



*it's good and  
good for you*

# Chapter Sixteen

**Personal Selling**

**and**

**Sales Promotion**

# Personal Selling and Sales Promotion

## Topic Outline

- Personal Selling
- Managing the Sales Force
- The Personal Selling Process
- Sales Promotion



# Personal Selling

## Personal Selling

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

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



# Personal Selling

## The Nature of Personal Selling

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

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



# Managing the Sales Force

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



# Managing the Sales Force

## Designing Sales Force Structure

Territorial sales force structure

Product sales force structure

Customer sales force structure

Complex sales force structure



# Managing the Sales Force

## Sales Force Structure

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

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



# Managing the Sales Force

## Sales Force Structure

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

- Improves product knowledge
- Can lead to territorial conflicts





# Managing the Sales Force

## Sales Force Structure

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

- Improves customer relationships



# Managing the Sales Force

## Sales Force Structure

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



# Managing the Sales Force

## Sales Force Size

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

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



# Managing the Sales Force

## Other Sales Force Strategy and Structure Issues

**Outside salespeople** call on customers in the field

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

- Technical sales support people
- Sales assistants

**Team selling** is used to service large, complex accounts



# Managing the Sales Force

## Recruiting and Selecting Salespeople Issues in Recruiting and Selecting

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



# Managing the Sales Force

Salesperson compensation based on

Fixed  
amounts

Variable  
amounts

Expenses

Fringe  
benefits



# Managing the Sales Force

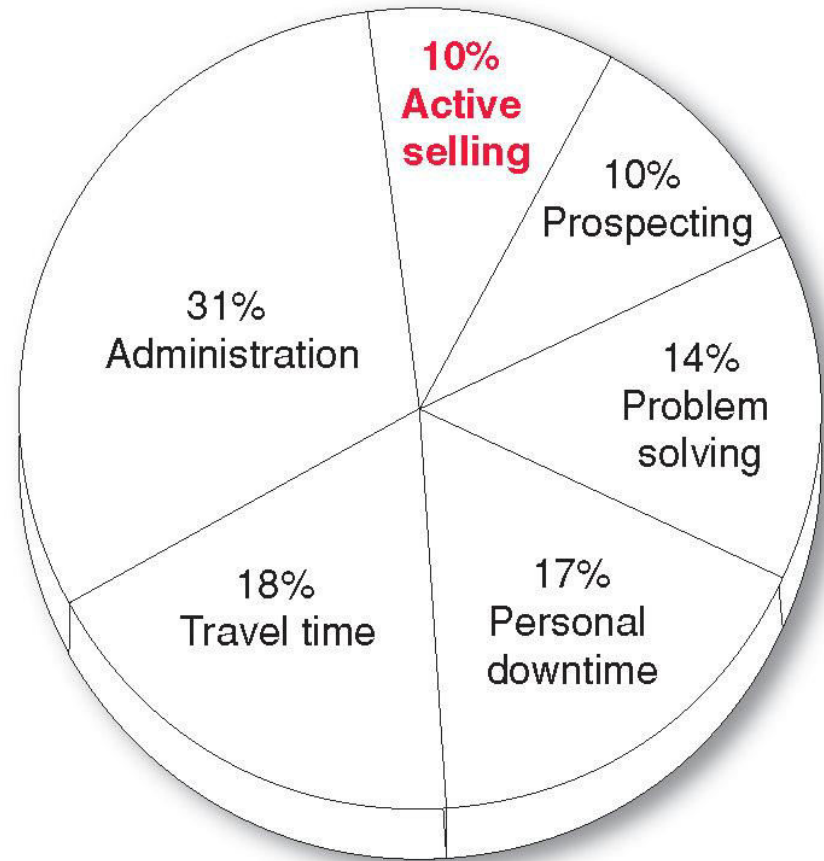
## Supervising and Motivating Salespeople

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



# Managing the Sales Force

## How Salespeople Spend Their Time





# Managing the Sales Force

## Selling and the Internet

Major tool to support salespeople



Training

Sales  
meetings

Live sales  
presentations

Servicing  
accounts



# Managing the Sales Force

## Supervising and Motivating Salespeople

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



# Managing the Sales Force

## Evaluating Salespeople and Sales Force Performance

Sales  
reports

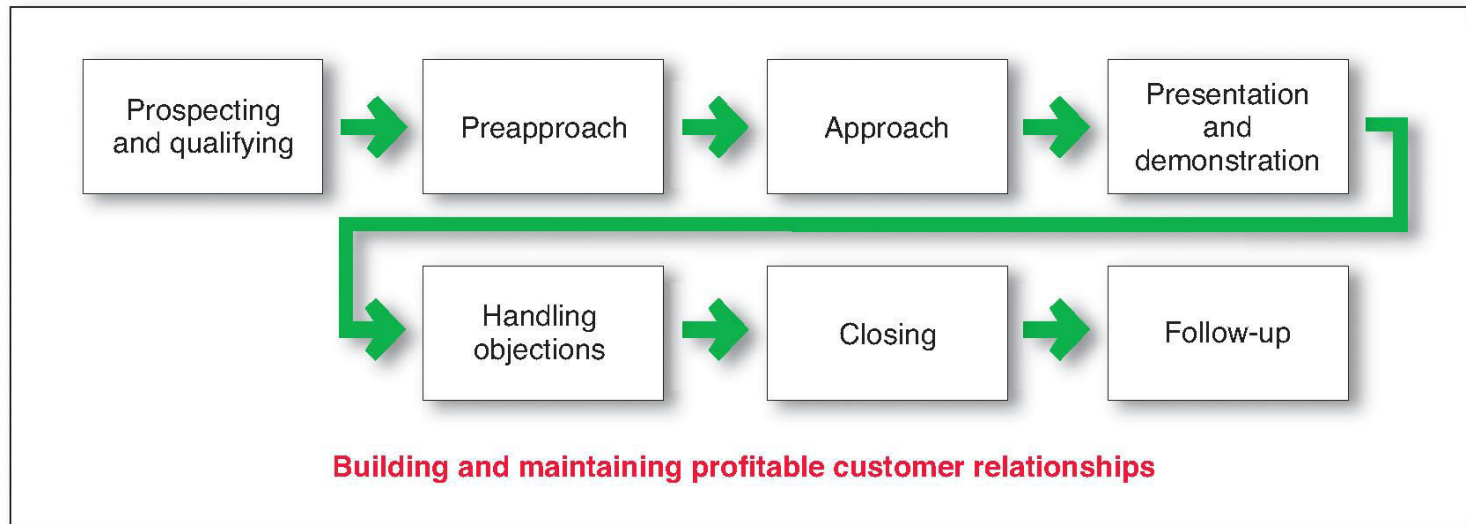
Call  
reports

Expense  
reports



# The Personal Selling Process

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



# The Personal Selling Process

## Steps in the Personal Selling Process

**Prospecting** identifies qualified potential customers through referrals from:

- Customers
- Suppliers
- Dealers
- Internet



# The Personal Selling Process

## Steps in the Personal Selling Process

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

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



# The Personal Selling Process

## Steps in the Personal Selling Process

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

### Objectives

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

### Approaches

- Personal visit
- Phone call
- Letter



# The Personal Selling Process

## Steps in the Personal Selling Process

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

- Appearance
- Opening lines
- Follow-up remarks





# The Personal Selling Process

## Steps in the Personal Selling Process

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



# The Personal Selling Process

## Steps in the Personal Selling Process

**Presentation** is when the salesperson tells the product story to the buyer, presenting customer benefits and showing how the product solves the customer's problems

- Need-satisfaction approach: Buyers want solutions and salespeople should listen and respond with the right products and services to solve customer problems



# The Personal Selling Process

## Steps in the Personal Selling Process

### Bad Traits

Pushy

Late

Deceitful

Disorganized

Unprepared

### Good traits

Good  
listeners

Empathetic

Honest

Dependable

Thorough

Follow-up  
types



# The Personal Selling Process

## Steps in the Personal Selling Process

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



# The Personal Selling Process

## Steps in the Personal Selling Process

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



# The Personal Selling Process

## Steps in the Personal Selling Process

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



# The Personal Selling Process

## Personal Selling and Managing Customer Relationships

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

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



# Sales Promotion

**Sales promotion** refers to the short-term incentives to encourage purchases or sales of a product or service:

- Consumer promotions
- Trade promotions
- Sales force promotions





# Sales Promotion

## Rapid Growth of Sales Promotions

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



# Sales Promotion

## Sales Promotion Objectives

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



# Sales Promotion

## Major Sales Promotion Tools

<b>Samples</b>	<b>Coupons</b>	<b>Cash refunds</b>
<b>Price packs</b>	<b>Premiums</b>	<b>Advertising specialties</b>
<b>Patronage rewards</b>	<b>Point-of-purchase displays</b>	<b>Demonstrations</b>
<b>Contests</b>	<b>Sweepstakes</b>	<b>Games</b>



# Sales Promotion

## Major Sales Promotion Tools Consumer Promotion Tools

**Samples** offer a trial amount of a product

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

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

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



# Sales Promotion

## Major Sales Promotion Tools Consumer Promotion Tools

**Premiums** are goods offered either for free or at a low price

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

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



# Sales Promotion

## Major Sales Promotion Tools Consumer Promotion Tools

**Contests, sweepstakes, and games** give consumers the chance to win something—such as cash, trips, or goods—by luck or through extra effort

- Contests require an entry by a consumer
- Sweepstakes require consumers to submit their names for a drawing
- Games present consumers with something that may or may not help them win a prize
- Event marketing



# Sales Promotion

## Major Sales Promotion Tools Trade Promotion Tools

Discount

Allowance

Free  
goods

Specialty  
advertising



# Sales Promotion

## Major Sales Promotion Tools Business Promotion Tools

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

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



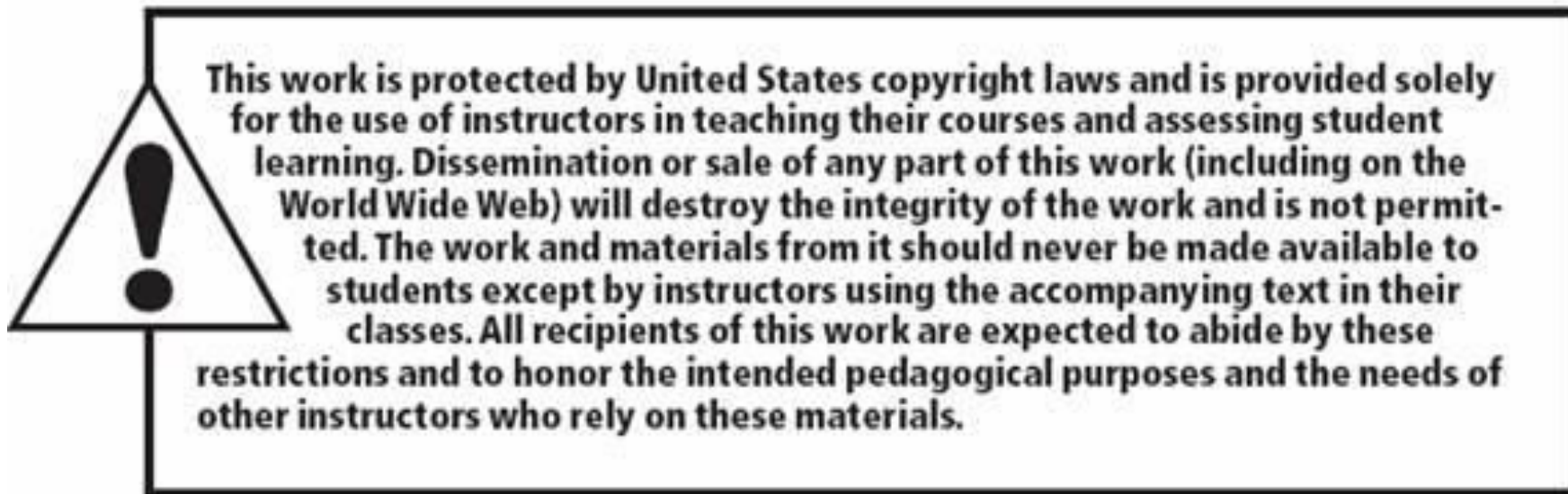


# Sales Promotion

## Developing the Sales Promotion Program

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





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