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
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

- Active selling: 37%
- Research accounts, pursuing leads: 22%
- Travel, training: 10%
- Meetings, administrative: 14%
- Post-sales tasks: 17%
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

1. Prospecting and qualifying
2. Preapproach
3. Approach
4. Presentation and demonstration
5. Handling objections
6. Closing
7. Follow-up

Building and maintaining profitable customer relationships
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
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)

<table>
<thead>
<tr>
<th>Tools</th>
<th>Description</th>
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</table>
| Samples                    | • Offers of a trial amount of a product  
• Most effective and expensive                                                                 |
| Coupons                    | • Certificates that save buyers money when they purchase specified products                        |
| Rebates (cash refunds)     | • 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) | • Offers consumers savings off the regular price of a product                                  |
| Premiums                   | • Goods offered either free or at low cost as an incentive to buy a product                      |
## Consumer Promotion Tools (2 of 2)

<table>
<thead>
<tr>
<th>Tools</th>
<th>Description</th>
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<tbody>
<tr>
<td>Advertising specialties</td>
<td>• Useful articles imprinted with an advertiser’s name, logo, or message that are given as gifts to consumers</td>
</tr>
<tr>
<td>Point-of-purchase (POP) promotions</td>
<td>• Displays and demonstrations that take place at the point of sale</td>
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<tr>
<td>Contests, sweepstakes, and games</td>
<td>• Give consumers the chance to win something</td>
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<tr>
<td>Event marketing (or event sponsorships)</td>
<td>• Creating a brand-marketing event or serving as a sole or participating sponsor of events created by others</td>
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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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