

## 22 Personal Selling



Source: British Airways

## Learning Objectives

**LO 22-1** | Describe the role of personal selling in the IMC program.

**LO 22-2** | Compare the advantages and disadvantages of personal selling as a promotional tool.

**LO 22-3** | Explain how to combine personal selling with other elements in an IMC program.

**LO 22-4** | Discuss how to measure the effectiveness of the personal-selling effort.

CHAPTER 22 IS AVAILABLE ONLINE THROUGH THE  
CONNECT PLATFORM.

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## This Isn't Your Daddy's Sales Force

Most, if not all of us, are too young to remember the sales force of the past. The award winning 1949 play *Death of a Salesman* more closely resembled what the sales force was like in most companies, maybe up until the birth of the Internet. Trench coat, necktie, hat, and briefcase, the salesman was intent on keeping his current customers happy while constantly on the search for new ones. Gifts around the holidays, game tickets, and other such items were a common means of maintaining satisfaction. And then things changed.

Those sales teams look nothing like those of today. In those days, the emphasis was on selling. The marketing people did their thing, but it was the sales team that brought in the money by pushing product onto the customer—sometimes whether they needed it or not. Today's sales force has become more of a partner than a salesman. Gone is the trench coat, and maybe even the tie and briefcase. Here is the laptop and computer software program, and the concept of "pushing the product" is gone. Throughout this book and just about everywhere else you have read a marketing article, you have learned that things have changed and that the consumer is king. We have discussed how consumers drive the marketing strategies that marketers use to reach

them, how marketers must understand their needs and wants, and why they need to recognize all of the factors influencing their purchase decisions. In selling to consumers, companies are constantly attempting to establish a relationship with them. While relationship building is important in the business-to-consumer market, it has become critical in the business-to-business market. Salespeople have forever strived to build and maintain relationships with their customers and that has not changed; it is how they are doing it. Now they must interact more as partners than as sellers and buyers. This attempt to establish and maintain relationships and the technologies that have come along with new software programs have led to more sophisticated techniques for developing customer relationship management (CRM) programs.

As noted by William Band, “The only source of competitive advantage is the one that can survive technology-fueled disruption—an obsession with understanding, delighting, connecting with and servicing customers.” Band notes that executives no longer get to decide how customer-centric their companies are—customers will make that decision for them. Marketers must now understand consumers’ willingness to (1) consider another purchase, (2) switch to a competitor, and (3) recommend them to others. In his book *Digital Disruption*, James McQuivey discusses the role of competitors who, thanks to digital platforms, can make organizations irrelevant by delivering a better product and service experience at a lower cost and establishing new customer relationships in the process. The only cure for digital disruption, he says, is to focus and engage with customers. McQuivey cites a number of reasons for this change in the marketplace and the resulting increase in importance of CRM: (1) Buyers now have more knowledge and power as a result of online reviews and mobile web access, giving them greater bargaining power; (2) employees now have more clout with companies given their knowledge—if they don’t get what they want, they can easily move on to another company; and (3) competitors have instant access to a company’s strategies because its customers share their experiences online. Everything about a company is now available to the competition. Steve McKee agrees, noting specifically that social media are changing CRM programs. McKee notes that CRM software giants like Oracle and [Salesforce.com](https://www.salesforce.com) among others are developing software that will enable businesses to better manage social media platforms. The good news for marketers is that these social CRM programs are affordable and even better than previous platforms. Consider some of the following examples of how companies—large and small—have successfully leveraged CRM:

**Tesco**—One of the world’s largest grocery chains, Tesco has stores in 14 countries across Europe, Asia, and North America and is the grocery store leader in the UK, Malaysia, Thailand, and Asia. Working with its providers, the chain has developed customer loyalty programs; partnered with other companies like gasoline companies, car rentals, and hotels to help customers gain points faster; and has more than 4 million variations in quarterly mailings to specifically target customers. Working with the sales teams of these companies to develop CRM strategies has contributed significantly to Tesco’s success.

**McDonald’s**—The fast-food chain has approximately 30,000 restaurants around the globe, serving approximately 60 million customers a day. To ensure page 746 there is a consistent customer relationship across these customers in 110 countries, McDonald’s has employed CRM programs to improve data capture, real-time reporting, and fast issue resolution. By monitoring data regarding



customer relationships, McDonald's can quickly spot potential customer relationship issues and resolve them before they become a serious problem. Information is passed through the company quickly, providing key results.

*Others*—Many other companies—large and small—have also found CRM solutions to be valuable to promoting sales including KFC (offering free wifi to customers while in their stores), Lufthansa and British Airways (improved loyalty programs), 24 Hour Fitness (combining marketing and sales data to expand communications outreach), and Gift Baskets Overseas (using data to learn how best to foster communications between businesses and potential customers).

Integrating social media analytics into CRM programs can lead to even more success according to McKee, but how will this be done, and who will be responsible for doing it? A report by Infor says that the integration of social media is now a requirement in the brand's comprehensive CRM strategy, and this is particularly true in the B2B market. For example, consider what happens when a client makes a complaint. In the B2B market the complaint is likely to go viral quicker and have more impact than in the B2C (business-to-consumer) channel. If the company fails to react, the result may lead to lower satisfaction, negative word of mouth, and a potential for the competitor to gain an advantage. In addition, it risks losing the customer. How should the marketer react? The Infor report indicates that as more and more companies get involved with social media, knowing how to use these channels is critical to sustained success. Companies must listen to what their customers and competitors' customers are saying on social media; analyze what is being said and why; and take action. In other words, social media become a tool for helping managers gain knowledge of what is going on in the marketplace, and they use this information to build and maintain better CRM relationships. So getting back to McKee's question as to who is going to do this? Not the salespeople of the past, but the salespeople of today. A completely different breed.

Sources: Arthur Cole, "4 Examples of CRM Software types & Successful Implementations," February 21, 2019, [www.itbusinessedge.com](http://www.itbusinessedge.com); Lucy Crossfield, "Big Brand CRM Case Studies," 2018, [www.expertmarket.com.uk](http://www.expertmarket.com.uk); "Drive Customer Experience with Actionable Social CRM," 2013, [Infor.com](http://Infor.com); William Band, "CRM in the Age of the Customer," March 27, 2013, [www.kmworld.com](http://www.kmworld.com); Steve McKee, "How Social Media Is Changing CRM," June 8, 2012, [www.businessweek.com](http://www.businessweek.com); James McQuivey, "Digital Disruption: Unleashing the Next Wave of Innovation," Forrester Research, 2013.

## THE SCOPE OF PERSONAL SELLING

An increased emphasis on **customer relationship management (CRM)**, which includes monitoring social media, is just one of the many ways that changes in the marketplace are forcing marketers to reconsider the role of personal selling in the marketing program. The changing marketplace has had a significant impact on how personal-selling activities are conducted

and how successful firms will compete in the future. In Chapter 1, we stated that while we recognize the importance of personal selling and the role it plays in the overall marketing and promotions effort, it is not emphasized in this text. Personal selling is typically under the control of the sales manager, not the advertising and promotions department. But personal selling does make a valuable contribution to the promotions program. In addition, IMC tools should be used in conjunction with personal selling, and the sales force itself may become a target of the communications program (as will be seen later in this chapter). To develop a promotional plan effectively, a firm must integrate the roles and responsibilities of its sales force into the communications program. Strong cooperation between the departments is also necessary.

This chapter focuses on the role personal selling assumes in the IMC program, the advantages and disadvantages of this program element, and the basis for evaluating its contributions to attaining communications objectives. In addition, we explore how personal selling is combined with other program elements, both to support them and to receive support from them.

**Personal selling** involves selling through a person-to-person communications process. The emphasis placed on personal selling varies from firm to firm depending on a variety of factors, including page 747 the nature of the product or service being marketed, size of the organization, and type of industry. Personal selling often plays the dominant role in industrial or business-to-business firms, while in other firms, such as makers of low-priced consumer nondurable goods, its role is minimized (Of course, if you are shopping for a new car, a suit, or a gift as a consumer, the salesperson may have a great deal of influence!). In many industries, these roles are changing to a more balanced use of promotional program elements. In an integrated marketing communications program, personal selling is a partner with, not a substitute for, the other promotional-mix elements.

## THE ROLE OF PERSONAL SELLING IN THE IMC PROGRAM





Manufacturers may promote their products *directly* to consumers through advertising and promotions, digital and social media, and/or direct-marketing efforts or *indirectly* through resellers and salespeople. (A sales force may call on customers directly—for example, in the insurance industry or real estate, or as just noted, in a variety of B2C situations. But this chapter focuses on the personal-selling function as it exists in most large corporations or smaller companies—that is, as a link to resellers or dealers in business-to-business transactions.) Depending on the role defined by the organization, the responsibilities and specific tasks of salespeople may differ, but ultimately these tasks are designed to help attain communications and marketing objectives.

Personal selling differs from the other forms of communication presented thus far in that messages flow from a sender (or group of senders) to a receiver (or group of receivers) directly (usually face to face). This *direct* and *interpersonal communication* lets the sender immediately receive and evaluate feedback from the receiver. This communication process, known as **dyadic communication** (between two people or groups), allows for more specific tailoring of the message and more personal communications than do many of the other media discussed. The message can be changed to address the receiver's specific needs and wants.

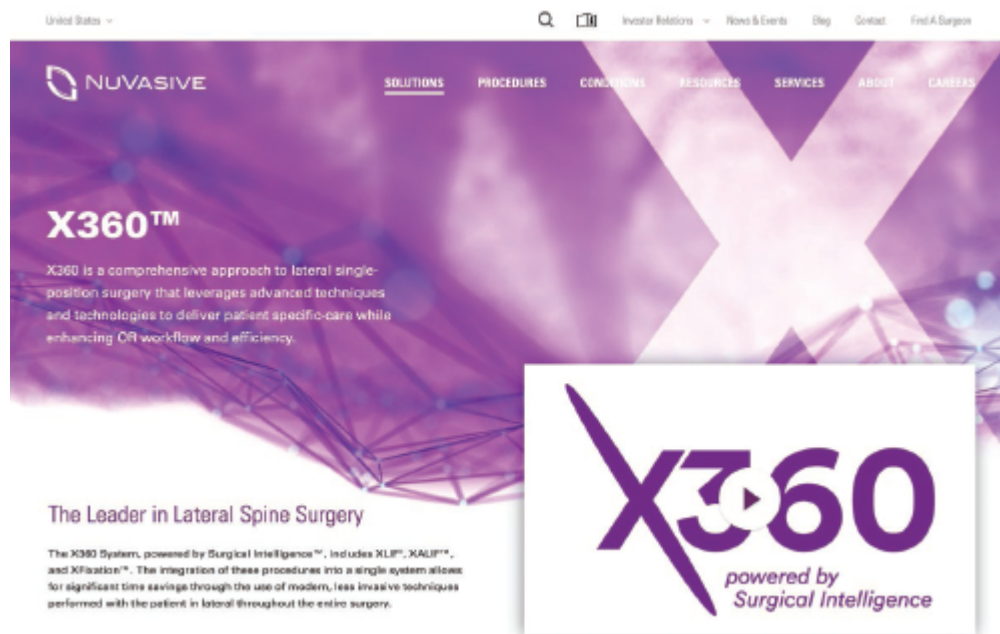
In some situations, this ability to focus on specific problems is mandatory; a standard communication would not suffice. Consider an industrial buying situation in which the salesperson is an engineer. To promote the company's products and/or services, the salesperson must understand the client's specific needs. This may mean understanding the tensile strength of materials or being able to read blueprints or plans to understand the requirements. Or say a salesperson represents a medical products company (Exhibit 22–1). Part of his or her responsibility for making a sale may involve working directly with a physician or surgeon to solve a problem unique to this customer, as well as to provide in-depth product knowledge. Mass communications cannot accomplish these tasks. Personal

selling plays a critical role not just in industrial settings but in the consumer market as well.

## XHIBIT 22-1

NuVasive provides their personal sale reps with in-depth product knowledge, as shown in this guide for selling one of their products.

Source: NuVasive, Inc.



The great entrepreneur Marshall Field said, “The distance between the salesperson and the potential buyer is the most important three feet in business.”<sup>1</sup> Personal selling is important in selling to consumers and resellers. Consumer-product companies must secure distribution, motivate resellers to stock and promote the product, and so on.

Why is personal selling so important? Let’s examine its role with respect to other promotional program elements.

## Determining the Role of Personal Selling

The first questions a manager needs to ask when preparing the promotional program are what the specific responsibilities of personal selling will be and what role it will assume relative to the other promotional-mix elements. To determine its role, management should be guided by four questions:

1. What specific information must be exchanged between the firm and potential customers?
2. What are the alternative ways to carry out these communications objectives?
3. How effective is each alternative in carrying out the needed exchange?
4. How cost-effective is each alternative.<sup>2</sup>

- *Determining the information to be exchanged.* In keeping with the objectives established by the communications models in Chapter 5, the salesperson may have a variety of messages to communicate, such as creating awareness of the product or service offering, demonstrating product benefits for evaluation, initiating trial, and/or closing the sale. It may also be necessary to answer questions, counter misconceptions, and discover potentially unmet needs.
- *Examining promotional-mix alternatives.* In previous chapters, we discussed the roles of advertising and sales promotion, direct marketing, the Internet, public relations/publicity, and support media. Each of these program elements offers specific advantages and disadvantages, and each needs to be considered when the promotional mix is developed. Personal selling is an alternative that offers distinct advantages in some situations but is less appropriate in others, as evidenced in Figure 22–1.
- *Evaluating the relative effectiveness of alternatives.* The effectiveness of each program element must be evaluated based on the target market and the objectives sought. Personal selling is effective in many situations, but other program elements may be more attractive in other cases. For example, advertising may do a better job of repeating messages or reaching a large number of people with one distinct, consistent message.
- *Determining cost-effectiveness.* One of the major disadvantages of personal selling is the cost involved (estimates vary as to the average cost of a sales call, as it will vary by industry); while the cost of a personal sales call may not be prohibitive in industrial settings where a

single purchase can be worth millions of dollars, the same cost may be unfeasible in a consumer market. Other media may be able to communicate the required message at a much lower cost.

## FIGURE 22-1

When the Sales Force Is a Major Part of the IMC Mix

Product or Service	Channels
<p>Complex products requiring customer application assistance (computers, pollution control system, steam turbines)</p> <p>Major purchase decisions, such as food items purchased by supermarket chains</p> <p>Features and performance of the product requiring personal demonstration and trial by the customer (private aircraft)</p>	<p>Channel system relatively short and direct to end users</p> <p>Product and service training and assistance needed by channel intermediaries</p> <p>Personal selling needed to push product through channel</p> <p>Channel intermediaries available to perform personal-selling function for supplier with limited resources and experience (brokers or manufacturer's agents)</p>
Price	Advertising
<p>Final price is negotiated between buyer and seller (appliances, cars, real estate)</p> <p>Selling price or quality purchased enables an adequate margin to support selling expenses (traditional department store compared to discount house)</p>	<p>Advertising media do not provide effective link with market targets</p> <p>Information needed by buyer cannot be provided entirely through advertising and sales promotion (life insurance)</p> <p>Number and dispersion of customers will not enable acceptable advertising economies</p>

# The Nature of Personal Selling

To integrate the personal-selling effort into the overall promotional program, we must understand the nature of this tool. Let us look at how personal selling has evolved over the years and then examine some of its characteristics.

As can be seen in Figure 22–2, the personal-selling task encompasses a variety of responsibilities (some of which we discuss in the next section). Like other aspects of the promotional mix, these responsibilities are constantly changing.

## FIGURE 22–2

### Stages of Personal Selling Evolution

#### Stage 1-Transaction Focused

- Sale is primary (and sometimes only) goal
- Short-term thinking
- Both parties self-interested
- Presentation and closing most important
- Many customers/low profit from each
- Entry level salespersons

#### Stage 2-Relationship Focused

- Long-term relationship more important than individual sales
- Both sides work cooperatively
- Collaborative interaction
- Building trust is primary focus
- Few customers/higher profit from each
- Managerial involvement

#### Stage 3-Partnering

- Both sides work together to improve benefits to each

- Strategically developed
- Free exchange of information
- Top management involvement

Firms evolving through these stages have to assume different market orientations, as well as different organizational designs, staffing, and compensation programs. The different stages require different promotional strategies, each integrated with personal selling to achieve the maximum communications effect.

**The New Role of Personal Selling** As previously noted, the business world is going through a rapid transition as (1) individuals and corporations gain more knowledge and economic power, (2) value is replacing efficiency, and (3) industry boundaries are changing—for example, competitors are joining forces to achieve more buying power. As a result, the role of the sales force will also significantly change, according to Kevin Hoffberg and Kevin Corcoran. Along with retaining their traditional roles, salespeople will have to acquire new roles to remain effective. That is, in addition to being information providers, influencers through proximity (i.e., through personal contact), and demonstrators, salespeople will engage in:

- *Surveying*—educating themselves more about their customers' businesses and regularly assessing these businesses and their customers to achieve a position of knowledgeable authority.
- *Mapmaking*—outlining both an account strategy and a solutions strategy (for the customer). This means laying out a plan, discussing it with a customer, and revising it as changes require.
- *Guiding*—bringing incremental value to the customer by identifying problems and opportunities, offering alternative options and solutions, and providing solutions with tangible value.
- *Fire starting*—engaging customers and driving them to commit to a solution.<sup>3</sup>



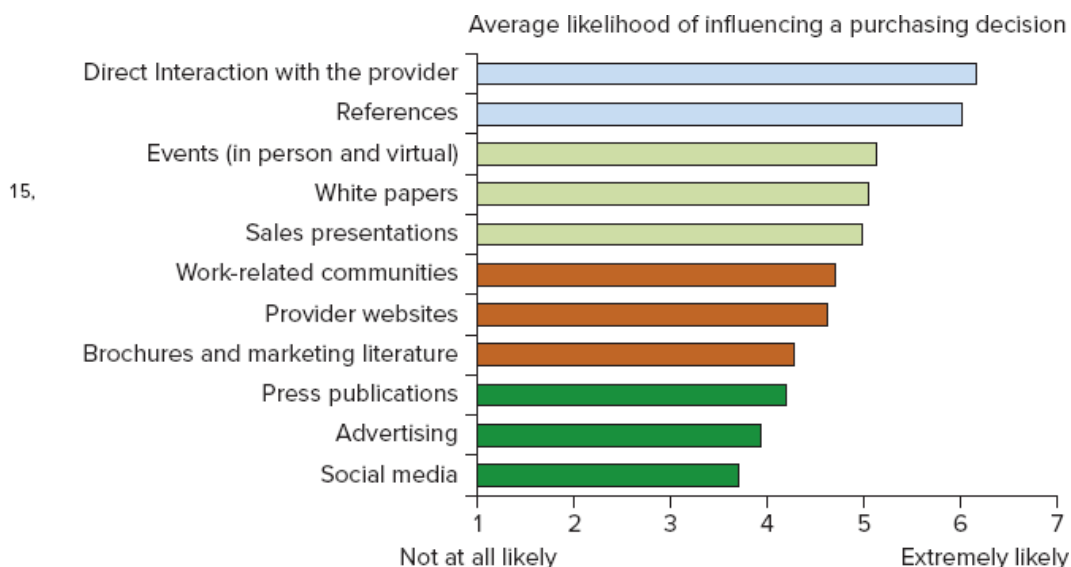
This new role, say Hoffberg and Corcoran, will create added value and develop a relationship between buyer and seller.

**Relationship Marketing** As seen in the lead-in to this chapter, personal selling is evolving from a focus on persuasive techniques used to sell a product or service to a much more marketing-oriented *partnership* with the customer. This new role requires much broader thinking and expertise on the part of the seller and a more extensive use of the various promotional tools. The modern salesperson is attempting to establish a long-term, symbiotic relationship with clients, working with them as a solutions provider and partner. Figure 22–3 shows the factors that influence customer satisfaction in modern-day salesperson–customer interactions. This new form of personal selling has been referred to as **relationship marketing**.<sup>4</sup>

## FIGURE 22–3

The Most Influential Marketing Activities

Source: Eliot Burdett, “B2B Sales: 7 Ways It’s Changing Fast,”  
[www.peaksalesrecruiting.com](http://www.peaksalesrecruiting.com), October 15, 2018.



Relationship marketing is a type of marketing that focuses on cultivating deeper, more meaningful relationships with customers to ensure long-term satisfaction and brand loyalty.

Rather than focusing on a short-term sale, the sales rep tries to establish a long-term bond (Exhibit 22–2). And rather than just selling, the sales department works with marketing to use techniques like database marketing, message differentiation to different target markets, and tracking of promotional effects to improve the relationship. As you can see, relationship marketing sounds a lot like the discussion of CRM discussed in the lead-in to this chapter. While the two concepts are closely related, a distinction is often made:

While relationship marketing is a sales and marketing concept, CRM refers to the tools used to carry out the concept. Relationship marketing is implemented as a strategy and includes activities such as identifying long-term sales and retention goals, public relations, marketing and advertising campaigns.<sup>5</sup>

## EXHIBIT 22–2

Creating successful customer experiences requires a number of key elements.

Source: Vassit



Adoption of a relationship marketing and CRM approach will require sales managers to develop nontraditional sales strategies, according to some observers. Ingram and colleagues note the companies will need to move to a more strategic, less tactical approach, using emerging technologies to support this effort.<sup>6</sup> Bob Donath agrees, noting that traditional communications

performance standards—the number of qualified and converted leads generated from a medium—will be less important. Donath notes that a company’s reliance on websites and banner ads, as well as ads in print publications, will need to be more strategic; direct marketing will assume a greater role; and the use of more sophisticated CRM programs will be required to be successful.<sup>7</sup>

**The Costs of Personal Selling** In some industries, personal selling constitutes a substantial portion of the communications effort and may account for most of the promotional budget. This is true because (1) much attention is devoted to this function due to its advantages over other communication methods and (2) it is an expensive form of communication. The average cost per sales call varies by industry, though it has increased every year since 1980, when the average was only \$126. Estimates in 2013 were that it costs as much as \$518 per call, and that it may take an average of five calls to close a sale for a total of \$2,590.<sup>8</sup> However, changes in the business market have made it almost impossible to determine an “average cost per sale” because the changing roles of salespersons, increased use of technology, and differences between industries have led to less reporting on these figures. Suffice it to say, however, that it is still very high.

When the cost per sales call is compared with the cost per message delivered through other media, these figures seem outrageous. But taking these numbers at face value may lead to unfair comparisons. In evaluating the costs of personal selling, we must consider the nature of the call, the objectives sought, and whether other program elements could deliver the message as effectively (Exhibit 22–3). It may be that the higher costs cannot be avoided.

### **EXHIBIT 22–3**

The cost of a sales call varies by industry.

*Source: Wint and Kidd Outsourcing Professionals*



Overall, personal selling is an expensive way to communicate. Yet it does usually involve more than just communicating, and the returns (more direct sales) may be greater than those from the other program elements.

**Personal-Selling Responsibilities** As you might expect with the impact of digital being felt throughout all aspects of marketing, the sales area is no different. In the past, sales jobs could be easily classified as order taker, creative selling, or missionary rep. As shown in Figure 22–4, the titles and job descriptions have changed. (Of course, these titles will vary from one organization to the next. The listing here is to provide just one example

of the various roles.) Of course, not all firms treat each of these responsibilities the same, nor are their salespeople limited to only these tasks. Personal selling has evolved to include responsibilities beyond these. Job requirements may include (1) locating prospective customers, (2) determining customers' needs and wants that are not being satisfied, (3) recommending a way to satisfy these needs and/or wants, (4) demonstrating the capabilities of the firm and its products for providing this satisfaction, (5) closing the sale and taking the order, and (6) following up and servicing the account (Figure 22–5). Let's discuss these job classifications and some of the responsibilities assigned to each.

1. *Locating prospective customers.* The process of locating new customers (often referred to as **prospecting**) involves the search for and qualification of prospective customers. Salespeople must follow up on **leads** (those who may become customers) and **prospects** (those who need the product or service). They must also determine whether these prospects are **qualified prospects**—that is, able to make the buying decision and pay for the product. Exhibit 22–4 shows a page from the website of [Salesgenie.com](http://Salesgenie.com), an online tool that helps salespeople generate leads and find new prospects through access to a wide range of business and consumer databases. Leads360 offers a system to distribute, analyze, and track prospects, as well as assisting in planning, implementation, and maintenance of sales force strategies. The system gathers all leads, and then with automated scripts and questionnaires the leads are qualified by phone, fax, or Internet.

The system then arranges each lead by “grade” and priority status and directs it to the appropriate salesperson. Dell and Cisco, among many others, use these web-based systems.

2. *Determining customers' needs and wants.* At this stage, the salesperson gathers more information on the prospect and decides the best way to approach him or her. The rep must determine what the customer needs or wants and make certain the person being approached is capable of making the purchase decision. In some instances the salesperson may have to assist the customer in determining what he or she needs and/or make recommendations.

3. *Recommending a way to satisfy the customers' needs and wants.* Here the salesperson recommends a possible solution to the problem and/or needs of the potential customer. This may entail providing information the prospect had not considered or identifying the alternative solutions that might work. As noted earlier, the salesperson acts as a systems provider and/or consultant.
4. *Demonstrating the capabilities of the firm and its products.* At this stage, the salesperson demonstrates the capabilities of the firm and shows the prospect why that firm is the obvious choice. As you might expect, corporate image (created through advertising and other promotional tools) and relationships are important tools to the salesperson.
5. *Closing the sale.* The key ingredient in any sales presentation is the **close**—getting the prospects' commitment. For many salespeople, this is the most difficult task. Many reps are adept at prospecting, identifying customer needs, and making presentations, but they are reluctant to ask for the sale. Most managers work with their sales forces to close the sale and help reluctant or uncertain buyers make a decision.
6. *Following up and servicing the account.* The responsibilities of the sales force do not end once the sale has been made. It is much easier to keep existing customers than to attract new ones. Maintaining customer loyalty, generating repeat sales, and getting the opportunity to **cross sell**—that is, sell additional products and services to the same customer—are some of the advantages of keeping customers satisfied through follow-up activities. In a relationship marketing versus selling orientation, follow-up is necessary and expected.

## FIGURE 22–4

### Examples of Sales Jobs

Following are today's job descriptions as described by Aja Frost of [Hubspot.com](https://www.hubspot.com).

1. *Sales development rep (SDR)*—SDRs (also commonly called business development reps, or BDRs) are responsible for the first part of the sales



process: researching, prospecting, and qualifying leads. After qualifying the prospect s/he is turned over to the sales rep.

2. *Account executive (AE)*—As an AE, s/he has a brand-new set of responsibilities: running demos or giving presentations; identifying, surfacing, and addressing potential buying obstacles; crafting personalized value propositions; getting the commitment to purchase; and negotiating the actual terms.
3. *Outside salesperson*—Thanks to the rise of e-mail, social media, and web-conferencing tools—not to mention, a growing desire to talk to salespeople virtually and on the phone rather than in-person—outside sales roles are becoming increasingly less common. An outside salesperson spends most of his/her time “in the field” or visiting potential customers at their offices.
4. *Account manager*—Account managers enter the picture once the initial purchase is complete. Unlike a salesperson, whose accounts are constantly changing, an account manager’s portfolio is relatively stable. An account manager also serves as the client’s primary point-of-contact at the company.
5. *Regional sales manager*—Sales managers and regional sales managers lead teams of SDRs, reps, and, sometimes, account managers. He/she sets individual quotas and team goals, analyzes data, coordinates sales trainings and call reviews, and manages sales territories.
6. *Sales engineer*—Sales engineers combine the technical expertise of engineers with the business acumen and selling skills of a traditional rep. A sales engineer answers in-depth product questions; works with prospects to determine their technical needs; communicates those needs to the sales, engineering, and/or product teams; helps salespeople give demos; and crafts the technical components of proposals and contracts.
7. *Director of sales*—A director of sales works with sales managers to determine sales objectives, forecast and develop sales quotas, maintain sales volume, and remain a crucial part of the hiring process. In this position, s/he maintains a more strategic role than that of a sales manager.
8. *VP of sales*—A vice president of sales should contribute to the overall growth and strategy of the sales organization—and the company as a whole. S/he is also in charge of team strategy, like deciding which markets the organization will expand to—and the VP should be able to sell the tactics the team will need to get there.

Source: Aja Frost, “What type of Sales Job is Best for You?” [www.hubspot.com](http://www.hubspot.com), April 16, 2019

## FIGURE 22–5

The Eight-Step Personal-Selling Process

Step 1	Prospecting—looking for and checking leads.
Step 2	Preapproach—collecting as much relevant information as possible prior to the sales presentation.
Step 3	Approach—focusing on the features, advantages, and benefits of the product or service to the buyer.
Step 4	Sales presentation—presenting vocally and persuasively, and answering questions.
Step 5	Trial close—establishing customers’ attitudes and attempting to lead to sale.
Step 6	Handling objections—addressing concerns and requests for more information; determining exactly what is on the prospect’s mind.
Step 7	Closing the sale—consummating the deal.
Step 8	Follow-up—ensuring everything goes as planned; addressing additional concerns or issues that may arise.

Source: Adapted from Reds Communications, “The 8 Step Personal Selling Process—Let Us Help You,” [www.redscommunications.co.za](http://www.redscommunications.co.za).

## **XHIBIT 22–4**

[Salesgenie.com](http://Salesgenie.com) offers salespeople expertise on how to qualify leads.

Source: *Salesgenie*

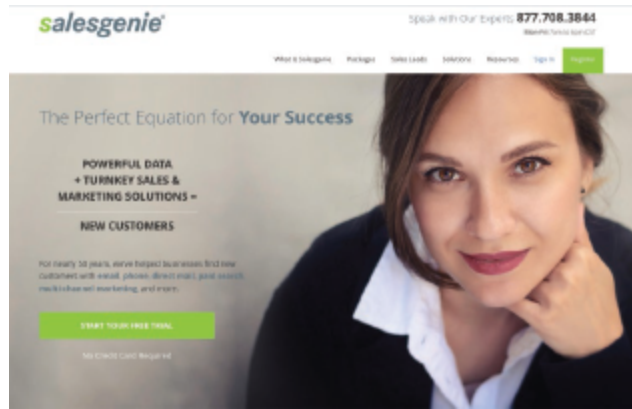
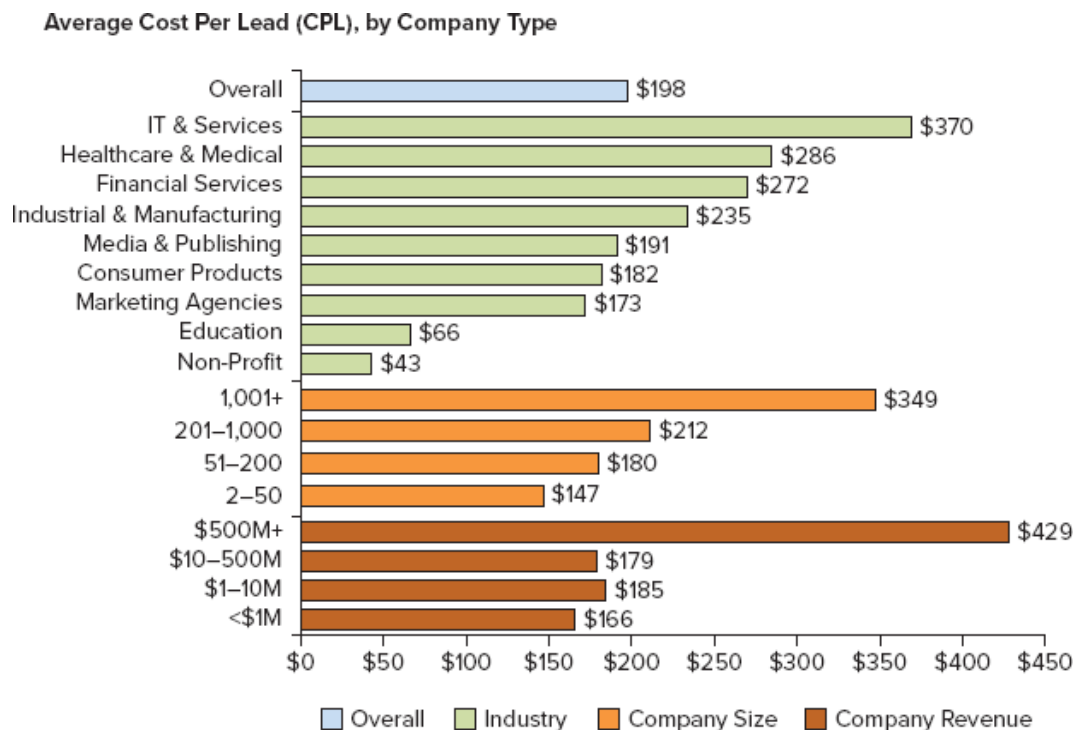


Figure 22–6 demonstrates that the cost of obtaining a sales lead can range substantially, from under \$50 in some industries to over \$300. Figure 22–7 shows how effective different sources are for generating leads in the B2B market.

## FIGURE 22–6

### Cost per Qualified Lead

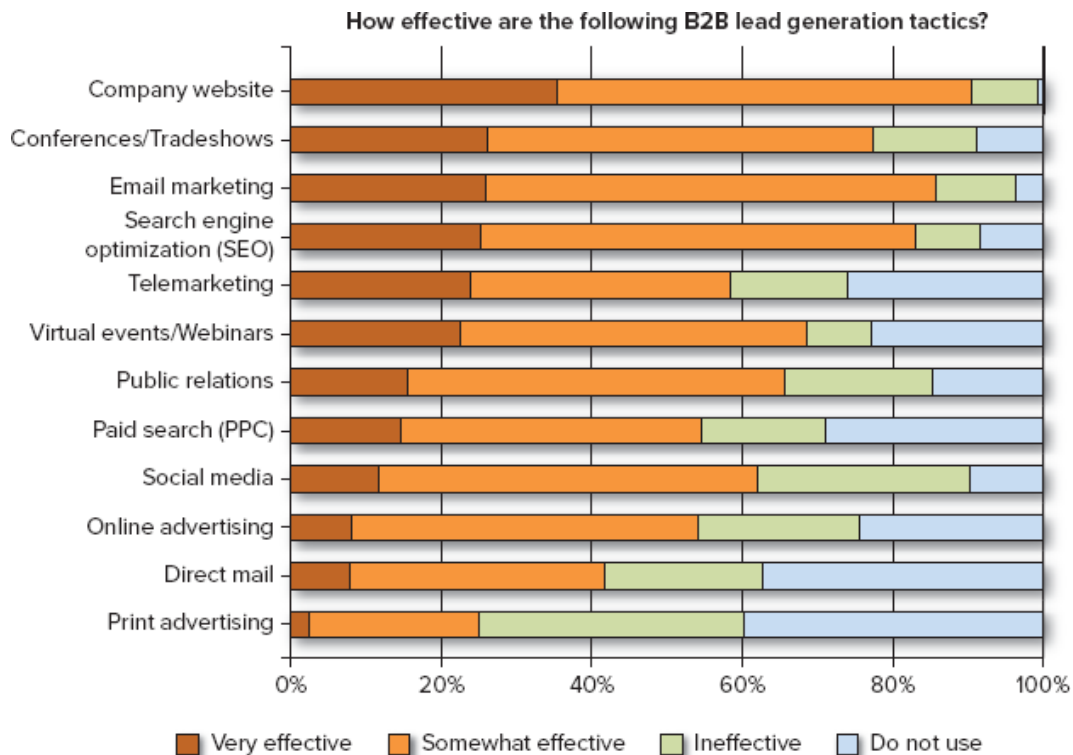
Source: “Cost per Lead (CPL) Benchmarks, by Industry,” 2017, [www.MarketingCharts.com](http://www.MarketingCharts.com).



## FIGURE 22–7

### Effectiveness of Lead Generation Sources

Source: Howard, Schulze, “How Effective Are the B to B Lead Generation Trends 2013?”  
[www.slideshare.net](http://www.slideshare.net), 2015



A primary advantage a salesperson offers is the opportunity to assess the situation firsthand and adapt the sales message accordingly (a *direct feedback* network). No other promotional element provides this opportunity. The successful salesperson constantly analyzes the situation, reads the feedback provided by the receiver, and shapes the message to specifically meet the customer's needs.

While you might expect this to be an easy task, it isn't always the case. Sometimes buyers will not or cannot express their needs accurately. Other times, the salesperson must become a problem solver for the client. More and more, salespeople are being asked to assist in the buyers' decision-making process. The more salespeople can become involved in planning and

decision making, the more confidence the buyer places in them, and the more bonding the relationship becomes.

Sometimes the true motivation for purchasing is not the one the customer gives. You might expect buyers to base their decisions on rational, objective factors, but this is not always the case. Even in industrial markets (where product specifications may be critical) or reseller markets (where product movements and/or profits are important), many purchase decisions are made on what might be called nonrational criteria (not irrational, but involving factors beyond cost or other product benefits). Since it is generally believed these purchase situations involve less emotion and more rational thinking than many consumer purchases, this is an important insight.

Consider the marketer's dilemma: If a firm provides advertising and promotions that speak only to the rational purchase motives, it may not be able to make the sale. On the other hand, how could an advertiser possibly know all the emotional or nonrational criteria influencing the decision, let alone integrate this information into its messages? The personal sales effort may be the only way to uncover the many motivations for purchasing and address them.

When you review this list of responsibilities, it becomes clear that the salesperson of today is no mere huckster. Figure 22–8 provides a list of the 10 traits that are common to successful salespeople (the list is consistent with other studies conducted), while Figure 22–9 shows the results of one company's survey of buyers' likes and dislikes regarding the sales force.

## FIGURE 22–8

### Traits of Successful Salespeople

More than 1,000 decision makers were asked to describe what it means to be a great salesperson in one word or phrase. Here are the top 10 responses:

1. **Knowledgeable:** Prospects gravitate to salespeople who are considered experts in the field, which is why ambitious salespeople look for opportunities to boost their credibility by speaking at conferences, joining industry organizations, gaining professional certifications, and contributing

to industry publications. They must know their product forward and backward forward and backward.

2. *Professional*: Handle every account like you would want your account handled and keep prospects in the loop every step of the way. Make respect and integrity the cornerstones of your approach.
3. *Thorough*: Make sure you cover every detail with prospects and you follow up (and follow through) on every promise you make to them and their requests for more information. Make pre-call research part of the process, so you can offer solutions that speak directly to each prospect's specific needs.
4. *Results-oriented*: Quantify the type of ROI a prospect can expect and provide some reference points so prospects can see how much money they stand to lose by *not* agreeing to do business with you.
5. *Problem solving*: Don't just offer a product or service, offer solutions that can help each prospect's business thrive.
6. *Relationship-oriented*: Play for the long term, and gain as many internal champions as you can at each buyer's company. Build the type of relationship where loyal customers think of you as an extended member of their corporate family. Exceed at building relationships with customers.
7. *Customer-focused*: Put the buyer's needs before your own, and always present value propositions in a way that explains how each feature and benefit works to the prospect's advantage. Work as an advocate whom the buyer can trust to create a working relationship where everyone walks away a winner.
8. *Responsive*: Take personal accountability for handling customer requests, and follow up with each customer personally to ensure he/she is satisfied with the outcome.
9. *Good communicators*: Determine which mode of communication the prospect prefers (e.g., e-mail, cell phone, text) and use that as a way to stay in contact. In addition, keep prospects on top of any changes to existing products that may impact their business. The less buyers are taken by surprise, the better.
10. *Reliable*: Do what you say you'll do, when you say you'll do it, and how you say you'll do it. Let customers know they can count on you to get the job done—and better than anyone else.

Source: "Redefining the Traditional Roles of Your Sales Force," April 20, 2016, [www.mercatopartners.com](http://www.mercatopartners.com).

## FIGURE 22–9

Buyers' Likes and Dislikes about Salespeople





## TRAITS BUYERS LIKE AND DISLIKE IN SALESPEOPLE

*Attitude*—positive attitudes of salespersons lead to successful sales presentations. Negative or weak ones lead to less effective ones.

*Belief in the product*—buyers can sense whether the seller believes in their product. Believing in one's product inspires the customer to believe in you. Hesitation does not.

*Knowledge*—a good salesperson knows his/her product, the competition, trends, etc. A poor salesperson does not. Knowing the product and the market enhances one's credibility and has a positive effect on the overall presentation. A salesperson with no technical competence is a liability.

*Planning Ahead*—planning and not putting oneself in a desperate situation will lead to more successful selling efforts. Desperate situations lead to mistakes and poor decision making.

*Help*—helping the buyer make the right decision—even if your product is not the best one for meeting their needs—is a better long-term strategy than just making a sale. Positive word of mouth is more important and effective than advertising.

*Educate*—inform the potential buyer everything you can about the product or service. The more informed salespeople make their buyers, the more buyers will rely on them.

*Don't rush*—effective salespeople don't feel they have to make a sale every time and right away. Sometimes buyers will need to review the proposal, garner other proposals and bids, etc. Being willing to wait will enhance buyers' perceived objectivity and reliance on the seller.

*Efficiency*—not everyone is going to buy or even be interested in a salesperson's products or services. The knowledgeable salesperson can figure this out, and not waste time that could be more wisely spent elsewhere.

*Trustworthiness*—honesty, even when it may mean losing the sale, is the best policy. Telling a potential buyer when the product is not right for him/her will go far in building trust in the long term, as well as lead to positive word of mouth. The "He can sell anything" salesperson is no longer effective.

*Questioning*—salespersons can better understand the potential customers'

needs and requirements when they better understand the client. The more they listen, the more they learn. “Schmoozers” don’t sell.

*Straight shooting*—answering questions directly and to the point is more effective than talking vaguely.

Source: “Redefining the Traditional Roles of Your Sales Force,” April 20, 2016, [www.mercatopartners.com](http://www.mercatopartners.com).

The importance of personal selling in the integrated marketing communications program should now be clear. This program element provides opportunities that no other form of message delivery does. But while the tasks performed by salespeople offer some distinct advantages to the marketing program, they may also constitute disadvantages, as you will now see.

## ADVANTAGES AND DISADVANTAGES OF PERSONAL SELLING

### LO 22-2

The nature of personal-selling positions this promotional tool uniquely among those available to marketers. Its advantages include the following:

1. *Allowing for two-way interaction.* The ability to interact with the receiver allows the sender to determine the impact of the message. Problems in comprehension or objections can be resolved and in-depth discussions of certain selling points can be provided immediately. In mass communications this direct feedback is not available and such information cannot be obtained immediately (if at all). Even though the Internet now allows for almost immediate feedback, it is still not as effective as a face-to-face situation.
2. *Tailoring of the message.* Because of the direct interaction, messages can be tailored to the receiver. This more precise message content lets the sender address the consumer’s specific concerns, problems, and needs.

The sales rep can also determine when it moves on to the next selling point, asks for the sale, or closes the deal.

3. *Lack of distraction.* In many personal-selling situations, a one-to-one presentation is conducted. The likelihood of distractions is minimized and the buyer is generally paying close attention to the sales message. Even when the presentation is made by a group of salespeople or more than one decision maker is present, the setting is less distracting than those in which nonpersonal mass media are used.

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4. *Involvement in the decision process.* Through consultative selling and relationship marketing, the seller becomes more of a partner in the buying decision process, acting in conjunction with the buyer to solve problems. This leads the buyer to rely more on the salesperson and his or her products and services. An added benefit may be increasing the involvement of the organization's own employees.
5. *Source of research information.* In a well-integrated marketing/sales department the sales force can be the "eyes and ears" of the firm. Sales reps can collect information on competitor's products and services, promotions, pricing, and so on firsthand. In addition, they can learn about the buying needs and wants of customers and potential customers.

As you can see, the advantages of personal selling focus primarily on the dyadic communication process, the ability to alter the message, and the opportunity for direct feedback. Sometimes, however, these potential advantages are not always realized. In fact, they may become disadvantages.

Disadvantages associated with personal selling include the following:

1. *Inconsistent messages.* Earlier we stated that the ability to adapt the message to the receiver is a distinct advantage of personal selling. But the lack of standardized message can become a disadvantage. The message to be communicated is generally designed by the marketing staff with a particular communications objective in mind. Once this message has been determined, it is communicated to all receivers. But the salesperson may alter this message in ways the marketer did not intend. Thus, the marketing staff is at the mercy of the sales force with respect to

what exactly is communicated. (Sales–marketing communications can offset this problem to some degree, as shown in IMC Perspective 22–1).

2. *Sales force/management conflict.* Unfortunately, there are situations in even the best companies when one wonders if the sales staff and marketing staff know they work for the same company and for the same goals. Because of failure to communicate, corporate politics, and a myriad of other reasons, the sales force and marketing may not be working as a team. The marketing staff may not understand the problems that the sales staff face, or the salespeople may not understand why marketing people do things the way they do. The result is that the sales force may not use materials provided from marketing, marketing may not be responsive to the field's assessment of customer needs, and so forth. The bottom line is that the communication process is not as effective as it could be due to faulty internal communications and/or conflicts.
3. *High cost.* We discussed earlier the high cost of personal selling. When the cost per sales call continues to climb, the marketer may find other forms of communication a more cost-effective alternative.
4. *Poor reach.* Personal selling cannot reach as many members of the target audience as other elements. Even if money were no object (not a very likely scenario!), the sales force has only so many hours and so many people it can reach in a given time. Further, the frequency with which these accounts are reached is also low.
5. *Potential ethical problems.* Because the manager does not have complete control over the messages the salespeople communicate and because income and advancement are often directly tied to sales, sometimes sales reps bend the rules. They may say and do things they know are not entirely ethical or in the best interest of the firm in order to get a sale. Other, perhaps more serious, problems can also occur. For example, many organizations are concerned about salespersons committing bribery. In a study reported in *Sales & Marketing Management*, 25 percent of managers and/or sales reps reported that they sometimes or often have felt pressured by a client to give the client something worth more than \$100 in exchange for their business. Even scarier is that almost 89 percent said that they had offered such gifts in exchange for business.<sup>9</sup> The potential for this problem has led to a renewed emphasis on ethics in

the marketplace and has caused many companies to use surveillance measures to ensure that their representatives are not engaging in illegal activities.<sup>10</sup>

## IMC Perspective 22–1 > > >

### Personal Selling and Marketing: Frenemies?

For as long as anyone can remember, there has always been a schism between the marketing and sales departments in companies. In most companies the two exist in separate silos, and it seems that's the way they want to keep it. So long as they do, the "blame game" will continue, with each side blaming the other for less than optimal performances. Marketing thinks it's doing a fabulous job and blames the sales force for not bringing in new business. At the same time, Sales thinks that Marketing consists of arrogant desk jockeys who don't appreciate the specialized skills needed to make sales. In one study, the sales professionals cited the lack of marketing assets and support as the primary reason for their failure to make the sales close. At the same time, the marketing department did not "throw sales under the bus," but its second ranked reason for failure to close was the lack of skill and/or ability that existed in the sales department. In other words, the salespeople thought the marketing people didn't understand their consumers, or what was involved in selling. In many cases this is true, as the "guys in the Ivory Tower" with their MBAs quite often develop marketing programs and/or materials that clearly reflect this lack of understanding. At the same time, because some salespeople have more of a "close the sales first" mentality, and they are evaluated based on different criteria, they often don't get the big picture of what marketing is trying to accomplish. Numerous studies have shown that this lack of communication between sales and marketing exists, but no one seems to understand what to do about it. However, things are starting to change.

A study conducted by Marketo and *The Economist* of 478 CMOs and senior marketing managers indicated that the majority of them believed that in the future, marketing and sales will no longer be separate departments, but will merge into one—marketing. Noted Marketo CMO Sanjay Dholakia says, "Marketing is really the new sales function. . . . In three to five years marketing is going to be the *de facto* owner of the entire customer journey. We're also moving toward a world where marketing is the new customer service. It is a huge elevation." Dholakia believes this change to give

marketing control is based on the markets' moves to digital and the marketers' ability to track customers and potential customers' movements across all touch points. By having this information, the seller will be able to truly establish a lifelong customer relationship. Perhaps more important for the sales departments, 80 percent of those managers surveyed agreed that the structure and design of their organizations needed to change over the next three to five years, with 30 percent saying this need for change is urgent. Yet, as we saw in the introduction to this chapter, the sales force is now assuming many marketing duties and has significantly changed its role. The sales force has become much more marketing oriented.

In fact, there are some indications that this merging process is already in progress. As noted in a report by the Sales Board Inc., two major trends are occurring that are impacting the role of sales today: (1) traditional outside sales jobs are diminishing and (2) nontraditional sales jobs are emerging. The report shows that outside salespeople—the ones who call on clients at their locations—are becoming rarer and are being replaced by inside salespeople. The inside people work from the companies' locations, usually using technologies to make calls. The second trend, the emergence of nontraditional sales teams, consists of persons whose jobs are not in sales, and may even dislike the thought of selling. For all intents and purposes they could be anyone in the organization. How could that be? Like the previous study discussed, the Sales Board article cited a study from the *Journal of Science* that indicated that outside sales jobs were the fastest-growing occupation during the period from 1950 to 1980, slowed in the 1990s, and began to shrink considerably with the introduction of the Internet. So now outside salespeople are selling less and maintaining relationships more.

Why would the growth of the Internet kill sales jobs? According to the Sales Board article, every time a customer buys something online, no salesperson is needed. The more transactions that take place, the fewer salespeople are required. In some cases, entire sales forces have been eliminated. (Of course, this is not true for all industries, as there are some in which the salesperson is required to provide information, close the sale, etc.) Online relationships are of significantly lower cost to conduct, and, as buyers become more comfortable with technology, they are more amenable to doing business this way. Videoconferences and/or sales calls are almost as effective as face-to-face calls, and more such calls can take place in a day than in the outside sales arena. IBM learned this years ago, and replaced most of its outside salespersons with inside ones. Bottom line: it doesn't look good for the outside sales force.





dizain/Shutterstock

So, is the traditional outside sales job going to cease to exist? Not very likely—at least in the short run—but it already has in regard to its traditional role. Particularly in the business-to-business marketing environment, the outside salesperson is still a critical—maybe *the* most critical—contact in the purchase decision process. But in other areas, the change is eminent. Remember when we referred to the “blame game”? In the future, this schism between sales and marketing is going to have to be eliminated. In a study conducted by Demand Metric, managers indicated that sales meetings that included sales and marketing were often considered critical for sales success or failure. Bad sales meetings led to more sales failures and increased blame on who was at fault. The study concluded something companies have known forever—there must be better communications between the two departments.

To make marketing and sales departments work better together, each has to understand what the other does. Salespeople must understand that marketers study consumer behavior to assist them in planning more strategically. They are in charge of branding, IMC functions, and even lead generation. Marketers need to understand that a good sales rep is capable of providing more insight into the market than some research studies. Feedback about competitors, reasons for lost sales, and quality of sales materials can make a big difference in the success of the combined Marketing/Sales effort.

As noted by Max Altschuler, for marketing and sales to work together in the most effective and efficient manner both departments must (1) establish a culture of open and constant communication between teams, (2) clarify the roles and functions of each department, (3) create a unified sales and marketing strategy, and (4) incentivize collaboration. Of course, people have been saying this for years. Maybe now that each

department is actually working together, they will understand each other better, and the conflict will cease to exist? Don't bet on it!

Source: Max Altschuler, "7 Problems between Sales and Marketing (and How to Fix Them)," [www.heinzmarketing.com](http://www.heinzmarketing.com), April 5, 2017; "Marketing & Sales: Frenemies Forever!" 2019, [www.thehartford.com](http://www.thehartford.com); "The Metrics of Bad Sales Interactions," *The Demand Metric Sales Interaction Quality Benchmark Study*, 2014; Duane Sparks, "It's Time to Redefine Selling," 2014, [www.actionselling.com](http://www.actionselling.com).

## COMBINING PERSONAL SELLING WITH OTHER PROMOTIONAL TOOLS

### LO 22-3

Like the other program elements, as discussed in IMC Perspective 22–1, personal selling is usually one component of the integrated marketing communications program. Rarely, if ever, is it used alone. Rather, this promotional tool both supports and is supported by other program elements. Unfortunately, in too many companies, the marketing and sales departments do not always operate in a co-operative manner, as shown in IMC perspective 22–1.

### Combining Personal Selling and Advertising

With specific market situations and communications objectives, the advantages of advertising make it more effective in the early stages of the response hierarchy (e.g., in creating awareness and interest), whereas personal selling is more likely to be used in the later stages (e.g., stimulating trial and getting the order). Thus, each may be more or less appropriate depending on the objectives sought. These elements can be combined in the promotional mix to compensate for each other's weaknesses and complement each other.

Consider a new product introduction. Given an adequate budget, the initial objective might be to reach as many people in the target market as quickly and cost-effectively as possible. Since the primary page 760 objective is awareness and a simple message will suffice, advertising will likely be the most appropriate medium.

Now suppose specific benefits must be communicated that are not very obvious or easy to comprehend, and a product demonstration would be useful. Or consider a situation in which the objective is to ask for the sale and/or to establish a relationship. Here personal selling is a more appropriate tool than advertising. In common marketing situations like these, you can see how well advertising and personal selling work together to attain the objectives sought.

A number of studies bear out this complementary relationship. Dell uses an IMC campaign (Exhibit 22–5) including advertising, direct marketing, sales promotion, and the Internet to create awareness that Dell is interested in companies' business. The campaign is designed to position the company as a solutions provider and to assist and enhance the sales force's efforts.

## EXHIBIT 22–5

Dell's IMC campaign informs customers that they compete in the business-to-business market.

*Source: Dell*



## Combining Personal Selling and Public Relations

The job descriptions presented earlier demonstrate that personal selling involves much more than just selling products and/or services. The personal-selling agent is often the firm's best source of public relations. In their day-to-day duties, salespeople represent the firm and its products. Their personalities, servicing of the account, cooperation, and empathy not only influence sales potential but also reflect on the organizations they represent.

The salesperson may also be used directly in a PR role. Many firms encourage sales reps to participate in community activities like the Jaycees and Little League. Sometimes sales reps, in conjunction with the company, sacrifice time from their daily duties to help people in need. For example, after Hurricane Katrina devastated New Orleans and other parts of the Gulf Coast, many companies, including H-E-B, U-Haul, Target, Walmart, and Lowe's, offered their support in a variety of ways, as did a number of others (Exhibit 22–6). These efforts also involved many sales forces. Insurance companies set up shop to help victims file claims, while others were granted time off to aid in the reconstruction efforts or to use their expertise to assist in any way they could. These, as well as other public relations activities, result in goodwill toward both the company and its products while at the same time benefiting society. In an article written 10 years after the disaster, the companies' response was commended as a model for disaster relief.<sup>13</sup>

### EXHIBIT 22–6

Smaller companies also pitch in in times of emergencies.

*achel Denny Clow/TNS/Newscom*



## Combining Personal Selling and Direct Marketing

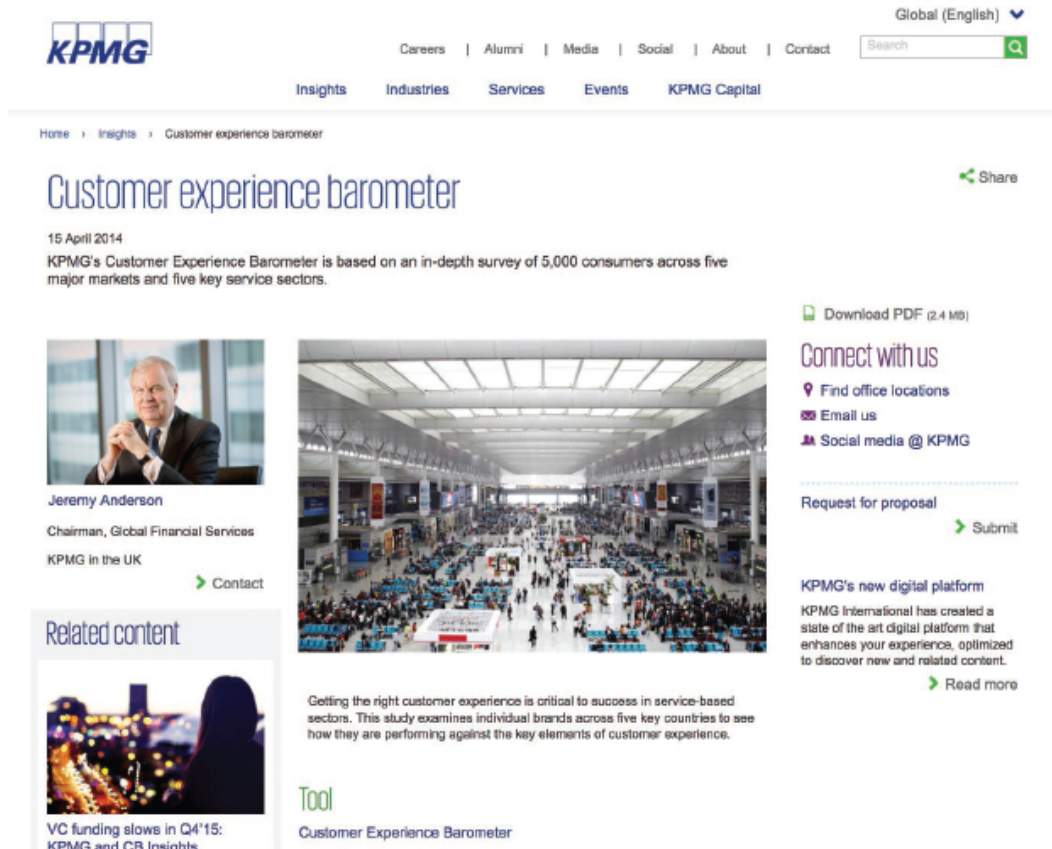
Companies have found that integrating direct marketing, specifically telemarketing and direct mail, into their field sales operations makes their sales efforts more effective. As noted, the cost of a sales call and the cost associated with closing a sale are already very high and on the increase. Many marketers have reduced these costs by combining the use of the Internet, telemarketing, and sales efforts. A number of companies page 761 now offer consulting services to help organizations in the sales process, including assisting in the development and implementation of direct-marketing methods, as shown in Exhibit 22–7.

### EXHIBIT 22–7

Research and consulting companies such as KPMG offer businesses direct-marketing and consulting services.

*Source: KPMG*





The telemarketing department is used to screen leads and—after qualifying potential buyers on the basis of interest, credit ratings, and the like—pass them on to the sales force. The net result is a higher percentage of sales closings, less wasted time by the sales force, and a lower average cost per sale.

As shown in Figure 22–10, there has been a rapid growth in the use of the telemarketing–sales combination. Companies have determined the phone can be used effectively for service and follow-up functions as well as for growth-related activities. Supplementing personal-selling efforts with phone calls frees the sales force to spend more time selling.

## FIGURE 22–10

The Growth of Telemarketing as a Sales Function: Reasons for Growth (in percentage)

Telephone Sales and Service*	Field Sales*
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Total growth related	58.0%	61.8%
Overall business growth or expansion	44.7	43.1
Added product lines	10.2	8.0
Added territories	3.1	10.7
Total system related	20.8	7.5
Added centralized telemarketing department	11.5	1.8
Added/changed computer system	6.2	4.4
Centralized sales and marketing	3.1	1.3
Customer demand	10.5	10.2
Cost efficiencies	1.4	0
Other	2.0	2.2
Can't tell/no response	9.8	18.2

Figures add to more than 100 percent due to multiple mentions.

In addition to selling and supporting the sales efforts, the telemarketing staff provides a public relations dimension. Communicating with buyers more often creates goodwill, improving customer satisfaction and loyalty while enhancing the CRM effort.

In addition to telemarketing, other forms of direct marketing have been combined successfully with personal selling. Direct mail and e-mail are commonly used methods for supporting sales. After an increased role in the personal-selling process just a few years ago, the use of e-mail may be on the wane. The use of direct mail is headed in the other direction. For example, many companies send out lead cards to screen prospective customers. As

indicated in Chapter 18, these may be used as a follow-up to inquiries to ads and/or bingo cards. The salesperson follows up with those who express a genuine interest, saving valuable time and increasing the potential for a sale. Other uses include database building and mining. Exhibit 22–8 shows an example of a highly used software program available to assist marketers in creating and managing a database. Marketers have also increased their use of web-related activities for both lead generation and social media growth. These activities include:

- Announcing company activities (webinars, a new website launch, promotions, and so forth).
- Presenting actionable items such as QR codes, downloadable coupons, and so on.
- Encouraging consumers to visit a website, blog, or social media platform.
- Reaching out to existing clients and encouraging them to provide interaction through social media such as Twitter, Facebook, and LinkedIn.
- Opening channels for customer feedback through surveys and other vehicles.

## EXHIBIT 22–8

Oracle is one of the more popular database management tools.

Source: Oracle



## Combining Personal Selling and Sales Promotion

The program elements of sales promotion and personal selling also support each other. For example, many of the sales promotions targeted to resellers are presented by the sales force, who will ultimately be responsible for removing or replacing them as well.

While trade sales promotions are designed to support the reseller and are often targeted to the ultimate consumer, many other promotional tools are designed to assist the sales staff. Flip charts, leave-behinds, and specialty ads may be designed to assist salespeople in their presentations, serve as reminders, or just create goodwill. The number of materials available may range from just a few to hundreds, depending on the company. (If you ever get the chance, look in the trunk of a salesperson's car. You will find everything from pens to calendars to flip charts to samples to lost baseball mitts—all but the last of which are used in the selling effort.) Other forms of sales promotions like contests and sweepstakes are also used, as noted earlier.

Likewise, many sales promotions are targeted at the sales force itself. Incentives such as free trips, cash bonuses, or gifts are often used to stimulate sales efforts. And, as we saw with resellers, contests and sweepstakes may also be used.

## Combining Personal Selling with the Internet

In Chapter 15, we discussed the increasing use of the Internet as a support to personal selling. As noted, the Internet has been used to provide product information, generate leads, screen prospects, and build and market from databases. While many marketing managers were originally concerned about the Internet taking business away from channel members and direct sales, most have found that it has been more an advantage than a disadvantage to their selling efforts. Many managers have increased usage of the Internet to fulfill the more mundane tasks of order fulfillment and providing page 763 information. This, in turn, will allow the sales force to be more effective in closing orders, prospecting, problem solving, and cross selling and focusing more attention on high-value and/or new customers. Future salespeople will do what is more profitable for the future—that is, sell and develop relationships, not just take orders. We saw earlier how the Internet can be used to reduce the cost of acquiring leads.

A rapidly popular use of the Internet is that of conducting online meetings in which the sales force and/or clients and potential clients participate. Some companies have found that they can save both time and money by conducting their sales meetings online rather than at a central location (Exhibit 22–9). More involved presentations—often referred to as “webinars”—may include a variety of purposes from conducting job training for employees to making presentations and providing in-depth product information to existing and potential customers. Digital and Social Media Perspective 22–2 discusses how some companies have used the Internet to successfully market their products.

## EXHIBIT 22–9

The Internet is used to conduct online meetings.

Source: LogMeIn, Inc.



THE ONLY THING MISSING IS A HANDSHAKE

Meet with anyone in high definition.  
Welcome to GoToMeeting — the extremely simple, extraordinarily powerful way to collaborate face to face in high-definition video. When inspiration strikes and your business demands action, you can instantly work together to turn ideas into reality.

TRY IT FREE TODAY  
GOTOMEETING.COM

**GoToMeeting**  
by LogMeIn

It is important that the elements of the promotional program work together, as each has its specific advantages and disadvantages. While

personal selling is valuable in accomplishing certain objectives and supporting other promotional tools, it must be supported by the other elements. In an effective marketing organization, personal selling and other communications tools work hand in hand to promote the marketing effort.

## EVALUATING THE PERSONAL-SELLING EFFORT

### LO 22-4

Like all other elements of the promotional mix, personal selling must be evaluated on the basis of its contribution to the overall promotional effort. The costs of personal selling are often high, but the returns may be just as high.

Because the sales force is under the supervision of the sales manager, evaluations are typically based on sales criteria. Sales may be analyzed by total sales volume, territories, product line, customer type, or sales representative attitudes. Steve Deist and Rick Johnson suggest that an evaluation of the sales force should focus on “doing the right things, not just doing things right.”<sup>14</sup> They propose a number of criteria that should be used in the sales force evaluation, as shown in Figure 22–11. They also note that the process is critical to the success of the salesperson and that the review should be an opportunity to create enthusiasm, not a session for reprimand or criticism. Other sales-related criteria such as new account openings and personal traits are also sometimes considered and may be increasing in importance as the emphasis on relationship building continues to increase (Figure 22–12).

### FIGURE 22–11

Factors to Be Considered in the Sales Review Process

- Review of all target accounts.

- Review of all cross-functional selling activities or the lack of them.
- Review of specific territory objectives including sales to plan and gross profit to plan, and assigned account objectives.
- Knowledge of products, customers, and customer organizations.
- Ability to apply this market knowledge.
- Development of a favorable attitude as it pertains to that knowledge and those applied skills.
- Ability to make required course corrections.

Source: Steve Deist and Rich Johnson, "Developing an Effective Sales Force," *Industrial Distribution*, April 2005, p. 75.

## Digital and Social Media Perspective 22–2 > > >

### How the Internet Has Changed Personal Selling

If you consider personal selling a traditional medium, which you should, then you should know by now that this form of communication—like the others—has had to undergo changes since the advent of the Internet. Years ago, when the Internet started to gain momentum, some marketers thought it would become a threat to personal selling as they knew it. Well, the Internet definitely changed personal selling and the way that marketers used it, not as a threat but rather as an opportunity. Thomas Young, in his blog [Vistage.com](http://Vistage.com), explains how:



violetkaipa/Shutterstock

Perhaps the major change is that the total purchasing and decision making authority is now in the hands of the prospective buyer. Rather than having to go out and find prospects, prospects now find sellers. This is good news and bad. Traditional prospecting is now a dying art, saving the sales person a lot of time and money—this is the good news. The bad news is that if your organization is not satisfying the customers needs and wants, it is easy for them to find someone who will *online*. The net result is that cold calling and prospecting are being minimized.

Second, selling roles have changed. The client has become the prospector and qualifier of providers, again through the Internet. Rather than rely on information provided by the salesperson, the primary resource for information, knowledge, and competitive activity is the Internet. The first presentation is now made by the website—not the salesperson. In many cases, the buyer doesn't have time to deal with salespeople, when they can get the information when and where they want it in a shorter period of time. The growth of the inside sales force described in this chapter is in part a result of this.

Facebook, Twitter, blogs, forums, and LinkedIn have also contributed to the revolution. Rather than dealing with sometimes annoying salespersons, the buyer now becomes a sales lead himself or herself, initiating the relationship voluntarily when they seek information from a website. The traditional salesperson was often the most reliable (and sometimes only) source of information. Relationships were established based on personality factors, service, and even friendships. The way people sold was more important than the reasons why people bought.

Now, according to Matthew Cook, Director of Sales Enablement Practice, the Internet has changed everything. According to Cook, today's buyers have all the power, but salespeople also have new tools to help them continue to be effective. According to Cook, the Internet has changed the emphasis of sales through:

- ***Data-based selling***—Analytics and data gathering have shortened the sales cycle. If prospects are more informed,

sales reps can act quickly and convert leads faster. In addition, managers have more reliable information upon which to rely to determine which sales persons are performing best.

- *Information is at the buyer's fingertips*—Gone are the days of mailing brochures and finding ways to provide prospects with information. Customers can now do their own research online. Conducting research was a time-consuming proposition for the salesperson. Now, both buyer and seller can access information more quickly—and with more credibility.
- *Instant access to the office*—In the past, mail was the major form of communication with prospects. The advent of smartphones has led to instant access, and they can be used to send information, documents, and even contracts, saving everyone time and money.
- *Targeted prospecting*—Because everybody is online, it is easier and faster to communicate. Social media have made it easier for salespeople to prospect, determine who the key decision maker is, and gather other useful information. It is now much easier to determine who might be interested in your products and services.

The article “Redefining the Traditional Roles of Your Sales Force” notes that the new salesperson must become an “indispensable partner” to the client. This person needs to excel at both technical competence and relationship building, being more than an expert by also building the trust and helping clients promote their own business. The article also calls for the hiring of a “sales engineer”—again, one with technical skills that transcends products assisting companies with products and operation of the same. Sales is truly becoming a technical job.

Yes, just like other media, personal selling has changed. Now salespeople are being forced to become marketers.

Sources: Matthew Cook, “How the Internet Has Changed the Salesperson’s Role,” October 13, 2017, [www.square2marketing.com](http://www.square2marketing.com); Susie Kelley, “How the Internet Has Changed Sales,” May 2, 2017, [www.thespotonagency.com](http://www.thespotonagency.com); “Redefining the Traditional Roles of Your Sales Force,” April 20, 2016, [www.mercatopartners.com](http://www.mercatopartners.com); Thomas Young, “A Selling Revolution: How the Internet Changed Personal Selling,” February 3, 2011, blog. [vistage.com](http://vistage.com); Thomas Young, “Personal Selling Gets Modern with Social Media,” February 3, 2012, [www.webmarketing123.com](http://www.webmarketing123.com).



## FIGURE 22-12

Criteria Used to Evaluate Sales Forces

QUANTITATIVE MEASURES	
Sales Results	Sales Efforts
<p><i>Orders</i></p> <ul style="list-style-type: none"> <li>Number of orders obtained</li> <li>Average order size (units or dollars)</li> <li>Batting average (orders ÷ sales calls)</li> <li>Number of orders canceled by customers</li> </ul> <p><i>Sales Volume</i></p> <ul style="list-style-type: none"> <li>Dollar sales volume</li> <li>Unit sales volume</li> <li>By customer type</li> <li>By product category</li> <li>Translated into market share</li> <li>Percentage of sales quota achieved</li> </ul> <p><i>Margins</i></p> <ul style="list-style-type: none"> <li>Gross margin</li> <li>Net profit</li> <li>By customer type</li> <li>By product category</li> </ul> <p><i>Customer Accounts</i></p> <ul style="list-style-type: none"> <li>Number of new accounts</li> <li>Number of lost accounts</li> <li>Percentage of accounts sold</li> <li>Number of overdue accounts</li> <li>Dollar amount of accounts receivable</li> <li>Collections made of accounts receivable</li> </ul>	<p><i>Sales Calls</i></p> <ul style="list-style-type: none"> <li>Number made on current customers</li> <li>Number made on potential new accounts</li> <li>Average time spent per call</li> <li>Number of sales presentations</li> <li>Selling time versus nonselling time</li> <li>Call frequency ratio per customer type</li> </ul> <p><i>Selling Expenses</i></p> <ul style="list-style-type: none"> <li>Average per sales call</li> <li>As percentage of sales volume</li> <li>As percentage of sales quota</li> <li>By customer type</li> <li>By product category</li> <li>Direct-selling expense ratios</li> <li>Indirect-selling expense ratios</li> </ul> <p><i>Customer Service</i></p> <ul style="list-style-type: none"> <li>Number of service calls</li> <li>Displays set up</li> <li>Delivery cost per unit sold</li> <li>Months of inventory held, by customer type</li> <li>Number of customer complaints</li> <li>Percentage of goods returned</li> </ul>
QUALITATIVE MEASURES	
Sales Results	Sales Efforts

<i>Selling Skills</i>	<i>Sales-Related Activities</i>
Knowledge of the company and its policies	Territory management sales call preparation, scheduling, routing, and time utilization
Knowledge of competitors' products and sales strategies	Marketing intelligence: new product ideas, competitive activities, new customer preferences
Use of marketing and technical back teams	Follow-ups: use of promotional brochures and correspondence with current and potential accounts
Understanding of selling techniques	Customer relations
Customer feedback (positive and negative)	Report preparation and timely submission
Product knowledge	Personal characteristics
Customer knowledge	Cooperation, human relations, enthusiasm motivation, judgment, care of company property, appearance, self-improvement efforts, patience, punctuality, initiative, resourcefulness, health, sales management potential, ethical and moral behavior
Execution of selling techniques	
Quality of sales presentations	
Communication skills	

In a study of high-performing sales organizations, five characteristics were identified as being critical for differentiating effective from noneffective performances. These characteristics include<sup>15</sup>

1. The strength of the field manager.
2. A clear link between company culture and values to sales strategies.
3. Rigorous management processes that drive performance.
4. Consistent training that leads to consistent execution.
5. The courage to change.

From a promotional perspective, sales performance is important, as are the contributions of individuals in generating these sales. On the other hand, the promotions manager must evaluate the performance of personal selling as

one program element contributing to the overall promotional program. So he or she needs to use different criteria in determining its effectiveness.

## Criteria for Evaluating Personal Selling

A number of criteria may be used to evaluate the contribution of the personal-selling effort to the promotional program. They include the following:

- *Provision of marketing intelligence*—the ability of the sales force to feed back information regarding competitive programs, customer reactions, market trends, and other factors that may be important in the development of the promotional program.
- *Follow-up activities*—the use and dissemination of promotional brochures and correspondence with new and existing customers, providing feedback on the effectiveness of various promotional programs.
- *Program implementations*—the number of promotional programs implemented; the number of shelf and/or counter displays used, and so forth; the implementation and assessment of cooperative advertising programs.
- *Attainment of communications objectives*—the number of accounts to whom presentations were made (awareness, evaluation), the number of trial offers accepted, and the like.

Combining these criteria with those used by the sales department, the promotion manager should be able to accurately assess the effectiveness of the personal selling program. Making these evaluations requires a great deal of cooperation between the departments.

## Summary \_\_\_\_\_

This chapter discussed the nature of personal selling and the role this program element plays in the promotional mix. The role of personal selling

in the IMC program varies depending on the nature of the industry, competition, and market conditions. In many industries (for example, industrial markets) the personal-selling component may receive the most attention, while in others (for example, consumer nondurables) it plays a minor role. Most industries have experienced significant changes in the sales department as a result of a significant increase in usage of the Internet and social media to assist in the sales process. The need for sales and marketing to work more closely together continues to be critical for companies' success.

Personal selling offers the marketer the opportunity for a dyadic communication process (a two-way exchange of information). The salesperson can instantly assess the situation and the effects of the communication and adapt the message if necessary.

While this exchange lets the sales rep tailor the message specifically to the needs and wants of the receiver, its disadvantage is a nonstandardized message, since the final message communicated is under the salesperson's control. In an attempt to develop a standard communication, marketers provide their reps with flip charts, leave-behinds, and other promotional pieces.

Evaluation of the personal-selling effort is usually under the control of the sales department, since sales is the most commonly used criterion. The promotions manager must assess the contribution of personal selling with nonsales-oriented criteria as well, integrating this element into the overall IMC program.

## Key Terms

**customer relationship management (CRM)** 746

**personal selling** 746

**dyadic communication** 747

**relationship marketing** 750

**prospecting** 751

**leads** 751  
**prospects** 751  
**qualified prospects** 751  
**close** 753  
**cross sell** 753

## Discussion Questions

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1. Battling between the sales and marketing departments has existed for years and shows no sign of letting up. Even though both sides know that the battles are dysfunctional, there seems to be no end in sight. Explain some of the reasons for these departmental conflicts and what might be done to resolve the issue. (LO 22-1)
2. Figure 22–12 lists some of the criteria used to evaluate the performances of the sales force. Many salespeople contend that they should only be judged by quantitative measures, such as meeting their sales goals. Explain whether you agree or disagree and why. (LO 22-4)
3. What is relationship marketing? How does relationship marketing differ from CRM? (LO 22-2)
4. What is meant by the term “cost per lead”? Why would the cost per lead differ in different industries? Provide some examples. (LO 22-1)
5. Figure 22–8 lists a number of traits common to successful salespeople. Describe each of these traits and provide an example of a business transaction where it might be important. (LO 22-4)
6. The growth of the Internet has brought about many changes that have had a direct impact on the sales force. Give examples of these and discuss how salespeople have had to react. (LO 22-1)
7. Discuss some of the advantages and disadvantages of personal selling versus other media—both traditional and nontraditional. (LO 22-3)
8. Where in the consumer decision process would personal selling likely be most effective? Explain why. (LO 22-1)
9. There are many in the marketing industry who feel that the sales force may cease to exist in the future. Discuss some of the reasons that support this

prediction. Then provide reasons why this is *not* likely to be the case. (LO 22-1)

**10.** One might expect that personal salespeople are evaluated strictly on how much they sell. Discuss the other criteria presented in the chapter and explain why they might or might not be useful for evaluating the sales force. (LO 22-4)



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# Glossary of Advertising and Promotion Terms

**A/B testing** A process that involves the testing of two versions of an advertisement or homepage to see which will be the more effective prior to launch.

**absolute cost** The actual total cost of placing an ad in a particular media vehicle.

**account executive** The individual who serves as the liaison between the advertising agency and the client. The account executive is responsible for managing all of the services the agency provides to the client and representing the agency's point of view to the client.

**account planner** The individual who gathers information that is relevant to a client's product or service and can be used in the development of the creative strategy as well as other aspects of an IMC campaign.

**account planning** The process of conducting research and gathering all relevant information about a client's product, service, brand, and consumers in the target audience for use in the development of creative strategy as well as other aspects of an IMC campaign.

**account-specific marketing** Development of customized promotional programs for individual retail accounts by marketers.

**ad execution–related thoughts** A type of thought or cognitive response a message recipient has concerning factors related to the execution of the ad, such as creativity, visual effects, color, and style.

**adjacencies** Commercial spots purchased from local television stations that generally appear during the time periods adjacent to network programs.

**advergame** Online game designed to promote a product and/or brand.

**advertainment** Media combining the use of advertising and entertainment (e.g., in-game advertising, advergaming).

**advertising** Any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor.

**advertising agency** A firm that specializes in the creation, production, and placement of advertising messages and may provide other services that facilitate the marketing communications process.

**advertising appeal** The basis or approach used in an advertising message to attract the attention or interest of consumers and/or influence their feelings toward the product, service, or cause.

**advertising campaign** A comprehensive advertising plan that consists of a series of messages in a variety of media that center on a single theme or idea.

**advertising creativity** The ability to generate fresh, unique, and appropriate ideas that can be used as solutions to communication problems.