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## Improve sales efficiency-analyze theoretical basis

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### Abstract

In today's competitive market, it is important that businesses not only focus on product quality but also pay attention to their sales activities. This is because sales play a vital role in determining the success or failure of a business. Customers are increasingly demanding and want high quality products at reasonable prices, convenient purchasing and attentive service. Therefore, businesses need to ensure they meet customer needs well, which can only be achieved through effective sales activities. This article provides an overview of the theoretical basis of sales, forms of sales, characteristics of functions, tasks and roles of sales activities, content of sales activities, factors affecting sales goods and some related concepts.

**Keywords:** business efficiency, sales activities, theoretical basis

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## 1. Introduction

### 1.1 Concepts related to sales activities

#### 1.1.1 Sales concept

**Selling** is a process in which the seller learns, explores, creates and meets the needs of the buyer, so that both parties receive satisfactory benefits.

According to the classical concept: "Sales is the activity of exchanging products or services from the seller to the buyer in order to receive back from the buyer money, items or the agreed exchange value."

According to some popular modern views, the concept of selling is defined as follows:

Sales is the foundation of business, it is the meeting of sellers and buyers in different places that helps businesses achieve their goals if the meeting is successful in negotiating the exchange of products.

Sales is the process of contacting potential customers to find out customer needs, presenting and demonstrating products, negotiating sales, delivery and payment.

Sales is serving and helping customers to provide customers with what they want.

#### 1.1.2 Classification of sales activities

Some popular sales methods that businesses and companies often use to meet customer needs:

#### Retail

Retailing is a direct selling activity to the final consumer to satisfy personal, non-commercial consumption needs. The characteristics of this form of sales are reflected in the main selling subjects being retail store owners or stall staff, and the buying subjects include individuals with the nature of purchasing to satisfy personal needs. or household. On the other hand, in this form of sales, the number of products per purchase is small, the level of product brand loyalty is low, and the purchase decision behavior is quick.

#### Wholesale

Wholesaling is a general sales activity, usually aimed at satisfying the business needs or seeking profits of customers.

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The characteristics of this form of sales are reflected in the sales subjects including distributors, level 1 and level 2 agents and the purchasers are usually retailers, intermediaries and at the same time charge Purchased goods used to resell for profit. Besides, the number of products purchased each time is large, the level of loyalty to the product brand is high and the purchasing decision behavior is slow - carefully for the first time and quickly for subsequent times.

### **Direct sales**

Direct sales are sales activities carried out through direct transactions with customers. Characteristics of this form of sales are reflected in the sales subjects being sales staff, the purchase subjects being individuals or organizations, the nature of purchases used for personal consumption or to serve the activities of the company. Organization, but satisfying personal needs is still the main thing. Besides, the number of products per purchase is often small, the level of brand loyalty is not high and the purchasing decision behavior is quick.

### **Contract sales**

Contract sales are a form of sales carried out through a contract signed between the parties. The characteristic of this form of sales is that the selling subjects include organizations and individuals, as well as the purchasing subjects. In addition, the purchasers often buy for production or reproduction, the number of products per purchase is often large, at the same time the level of brand loyalty is very high and the purchase decision behavior is very slow, often rewarded. Many stages.

### **Sales by phone**

Telephone sales is a form of using the phone to sell goods. Characteristics of this form of sales are reflected in the sales subjects being employees of organizations or individuals directly selling, the purchase objects can also be organizations or individuals and the nature of the purchase goods used for production, resale or consumption. On the other hand, the number of products per purchase depends on the value of the goods, low brand loyalty and slow purchase decision behavior.

### **Selling via the Internet**

Selling via the internet is a form of selling online. Through online advertisements and fake newspapers, customers call to order or order directly online and the supplier delivers the goods to the customer's door. Sales characteristics are similar to telephone sales.

## **1.2 Characteristics, functions, tasks and roles of sales activities**

### **1.2.1 Characteristics of sales activities**

Activities of exchanging and buying and selling physical goods in the economy create premises and opportunities for the formation and development of a business field: Commercial business. Commercial business is the investment of money and effort of an individual or an organization in buying and selling goods to resell those goods and make a profit. Manufacturers make products for sale.

When selling their products, manufacturers can choose:

Sell directly (self-sell) to consumers.

Sell through intermediaries and intermediaries continue to

sell to consumers.

Consumers (consumer households) need the manufacturer's products to satisfy their needs.

### **They can also choose two different possibilities to get (buy) the product**

Buy directly from the manufacturer

Buy through intermediaries

Sales activities must stimulate and evoke market demand for the goods that businesses must produce and trade in order to fully exploit market needs. The sales process must be directed toward the strategic goals of the business. At the same time, it must also best serve business activities and stimulate production capabilities and improve production quality of the enterprise.

Sales activities must ensure to enhance reputation and continuously improve the reputation of the product as well as the Company. Sales activities must be organized in a scientifically reasonable and planned manner. Tasks are assigned and regularly monitored, directed, inspected and evaluated. Furthermore, we must know how to organize scientifically and artistically in the process of organizing sales activities

### **1.2.2 Functions and duties of sales activities**

The main responsibility of a salesperson is to sell their company's products and services successfully through transactions, face-to-face contact, telephone transactions or customer services such as letters, consulting, personal meetings... Sales people contribute to the company's success and express themselves through sales.

### **Management and administration tasks**

These are jobs where salespeople are involved with specific tasks such as solving customer problems, planning, sales forecasting, evaluation and even training. To do this important task, salespeople must have specific skills such as: Problem solving skills: This is the salesperson's responsibility in solving problems that customers encounter when shopping and using products. The advice and help of sellers will often help them sell products in other deals.

Planning skills: Salespeople must plan their own sales such as contact time, contact location, contact method... Planning will show that the seller knows how to manage effectively. Use your time or not. Salespeople who know how to plan will give good advice to their customers, especially agents, in implementing business programs and sales promotions...

Forecasting skills: When salespeople are tasked with making forecasts about the industry, the market... they must have this skill and must master the changes and prospects of the market based on reality, own experience and hunch.

Instruction and training skills: Usually an experienced sales person will be responsible for providing training instructions for new employees. Training content can be specialized sales skills, experiences... and to do this well, training is often done right on the job and in which area or location is deployed. There.

Evaluation skills: A salesperson must also know and be able to evaluate issues such as the market, customers, products... these evaluations will help their own work and are necessary information. Necessary for the business and marketing activities of the enterprise.

### Financial responsibilities

In some industry fields such as industrial goods trading, for example, salespeople need to be able to build comprehensive financial plans such as asset leasing, acquisitions, inventory... For business people securities, this responsibility is higher, requiring certain skills and qualifications. Even regular consumer goods sellers require them to be able to manage debt, inventory... because these are necessary issues when establishing and implementing a deal.

### Marketing tasks

Includes two main tasks: collecting information and implementing marketing programs:

**Information collection activities:** Because salespeople are in constant contact with customers, they are an extremely important information transmission channel from businesses to customers and vice versa. Sales representatives are often asked to conduct customer surveys and report on market conditions and competitors, especially when a business is about to launch a new product. However, in reality, this activity of salespeople is not carried out properly and effectively, most of them are not very effective; Therefore, businesses need to encourage and guide them in more detail. Besides, salespeople are also the ones who collect feedback from the market on the company's products and policies quite accurately because they often work and chat with customers, so the company needs Support and store this important information well for documentation when it is necessary to edit, improve or adjust policies to suit the actual situation. On the other hand, the salesperson is also the one who gives accurate and complete information and policies from the company to customers; Therefore, through this activity the company can establish a good relationship with customers.

**Implement marketing programs:** Companies often require salespeople to coordinate marketing campaigns to ensure complete success. Salespeople must ensure that the marketing department's policies on promotion, display, advertising are fully implemented for each customer. In the case of dealing with commercial intermediaries such as wholesalers and retailers, sellers also need to actively support the marketing activities of these intermediaries so that they can sell more products and serve customers better. Thus, sales people also need to have marketing capabilities and master how to coordinate sales and marketing activities to fulfill their functions well.

### 1.2.3 The role of sales activities

Sales activities have the following basic roles:

Sales brings satisfaction to people thanks to the function of meeting needs and activating needs.

Sales help goods and money circulate effectively in the economy, thereby stimulating investment and expanding production.

Sales helps increase specialization, producers will have more benefits when there are professional salespeople taking care of the output of the product.

A good seller will be an effective intermediary for researching, providing feedback from the market, consulting and persuading buyers, transporting, storing, and two-way information transmission between sellers. Producers and consumers; Thus, the seller is the bridge between the producer and the consumer.

Thus, in general, sales is a series of independent activities to

establish relationships and effectively transmit information, services, and products from manufacturers to consumers with the main goal of satisfy and best meet the needs of both parties.

### 1.3 Content of sales activities

#### 1.3.1 Market research activities

Market research is an extremely important job. If market research is done well, it provides enough accurate information to help marketers come up with an appropriate strategy and thus bring profit. High efficiency. On the contrary, market research collects inaccurate information, does not accurately reflect the actual market situation, and because it is not based on solid information, the decisions made will not be close to the actual market situation. In fact, marketing activities will be ineffective and waste human resources. Below are the most common applications of market research:

**Collect market information:** Collect information about newly developed products that can be used as substitutes for the Company's products. Thereby, the Company can proactively propose measures to cope with unexpected fluctuations in the market.

**Research market demand:** Collect information about customer needs and consumption trends so that you can launch new products or improve existing products to better meet market needs. market, strengthening the company's position in the market.

**Research distribution channels:** Collect information about customers' consumption habits and behaviors to establish distribution channels for new products about to be launched on the market. Or develop new distribution channels for existing products when detecting changes in the consumption behavior of a segment of customers.

**Collect competitor information:** Collect competitor information to serve competitive analysis. Collect information about competitors' activities to judge their strategies such as investment plans for research and development of new products, adding human resources, building warehouses, factories, and distribution channels for Then you can devise an appropriate strategy.

**Price policy:** Collect information about competitors' prices, input material prices, collect information about profit distribution among components participating in product distribution to promptly adjust to Increase product competitiveness, increase your profits.

**Brand positioning:** Assess the level of awareness of a brand and its image, collect feedback from customers and the market about products on the market to find a positioning suitable for your product and brand.

#### 1.3.2 Sales planning and sales strategy

Planning is performing management work by making forecasts and long-term plans for operations, allocating budgets and timetables to achieve goals. It includes the following tasks:

- Arrange, assign and control meetings with customers.
- Arrange promotions or guide development paths for sales staff.
- Regularly contact sales staff for necessary help or training.
- Organize personal time carefully.

- Support management by forecasting sales.
- Recommend sales policies to management.
- Determine sales area and location.
- Make a plan to achieve your desired profit level.
- Analyze the market to identify new customers and new prospects.
- Plan activities for everyone on the sales team.

### Business distribution strategies

- Exclusive distribution strategy: A business's products are distributed by exclusive agents in a certain geographical area. Enterprises develop criteria for selecting exclusive distributors and conduct market development through the process of selecting exclusive distributors. This strategy applies to high-end products and strong brands.
- Selective distribution strategy: Enterprises select sales representatives and agents with high standards. This strategy is suitable for products that require after-sales service.
- Mass distribution strategy: Applicable to consumer products. The product will be covered at all selling points in the market.

### 1.3.3. Organize sales activities

After planning sales, businesses must perform other tasks. Sales organization is a way for businesses to fulfill their expectations. The process of organizing and implementing a sales plan must go through the following 5 basic steps: contact, argument, proof, answering customer objections and ending with the sales process.

On the other hand, sales organization is one of the important functions of sales management related to building a sales network, clearly defining functions, tasks, and powers on the basis of assignment to each individual.

the seller or buyer lacks information or has individuals and departments involved in sales activities.

#### ❖ Select distribution channel

A distribution channel is a set of individuals or organizations that carry out the physical transfer and transfer of ownership of goods from producers to consumers. Individuals or organizations participating in distribution channels are called distribution intermediaries.

Direct distribution channels only involve the participation of producers in bringing goods to consumers. Using this channel, manufacturers have the opportunity to capture market information promptly and with higher reliability, thereby being able to respond faster and more accurately to market requirements, saving costs. Distribution fees improve competitiveness.

An indirect distribution channel is a type of distribution channel with the participation of one or more distribution intermediaries:

- Channel 1: Goods are circulated through intermediaries, retailers, to final consumers, goods circulate quickly and conveniently for consumers.
- Channel 2: Sales go through two intermediaries, wholesale and retail, then reach consumers. The circulation process is highly specialized with high costs, effective use of facilities and capital. invest.
- Channel 3: The circulation of goods is similar to channel 2 but there are many intermediaries and brokers when

there is supply and demand for certain goods that difficulty accessing. in buying and selling.

#### ❖ Organizing network and sales force

The organization of the sales network often depends on the distribution strategy of the business. Organizing a reasonable sales network is important not only for the sales activities themselves but also for the business activities of the enterprise. Thanks to that, we can speed up the consumption of goods, expand the market, improve the position of businesses in the market and create the most favorable conditions for customers to find and buy goods to satisfy their needs . To sell effectively, a business requires a good sales force. The sales force includes people directly involved in the business's sales process.

#### ❖ Sales promotion

Choose a sales channel suitable to the business conditions of each business, then decide what form of distribution. Have a specific product promotion plan to promote the sales process. Advertising will create customer attention, it affects the psychology of news recipients. Advertising is one of the forms of commercial communication that aims to provide recipients with necessary information about products and businesses through mass media to attract customers. Advertising can change customers' attitudes toward products through information reception.

Offering helps a business's goods reach consumers through direct sales points or product introduction points. Whether the sales organization is successful or not depends on the preparation and sales team.

Promotions are also a good way to attract new customers, stimulate consumption in a short time, it helps break customer loyalty to certain products so they can turn to use the Company's products. , and are willing to trust and use it if the product meets customer satisfaction.

### 1.3.4. Evaluate the results of sales activities

Businesses need to periodically evaluate the results of their sales activities and each distribution channel and each channel member. Conducting periodic assessments allows managers to find the causes of the achieved distribution results, discover individuals and agents that are performing well, as well as problems of each agent. Through the inspection results, businesses can also understand how the company's Marketing policy in general and distribution policy in particular are being implemented. On that basis, businesses can make timely management decisions about sales activities.

Content of evaluating sales results of an enterprise: Testing and evaluating sales results requires administrators to associate sales results with sales costs considering both of these issues simultaneously. To evaluate sales results, managers can compare performance targets with planned targets on sales volume and costs or compare with sales results of the same previous period.

The content of distribution channel assessment is carried out in two aspects: Checking the influence of environmental factors and factors related to channel changes in structure and arrangement of the channel. Check the profitability of the distribution channels used by checking the costs and checking the operating results of each channel.

Content of distribution agent evaluation: Shown through

criteria such as sales calculated in physical units and value. Proportion of dealer sales in the Company's total sales. The number of new customers and the number of old customers have been lost. Number of signed sales contracts, number of customer calls, average size of a sales contract, sales costs, inventory levels, unfulfilled orders, number of customer complaints Customers are recorded in the feedback book, sales volume per employee.

#### **1.4. Factors affecting sales activities**

##### **1.4.1. Factors outside the business**

###### **Economic environment**

A favorable economic environment promotes more favorable production, business and sales activities as well as high and stable income in the long term. Including: export volume, inflation, unemployment rate, exchange rate, bank interest rate, investment speed, income structure and per capita expenditure, income gap between groups population and income and expenditure of the State Budget.

###### **Gross domestic product (GDP)**

GDP affects the needs of families, businesses and countries. In other words, GDP has dominated and changed consumption decisions over time, thereby influencing operational aspects of governance. Managers should plan further plans in accordance with market trends, depending on gross domestic product and the actual situation; Oversees decision making, organization and leadership, and implementation of plans.

###### **Inflation factor**

- Inflation affects people's psychology and influences their consumption behavior; change the structure of consumer norms; shows that the consumption rate of goods is decreasing more and more, especially essential goods for daily life.
- During the inflation period, the price factor of the product is of more concern to consumers.

###### **Exchange rates and interest rates**

Impact on import and export activities; That is, it affects the investment activities of businesses. Changes in imported raw materials lead to production plans being delayed compared to expectations, affecting the market as well as people's consumption.

- Impact on costs and human resources of the business.
- Income reflects people's living standards. Consumers will spend on products that suit economic conditions. Therefore, businesses must classify products at each level so that all customers can know and consume the business's products.
- Wages of workers and employees are the main factor determining the human resources of an enterprise. Because salary is the source of living for most people, salary is often placed first in their psychology and it is also the source of inspiration for them to work. Administrators need to set salaries appropriate to each person's abilities, and fair rewards and punishments to create trust in the working environment.

###### **Natural environment**

Natural conditions include: geographical location, climate, natural landscape, land, rivers and seas, underground mineral

resources, marine forest resources, cleanliness of the water environment, air atmosphere... The impact of natural conditions on business decisions has long been recognized by businesses. In many cases, natural conditions themselves become a very important factor in forming the competitive advantage of products and services.

Natural disasters and natural disasters can cause damage to businesses' infrastructure, production, transportation and product consumption. This can reduce productivity and create risks in providing products and services to customers. Therefore, businesses need to plan for potential natural disasters and ensure that their brand strategy still meets customer needs in emergency situations.

In addition, the epidemic is also a factor affecting sales activities. Disease outbreaks can have a significant impact on production, transportation and consumption of products. Businesses need to find ways to ensure the safety of employees and customers, while still maintaining business operations. In addition, businesses also need to find ways to adapt to changes in customer and market needs due to the impact of the epidemic.

###### **Political and legal environment**

Vietnam is being highly appreciated by international investors in terms of its stable and sustainable political situation compared to other countries in the region, which is actually one of the factors that attract investors to enter. and market development in Vietnam. Our country's laws and constitution allow, respect and encourage all business activities within the framework of the law.

This is a factor that affects all business sectors in a territory. Institutional and legal factors can affect the ability to survive and develop of any industry. When doing business in an administrative unit, businesses will be required to comply with the legal institutional factors in that area. This factor usually analyzes the following aspects:

**Stability:** This method will analyze stability in political and diplomatic conflict elements of legal institutions. Institutions with high stability will be able to create good conditions for business operations. On the contrary, unstable and conflict-prone institutions will have a negative impact on business activities in its territory.

**Tax policy:** Export and import tax policies, consumption taxes, income taxes... will affect the revenue and profits of businesses.

**Related laws:** Investment law, enterprise law, labor law, antitrust law, anti-dumping law...

**Policy:** State policies will affect businesses. They can create profits or challenge businesses. These include trade policies, industry development policies, economic development, taxes, competition regulation policies, consumer protection...

###### **Cultural environment**

Among the various environments mentioned above, the socio-cultural environment has the greatest impact on the policies and performance of all business firms. This environment poses a serious challenge to businesses and business managers while developing business strategies and policies that will give weight to this key factor.

The cultural environment is the sum of all the subcultures each with its own distinct concepts, beliefs and beliefs. We have a dynamic society that is always changing. New needs are created and old needs are lost. Business enterprises should

continuously monitor ongoing developments and make necessary adjustments in production and marketing plans and strategies to meet new social needs.

Aligning business strategies with socio-cultural developments, will allow the company to reap a rich harvest. Businesses now should not act solely with profit motives. They also have some social responsibilities. They should offer long-term benefits to consumers as well as society. Most large companies today show less profit than they should normally earn, just to create an image in the eyes of consumers and society.

Therefore, when investing in production and trading of any product, the Company must consider issues of population, customs, population density, habits, preferences and many other factors in the cultural environment. socialization of each market area where the enterprise intends to organize a sales network or assign a sales force in that area.

### **Technology environment**

Technology environment is all factors related to technology, including the advancement of technology, the development of new devices, software and applications, and technical infrastructure. digital, internet and other technology trends. The technological environment affects many different areas of business and life, especially businesses and organizations. Factors in the technological environment that can affect an enterprise's business strategy include:

- **Technological advancement:** Technological advancement can create new products, services and production processes, helping to improve efficiency and enhance business competitiveness.
- **Development of devices:** The development of devices such as computers, smartphones, tablets, IoT devices, etc. also affects the way to reach and interact with customers.
- **New software and applications:** The introduction of new software and applications can improve productivity, enhance competitiveness and help businesses optimize business processes.
- **Digital infrastructure:** The growth of digital infrastructure, including internet networks, security systems, cloud storage and similar services, is also affecting the way data is managed, information and interaction with customers.
- **Internet and other technology trends:** Internet and other technology trends such as artificial intelligence, virtual reality, augmented reality, blockchain, etc. also create many opportunities and challenges for businesses in adapt and take advantage.

Therefore, it is very important to grasp and take advantage of factors in the technology environment to establish appropriate business strategies.

### **Population environment**

Population environment is one of the important factors of the social environment. It includes all factors related to the population of an area such as size, distribution, structure, growth and the degree of interaction between the population and the environment.

The population environment has a great influence on the economic, social and natural environment of an area. For

example, sudden population growth may lead to the need for increased agricultural and industrial production, causing environmental pollution and increasing competition for resources.

Factors of the population environment such as population size, population structure, population growth level, health status and nutrition of the population, educational status, labor status and income immigration, and other cultural and social factors all influence the economic and social development of a country or region.

Mastering information about the population environment can help businesses better understand population trends, people's needs, and resource and environmental challenges. It also helps organizations and individuals make appropriate decisions and strategies to meet these challenges.

### **1.4.2. Factors inside the business**

#### **Financial potential of the enterprise**

That source of capital is the strength of the business (Trading wealth is not equal to long capital). Therefore, the ability of an enterprise to mobilize capital sources for business, the ability to distribute, and the ability to effectively manage capital sources in business all affect sales activities.

#### **Human potential**

People strategy and human resource development is the proactive development of an enterprise's human strength to meet the requirements of regular growth and innovation, compete and adapt to market conditions.

#### **Management organization level**

The performance of each department depends greatly on the management of superiors. The organization and management ability of the Company's schools is based on an integrated, comprehensive perspective focusing on the interactive relationships of all departments, creating real strength for the store in business.

#### **Geographic location of the business**

A convenient location (near the road, densely populated area, convenient for shopping and transportation,...) this can be considered the invisible strength of the store. Not every geographical location can help businesses build the same sales system. Brand popularity: A popular brand will attract customers to come. Buy and be loyal to the company's product brand.

#### **Influence of payment method**

Fast and secure payment methods will definitely attract more customers. On the contrary, cumbersome payment regulations and many intermediaries will cause psychological inhibition for customers...

#### **Influence of promotion work**

Promotion is an important tool to boost sales activities; It helps buyers understand the products and strengths of the business. Promotion creates conditions for quickly bringing goods into circulation.

### **1.5. Criteria for evaluating sales activities**

#### **Sales revenue targets**

Actual sales reflect the entire business results of the company through sales activities. It reflects the scale of the enterprise's

production and business process as well as the level of organization and management of the sales system. Sales are an important source of revenue that helps businesses continue the production process, re-expand market share and cover all costs in production, business and sales. Apply the revenue calculation formula:

$$TR = Q_i * P_i$$

In there:

TR: Sales revenue

$Q_i$ : Volume of goods i sold

$P_i$ : Selling price of one unit of good i

Sales greater than expenses prove that the company is profitable and that the company's products are accepted by the market and help satisfy customers' needs and ability to pay.

### Profit targets

Actual profit is the difference between sales revenue and all costs a business spends.

$$\pi = TR - TC$$

In which:

$\pi$ : Profit achieved.

TR: Sales revenue.

TC: Total cost.

The greater the profit earned, proves the effectiveness of the business operating system and the effectiveness of the sales system. At the same time, it is necessary to regularly consolidate and promote the achieved results as well as the shortcomings of the sales process to minimize costs and improve competitiveness.

### Cost targets

These are expenses incurred in the process of preserving and consuming a business's products and goods.

Include:

- Salary costs and salary deductions for sales activities.
- Cost of materials and packaging used for product packaging.
- Cost of tools and supplies for sales activities.
- Depreciation costs of fixed assets used for sales activities.
- Cost of warehousing and preserving products.
- Product and goods warranty costs.
- Costs of purchased and outsourced services for sales activities

### Target profit on revenue (ROS)

Profit ratio on revenue: This indicator shows how many dong of profit is generated for each dong of revenue from business activities. The higher this ratio is, the higher the business efficiency of the enterprise

This ratio shows how much profit accounts for total revenue. This ratio has a positive value, meaning the company is profitable; the larger the ratio, the greater the profit. A negative ratio means the company is making a loss.

### Target return on equity (ROE)

This indicator represents the profitability of equity. Thereby

we can see, for every 1 dong of equity spent, how many dong of profit are earned

The return on equity ratio shows how much profit is generated for each dollar of equity. If this ratio has a positive value, it means the company is profitable, if it is negative, it means the company is making a loss, this ratio depends on the business season. In addition, it also depends on the size and risk level of the company. To make an accurate comparison, it is necessary to compare a company's ratio with the industry average, or with the ratio of a comparable company in the same industry.

### Profit target on sales costs

Profit ratio on sales costs: This indicator shows how many dong of profit is generated for each dong of sales expenses for the business.

This indicator reflects how much profit is earned for every dollar of cost spent. The larger this indicator is, it proves that a low cost also allows for high profits for production and business activities. of business.

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