

PRINCIPLES OF
Marketing

Chapter Sixteen
Personal Selling
and
Sales Promotion



Personal Selling and Sales Promotion

Topic Outline

- The Nature of Personal Selling
- The Role of the Sales Force
- Managing the Sales Force
- The Personal Selling Process
- Sales Promotion



Personal Selling

The Role of the Sales Force

Personal selling is the interpersonal part of the promotion mix and can include:

- Face-to-face communication
- Telephone communication
- Video or Web conferencing



Personal Selling

The Nature of Personal Selling

Salespeople are an effective link between the company and its customers to produce customer value and company profit by:

- Representing the company to customers
- Representing customers to the company
- Working closely with marketing



Managing the Sales Force

- Sales force management is the analysis, planning, implementation, and control of sales force activities



Managing the Sales Force

Designing Sales Force Structure

Territorial sales force structure

Product sales force structure

Customer sales force structure

Complex sales force structure



Managing the Sales Force

Sales Force Structure

Territorial sales force structure refers to a structure where each salesperson is assigned an exclusive geographic area and sells the company's full line of products and services to all customers in that territory

- Defines salesperson's job
- Fixes accountability
- Lowers sales expenses
- Improves relationship building and selling effectiveness



Managing the Sales Force

Sales Force Structure

Product sales force structure refers to a structure where each salesperson sells along product lines

- Improves product knowledge
- Can lead to territorial conflicts



Managing the Sales Force

Sales Force Structure

- Customer sales force structure** refers to a structure where each salesperson sells along customer or industry lines
- Improves customer relationships



Managing the Sales Force

Sales Force Structure

Complex sales force structure refers to a structure where a wide variety of products is sold to many types of customers over a broad geographic area and combines several types of sales force structures



Managing the Sales Force

Sales Force Size

Salespeople are one of the company's most productive and expensive assets.

- Increases in sales force size can increase sales and costs
- **Workload approach** to sales forces size refers to grouping accounts into different classes to determine the number of salespeople needed



Managing the Sales Force

Other Sales Force Strategy and Structure Issues

Outside salespeople call on customers in the field

Inside salespeople conduct business from their offices and often provide support for the outside salespeople

- Technical sales support people
- Sales assistants

Team selling is used to service large, complex accounts



Managing the Sales Force

Recruiting and Selecting Salespeople Issues in Recruiting and Selecting

- Careful selection and training increases sales performance
- Poor selection
- Increases recruiting and training costs
 - Lost sales
 - Disrupts customer relationships



Managing the Sales Force

Salesperson compensation based on:

Fixed
amounts

Variable
amounts

Expenses

Fringe
benefits



Managing the Sales Force

Supervising and Motivating Salespeople

- The goal of supervision is to help salespeople work smart by doing the right things in the right ways
- The goal of motivation is to encourage salespeople to work hard and energetically toward sales force goals



Managing the Sales Force

Selling and the Internet

Major tool to support salespeople

Training

Sales meetings

Live sales presentations

Servicing accounts



Managing the Sales Force

Supervising and Motivating Salespeople

- Sales morale and performance can be increased through:
 - Organizational climate
 - Sales quotas
 - Positive incentives



Managing the Sales Force

Evaluating Salespeople and Sales-Force Performance

Sales
reports

Call
reports

Expense
reports



The Personal Selling Process

- The goal of the personal selling process is to get new customers and obtain orders from them



The Personal Selling Process

Steps in the Personal Selling Process

Prospecting identifies qualified potential customers through referrals from:

- Customers
- Suppliers
- Dealers
- Internet



The Personal Selling Process

Steps in the Personal Selling Process

Qualifying is identifying good customers and screening out poor ones by looking at:

- Financial ability
- Volume of business
- Needs
- Location
- Growth potential



The Personal Selling Process

Steps in the Personal Selling Process

- Pre-approach is the process of learning as much as possible about a prospect, including needs, who is involved in the buying, and the characteristics and styles of the buyers

Objectives

- Qualify the prospect
- Gather information
- Make an immediate sale

Approaches

- Personal visit
- Phone call
- Letter



The Personal Selling Process

Steps in the Personal Selling Process

Approach is the process where the salesperson meets and greets the buyer and gets the relationship off to a good start and involves the salesperson's:

- Appearance
- Opening lines
- Follow-up remarks



The Personal Selling Process

Steps in the Personal Selling Process

- Opening lines should be positive, build goodwill, and be followed by key questions to learn about the customer's needs or showing a display or sample to attract the buyer's attention and curiosity
- The most important attribute is for the salesperson to: **listen**



The Personal Selling Process

Steps in the Personal Selling Process

- Presentation** is when the salesperson tells the product story to the buyer, presenting customer benefits and showing how the product solves the customer's problems
- Need-satisfaction approach: Buyers want solutions and salespeople should listen and respond with the right products and services to solve customer problems



The Personal Selling Process

Steps in the Personal Selling Process

Bad Traits

Pushy

Late

Deceitful

Disorganized

Unprepared

Good traits

Good
listeners

Empathetic

Honest

Dependable

Thorough

Follow-up
types



The Personal Selling Process

Steps in the Personal Selling Process

Handling objections is the process where salespeople resolve problems that are logical, psychological, or unspoken



The Personal Selling Process

Steps in the Personal Selling Process

Closing is the process where salespeople should recognize signals from the buyer—including physical actions, comments, and questions—to close the sale



The Personal Selling Process

Steps in the Personal Selling Process

Follow-up is the last step in which the salesperson follows up after the sale to ensure customer satisfaction and repeat business



The Personal Selling Process

Personal Selling and Managing Customer Relationships

Personal selling is transaction-oriented to close a specific sale with a specific customer

- The long-term goal is to develop a mutually profitable relationship



Sales Promotion

- Sales promotion refers to the short-term incentives to encourage purchases or sales of a product or service
- Types of promotions include:
 - Consumer promotions
 - Trade promotions
 - Sales force promotions



Sales Promotion

Factors in the Growth of Sales Promotions

- Product managers are under pressure to increase current sales
- Companies face more competition
- Competing brands offer less differentiation
- Advertising efficiency has declined due to rising costs, clutter, and legal constraints
- Consumers have become more deal-oriented



Sales Promotion

Sales Promotion Objectives

- Setting sales promotion objectives includes using:
 - Consumer promotions
 - Trade promotions
 - Sales force promotions



Sales Promotion

Major Sales Promotion Tools

Samples

Coupons

Cash refunds

Price packs

Premiums

Advertising specialties

Patronage rewards

Point-of-purchase displays

Demonstrations

Contests

Sweepstakes

Games



Sales Promotion

Major Sales Promotion Tools Consumer Promotion Tools

Samples offer a trial amount of a product

Coupons are certificates that give buyers a saving when they purchase specified products

Cash refunds are similar to coupons except that the price reduction occurs after the purchase

Price packs offer consumers savings off the regular price of a product



Sales Promotion

Major Sales Promotion Tools Consumer Promotion Tools

Premiums are goods offered either for free or at low price

Advertising specialties are useful articles imprinted with the advertiser's name, logo, or message that are given as gifts to consumers

Point-of-purchase promotions include displays and demonstrations that take place at the point of sales



Sales Promotion

Major Sales Promotion Tools Consumer Promotion Tools

- Contests, sweepstakes, and games give consumers the chance to win something—such as cash, trips, or goods—by luck or through extra effort
- Contests require an entry by a consumer
- Sweepstakes require consumers to submit their names for a drawing
- Games present consumers with something that may or may not help them win a prize
- Event Marketing



Sales Promotion

Major Sales Promotion Tools Trade Promotion Tools



Sales Promotion

Major Sales Promotion Tools Business Promotion Tools

Conventions and trade shows are effective to reach many customers not reached with the regular sales force

Sales contests are effective in motivating salespeople or dealers to increase performance over a given period



Sales Promotion

Developing the Sales Promotion Program

- Size of the incentive
- Conditions for participation
- Promote and distribute the program
- Length of the program
- Evaluation of the program

