able to and he can ensure that the buyer would yield to his efforts.

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▪ Marketers intend to optimally utilize the buyer-seller dyad as a way of ensuring that the interaction between them and the customers is effective, and is result oriented

- Knowledge of sales and sales-related marketing policies becomes crucial
- Interpersonal skills: communication and dialogue

▪ Most companies intend to ensure that their sales personnel undergo a thorough training as a way of enhancing their interaction skill to result in a fruitful interaction between marketers and the potential customers

- Identifying customer needs
- Matching products with needs, and educating customers on the benefits
- Forging and maintaining relationships

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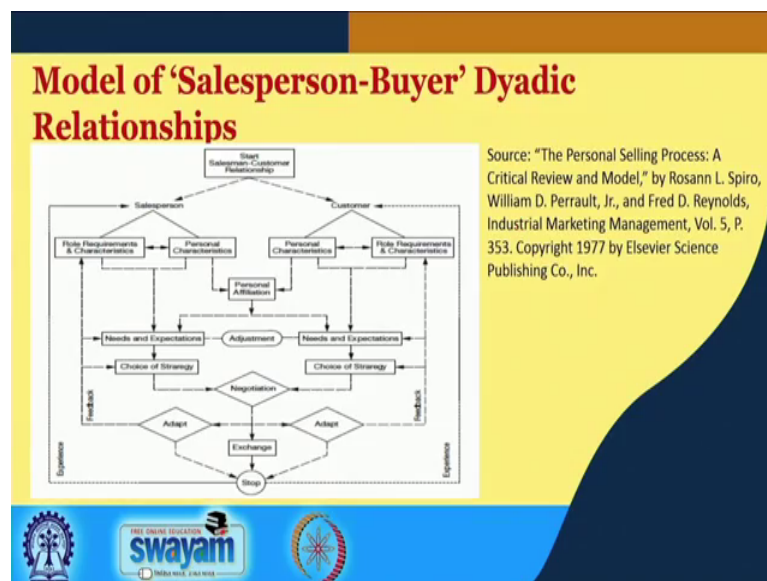
Now, marketers intent to optimize very optimally utilize the buyer seller dyad, as a way of ensuring that the interaction between the buyer and the seller is very effective and you know and very result oriented and so, it is very important to the sales persons are well equipped of knowledge of you know of the sales as well as of the sales related marketing policies, and it is here that knowledge about you know sales related marketing policies becomes crucial. We have discussed it in the earlier sessions is very very important that the (Refer Time: 23:12) salespersons have good interpersonal skills are they can communicate well, they have a good dialogue delivery they have they can actually design a good message and they can present it well.

Most companies intent to ensure that they sales people undergo thorough training as a way of enhancing in these interaction skills so that the results in a fruitful interaction between the buyer and seller. And so, the consumers so, the sales people going are made to go undergo thorough training process, they are made to you know equip themselves with knowledge, with selling skills, and it is very important here that the salesperson is

well able to identify the needs of the customers and match their product or service offerings with the needs of the customers and educate customers on the benefits.

So, what we are talking of an is an need benefit you know match or a good fit between the need and the benefit must be presented to the customer, and the sales persons must also aim hard at forging and maintaining good relationships. So, it is very important that the buyer seller dyad in order to be fruitful; it is important that the sales person is not only well equipped with knowledge about the product, about the sale related marketing policies. But, he also has good you know interpersonal skills good communications skills and he has good analytical skills, he can conceptualize problems well, he can understand consumer needs, he can you know present a good fit or a good match between the product and the customers need or the benefit and the customers need and he can move ahead forge good relationship between them.

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Now, let us has come to model of the salesperson buyer dyadic relationship. That the source of this model here is mentioned on this slide it is proposed by Rosann L Spiro, William D Perrault and Fred D Reynolds who have actually presented this model of the salesperson buyer dyadic relationship and let us discuss it in greater length. Now dyadic relationship starts with the salesperson customer relationship, it starts with the customer sales person relationship. The salesperson and the customer are two different entities they constitute what we refer to as a dyad.

So, the sales person has his own role requirements and his characteristics role requirements could pertain to his role his responsibilities, the autonomy, the authority which he has. And, then he has his personal characteristics in the form of his you know personality, his values, his beliefs, his perception, his motivation and on the other hand the customer has similar personal characteristics and role requirements.

Now, personal characteristics of the salesperson and of the buyer put together would actually be you know determining the personal affiliation that develop between the buyer and the seller. So, the personal characteristics play important roles in determining personal affiliation between the two entities in the dyad, and the role requirements and characteristics of the sales person as well as a personal characteristics of salesperson lead to his needs and expectations. Similarly the personal characteristics and the role requirements and characteristics of the consumer lead to his needs and expectations. Now the needs and expectations of the buyer and the seller need not always be coherent to each other, they may they may you know one of them may have different kinds of needs and expectations from the other entity and so, this requires some level of adjustment between the two entities.

Based on the needs and expectations the seller chooses a particular strategy and based on his needs and expectations the buyer also chooses a strategy and they both agree to negotiate with each other. In case they agree to the terms of conditions terms and conditions which each other has to offer, in case both parties feel that the interaction could be mutually beneficial for both parties it leads a negotiation. In case it does not, then there is always a scope to go back to adapt both in terms of role requirements characteristics for both the parties, whether it is with respect to the buyer or whether it is with respect to the seller and they could reframe or redesign their strategy and agree to come back to a common platform so, that an exchange could take place.

Once an exchange takes place, once they advance they both adapt each other you know adapt their selling adapt their strategies and exchange would take place and the process would stop here. Stop here in terms of a transaction, but for ongoing long term relationships to happen there is always an experience which acts you know which act as a bigger determinant for future salesperson and buyer dyadic relationship experience both the buyers experience as well as the sellers experience.

So, the buyers and sellers experience will again act as a basis for future dyadic relationships between the buyer and seller.

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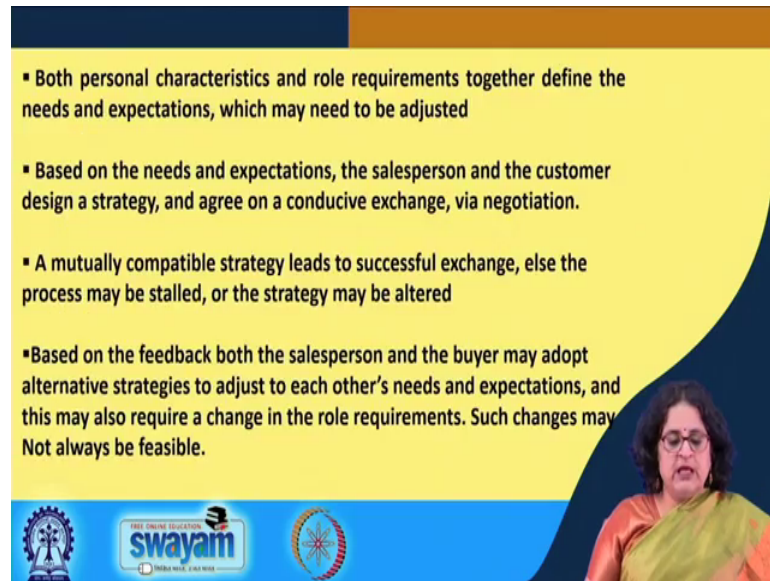


- The model exhibits that the sales process is influenced by both the salesperson and the customer
- Both the salesperson and the customer are influenced by personal characteristics as well as role requirements and characteristics
- Personal characteristics include one's values, beliefs, perceptions, attitudes, past experience etc.
- Role requirements include duties and responsibilities, authority, autonomy

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So, here if you see the model exhibit that the sales process is influenced by both the buyers and sellers, both the salesperson and the consumer or the customer are influenced by the personal characteristics as well as the roles requirements and characteristics. The personal characteristics would include values, believes, perceptions, attitude, past experience and the role requirements would refer to duties responsibilities authority autonomy.

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- Both personal characteristics and role requirements together define the needs and expectations, which may need to be adjusted
- Based on the needs and expectations, the salesperson and the customer design a strategy, and agree on a conducive exchange, via negotiation.
- A mutually compatible strategy leads to successful exchange, else the process may be stalled, or the strategy may be altered
- Based on the feedback both the salesperson and the buyer may adopt alternative strategies to adjust to each other's needs and expectations, and this may also require a change in the role requirements. Such changes may Not always be feasible.

And both of these would you know together defined the needs and expectations which may not always be you know mutually; which may sometimes be contradictory and so, they need to be adjusted. Based on the needs and expectations the salesperson and the customer would design a strategy, and agree or a conducive exchange via negotiation. If the negotiation does not happen based on the feedback both the sales person and the buyer may adopt alternative strategies to adjust to each others needs and expectations, and this may again require a change in the role requirements.

And however, it is to be noted that such changes may not always be feasible. And whether a dyadic relationship actually gets is fruitful and beneficial for both the parties or not much depends upon the needs and requirements needs and expectations of both the parties. If it is mutually beneficial and exchange would happen and attraction would happen and based on experience of both the parties future dyadic relationship between the buyer and the seller would be determined.

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References:

- ❑ Still, R.R., Cundiff, E.W., Govoni, N.A.P. and Puri, S. Sales and Distribution Management, 6th Edition, 2017, Pearson India Education Services.
- ❑ Havaladar, K.K. and Cavale V. M., Sales and Distribution Management: Text and cases, 3rd Edition, 2017, McGraw Hill Education (India) Private Limited.
- ❑ Panda, T. and Sahadev, S. Sales and Distribution Management, 2nd Edition, 2011, Oxford University Press, India.
- ❑ Futrell, C. (2008), Fundamentals of Selling, 13th Edition, 2013, McGraw Hill Education.

The slide features a dark blue background on the left with the word 'References' in a yellow, cursive font. The right side has a yellow background with a blue border. At the bottom, there are three logos: the UGC logo, the swayam logo with the text 'FREE ONLINE EDUCATION' and 'INDIA'S JOURNEY', and a circular emblem with a star-like pattern.

So, this brings us to an end of this particular session. The references are Still, Cundiff, Govoni, Puri Sales and Distribution Management 2017. Hawaldar and Cavale Sales and Distribution Management Text and cases, 2017 McGraw Hill Education, Panda and Sahadev Sales and Distribution Management Oxford University Press 2nd Edition. And, Futrell Fundamentals of Selling McGraw Hill 13th Edition. This brings us to an end of the first lecture on the 4th module of the course. In the next lecture we will be speaking about the next topic which is diversity of personal selling situations.

Thank you.