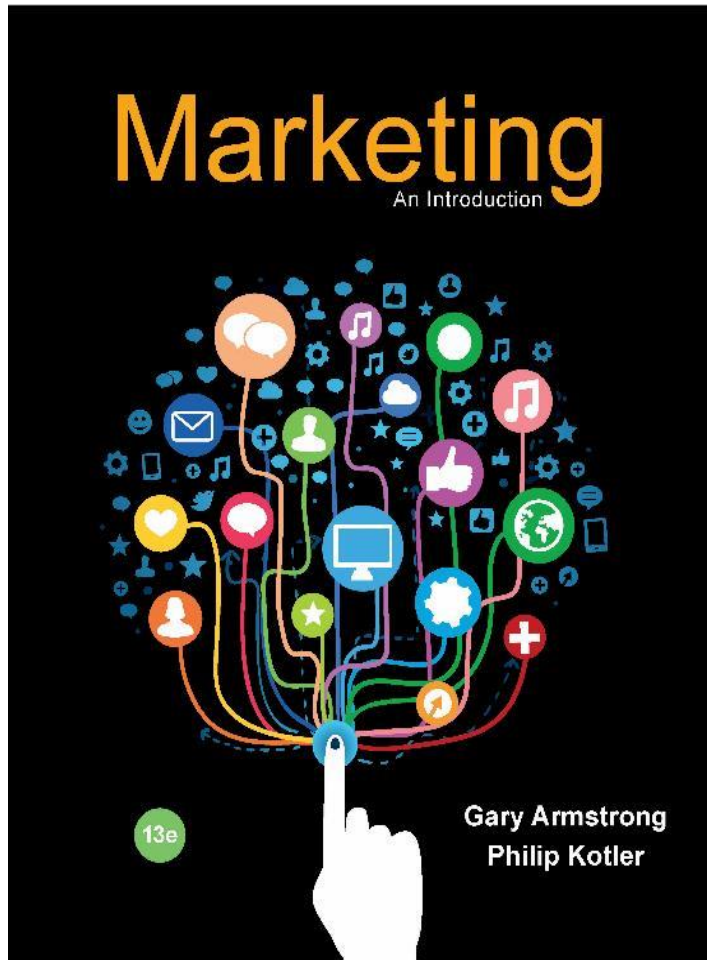


Marketing: An Introduction

Thirteenth Edition

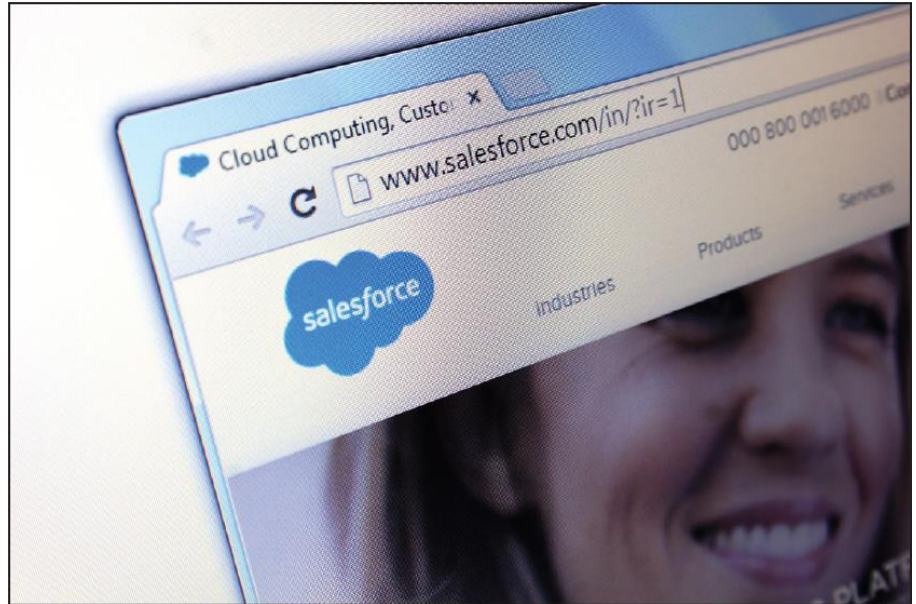


Chapter 13

Personal selling and sales promotion

First Stop: Salesforce You Need a Great Sales Force to Sell Salesforce

Salesforce's "Customer Success Platform" helps its customers "supercharge their sales."



Personal Selling (1 of 2)

- Personal presentations by a sales force to engage customers, make sales, and build customer relationships
- **Salesperson:** Represents a company to customers by performing the following activities:
 - Prospecting and communicating
 - Selling and servicing
 - Gathering information and building relationships

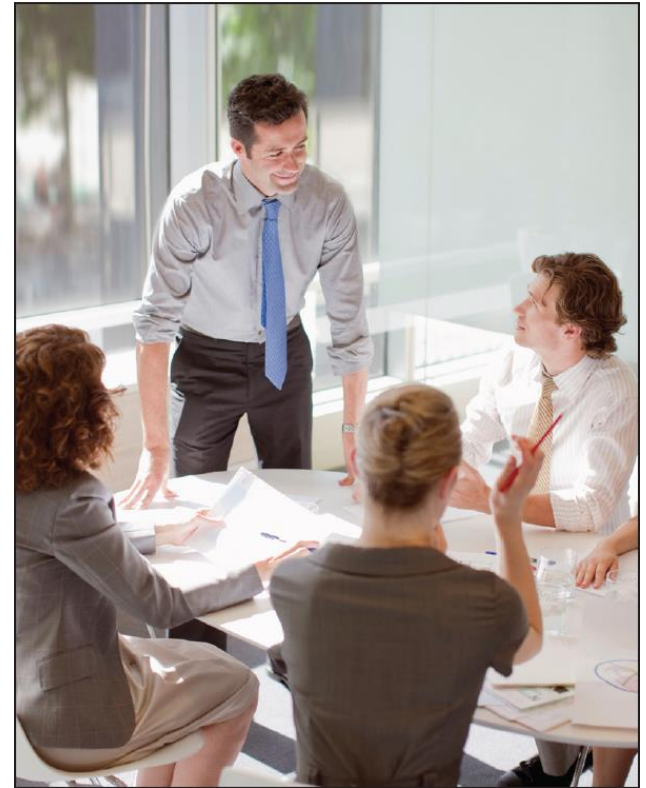
Personal Selling (2 of 2)

Professional selling takes more than fast talk and a warm smile to sell expensive airplanes.



The Role of the Sales Force

- Links the company with its customers
- Coordinates marketing and sales



Learning Objective 13-1 Summary

- Personal selling – engaging customers, making sales, and building customer relationships
- A sales force serves as a critical link between a company and its customers.
 - Prospecting, communicating, selling, servicing, information gathering, and relationship building

Sales Force Management

Sales force management - analyzing, planning, implementing, and controlling sales force activities

Major Steps in Sales Force Management



Designing the Sales Force Strategy and Structure

- Types of sales force structures:
 - Territorial
 - Product
 - Customer (or market)
- Salespeople can be specialized by
 - Customer and territory
 - Product and territory
 - Product and customer
 - Territory, product, and customer

The Sales Force Structure

Whirlpool specializes its sales force by customer and by territory for each key customer group.



Sales Force Size

- May range from only a few to thousands
- Companies may use the workload approach to set sales force size.
 - Accounts grouped into classes based on size, status, or the amount of effort required to maintain the account
 - Number of salespeople needed to call on each class of accounts is then determined

Other Sales Force Strategy and Structure Issues

Outside sales force (field sales force)

- Travels to call on customers in the field

Inside sales force

- Conducts business from their offices via telephone, the Internet, or visits from prospective buyers
 - Technical sales support people
 - Sales assistants
 - Telemarketers and online sellers

Team selling

- Teams of people from different departments used to service large, complex accounts

Recruiting & Selecting Salespeople

- A company should analyze the sales job and the characteristics of its most successful salespeople.
- Sources for the recruitment of salespeople:
 - Referrals from current salespeople
 - Employment agencies
 - Internet and online social media
 - Posting ads and notices
 - College placement services
 - Salespeople at other companies

Training Salespeople

- Goals of training are to teach salespeople
 - About different types of customers
 - How to sell effectively
 - About the company's objectives, organization, products, and the strategies of competitors
- Online training builds sales skills using videos, Internet-based exercises, or simulations.
 - Virtual instructor-led training (VILT)

Compensating Salespeople (1 of 2)

- Elements of compensation
 - Fixed amount – salary
 - Variable amount – commissions or bonuses

Compensating Salespeople (2 of 2)

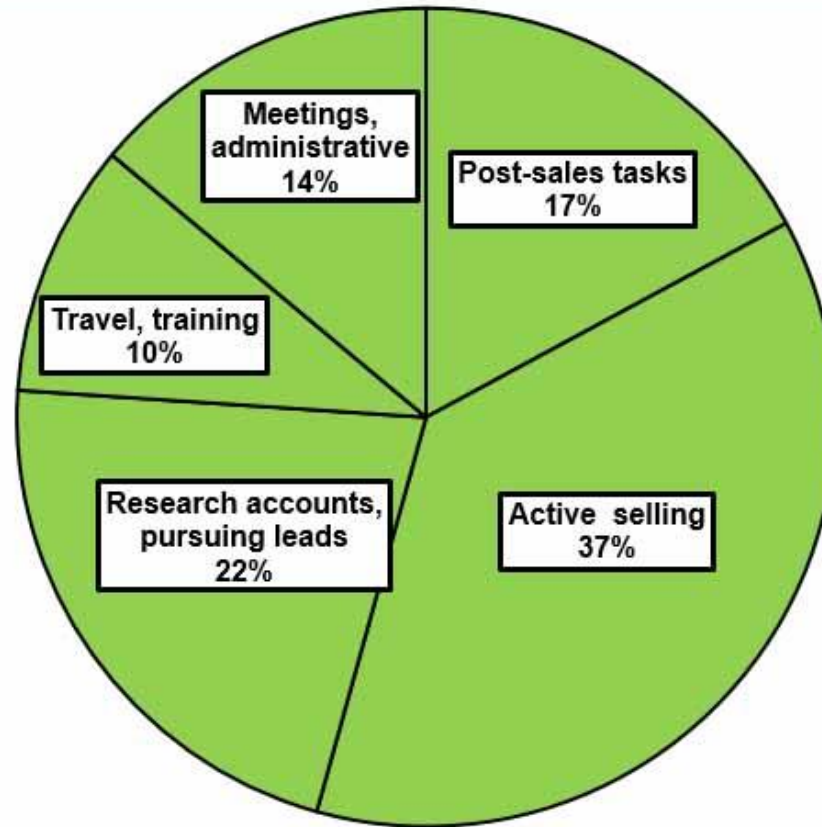
A good compensation plan both motivates salespeople and directs their activities.



Supervising Salespeople

- Help salespeople work smart by doing the right things in the right ways
- Tools of supervision:
 - Call plan
 - Time-and-duty analysis
 - Sales force automation system

Figure 13.2 How Salespeople Spend Their Time



Motivating Salespeople

- Encourage salespeople to work hard and energetically toward sales force goals
- Management can boost sales force morale and performance through its
 - Organizational climate
 - Sales quotas
 - Positive incentives

Evaluating Salespeople and Sales Force Performance

- Management gets information about its salespeople
 - From sales, call, and expense reports
 - By monitoring the sales and profit performance data in the salesperson's territory
 - Through personal observation, customer surveys, and talks with other salespeople
- Formal evaluations force management to develop standards for judging performance.

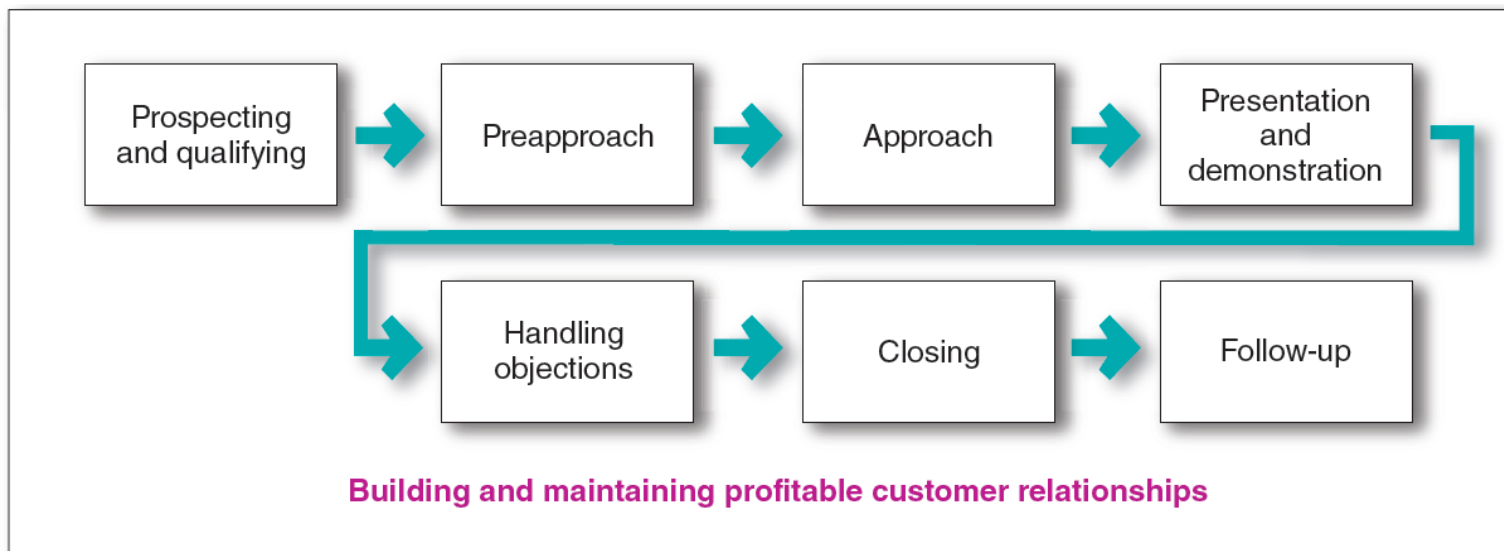
Social Selling: Online, Mobile, and Social Media Tools

- Provide salespeople with powerful tools for
 - Identifying and learning about prospects
 - Engaging customers
 - Creating customer value
 - Closing sales
 - Nurturing customer relationships
- Help sales forces to be more efficient, cost-effective, and productive

Learning Objective 13-2 Summary

- Sales force management – analyzing, planning, implementing, and controlling sales force activities
- Major steps in sales force management:
 - Designing sales force strategy and structure, recruiting, selecting, training, compensating, supervising, and evaluating the firm's salespeople

Figure 13.3 - Steps in the Selling Process



The Personal Selling Process (1 of 2)

- Value selling – demonstrating and delivering superior customer value capturing a return on that value that is fair for both the customer and the company
- Value selling requires:
 - Listening to customers
 - Understanding customers' needs
 - Coordinating the company's efforts to create lasting relationships based on customer value

The Personal Selling Process (2 of 2)

Sales management's challenge is to transform salespeople into company advocates for value.



Learning Objective 13-3 Summary

- Selling involves a seven-step process:
 - Prospecting and qualifying, preapproach, approach, presentation and demonstration, handling objections, closing, and follow-up
- Relationship marketing
 - Profitable long-term relationships
 - Based on customer value and satisfaction

Sales Promotion (1 of 2)

- Short-term incentives to encourage the purchase or sale of a product or a service
- Sales promotion targets
 - Final buyers - Consumer promotions
 - Retailers and wholesalers - Trade promotions
 - Business customers - Business promotions
 - Members of the sales force - Sales force promotions

Sales Promotion (2 of 2)

- Many factors have contributed to the rapid growth of sales promotion.
 - Product managers view promotion as an effective short-run sales tool.
 - Competitors use sales promotion to differentiate their offers.
 - Advertising efficiency has declined.
 - Sales promotions help attract today's more thrift-oriented consumers.

Sales Promotion Objectives

Consumer promotions

- To urge short-term customer buying or boost customer-brand engagement

Trade promotions

- To get retailers to carry new items and more inventory, buy ahead, or promote the company's products and give them more shelf space

Business promotions

- To generate business leads, stimulate purchases, reward customers, and motivate salespeople

Consumer Promotion Tools (1 of 2)

Tools	Description
Samples	<ul style="list-style-type: none">• Offers of a trial amount of a product• Most effective and expensive
Coupons	<ul style="list-style-type: none">• Certificates that save buyers money when they purchase specified products
Rebates (cash refunds)	<ul style="list-style-type: none">• Price reduction occurs after the purchase• Customer sends proof of purchase to the manufacturer, which then refunds part of the purchase price by mail
Price packs (cents-off deals)	<ul style="list-style-type: none">• Offers consumers savings off the regular price of a product
Premiums	<ul style="list-style-type: none">• Goods offered either free or at low cost as an incentive to buy a product

Consumer Promotion Tools (2 of 2)

Tools	Description
Advertising specialties	<ul style="list-style-type: none">• Useful articles imprinted with an advertiser's name, logo, or message that are given as gifts to consumers
Point-of-purchase (POP) promotions	<ul style="list-style-type: none">• Displays and demonstrations that take place at the point of sale
Contests, sweepstakes, and games	<ul style="list-style-type: none">• Give consumers the chance to win something
Event marketing (or event sponsorships)	<ul style="list-style-type: none">• Creating a brand-marketing event or serving as a sole or participating sponsor of events created by others

Event Marketing

Red Bull hosts hundreds of events each year in dozens of sports around the world.



Trade Promotions

- Used to persuade resellers to carry a brand, give it shelf space, and promote it in ads
- Trade promotion tools:
 - Contests, premiums, and displays
 - Discounts and allowances
 - Free goods
 - Push money
 - Specialty advertising items

Business Promotions

- Used to generate business leads, stimulate purchases, reward customers, and motivate salespeople
- Business promotion tools:
 - Conventions and trade shows
 - Sales contests

Developing the Sales Promotion Program

- Sales promotion program design decisions:
 - Determine the size of the incentive
 - Set conditions for participation
 - Determine how to promote and distribute the promotion program
 - Set the length of the promotion
 - Evaluate the promotion

Learning Objective 13-4 Summary

- Sales promotion objectives – consumer promotions, trade promotions, and business promotions
- Consumer promotion tools – samples, coupons, rebates, price packs, and premiums
- Trade promotion tools – contests, premiums, and displays, discounts and allowances, free goods, push money, and specialty advertising items
- Business promotion tools – conventions and trade shows, and sales contests

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