

THE SALE MANAGEMENT FROM A MARKETING PERSPECTIVE

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Abstract:

Sale management implies establishing a certain kind of products, which will be commercialized under the most appropriate form, at adequate prices, which facilitate sales by attracting the client. The purpose of sale management is the increase of sales, which can be realized through certain objectives such as the increase of the market share, modernization of the technical and material basis and the increase of the profit.

▫ The policy regarding the type of product refers to creating a commercial brand which targets a series of more important aspects such as type structure, type expansion, type differentiation, type selection.

▫ The process of implementing the policy concerning the sale should also take into account the sale forms of the goods.

▫ From the perspective of a commercial enterprise, the price is an instrument of getting back the money spent for providing the products for merchandising and of making a profit through the added commercial value. Supermarkets in general and especially retail shops take into account a series of psychological aspects when they establish the price level of the products that they merchandise.

Key words: sale management, type policy, sale forms, price strategies

JEL Classification: M19, M31

1. Introduction

By selling, an enterprise takes back the resources used in order to obtain the respective finite products and so, through the gained money, to which a profit is added, the production process is continued. The specialisation of economic agents leads nowadays to the fact that the selling activity is more and more realised by producers, who concentrate on production. Therefore, we should take into account the fact that the commercial units, either wholesale or retail shops, have to deal with sale management.

As in any other type of organisation, in commercial enterprises the increase of the economic efficiency of their activities depends on their management, on the way in which the processes develop and the management relations from within.

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In the category of commercial enterprises, the most frequent arrangement is the one made by the practiced type of commerce:

- ✓ *Supply commerce enterprises* – realise supply selling and buying operations only with other enterprises;
- ✓ *Retail commerce enterprises* – directly address the final consumer of the goods;
- ✓ *Mixt enterprises* – they develop supply commerce and retail commerce.

Sale management implies establishing a certain kind of products, which will be commercialized under the most appropriate form, at adequate prices, which facilitate sales by attracting the client.



Fig. no. 1 The elements of sale management

The purpose of sale management is the increase of sales, which can be realized through certain objectives such as the increase of the market share, modernization of the technical and material basis and the increase of the profit. The objectives in the sale area are established by taking into account the analysis of sales from previous periods, the structure of sales, predictions regarding sales, the new tendencies concerning the commercialization process, the clients' demands.

2. The components of sale management

2.1 The management of structure and of the type of products

The management of structure and of the type of products refers to administering the offered products' portfolio, regarding the new products that will be introduced for sale, but also old products which are hard to sell and which will be eliminated from the structure of the given type.

An important aspect is represented by the type update and the type variety²:

- the annual rate of type update (RTU) refers to the relation between the number of new products put for sale (NP) during a whole year and the stock products (SP), to which we add the new products (NP) and subtract the old products (OP), which are not for sale anymore;

² M. Papuc, in *Marketing*, I. Smedescu (coordinator), Ed. Universitară, București, 2004, pg. 685

$$RTU = \frac{NP}{SP + NP - OP} \times 100$$

- the annual rate of type variety (RTV) is represented by the relation between the difference of new products for sale (NP) and those which are old (OP) and withdrawn from the respective shop's offer, within a year, and the number of stock products existent at the beginning of the period (SP).

$$RTV = \frac{NP - OP}{SP} \times 100$$

The policy regarding the type of product refers to creating a commercial brand which targets a series of more important aspects such as type structure, type expansion, type differentiation, type selection.

- Commercial type structure means determining which products will form the respective brand so that they will satisfy the demands of the targeted clients.
- Commercial type expansion refers to the addition of new products within the offer, in order to bring more satisfaction to the clients.
- Commercial type differentiation means offering certain products which are different from those of the competition, in order to attract the clients who are interested in the respective products.
- Commercial type selection refers to eliminating from the product portfolio those products which are hard to sell or which are not demanded by the clients.

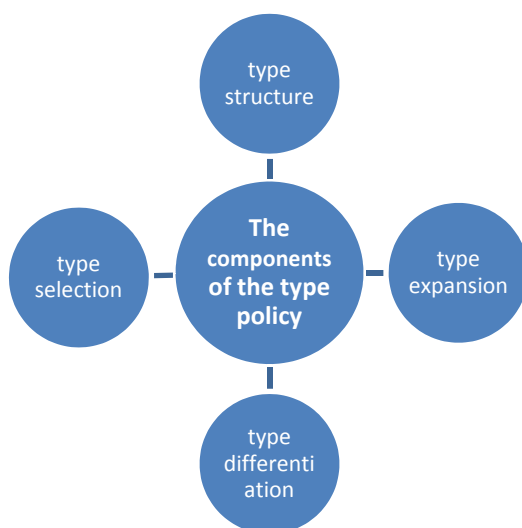


Fig. no. 2 The components of the type policy

2. 2 Sale forms

The establishment of the policy regarding sales should also take into account the sale forms of goods and the most representative are:

- General classic sales which are based on a non-programmed, but predictable request of products and services for the population;
- Sales realized on the basis of strong requests made by certain categories of consumers/users;
- Sales realized on the basis of economic contracts previously signed on the demand of different agents, present on the market;
- Complex sales of appliances, equipments and technologies which are also accompanied by services and know-how.

2.3 Price strategies

The development of a firm's activity, a firm which deals with commerce, should have in view the gain of profit and this equally refers to external and internal efficiency. The external efficiency means the efficient combination of elements which concern the marketing mix in relation to the consumers' exigencies. The internal efficiency should be integrated with the external efficiency's objectives and contribute to the perception of the quality of the service offered to consumers.

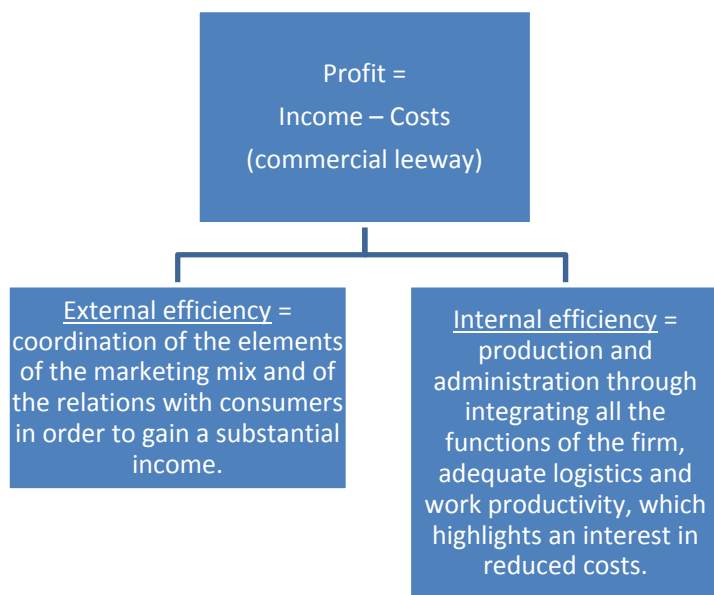


Fig. no. 3 Factors which determine the profit of a commercial enterprise

The price represents an exchange value for offered products and services and contains the production and sale costs, including an added value. Practically, it is the result of the confrontation between the economic interests of those who make the demand and the offer, under the influence of production and market³. From a commercial enterprise's perspective, the price is an instrument which helps recuperate the sums used for the procurement of the products made in order to be commercialised and which realises a profit through the obtained added value. In the activity of a shop, the establishment of the price level is influenced by a series of aspects such as: the cost of the merchandise, the practised added value, the level of the inland revenue, the clients' perception, the prices of similar products sold by the competition, the geographic location, etc.

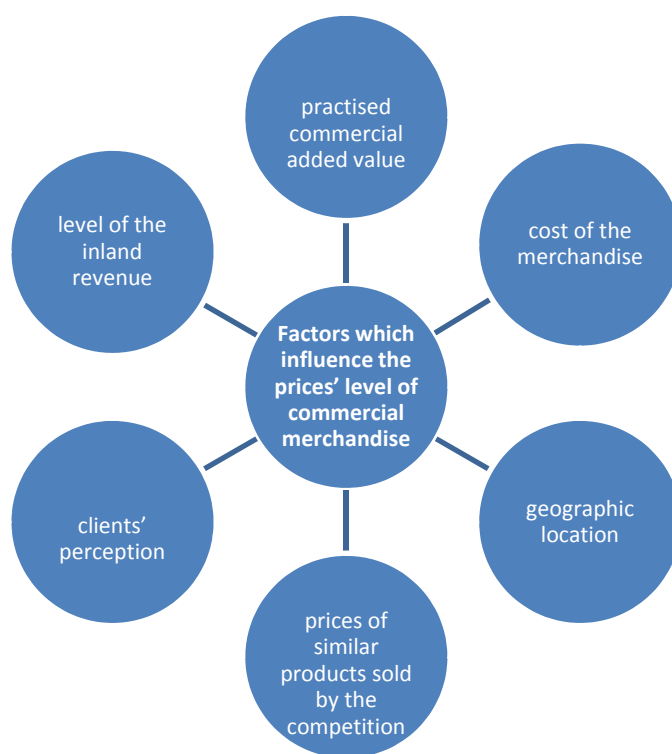


Fig. no. 4 Factors which influence the prices' level of commercial merchandise

Supermarkets in general and especially retail shops take into account a series of psychological aspects when they establish the price level of the products that they merchandise. These psychological aspects refer to the emotional reactions of buyers and trying to influence their perception of prices in order for them to seem more

³ I. Smedescu (coordinator), *Marketing*, Ed. Universitară, București, 2004, p. 119.

appealing. In this sense, there is a variety of psychological prices, among which we encounter: reference pricing, prices for grouped products, everyday low prices, “magical” prices, customary pricing, prestige pricing.

Tabel no. 1 The typology of psychological prices

Price type	Price characteristics
● <i>Reference pricing</i>	The establishment of a moderate price for a product and placing it next to a model or brand which is much more expensive and in this way the client's perception is that the first product is cheaper.
● <i>Prices for grouped products</i>	There are two variants: selling and packing together two or more than two complementary products (bundle pricing) or packing and selling at a low price two or more than two identical products (multiple-unit pricing).
● <i>Everyday low prices</i>	In order to reduce frequent price reductions, some firms prefer to maintain a relatively low price for its products.
● <i>The strategy of “magical” prices</i>	These are prices established on a numerological basis; they end with the digit 9, trying to influence the buyers.
● <i>Customary pricing</i>	The price of certain goods is established on the basis of traditions, with a preference in some cases for the modification of the quantity of the product unit than of the price, so that the sales are not reduced.
● <i>Prestige pricing</i>	In this case, the prices have a high level in an artificial way in order to gain prestige or to create an image of quality.

3. Conclusions

Sale management can be considered a component of commercial management, regarded as management of the commercial enterprise. So, sale management takes into account the identification of methods, systems and management techniques which ensure the efficiency of the selling of goods which belong to the commercial enterprise. Sale management also refers to the activities of the sale department and of

the personnel that deals with sales. Among the specific activities of sale management, the more important ones are:

- knowing the demand, the competition and the new products through an analysis of the market;
- the establishment of a plan regarding sales;
- the establishment of adequate strategies concerning sales;
- good and appealing conditions of merchandise presentation;
- the logical organisation of the space in which the merchandise is presented;
- the continuous advancement of the informational system of tracking stocks of goods.

Sale management ensures the motivational basis for the organisation and development of commerce and provides information that can be used by producers in order to establish fabrication programs, characteristics for products and their conditions of usage.

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