Personal Selling

5

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Learning Objectives

Upon completion of this chapter the student will be able to:

- Define personal selling and explain where it fits into the overall integrated marketing communication plan.
- Understand and explain the advantages and disadvantages of personal selling.
- Describe the steps in the sales cycle.
- Describe the different selling strategies.
- State the main types of selling.
- Outline the areas in a department and individual sales plan.

Pre-Test

1. Which of the following is NOT true about personal selling?
   a) It is an expensive tactic.
   b) It involves building individual relationships with customers.
   c) It is no longer conducted completely face-to-face.
   d) It involves less intimacy than other IMC variables.
2. Which of the following accurately describes an advantage of personal selling?
   a) Personal selling saves companies a lot of money, because it is less expensive to contact customers directly than to take out pricey advertising spots.
   b) Because it relies on relationship building, personal selling works well even if an individual salesperson is untrained or ineffective.
   c) In personal selling, the customer provides instant feedback to the salesperson, who can help resolve any problems, building a positive image for the company.
   d) Personal selling has a better reach than advertising, allowing salespeople to reach many more consumers than any other medium would.
3. The term “sales cycle” refers to
   a) the amount of sales generated by integrated marketing activities during a set period, usually a year.
   b) the variation in sales at different times during the calendar year.
   c) all of the activities that take place over the course of the sales process.
   d) the fluctuation in sales generated by a new product during its lifetime.
4. A salesperson used a script to deliver a sales presentation. When the potential customer did not buy after the trial close, the salesperson moved on to a different script. This salesperson was using a
   a) selling formula approach.
   b) canned sales presentation.
   c) consultative sales approach.
   d) sales approach continuum.
5. Which type of selling has a longer sales cycle?
   a) Trade selling
   b) Retail selling
   c) Telemarketing
   d) E-marketing
6. What is one reason it is especially important that sales objectives be created with the outcome in mind?
   a) Without this kind of objective, salespeople will have difficulty with the closing step of the sales cycle.

b) Sales managers generally have little experience with creating goals or objectives, so it is important that they learn to write very clear objectives.

c) Salespeople are often paid based on whether sales goals and objectives have been reached.

d) Providing these objectives to potential customers helps salespeople build relationships.

Answers

1. d) It involves less intimacy than other IMC variables. The correct answer can be found in Section 5.1
2. c) In personal selling the customer provides instant feedback to the salesperson, who can help resolve any problems, building a positive image for the company. The correct answer can be found in Section 5.2
3. c) all of the activities that take place over the course of the sales process. The correct answer can be found in Section 5.3
4. b) canned sales presentation. The correct answer can be found in Section 5.4
5. a) Trade selling. The correct answer can be found in Section 5.5
6. c) Salespeople are often paid based on whether sales goals and objectives have been reached. The correct answer can be found in Section 5.6

Introduction

The authors wish to thank Ms. Courtney Kingery for co-authoring the chapter.

Many people make money by selling cosmetics. Avon and Mary Kay Cosmetics are two companies that rely primarily on independent sale consultants to reach their customers. The personal selling may take place at a party designed to gather interested consumers and showcase products. Or, it may take place when a family member or friend gives out a catalog of the products the consultants sell. Regardless of the method, much of the selling from these beauty consultants involves building relationships. The company representatives share information, educate potential and existing customers about products, and listen to their needs to find the best products that will fit their client base.

In the last chapter we took a look at the first tactical execution for IMC planners, advertising. For business-to-consumer (B2C) marketing communicators, advertising is one of the most important tactics. When developing an IMC plan, another important tactical execution is personal selling. While many companies use personal selling as an execution, the organizations involved in business-to-business (B2B) marketing rely heavily on this tactic. Because of the nature of personal selling, it typically requires large investments in the sales department (money and personnel). In practice, many companies divide their marketing and sales functions into separate units. It is recommended that personal selling be integrated into the overall IMC plan to create synergy and consistency when communicating with the target market. It is important to make sure the sales message is the same as the message sent to consumers via other tactical executions such as advertising and promotion. Additionally, by keeping personal selling as part of the IMC mix, companies and organizations will realize additional savings from administrative costs.

5.1 Overview of Personal Selling

If you ask a child what they want to be when they grown up, you might get a response like "astronaut," "professional basketball player," "model," or "actor." Most children don't aspire to be regional sales managers or directors of sales, but every industry, service, or not-for-profit needs sales to drive revenue and continue operations. Sales are the backbone of any revenue driven organization. Conduct a search on "sales" on any job-posting website and see how many results you get. Nearly every company needs sales; most of them are done through personal selling. We defined personal selling in an earlier chapter as face-to-face communications with a prospect or customer (Manning, Ahearne, and Reece, 2012). As the definition states, personal selling involves person-to-person communication and interaction where the seller attempts to persuade an individual to purchase products from his or her organization. While this is the most intimate form of marketing communication, personal selling is also one of the most expensive tactics in the IMC mix.


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▲ Instead of meeting in person, technology has enabled salespeople to use the Internet to meet with customers.

In the past, personal selling relied on face-to-face communication. But with advances in technology, personal selling has evolved to include contact via telephone, email, interactions on social media, and virtual meetings held via the Internet. Personal selling is different from other IMC variables because of the intimacy involved in communication and contact between the seller and buyer. Instead of having contact with many different consumers at once, personal selling involves relationship building with one, or a few customers at a time.

The location of the sales functions within an organization depends largely on the type of organization itself. If the organization is primarily a manufacturing organization, sales responsibility may fall within the commercial and operational units. For a service or consumer-focused organization, the sales responsibilities may fall under an integrated sales and marketing department. No matter where sales responsibilities are located, coordination and communication between the sales, marketing, and public relations departments are critical for a successfully implemented IMC plan.

A wide variety of companies ranging from hotels to financial services hire salespeople. A career in sales can be very rewarding. Benefits include recognition, rewards (financial and personal), and opportunities for advancement. A successful salesperson typically has the following traits:

- Strong ethics and values
- A desire to achieve
- Confidence (believes in self and can handle rejection)
- Likes people and social interactions
- Assertive (expresses opinions in a self-assured manner)
- Cares about building relationships and not only making a sale
- Has a win-win attitude (desire for both buyer and seller to benefit from a sale)

Meet Courtney Kingery

Courtney Kingery has worked in sales and marketing in the agriculture processing and food space for over 17 years. Courtney is currently a lead strategic product manager of Tate & Lyle's health and wellness portfolio for North America, Latin America, and Asia. We asked Courtney where she thought personal selling was headed in the future. Here is her response.

Q: How do you see IMC, marketing, and personal selling converging during the next 10 years?

I foresee both a convergence and divergence of integrated marketing communications, marketing, and personal selling over the next 10 years rooted in impatience. Let's first look at the convergence. Marketing and sales are so intertwined that it is like trying to separate the chocolate chips from the cookie. Yes, you can eat them separately, but they are so much more satisfying when they are together. Sales can exist without marketing, but as management and investors become more impatient for top-line sustainable growth, marketing's preselling of the brand, product, or need development dramatically shortens the sales cycle, thus generating faster revenue. Let me give you an example. When food manufacturers look to bring a new snack, drink, or food to our grocery store shelves, the product development, and therefore the sales cycle, is typically 18–24 months. My organization was developing a new ingredient for food and beverage companies that was unlike anything currently on the market. Six months after the plant was open, we had our first commercial sale. How did we shave 12 months off the sales cycle? By using advertising and public relations to develop a need and build interest in the ingredient before it was even commercially available. Sales and marketing converged to shorten the sales cycle and give our impatient investors revenue.

Now, let's look at the divergence. The divergence between IMC, marketing, and personal selling is taking place on two fronts: managerial impatience and organization of duties.

First, management in many organizations is impatient and information is imperfect. A thorough thought-out and researched IMC plan can take months to develop. Management does not have that much patience or time to read a 100+ page document in detail. Also, in dynamic business environments, decisions and strategies can't wait for perfect information. The result is that IMCs are getting dissected and completed à la carte. In the previous example of the new food ingredient, the brand was developed first and launched with a PR campaign at an industry trade event before any advertising strategy or budget was developed or the ingredient was even available for a personal selling campaign. Each piece of IMC was treated as a smaller, more manageable piece of the whole because management wanted to move the project forward and not wait for the perfect strategy to be developed.

Second, we are seeing a divergence due to organizational structuring and separation of duties. In many organizations, sales and marketing professionals are being asked to do more with less. As sales territories are growing and marketing projects become more sophisticated, sales and marketing professionals are so focused on their responsibilities, they have less time to lift their heads up and look strategically across the entire landscape. There is less time to observe the subtle interplay and interaction between sales and marketing, when one's attention is focused on the contract negation or the email blast right before one's eyes. Recently, I oversaw the development and production of a webinar hosted by an industry trade publication. I was so focused on aligning the webinar content with our messaging and promoting the webinar to meet our target of 200 leads that I completely

(continued)

forgot to let the sales team know when the event was taking place! Needless to say, the sales team was a bit annoyed with me when they saw the promotion of the webinar from the trade publication and not from their own marketing manager (me). Forgetting to loop our sales team in on a campaign is a mistake that I won't likely repeat.

So, where does this leave marketing managers? The manager must align the right size of an IMC plan for each of our organizations and projects. As we build our IMC and develop our marketing and sales strategies, we must understand the temperament of our organization's management, the ability of our sales teams, and the goals of our investors or owners. In other words, we have to be skilled politicians, mind readers, magicians, and a bit creative, too. This is all in a day's work for a marketing professional.

Reflection Questions
1. How does Ms. Kingery's company adapt to impatient investors?
2. What part of Ms. Kingery's answer do you agree with? Which part do you disagree with? Why?

Learning Check

Reflect on your learning by answering the following questions:

1. What is the definition of personal selling?
2. How has technology changed the field of personal selling?
3. In your opinion, what are the downsides of using technology in personal selling?

5.2 Advantages and Disadvantages of Personal Selling

Let's take a look at some of the issues involved in personal selling. We will start by looking at numerous advantages of using this tactic and follow up with an assessment of the disadvantages associated with personal selling.

Advantages of Personal Selling

There are several advantages to using personal selling as part of a company's IMC mix. One advantage of personal selling includes the ability to customize the message to the buyer's needs. Instant feedback from the buyer is conveyed to the salesperson allowing the salesperson to immediately adapt the sales pitch to any concerns from the buyer.

Another advantage is that personal selling allows for product demonstrations. A consumer can try on the shoes or compare the picture clarity on big-screen televisions before the product is purchased. Because of the instant feedback, the salesperson can immediately modify the information and use open-ended questions to uncover the buyer's needs and understanding of the sales message.

Based on the salesperson's understanding of a buyer's needs and wants, and his or her ability to be flexible with the sales message, personal selling also allows an organization to effectively build long-term buyer-seller relationships. When a buyer understands a seller's needs and a seller understands a buyer's needs an integrated sales system can be developed that serves both the buyer's and seller's interests. Because of this, personal selling allows for the development of effective relationships and continuity. If the customer feels special and feels that the salesperson is interested, a happy customer is developed. Happy customers are the key to sales, repeat business, and increased profits.

Salespeople are in a position to collect information that helps an organization to better meet the demands of the changing market. This is another advantage of personal selling. When a customer provides information to a salesperson about new trends, the information can be used to develop new products to better meet customer needs.

Finally, salespeople help build a positive image for the organization that they represent. When a customer is unhappy and can address his or her concerns with a knowledgeable, empathetic salesperson who can resolve the problem, the customer is more likely to have a favorable opinion of the company.

Disadvantages of Personal Selling

The primary disadvantage of personal selling is the cost. While technological advances in communication have decreased the overall cost of communications, the cost per contact between a buyer and a seller is still very high.

Another disadvantage is limited reach. With advertising, millions of consumers may be reached via one medium. The cost to reach millions of consumers utilizing personal selling would be prohibitive. Accordingly, "More money is spent on personal selling than on any other form of marketing communications, whether it be advertising, sales promotion, publicity or public relations" (Ingram, T. N., LaForge, R. W., Avila, R. A., Schwepker, C. H., and Williams, M. R., 2004, p. 4).

Personal selling relies on salespeople. This is an advantage as well as a disadvantage. Because selling relies on the skills and abilities of the salesperson, untrained or ineffective salespeople can lose sales. One poor salesperson can instantly damage a company's reputation.

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▲ An advantage of personal selling is building a positive image for the company; a disadvantage is the limited reach. Often salespeople meet with one person or a few people at a time.

Another disadvantage is the time involved in developing and executing a sales plan. Many sales managers report that time constraints and the additional responsibilities of professional or B2B buyers makes it increasingly difficult to find the required time to convey all the benefits and values of the products. Because planning helps with time management, assessment, and operations, it is essential to make the time up-front to develop an effective sales plan and to integrate it into the overall IMC plan. Many business people say they don't have time to plan: We say you don't have time not to plan! Time constraints force sellers to continually fine-tune and improve their sales techniques. An efficient and productive salesperson must be well prepared, have a deep understanding of the product and brands, and have a deep understanding of the customer's needs or wants in order to make the most of the time spent with the buyer. Preparation will result in more efficient sales contacts, which will minimize the overall cost of personal selling.

Table 5.1 summarizes the advantages and disadvantages of personal selling.

Table 5.1 Advantages and disadvantages of personal selling

Advantages	Disadvantages
• Ability to customize message • Instant feedback from customer • Ability to conduct product demonstrations • Can build long-term relationships with customers • Salespeople are in a position to collect market information • Salespeople can help build a positive company image	• High cost per contact • Limited reach • Time involved in developing plan • Time involved in selling • Poor salesperson can damage company image

Learning Check

Reflect on your learning by answering the following questions:

1. What are three advantages to personal selling?
2. What are three disadvantages to personal selling?
3. In your opinion would you excel in a sales career? Why or why not?

5.3 The Sales Cycle

The **sales cycle** consists of the activities that occur during the course of the sales process. For example, the duration of the sales cycle could be very short if selling a new pair of shoes, or quite long if selling a new generator for a manufacturing facility. The marketing manager's role in the sales cycle will vary depending on the type of organization or industry. A retail or consumer packaged-goods company, for example, is often directed by marketing which drives sales. Alternatively, with many manufacturers or B2B sales companies, marketing plays a more supportive role. No matter the type of organization, salespeople should know the sales cycle and be able to answer a few basic questions about it. A complete outline of a sales cycle is illustrated in Figure 5.1.

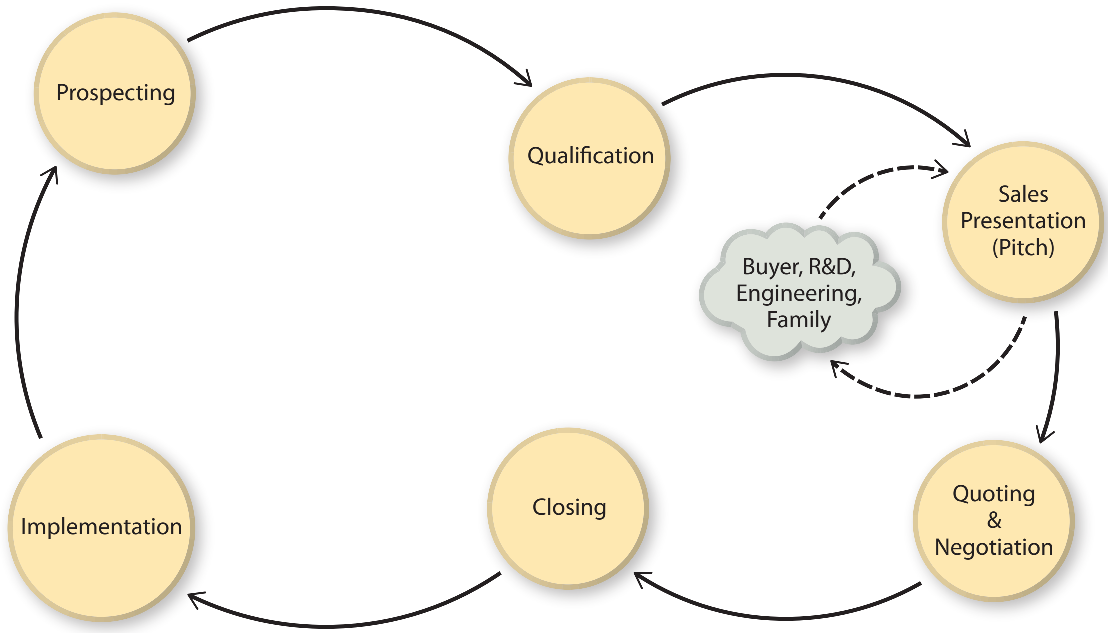
As with all steps of the IMC, the sales cycle is only a guide, and while all of the activities in the sales cycle will be touched on, the extent to which one engages in the activity varies by industry, brands, and product. When including personal selling in the IMC, the marketer must have an understanding of the duration of the sales cycle and account for that in the plan.

Let's take a closer look at the parts of the sales cycle, beginning with prospecting.

Prospecting

Sometimes referred to as a new business development or new business selling, **prospecting** is the act of identifying potential customers. A **prospect** is someone who is qualified to purchase a good or service. Prospects can come from lists that are purchased, industry contacts, trade shows, or consumers who walk in the front door of a shopping center. Due to the low number of actual prospects that turn into purchasing customers, it is important to always have a pool of prospects. Another reason for prospecting is attrition in the existing customer base due to factors such as a

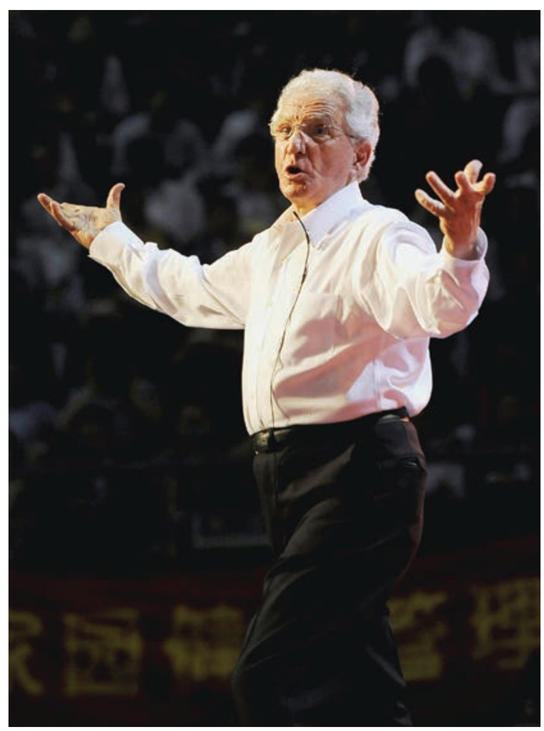
Figure 5.1 Personal selling sales cycle



company going out of business, the customer moving or retiring, the customer's needs change, or a deteriorating relationship between the customer and salesperson.

Joe Girard is listed in the *Guinness Book of Records* as the world's greatest salesperson. He compared the process of prospecting to filling up the seats on a carnival Ferris wheel. When the ride starts, a person gets on and the wheel rotates so the next person or couple can get on. Once the ride ends, people get off and the process starts over again. Prospecting involves making sure there are customers waiting to replace customers who leave. "No matter what you sell, if you'll spend some time each day filling the seats on the Ferris wheel, you will soon have a line of people waiting to be sold" (Girard, 2005, p. 61). A salesperson's existing and potential customers make up the **prospect base**. The goal of prospecting is to grow the prospect base.

There are many methods and sources for prospecting. Shown here are common sources of prospects.



Liang Zhen/ChinaFotoPress/Getty Images

▲ Salesperson and bestselling author Joe Girard speaks to a Chinese audience. He has his own website at www.joegirard.com.

Referrals

A **referral** is a prospect who has been recommended by a previous buyer of the product or by someone who is familiar with the salesperson or products. Using referrals, salespeople have a higher probability of closing the sale. The use of referrals will typically reduce the length of the sales cycle. These are the best types of prospects because, in most cases, the previous buyer has already qualified the prospect.

In addition, the person who is referring the prospect is often viewed as a third-party endorsement for the seller's products and services. Many techniques are used in order to generate referrals. The most popular is the **endless chain method**. With the endless chain method, buyers are simply asked, "Who do you know that may have a need or want for our products and services?" Many companies provide a cash incentive or prize for customers who refer other customers to their business (although many require a purchase from the new prospect before the incentive will be issued).

Friends, Family, and Reference Groups

Friends, family, and reference groups are important in building a customer base. These are the people that are closest to the salesperson and who usually trust the salesperson and his or her products. In this method, these people are contacted to see if they know of anyone who may be interested in purchasing a product or service. The salesperson may not sell to friends or family, but data on potential prospects may result from using this method. Social media is increasingly being used by salespeople to connect with family, friends, and reference groups.

Directories and Databases

Salespeople can find prospects by looking through the many trade and organization directories that list people and companies who may have a need or want for a product. For example, salespeople selling movies may use a directory of motion picture distributors to gain access, or learn personal or business information about people or companies with a need for entertainment content.

Networking

Networking is the act of meeting people and using personal connections to profit from them. According to Harvey Mackay, author of *Dig Your Well Before You're Thirsty*, "If I had to name the single characteristic shared by all the truly successful people I've met over a lifetime, I'd say it's the ability to create and nurture a network of contacts" (Mackay, 1999). Networking can result in higher sales when a prospect becomes a customer. Networking through social media (especially LinkedIn) is becoming more common for salespeople.

Tips on Building a Professional Network

This video provides tips for building a professional network:

http://www.youtube.com/watch?v=DytAqtpoQJM

Other Sources

There are other sources for prospecting which include trade shows, trade publications, online databases, seminars, and **cold calling** (contacting prospects without having an introduction or appointment).

Although this list is not exhaustive, it does provide a good foundation to begin customer prospecting. Data collected on customers and prospects are often stored in a computer-based software system. These programs are known as sales force automation (SFA) or customer relationship management (CRM) systems.

Qualification

Qualification is the next step of the sales cycle. Through **qualification**, prospects are reviewed to identify those customers or consumers that have the greatest possibility of purchasing. In other words, which of the prospects match the characteristics of the target market? This step allows the marketer or salesperson to focus resources on those customers or consumers who are most likely to purchase.

A salesperson wants to make sure the prospect is qualified to purchase. In order to gain this information, data on the potential customer (prospect) must be obtained. The following are key questions to ask when trying to qualify individuals.

a) Want and need: Does the prospect have an actual or perceived need or want for the products and services? Has there been enough information provided to the prospect to make him or her want the product?
b) Willingness to buy: Is the prospect willing to buy the products and services? Is there an urgency to buy? Is the prospect willing to buy from a particular company or salesperson?
c) Ability: Is the prospect able to buy? In other words, do they have the money required for purchase? If not, is there a way to help finance the purchase for the buyer (especially in a retail setting, like selling automobiles)?
d) Authority: Does the prospect have the authority to make the purchase? Often salespeople waste time making presentations to corporate individuals who don't make the buying decisions.

If this sounds a lot like the characteristics of a useful target market, covered in an earlier chapter, it's because a prospect should mirror a company's target market. The characteristics of a prospect and useful target market are similar.

Sales Presentation

In the sales presentation step, the salesperson meets with a prospect or customer to present product information and determine whether the product meets the person's needs. The sales presentation is also known as the sales pitch. The sales pitch needs to be pertinent to the buyer and convey how the product or service will satisfy the buyer's need. This is when the advantages of personal selling are realized and hopefully when the sale is made. The seller can personalize the message for the buyer and demonstrate the product being sold. Since several individuals may be involved in the decision-making process, the sales presentation may need to be repeated several times and tailored to several different audiences. For example, if you are selling a generator to a manufacturing facility, you will need to present cost savings benefits to the purchasing department and present the ease of maintenance to the engineering department. The repetition of this stage drives up the cost of personal selling.

In developing a sales presentation, salespeople concentrate on creating a sales plan, and make sure the plan includes the following:

a) Well-defined (SMART) objectives
b) The executions (pamphlets, products, etc.) needed to fulfill or reach the objectives
c) A plan or method of providing outstanding customer service

Quoting and Negotiation

Since the primary purpose of selling is for the seller to realize a profit, at some point, the topic of money and terms must come up. At this stage of the process, price, terms, and conditions are presented to the buyer in a formal document. This is a **sales quote**. A sales quote allows the potential buyer to see all the costs involved in a deal. Often buyers, especially professional buyers, will not make an immediate purchase. They will have objections to making the purchase such as the price is too high, the color is wrong, the product doesn't solve their problem, etc. The buyer may counter with a lower offer and negotiations can go back and forth several times. Most sellers either love or hate negotiations. Strong negotiation skills are an art and talent and the topic of several professional development programs.

Negotiation is "a process by which two or more parties attempt to resolve their opposing interests" (Lewicki, R. J., Barry, B., and Saunders, D. M., 2010, p. 6). There are three characteristics of a negotiation (Lewicki, R. J., Saunders, D. M., Barry, B., 2011, pp. 6–7):

1. There are two or more parties involved.
2. There is a conflict of needs and wants between the parties.
3. The parties negotiate by choice.

According to Nierenberg (1995, p. 3), an expert in negotiation, the success of a negotiation depends on the following:

1. having an issue that is negotiable
2. the negotiators are interested not only in taking, but also in giving, are able to exchange value for value, and must be willing to compromise
3. the negotiating parties trust each other to some extent

The goal of the negotiation is to create a situation in which both the salesperson and customer or prospect reach an agreement that is mutually satisfying. This is known as a **win-win negotiation**. While this sounds reasonable, it is difficult because negotiation involves fully understanding a customer's concerns and overcoming objections. If the salesperson is focused more on relationship building and less on trying to get a sale, the process is more likely to end in a win-win negotiation. According to Ron Willingham (2003), noted author on selling, "When trust and rapport are strong, negotiation becomes a partnership to work through customer concerns. But when trust and rapport are weak, almost any negotiation becomes too combative" (p. 154).

The Three Ts of Sales Negotiation

Sales negotiation requires time, trust, and tactics. In this video, Mark Hunter, speaker and sales consultant, explains how to use each "T" effectively and the risk of not using them properly:

http://www.youtube.com/watch?v=9knCV-Lj9kM

Closing

The **close** is when the buyer says "yes" to the terms and conditions of the sale. When **closing the sale**, the terms of the agreement are finalized and the seller has a firm commitment from the buyer to move forward with the implementation of the agreement. There are many methods to close a sale and it's important for a salesperson to know these methods and plan which methods will be used in the sales presentation. In addition, it's important for the salesperson to recognize **closing clues** (those things the buyer says or does that indicate readiness to make a purchase). For example, a customer who says, “This software would be ideal for our department,” is sending a clue to the salesperson that he or she is ready to buy. Closing clues can also be nonverbal such as when a customer carefully studies the product and product literature.

One of the ways to help close a sale is to focus on the **dominant buying motive (DBM)** of the buyer. This is the one area that has the greatest influence on the buying decision. For example, if a customer keeps asking questions and has concerns about the ease of using a piece of equipment, this is a dominant buying motive. The salesperson should answer these concerns and use the DBM to help close the sale. One way to identify the DBM is to look for that one important product benefit that excites the prospect and keep focusing on that benefit. Table 5.2 summarizes some basic methods used by salespeople in order to make sure the sale gets closed.

Table 5.2 Main methods to close a sale

Type	Description	Example
The assumptive close	In an assumptive close the salesperson simply assumes the sale has been made.	The retail salesclerk may say, “I’ll go ahead and wrap this present while you continue to look.”
The direct appeal close	The salesperson asks for the sale in an up-front manner.	“Would you like to buy the car today?”
Summarize the benefits close	The salesperson summarizes the benefits the buyer receives by making the purchase.	“The time frame more than meets your needs, you indicated the color fits well with the décor, and the designer understands your style.”
The multiple-choice close	With this type of close, the salesperson gives the prospective buyer a number of choices in order to facilitate closing the sale.	“Would you rather pay all up front, pay half now and half on completion, or would you prefer a monthly payment plan?”
Combination close	This close combines two or more methods.	“The time frame more than meets your needs, you indicated the color fits well with the décor, and the designer understands your style. Are you ready to sign the contract?” (summarize the benefits and direct close)

Implementation

Implementation is the execution of the agreement. Often at this point, the customer is handed over to customer service or a support team. Implementation might include determining delivery and installation of the product purchased, scheduling the service provided, or bagging the shoes purchased and thanking the customer for the business. Implementation is often where long-term customers are created. The quality of the service after the sale is what customers often value the most.

Continuation of the Sales Cycle

The sales cycle does not stop with the implementation. To continue to grow and develop additional sales with the buyer, the seller must start to prospect again for new opportunities. Simply asking, “What else can I help you with?” will open the door to additional opportunities.

With an understanding of the sales cycle, salespeople must also understand the particular sales cycle that is germane to their organization. In addition, they must understand how the sales cycle will impact other areas of the IMC plan. The following questions will help sales representatives gain a better picture of their sales cycle. Salespeople should ask themselves the following questions:

- What is the duration of the sales cycle; 1 to 2 hours, or 18 months?
- What steps in the sales cycle are most important to the organization in order to close the sale? Which steps take the most time?
- How many people from the buying side are involved in the decision and what are their roles? In other words, who is the audience?
- What does the bidding and negotiation process look like? Do bids have to be in writing to a purchasing department or are the prices posted as final?
- What is the conversion rate from prospects to qualified customer to buyer? Marketers need to keep that funnel filled with prospects. How many are needed?
- What motivation does the sales force have for closing a sale? The motivation of the sales force is a big factor in how successful the personal selling campaign is.

Case in Point: Social Media Helps Salespeople Sell More

According to Jim Keenan, social sales specialist, salespeople are abandoning some selling methods and migrating toward social media to connect with customers. Keenan believes that when salespeople use social media it helps improve sales and profits (Fidelman, 2013). According to Keenan, "A lead today can be someone complaining on Twitter that their current vendor is driving them crazy. It can be a question in a LinkedIn group. It can be an unassuming comment on a Facebook page. Today, leads are far more than a call from a friend, a business card from an event or a chance encounter on a flight" (Fidelman and Keenan, 2012).

Keenan's consulting firm, A Sales Guy Consulting, conducted a study on the impact of social media on a salesperson's quota attainment. The survey found that in 2012, 78.6% of salespeople using social media to sell performed better than those not using social media. Over 50% of the respondents stated that social media helped close at least one deal and over 40% said they closed between two and five deals by using social media. In terms of time spent, about 50% of salespeople who took the survey said they spent less than 10% of their selling time using social media (Social Media and Sales Quota, 2013). Top social media sites used to sell were LinkedIn, Twitter, Facebook, Google, and blogs.

Keenan believes the old sales model of cold calling is being replaced by the new sales model in which salespeople use social networks to educate and engage customers.

Reflection Questions

1. Do you agree with Keenan that social media sales are replacing traditional selling methods? Why or why not?
2. How many salespeople are using social media to sell? Why isn't the percentage higher?

When developing a sales plan, one pitfall to avoid is the assumption that the seller is speaking to the primary decision maker. Rarely is the purchasing decision in the hands of a single individual. While the husband may be admiring big-screen televisions or the wife trying on shoes, the opinion and the approval of family members or friends is often required. In trade sales, engineering or research and development departments are often involved in the final approval of the vendor or product. These additional approvals and reviews must be planned for in the sales process.

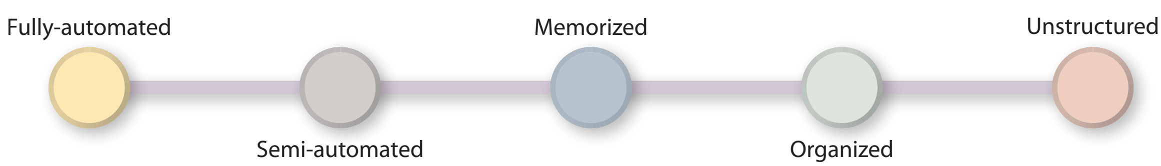
> ### *Learning Check*
>
> Reflect on your learning by answering the following questions:
>
> 1. Does the sales cycle always follow the same steps? Why or why not?
> 2. What are some methods for prospecting? In your opinion, which are most effective?
> 3. Describe the main closing methods. In your opinion, why is it difficult for salespeople to ask for the sale?

5.4 Selling Approaches

There are several different styles or approaches to selling. The approach implemented depends on many variables including manager's preferences, the industry, type of organization involved in the sales execution, the product or brand, along with the objectives and goals of the sales organization.

The approach is determined when planning and is decided prior to the sales presentation. Jolson (1973) sees the approaches as a continuum. On one end is the fully automated approach (such as a video) and on the other end is the unstructured approach where the salesperson adapts what is said to the customer and situation. The approaches in between include a memorized presentation; semi-automated, which may include video and a presentation; and an organized approach, which may include an agenda with room to answer questions that are presented. This continuum is depicted in Figure 5.2.

Figure 5.2 Sales approach continuum



Source: Adapted from Jolson, M.A. (1973).

The next section discusses the three main approaches: canned, consultative, and the selling formula approach. The selling formula approach is a hybrid of the other two approaches.

Canned Sales Presentations

In a **canned sales presentation**, salespeople use a script as they deliver their sales presentation. During each presentation, the salesperson is looking to close the sale. For each prepared script, there is a **trial close** (an attempt at closing). If the customer doesn't buy after the attempt, the salesperson goes to another script and another trial close until the sale is made (or the customer doesn't buy). This is a typical approach when the sales staff isn't trained in the selling area or where a short presentation is required. The problem with a canned approach is that it doesn't focus on individual customers, but rather, treats all customers the same (it assumes the customers have the same needs and wants). Many have experienced the canned sales call. When a salesperson doesn't have experience using this approach he or she sound like they are reading off of the script.

According to Jolson (1973, 1975), the canned sales presentation, when done correctly, can be very effective and can be well received by the customer.

Selling Formula Approach

When using a **selling formula approach**, basic customer needs and wants that are similar for each buyer are identified through research and past experience. Based upon those general needs and wants a script is developed for the salesperson. The script walks the prospect through a series of logical steps to a preplanned close. Unlike the canned approach, the salesperson using a selling formula approach has some flexibility to bring the prospect into the conversation or presentation in order to clarify needs. If there are new needs, the salesperson incorporates those into the presentation, then goes back to the script to lead the prospect to the close. This would be in line with the organized approach in the continuum depicted in Figure 5.2.

Consultative Sales Approach

The **consultative sales approach** embodies the marketing concept by placing the customer at the center of all decisions. The goal of this approach is to identify needs, build relationships, and ensure that customers are satisfied. Utilizing a consultative sales approach, prior to a sale the sales staff is required to research the customer, industry, and products in order to identify specific customer wants and needs. The consultative sales approach follows a plan or process, but has flexibility built in for the sales staff so that they can alter their style or approach any time during the presentation. When using a consultative approach, listening skills are very important. The salesperson begins the presentation by outlining many benefits of the products or services in order to connect with the customer. After the opening, the salesperson should spend the majority of time listening to the customer and learning about the customer's needs and wants in order to create a sales presentation specially tailored to that potential buyer. In **consultative selling**, the sales representative (sales rep) uses the information the prospect provides and then presents the vast assortment of products and services offered by the sales rep's company as a potential solution to the buyer's problems or needs.

Learning Check

Reflect on your learning by answering the following questions:

1. In what instances is a canned sales approach useful?
2. What are the benefits of the consultative selling approach?
3. Which selling approach would be best suited for a realtor selling a home? Why?

5.5 Types of Selling

It is important for the IMC planner to understand and implement the appropriate type of selling to meet the stated objectives. What are the choices in regard to types of selling? The following sections describe the most popular types, but are not inclusive of all types of selling. Within each of these types, decisions will have to be made regarding the classification of sales preferred by the sales manager(s).

Trade Selling

Trade selling is also known as B2B selling (business-to-business selling). The product being sold is not a consumer good, instead the product is part of material that goes into making another company's product(s). The sale is typically to members of a supply chain. In other words, the trade will purchase products to be used in the development of other products that will be sold to the final consumer, or they will purchase products that help their business operations. Those involved in trade selling may sell finished goods and services to retailers who sell to the final consumers. They may also sell their goods and services to wholesalers who in turn store, or warehouse the products and services to retailers. This occurs when manufacturers don't want to service retail accounts. This type of selling generally has a longer sales cycle and more buyers involved in the purchasing decision. The typical approach for trade selling is to use consultative selling.

Retail Selling

In **retail selling** a canned or selling formula approach is often used. Here the consumer comes in direct contact with a salesperson in a retail environment or online. The consumer comes in with a specific need or want that he or she wants to satisfy (sometimes that need is unstated, like the "I'm just browsing" customer). This type of selling often has a shorter sales cycle and is often focused on a few buyers in the purchasing decision. A key to retail selling is to make sure the consumer comes into contact with the sales personnel, rather than wandering the store without assistance. It is easier to up-sell or close a sale when there is personal contact between the salesclerks and buyers. For larger sales such as automobile sales, a selling formula or consultative approach is used.

Jack Hollingsworth/Photodisc/Thinkstock

▲ Retail selling occurs on a daily basis. How does the sales process differ depending on the merchandise being sold?

Telemarketing

In **telemarketing** the telephone is used to perform many of the sales functions. In telephone sales (telesales), a canned or selling formula approach is almost always used. Sales managers make a guess (based upon past experience or research) as to the needs and wants of the potential customers. After the needs and wants are identified, the sales manager will also forecast the types of objections the salesperson will face. Based upon the most common objections, sales managers will prepare responses for their telesales personnel.

Compared to retail selling, when the buyer comes to the seller with a defined need, the seller may be cold calling a prequalified buyer. The IMC planner must be aware of and consider "do not call lists" and local privacy regulations before implementing a telemarketing technique.

E-Marketing

In e-marketing, the sales functions are conducted online rather than in person. Similar to telemarketing, e-marketing sales presentations or information are sent from a salesperson to a prequalified buyer's email account or delivered via website or web-based meetings. This greatly reduces the cost of personal selling. While e-marketing information may include unsolicited and unwanted "spam" messages, it can be used as a complementary method to trade, retail, or telemarketing. It is becoming common practice to place a "chat line" online to accompany the e-marketing efforts. The chat line allows customers to phone the salesperson with questions about online products prior to making a purchase. This added feature aids the salespeople in closing a sale or upselling the customer in real time, even though it's online sales. As with telemarketing, the IMC planner must be aware of privacy regulations before implementing e-marketing techniques.

Learning Check

Reflect on your learning by answering the following questions:

1. What is the difference between trade and retail selling?
2. What type of approach is most often used in telemarketing?
3. In your opinion, is personal selling over the Internet effective? Why or why not?

5.6 Developing Sales Plans

As with other IMC variables, a plan must be developed for the personal selling function. A sales plan is developed at two levels: the department sales plan and the individual sales plan.

The Department Sales Plan

The department sales plan should include discussion and information on just how the sales function fits in with other variables. There must be coordination between departments, especially if sales teams are a separate function from the rest of the integrated marketing areas.

Prior to the setting of sales objectives, sales management will revisit the IMC mission, vision, and objectives to understand the role personal selling is going to play within the marketing communication plan. Based upon the focus of personal selling (Is it going to be the main communication method? Will it supplement advertising? Is it going to be used at all? Is it needed to communicate sales promotions?), a sales plan is developed. As with any business plan, the sales plan has the components of objectives, strategy, and tactics. Let's take a look at each of those areas.

Objectives

As with all other variables in the IMC plan, the first step in the development of a good sales plan is to develop a list of objectives. Often the objectives can be secured from the director or vice president of sales. These objectives must flow from the overall company strategy and objectives, and complement the objectives of the other IMC variables. If objectives are not available from management, the IMC planner must decide what the function of personal selling will be during the campaign. Sales objectives must be clear, measurable, and controllable to ensure that the sales team is productive. The objectives must be communicated to everyone involved in the IMC process. Sales compensation is typically tied to the achievement of the sales objectives.

Because it's common practice to use the attainment of sales objectives and sales goals as a tool to pay salespeople, the objectives must be created with the end in mind. What is it that the company wants to accomplish in terms of sales, and at what level should the sales staff be working? Keep in mind that some of these objectives overlap with other areas of the IMC mix because they are interrelated. Table 5.3 shows some of the objectives that may be used when developing a sales plan.

Table 5.3 Types of sales objectives

Type of Objective	Description
Conversion	Typically expressed as a ratio, this objective states the number of sales that should be closed based upon the total sales calls made.
New account	These types of objectives state the number of new accounts needed to bring in the desired cash flow and profits.
Financial	Financial objectives are the main form of objectives for most sales plans. The objectives may depict sales, profits, or return on investment.
Sales volume	Sales volume objectives are most often expressed as dollar sales and unit sales. The number of orders generated by the sales staff may also be used.
Market share	These objectives state the total market share a company is looking to achieve for a particular market. Often the market share that each individual salesperson needs to generate to achieve the overall goal is stated.
Customer retention	These objectives pertain to the service provided by the sales staff to clients or buyers that keep a customer from defecting. These types of objectives may be expressed as a goal to reduce the number of buyer complaints since this is an indication of whether or not a customer will stay or leave.
Specific salesperson activity	Although these objectives are developed for the sales function as a whole, each individual salesperson can also be held accountable by taking these objectives into account. Items measured may include the number of sales reports needed, training, number of sales calls to make, and the number of times required to service an account.

Objectives are very important in sales planning, just as in the other functional areas of integrated marketing communication planning. Once the objectives are set, sales managers can look to the objectives to help develop the overall sales strategy or strategies to be used in reaching the market.

Selling Strategies

Developing a sales strategy is the next step in producing an effective, integrated sales plan. The strategy is how the salesperson will achieve the objectives. The strategy will flow from the sales practices, industry of the firm, and the duration of the sales cycle. The strategy must also be consistent with other areas of the IMC plan. The three most common strategies are feature-benefit, product positioning, and price.

Feature-Benefit Strategy

A person will not buy a product unless it helps him or her. The successful salesperson is able to convert product features into benefits that are relevant to the prospect or customer, called a **feature-benefit strategy**. A **feature** is a word, words, or a sentence used to describe a product. Color, size, shape, and price are all features of a product. A **benefit** is an advantage that the product provides a customer. While the color white is a feature of a blouse, a benefit would be that the blouse keeps a person cooler in hot weather because the white color reflects the sun. If a salesperson tells a customer that the camera comes with a 4 GB memory card, the customer may not know what this means. To convert the feature into a benefit the salesperson will determine what this feature means for the customer. The salesperson may say, “This camera comes with a 4 GB memory card which means you can take and store about 1,000 pictures.” The ability to store a large number of pictures is an advantage for the customer if he or she buys the camera. To remember to convert features to benefits it helps to use phrases that connect a feature to a benefit. Terms like “this means,” “which means,” and “because” connect a feature with a benefit. Table 5.4 provides examples of converting a feature to a benefit:

Table 5.4 Feature-benefit conversion

Product: Apple® Ipad with Retina display (http://www.apple.com/ipad/features/)	
Feature	**Benefit**
Retina display	This means you can see pictures and websites in the clearest resolution possible.
A6X chip	Which means you won’t be waiting for websites or apps to load and you will be able to watch videos without interruptions.
10 hours of battery power	This means that you can accomplish many tasks and don’t have to keep recharging the battery every few hours.
FaceTime HD Camera	Which means you can see high quality video of your family and friends when you call them.

Remember that the benefit has to be relevant to the customer so it’s important to ask questions upfront about what the customer is looking for when buying a product.

Converting Features into Benefits

In this video, Bob Phibbs, sales trainer, explains how to convert features into benefits:

http://www.youtube.com/watch?v=L2TUi4kNW0I

Product Positioning Strategy

Recall from Chapter 1 that positioning is how customers think about products, brands, or companies in a market in relation to the competition. The concept of value proposition was covered in Chapter 2 but is worth repeating here. The value proposition is the set of value and benefits the product or company provides. With a **product positioning strategy** the salesperson attempts to differentiate the products and services offered by the company by creating a strong value proposition. **Differentiation** involves determining the competitive advantage of a company or products (unique selling proposition) as well as separating the product or company from other competitors. What is the value proposition of Starbucks’ coffee? How is Starbucks different from its competitors? The reason people are willing to pay $2–$5 for a cup of coffee is that Starbucks provides a great atmosphere where people can enjoy a quality cup of coffee (value proposition). Starbucks differentiates itself from the competition through the excellent customer service and apps that make it convenient to do business with the company.

Price Strategy

Some companies use a price strategy to sell. Although a high or low price can be emphasized with this strategy, it is more often a low price that is presented. Often salespeople can lower price with quantity or seasonal discounts. The salesperson can also remove or “unbundle” some of the products or services provided to lower the cost. Often pricing strategies are used in conjunction with a product’s position in the product life cycle. When a product is in the maturity or decline state of the product life cycle, low-price strategies are often used. A price strategy is often used with caution because too many discounts cut into profits and sales commission.

The Customer Who Only Cares About Price

This is a humorous video about a person who is only concerned about price and negotiates the price of a service from $1,600 to $200. Salespeople do not want a customer who only cares about price because there is very little room to add value. Low prices also cut into the company profits and salaries of salespeople.

http://www.youtube.com/watch?v=7_qwjcxwUqw&feature=youtube_gdata_player

Tactics

Sales tactics are the specific actions taken to implement the strategy. Tactics involve how the message will be delivered to the customer or prospect. Will the salesperson use a PowerPoint presentation? A product demonstration? What questions will the customer be asked? Where will a meeting take place? Who will follow up with the customer? The successful salesperson understands the value of preparation. The salesperson who prepares in advance is much more successful than the one who does not. Experienced salespeople should avoid the "I've been in sales for many years; I don't need to prepare" mentality.

In order for salespeople to be effective, they need effective sales management. Although it is not the function of this book to provide an in-depth look at sales management, it is important to note to the IMC planner the important responsibilities of sales management in supporting the IMC sales plan. These include: (1) organization of resources, (2) recruiting top talent, (3) leading, (4) motivating, (5) training, (6) managing communications and information, and (7) supervising sales staff. Without these functions properly executed by sales management, the sales variable of the IMC will not be successful.

Rationale

Once the sales functions have been planned, a rationale must be provided for each activity. How does the use of consultative selling or hard selling fit the objective and strategy? Why is a tactic such as telemarketing or e-marketing being used over other methods? The rationale should extend to all areas of the sales function, including the sales techniques and demonstration materials. A rationale should be provided for the timetables, budgets, personnel, and prospect qualification criteria. Finally, the rationale should explain how these functions create synergy and fit the other aspects of the IMC plan.

Evaluation

Just as the individual sales call should be evaluated, the overall sales strategy must also include methods for evaluation. The methods of evaluation should flow directly from the objectives. The effectiveness of the selling will be measured and noted against the objectives. Evaluating sales staff is often more difficult than it seems. While one basic evaluation tool considers how much each salesperson is bringing in, environmental or market conditions may affect the bottom-line figure. There may also be production or commercial delays that slow delivery of products to customers and delay sales. When evaluating sales outcomes, it is necessary to understand all factors in the market and the sales cycle before making many changes in the overall plan.

A template for a sample personal selling plan is shown in Table 5.5. The sales plan helps managers see the big picture of what occurs within a sales department. A sales manager would fill in the blanks with the needed information. It is also a good idea to generate a separate individual sales plan. Often a budget is also included in the plan.

Table 5.5 Template: The departmental personal sales plan

Sales cycle summary
Objectives
Strategy
Tactics
Rationale
Evaluation

Case in Point: Motorola Plans a Price Strategy to Gain a Foothold in the Smartphone Market

According to CNN, in 2012 Android had 68.8% of the smartphone market. Coming in second place was Apple's iOS operating system with 18.8% of the market. Together, the two operating systems accounted for 87.6% of all new smartphones in 2012 (Kelly, 2013). Motorola Mobility is trying to gain market share by introducing the Moto X smartphone. Although Google owns Motorola Mobility, the company has not been impressed with the Motorola product line. The Moto X may change that.

AP Photo/LM Otero

To differentiate the Moto X smartphone, it will be the first to be assembled in the United States, which company management believes will allow the company to respond more quickly to demand. Motorola Mobility CEO, Dennis Woodside, wants to lower the price of the Moto X when compared to the major players to grow market share. Woodside also wants to use a low-price strategy to win over customers. He said that because the company is not one of the top companies in the industry, the company will offer "high-quality, low-cost" devices. "We can attack, and we can do things and challenge the business model that exists now in ways that our competitors can't," he said (Newman, 2013).

Reflection Questions

1. How might a salesperson position Moto X against the competition?
2. Who do you think the target market might be for the Moto X?
3. A feature of the product is that it will be assembled in the United States. Convert this feature into a benefit for retailers who are considering carrying the smartphone.

Individual Sales Plan Outline

The second level of sales planning is planning at the individual level. Because of the process involved and the time commitment required to generate sales, especially in trade sales, it is important for salespeople to develop their own plans. In this section we present an outline that salespeople can use as a guide in generating and preparing the necessary information for successful completion of the sales cycle. Remember, it must be integrated with all other aspects of the organization's sales and marketing plan to be successful. Often companies develop guides to help a salesperson with the selling process. The guides should be easy to read.

The importance of planning before making a call cannot be stressed enough. With planning, customer contacts become more efficient and the sales cycle is more likely to be shortened, reducing the cost of personal selling to an organization. The basic steps for a sales plan include prepare, plan, present, and evaluate. Because the marketing concept deals with meeting customer needs at a profit, so should the sales plan. Remember, happy customers are repeat customers and repeat customers are the lifeblood of any organization. It is easier and less expensive to retain an existing customer than prospect and qualify a new customer. Let's take a look at the outline.

Prepare

Prepare and gather general supporting information that can be applied across all customers.

1. Describe the company and the competition. List the competitors and the competitive advantage of the product or service in one clear and concise sentence.
2. Complete the feature-benefit analysis for the products and services. Turn the features into benefits to add value for the customers. This can be completed in a table. Use phrases that connect features and benefits. It helps salespeople to remember the sentence "my product will be able to help you accomplish (X) by bringing you (Z) value." Salespeople don't just state what the product or service does, but also state the value it brings to the customer. Thinking about how the customer would benefit from the product is an important part of the process.
3. List product details and secure all product information documentation. The details vary by product or services provided, but generally include price, packaging details, product specifications, delivery or service hours, lead time, or material safety data sheets. Compile comparable information on competitive products. While this information may not be necessary in the presentation, it helps to be prepared when asked a question about the competition.
4. A detailed explanation of the description of a qualified customer is included. This will be used to filter prospects to qualified customers. This should follow closely the identified target market from the marketing communication plan.
5. Any type of integrated marketing communication that may be used to assist in the sales of the product or service should be secured. For example, if advertising is going to be used obtain copies of the ads. Are there any sales promotional materials available? Business cards? Brochures? All elements of the integrated marketing plan must support each other.

Plan

This is a specific sales plan to present for a specific customer or customer encounter. Often a salesperson will give a formal presentation; other times it is less formal and very short in duration. In retail settings, it may not be possible to have a specific plan for each customer and many of the steps may not apply or are skipped due to the short time available. Often retail associates are helping customers complete the sale and may not be involved in consultative selling.

1. Review the sales cycle and sales duration. Evaluate where this customer is in the sales cycle. For retail sales, the sales cycle may be collapsed into a single encounter; for trade sales, the sales cycle may be several months or years.
2. Think about what is already known about this customer. Research information that is not known such as the customer's business segment, products sold, company history, and growth strategy. Much of this information can be found on customer websites or in annual reports to shareholders. This may have greater application for trade sales.
3. Determine the objective(s) and strategy for the sales call. Start with the end goal in mind and think about what will be presented to reach the goal. One of the goals should always be to move the customer through the sales cycle towards a purchase. Think about the best strategy that will achieve the objectives. Will a consultative selling approach be used or is a price strategy more applicable? Not all meetings will end with a sale. An objective of a call may be to qualify a prospect or to present a price quote.
4. Preplan the opening. A salesperson has only about seven seconds to make a strong first impression. Salespeople need to smile, have a strong handshake, maintain eye contact, and speak clearly throughout the introduction (Pitts, 2013). It also is recommended that the salesperson thank the buyer for his or her time, propose an agenda for the discussion, check if the customer has anything to add to the agenda, and state the value of the call to the customer. In retail sales, a smile and greeting are typical.

How to Deliver a Strong Opening Message

In this video, Keith Rosen, sales advisor, explains how to develop a compelling opening message:

http://www.youtube.com/watch?v=RwqisNG6LJ4

5. Prepare probing questions. Before one can present the value of a product to the customer, one must understand what the customer values. High-caliber salespeople know that probing is one of the most important parts of the sales call. Probing involves using open-ended questions to explore the needs and wants of the customer. These questions support the overall objective of the call and move the customer through the sales cycle. Such questions include, "What companies do you currently buy from?" and "What are you looking for in a product?" Salespeople also use follow-up questions like, "Why is that product feature important to you?"
6. Plan the demonstration or presentation. Will the demonstration occur onsite or elsewhere? What features and benefits will be presented to the customer? What sales aids are required to complete the demonstration?
7. Prepare a list of closing clues to look for.
8. Salespeople need to go over various closing techniques and choose the one that will work best. They list the closing technique that supports their objectives. For example, if the salesperson does not get agreement from the buyer on the price quote to close the sale, then the salesperson should consider how he or she can seek agreement to present the information to the buyer's supervisor.
9. Develop a plan to sell additional items to the customer. What additional items are available to complement the product? For example, could an extended warranty for the big-screen TV be sold or a complimentary necklace for the new dress?

10. Plan for delivery or installation if needed. Determine how delivery or installation will be completed and when. Determine if there will be additional charges for these services, or if they were included in the price quote.
11. Rehearse. Salespeople should practice their presentations before delivering them, and develop a method to critique presentations. An effective strategy is to have the sales staff do a practice run before giving the presentation to customers. Another effective strategy is to have sales managers join salespeople on calls and provide constructive criticism.

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▲ It's important for salespeople to recognize closing clues, such as the customer who expresses happiness when presented with the product. In this case, a couple likes the ring a jeweler is showing them.

Present

For most sales methods (other than the canned presentation), there should be more listening than presenting. By listening, the salesperson can pick up on key problems and needs. This allows the salesperson to tailor the presentation to satisfy those needs rather than present a canned presentation that may have no relevance to the buyer. In the beginning of a presentation, the customer does most of the talking and the salesperson listens. This is due to the probing questions the salesperson is asking. Toward the end the opposite occurs, the salesperson does most of the talking and the customer listens. At this time the salesperson is presenting information to meet needs uncovered earlier in the presentation. Here are the suggested steps for the presentation:

1. Execute the sales plan including the opening, probing questions to uncover needs, product demonstration, and overcoming objections.
2. Ask for the close. A salesperson should not be afraid to trial close and close the sale. Customers know a salesperson is trying to sell something.
3. Ask about additional opportunities to sell complementary products.
4. Determine if there are any follow-up items that either the salesperson or the customer is responsible for. These items should be noted so that both parties understand what will happen going forward.

Evaluate

Once the presentation is complete, the effectiveness of the presentation needs to be evaluated. Below are questions that should be answered to assist in the evaluation process.

1. Determine how the sales call will be documented.
2. Note whether the objectives were achieved. If the objectives were not achieved, what was learned? Did the customer move further down the sales cycle?
3. If the sale was made, what post sale activities are required? This is an opportunity to tie in sales promotion aspects of the IMC plan. For example, one might mail literature to the customer on new product launches or discount coupons for additional business.

4. Evaluate the overall effectiveness of the sales call. What could have been done more effectively? What went well? What are those elements that worked and could be used by other salespeople or other divisions?
5. Generate a total cost for the sales call. This should include the salesperson's time, any travel expenses, cost of the demonstration or samples. This will be combined with other salespeople's costs and go against the overall sales budget in the department or company sales plan.

As can be seen, a great deal of thought and preparation goes into selling prior to meeting with a customer. The prepared salesperson is in a better position to meet and exceed customer expectations.

Learning Check

Reflect on your learning by answering the following questions:

1. Why is sales planning important?
2. How does selling work with other areas of the marketing plan?
3. Explain each of the areas involved in an individual selling plan (prepare, plan, present, evaluate).

Summary and Resources

In-depth coverage of the development of a sales plan was discussed. The profession of personal selling was explored and advantages and disadvantages associated with personal selling were explained. Pointed coverage of the sales cycle was provided, and the steps involved in the sales cycle, prospecting, qualification, the sales presentation, quoting and negotiation, closing, and implementation were explored. Additionally, the chapter provided information on types of selling. The chapter ended with information on the development of the sales plan. In particular, sales objectives, strategies, and tactics were explained. A sample sales plan outline was included in the chapter to help facilitate the development of a well-thought-out and comprehensive sales plan.

Post-Test

1. Which of the following is NOT true about personal selling?
   a) It is an expensive tactic.
   b) It involves building individual relationships with customers.
   c) It is no longer conducted completely face-to-face.
   d) It involves less intimacy than other IMC variables.
2. Which of the following accurately describes an advantage of personal selling?
   a) Personal selling saves companies a lot of money, because it is less expensive to contact customers directly than to take out pricey advertising spots.
   b) Because it relies on relationship building, personal selling works well even if an individual salesperson is untrained or ineffective.

c) In personal selling, the customer provides instant feedback to the salesperson, who can help resolve any problems, building a positive image for the company.

d) Personal selling has a better reach than advertising, allowing salespeople to reach many more consumers than any other medium would.

3. The term “sales cycle” refers to

a) the amount of sales generated by integrated marketing activities during a set period, usually a year.

b) the variation in sales at different times during the calendar year.

c) all of the activities that take place over the course of the sales process.

d) the fluctuation in sales generated by a new product during its lifetime.

4. A salesperson used a script to deliver a sales presentation. When the potential customer did not buy after the trial close, the salesperson moved on to a different script. This salesperson was using a

a) selling formula approach.

b) canned sales presentation.

c) consultative sales approach.

d) sales approach continuum.

5. Which type of selling has a longer sales cycle?

a) Trade selling

b) Retail selling

c) Telemarketing

d) E-marketing

6. What is one reason it is especially important that sales objectives be created with the outcome in mind?

a) Without this kind of objective, salespeople will have difficulty with the closing step of the sales cycle.

b) Sales managers generally have little experience with creating goals or objectives, so it is important that they learn to write very clear objectives.

c) Salespeople are often paid based on whether sales goals and objectives have been reached.

d) Providing these objectives to potential customers helps salespeople build relationships.

7. Today, personal selling can be defined to include

a) face-to-face contact, phone calls, email and social media contacts, and Internet meetings.

b) in-person meetings and face-to-face online meetings only.

c) anything that involves voice contact, including phone calls or in-person meetings, but not written contacts like email or social media.

d) emails, advertisements, direct marketing, face-to-face and online meetings, and phone calls.

8. What is one reason that sales plans are essential?
   a) Planning makes sales contacts more efficient, minimizing the costs of using personal selling.
   b) Salespeople by nature are bad at time management, because they would rather be interacting with people than following time constraints.
   c) Most companies require sales departments to submit formal sales plans.
   d) Most salespeople have too much free time, so plans are necessary to make sure they stay busy and serve the company's best interests.
9. A salesperson making a sales pitch about office photocopiers notices that her potential customer keeps asking about paper jams and is excited to hear about the copier's unique technology for avoiding jams. The salesperson has identified the customer's
   a) dominant buying motive.
   b) closing cues.
   c) qualification.
   d) authority.
10. What kind of sales approach might fall closest to the center of the sales approach continuum?
    a) A fully automated approach
    b) A canned sales presentation
    c) A consultative approach
    d) A selling formula approach
11. Which of the following is NOT true about the common types of selling?
    a) In retail selling, a canned approach may be used except when it comes to larger purchases, in which a selling formula or consultative approach may be more appropriate.
    b) In telemarketing and in e-marketing, the integrated media communication planner needs to be very careful about privacy regulations designed to protect consumers.
    c) A consultative approach is most often used in telemarketing, because it allows salespeople to respond to the most common objections they face.
    d) E-marketing works well in combination with retail, trade, or telemarketing sales.
12. An office furniture company has an objective stating that 25% of sales calls should result in sales being closed. This can best be described as a
    a) conversion objective.
    b) sales volume objective.
    c) customer retention objective.
    d) market share objective.

Answers

1. d) It involves less intimacy than other IMC variables. The correct answer can be found in Section 5.1.
2. c) In personal selling the customer provides instant feedback to the salesperson, who can help resolve any problems, building a positive image for the company. The correct answer can be found in Section 5.2.

3. c) all of the activities that take place over the course of the sales process. The correct answer can be found in Section 5.3.
4. b) canned sales presentation. The correct answer can be found in Section 5.4.
5. a) Trade selling. The correct answer can be found in Section 5.5.
6. c) Salespeople are often paid based on whether sales goals and objectives have been reached. The correct answer can be found in Section 5.6.
7. a) face-to-face contact, phone calls, email and social media contacts, and Internet meetings. The correct answer can be found in Section 5.1.
8. a) Planning makes sales contacts more efficient, minimizing the costs of using personal selling. The correct answer can be found in Section 5.2.
9. a) dominant buying motive. The correct answer can be found in Section 5.3.
10. d) A selling formula approach. The correct answer can be found in Section 5.4.
11. c) A consultative approach is most often used in telemarketing, because it allows salespeople to respond to the most common objections they face. The correct answer can be found in Section 5.5.
12. a) conversion objective. The correct answer can be found in Section 5.6.

Key Ideas

- Personal selling is one of the variables in the IMC mix and requires person-to-person communication. It is used extensively as an IMC variable when a firm is engaged in business-to-business marketing and IMC.
- Personal selling allows IMC planners the ability to customize their communications around a client or buyer.
- Personal selling provides instant feedback when executed properly. This feedback can be used to hone the sales presentation, giving continuous improvement to the personal selling area.
- Personal selling, per contact, is very expensive. Additionally, personal selling has a limited reach when compared to the other IMC variables.
- In selling, sales go through stages or steps called the sales cycle. An understanding of the sales cycle helps IMC planners prepare better presentations and allows them to concentrate on closing sales or floating trial closes during stages where buyers are ready to make a purchase.
- All salespeople prospect. Prospecting is the process of identifying consumers who may have a want or need for a product and who have the ability to make a decision to buy. The prospects must also have the resources (i.e., money) to make the purchase.
- Networking is a key to success in personal selling. Salespeople should develop networks of friends, family, and associates that have a need or want for the products the salesperson represents.
- In almost all cases, sales professionals must make presentations or pitches to communicate with their potential customers exactly why the customer should buy from them. Benefits are provided during a sales presentation. Salespeople should always be prepared to make a presentation.

- The goal of a sales presentation is to close the sale. Once the customer has said "yes" to the sales presentation and proposal, the sale is closed.
- Although there are many different types of sales approaches and presentations, the consultative sales presentation and approach is the most widely used method. In consultative selling, the salesperson acts like a consultant and attempts to determine the buyer's motives, needs, and wants and then finds products and services that meet or exceed those needs.
- Product features are words, sentences, pictures, or some other means used to convey what the product or service looks like. Color and style are examples of product features. It is helpful to benefit the product for the customer. A product benefit simply tells the customer what advantages are gained if he or she purchases the product.

Key Terms

benefit An advantage that the product provides a customer.

canned sales presentation A sales presentation that uses a scripted message to sell.

close When the buyer says "yes" to the terms and conditions of the sale.

closing clues Things the buyer says or does that indicate readiness to make a purchase.

closing the sale The time in the sales process when the customer makes a decision to buy the product.

cold calling Contacting prospects without having an introduction or appointment.

consultative sales approach This approach embodies the marketing concept by placing the customer at the center of all decisions; the goal of this approach is to identify needs, build relationships, and ensure that customers are satisfied.

consultative selling In consultative selling, the salesperson acts as a consultant to the buyer, attempting to solve the buyers' problems by offering different products and services.

differentiation Involves determining the competitive advantage of a company or products as well as separating the product/company from other competitors.

dominant buying motive (DBM) An area that has the greatest influence on the buying decision.

endless chain method A method of obtaining customers by asking current customers if they know of anyone who can use the products or services.

feature A word, words, or a sentence used to describe a product.

feature-benefit strategy A sales strategy in which product features are converted into benefits that are relevant to the prospect or customer.

negotiation A process by which two or more parties attempt to resolve their opposing interests.

product positioning strategy A sales strategy in which the salesperson attempts to differentiate the products and services offered by the company by creating a strong value proposition.

prospect A potential customer who is qualified to purchase a product or service.

prospect base The combination of a salesperson's existing and potential customers.

prospecting The act of identifying potential customers.

qualification Prospects are reviewed to identify those customers or consumers that have the greatest possibility of purchasing.

referral A prospect that has been recommended by a previous buyer of the product or by someone who is familiar with the salesperson or products.

retail selling Sales made between a retailer and a buyer.

sales cycle Sales cycles are the steps or activities that occur in the process of a sale.

sales quote A formal document that shows the price, terms, and conditions.

selling formula approach A method of selling that is a cross between a prepared sales presentation and consultative selling; the sales formula uses prepared questions to lead the prospect through a series of steps to a logical conclusion (or close).

telemarketing Marketing a product or service using the telephone; in regard to personal selling, the salesperson contacts the customers via the telephone and employs sales techniques to attempt to close a sale.

trade selling The act of selling products and services to the trade or industry as opposed to the end or final consumer.

trial close An attempt at closing the sale.

win-win negotiation A negotiation in which both the salesperson and customer or prospect reach an agreement that is mutually satisfying.

Discussion Questions

1. What are some reasons that a company would not use personal selling as part of the IMC mix?
2. Which areas or steps do you think are the most difficult to accomplish in the sales cycle? Why?
3. What would you say to a friend or family member in order to get prospects?
4. Write a few lines of what a salesperson might say if he or she was using a consultative selling approach. How would this differ from a canned approach?
5. Which technological advances do you feel have impacted selling the most? Why?

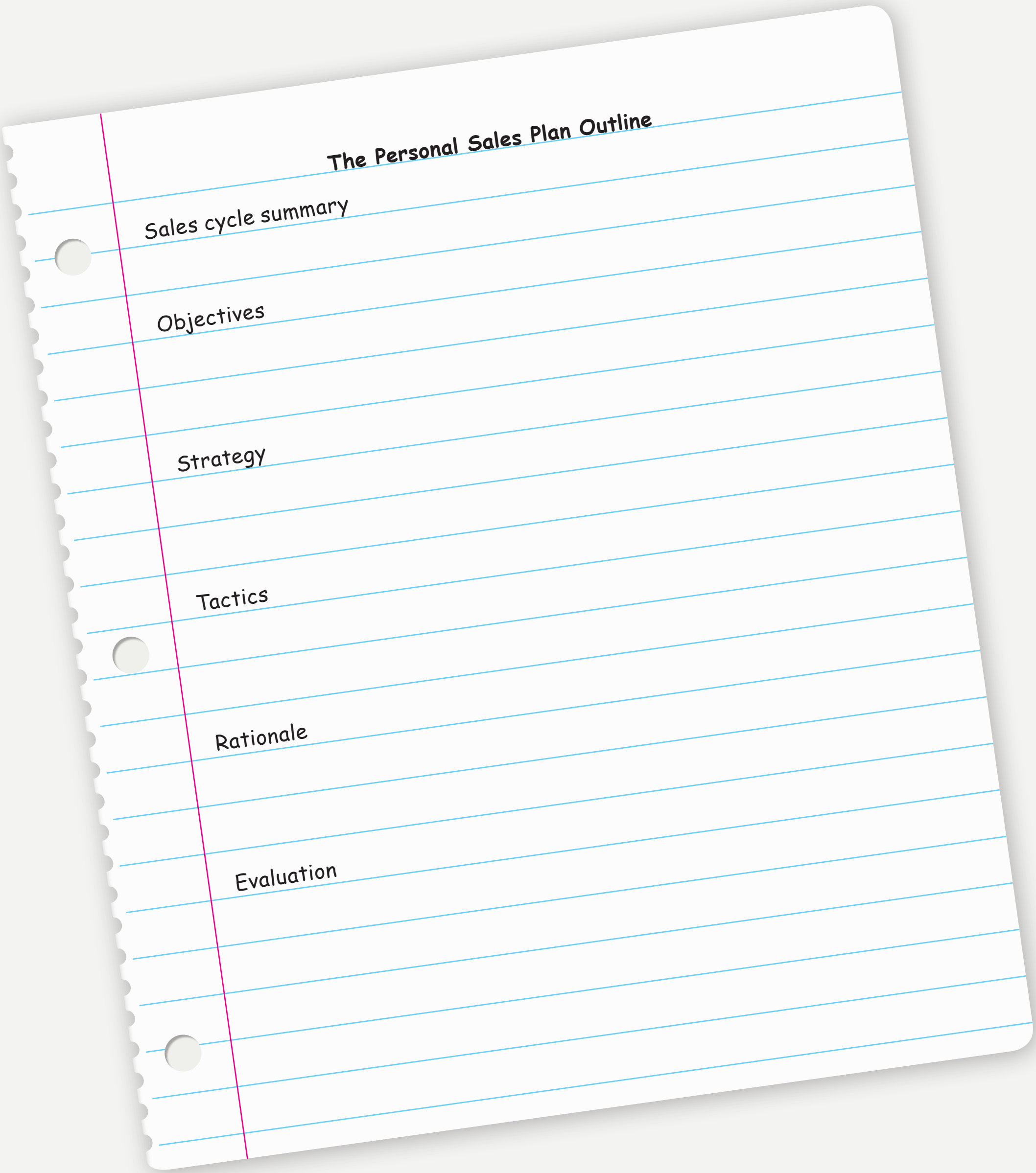
Critical Thinking Exercises

1. Write about an experience where you were disappointed with a salesperson and an experience in which your expectations were surpassed. What attributes did each salesperson possess that formed your impressions about the experience?
2. Find two examples of a company that may embrace consultative selling and write a summary of the indicators.
3. Look up the elements of a strong business card and design one for yourself as a sales representative for a firm of your choosing.
4. Navigate through the following website and find a sales job that might interest you: http://www.top10bestjobsites.com/jobsearchresults?qv=Sales.

- What are the responsibilities of the position?
- Why does the position interest you? What might you not like about the position?
- Look up the position (or closest to it) in the occupational outlook handbook. What did you find out? The census publication (occupational outlook handbook) website: http://www.bls.gov/oco/

Continuing Project

Below is a template for a sales plan. Use the product chosen from the last chapter's continuing exercise and develop a sales plan. Remember that the sales plan will become part of the overall IMC plan.



Additional Resources

Directory.ac—An online, searchable business directory: http://directory.ac/

Free Management Library—A free library that contains many topics pertaining to selling: http://managementhelp.org/sales/sales.htm

LinkedIn—A networking site for business professionals: http://www.linkedin.com/

Zoominfo—A company that sells software that helps with prospecting: http://www.zoominfo.com/

National Association of Sales Professionals: http://www.nasp.com/

Sales and Marketing Professionals Association: http://www.smei.org/

The Sales Association: http://www.salesassociation.org/

Case Study: Eli Lilly and Company

Eli Lilly, founded in 1976, is the 10th largest pharmaceutical company in the world. The company employs over 38,000 people worldwide, with about 18,000 employees in the United States (www.lilly.com). The company is consistently ranked as one of the best companies in the world to work for. The company also has one of the largest sales teams in the country. Salespeople sell health care solutions to hospitals and health care professionals around the world.

Business Week has recognized the company as one of the "Top 50 Places to Launch your Career."

According to Eli Lilly's website,

> "Lilly sales offers a path to tremendous growth and personal success. We offer traditional roles as a sales representative, or opportunities as a fixed-duration employee. Each of these opportunities allow you to have a positive impact on people's lives, while enhancing your future with solid training and professional experience"
>
> (Lilly Careers. (n.d.). Retrieved from www.lilly.com/careers © Copyright Eli Lilly and Company. All Rights Reserved. Used with Permission).

Watch the video below to hear the consultative sales philosophy from one of Eli Lilly's sales representatives: http://youtu.be/j4y80r4Ywcs

In April 2013, the company announced they will cut 1,000 sales jobs in the United States, which is 30% of the U.S. sales force. Changes in the environment prompted the cuts. The changes include greater competition from generic drugs and the expiration of two patents. When a drug company's patent expires, other companies can make generic versions of the drug. In addition, the company forecasts flat sales for 2013 (Drugmaker Eli Lilly to cut 1,000 U.S. sales jobs, 2013).

Critical Thinking Questions:

1. What did the sales representative say that indicates a consultative approach to selling?
2. How is Eli Lilly adapting to changes in the environment? Would you do the same if you were a manager?
3. What will be the impact of cutting the sales force?
4. Go to the Eli Lilly website (www.lilly.com). What indications are there that the company integrated its IMC tactics?