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LEARNING OBJECTIVES

- LO1 To understand the role of personal selling in the integrated marketing communications program.
- LO2 To know the advantages and disadvantages of personal selling as a promotional program element.
- LO3 To understand how personal selling is combined with other elements in an IMC program.
- LO4 To know methods used to determine the effectiveness of the personal selling effort.

21 Personal Selling

LIVE CHAT: PERSONAL SELLING ONLINE

It is a fact that online shoppers abandon their “carts.” They browse websites for products, place items in their online shopping carts, and leave the website without purchasing them. According to Forrester Research, the shopping cart abandonment rate is more than 70 per cent. Another study by Listrak estimates that the loss of income due to shopping cart abandonment is \$18 billion a year.

More and more shoppers are using the Internet to research prices online before buying products, but not for actual purchases. Online retailers are turning to “live help” tools to convert browsers into shoppers. These tools are website-embedded functions that allow consumers to converse directly with live company representatives in real time, such as online chat or click-to-call. Forrester Research states that 27.8 percent of retailers provide “live help” solutions. The same survey states that by the end of 2010, 26.5 percent more retailers would have added live chat capabilities on their websites.

Live chat on websites adds value to the online shopping experience for consumers, adding a level of personal selling to a channel that is historically devoid of interpersonal contact. It allows websites to offer customer service in real time which increases sales. For example, after the women’s clothing store Chico’s added live chat in June 2009, 25 percent of shoppers who used this feature became buyers instead of just being browsers. This is a common effect of live chat as a study conducted by Bold Software had revealed. The study reported that 23 percent of online stores surveyed said that of the customers who engaged in a live chat, more than 40 percent converted to a lead or sale, and that 54 percent of these stores reported conversion rates of 20 percent or more.

Although the inclusion of live chat in an online store increases sales, these are further increased

when live chat actively engages consumers before the click-to-chat. Increasingly, brands are reaching out to their online shoppers by asking whether they may help and are using live chat as a means to recreate the in-store sales experience. Live chat is becoming more active, unobtrusively entering the online shopping process by making the initial contact. Consumers are more likely to express their concerns when prompted, and are also more likely to purchase when these are addressed. Live chat increases sales as shoppers feel valued when customer service representatives are readily available to answer any queries they may have about the products that interest them.

Other research conducted by the software company Art Technology Group showed that 90 percent of U.S. consumers and 83 percent of European customers ranked click-to-chat as “useful to extremely useful.” Online shoppers are choosing live help services to answer their complex questions, to convey delicate information required for online transactions, to enquire about prices of goods and services, and to resolve problems that arise whilst transacting online. The same study concludes that 94 percent of U.S. consumers and 85 percent of their European counterparts find live help tools extremely useful for the aforementioned reasons.

Shoppers highly value online customer service chat or IM in online shopping. A study by Lime-light Networks involving 1,600 shoppers reported that 45 percent believed that the live help tool was extremely or very important in managing their online purchases. Live chat has been shown to solve shoppers’ issues in real time and to remove obstacles in completing a purchase. It is more effective than telephone helplines as it requires little effort and allows sales representatives to attend to multiple customers at any one time.

By introducing personal selling into the online shopping experience, live chat has transformed a largely inert medium into an active one that allows a company to influence its consumers.

Sources: Limelight Networks, "What Shoppers Want in Online Customer Service," *In the Limelight*, <http://blog.lnw.com/2011/01/what-shoppers-want-in-online-customer-service/>; ATG, "Live Help: Global Consumer Views & Trends," *ATG Research Report*, March 2010, <http://www.atg.com/resource-library/WP-Worldwide-Live-Help-Survey.pdf>; Crystal Kang, "Higher E-Commerce Sales May Be Only a Click

Away," July 13, 2010, http://www.cnn.com/id/38169197/Higher_E_Commerce_Sales_May_Be_Only_a_Click_Away; "Bold Software's Annual Post-Holiday Customer Research Reveals Live Chat's Increasing Importance for Achieving Competitive Advantage," *San Francisco Chronicle*, February 14, 2011, <http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/02/14/prweb5064764.DTL>; Kristina Knight, "Listrak: Retailer's Aren't Correcting Cart Abandonment Issues," *BizReport*, February 23, 2011, <http://www.bizreport.com/2011/02/listrak-retailers-arent-correcting-cart-abandonment-issues.html>.

THE SCOPE OF PERSONAL SELLING

An increased emphasis on customer relationship management 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.¹ But personal selling does make a valuable contribution to the promotions program. In addition, IMC tools are 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 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 firms, while in other firms, such as makers of low-priced consumer nondurable goods, its role is minimized. 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

LO 21-1

Manufacturers may promote their products *directly* to consumers through advertising and promotions and/or direct-marketing efforts or *indirectly* through resellers and sales people. (A sales force may call on customers directly—for example, in the insurance industry or real estate. 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 communications 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 computer graphics firm. Part of his or her responsibility for making a sale may involve the design of a software program to solve a problem unique to this customer. Mass communications cannot accomplish these tasks. Personal selling plays a critical role not just in industrial settings but in the consumer market as well.

The great entrepreneur Marshall Field said, "The distance between the salesperson and the potential buyer is the most important three feet in business."² 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.³
 - *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, and public relations/publicity. 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 21–1 on page 6.

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

FIGURE 21-1

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

- *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 cost of a sales call, with at least one company estimating that this number would approach \$400.)⁴ 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.

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.

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. As noted by Thomas Wotruba, the personal selling area is constantly evolving as the marketing environment itself evolves.⁵ Wotruba identifies five distinct stages of personal selling evolution, shown in Figure 21-2 on page 7.

1. **Provider stage.** Selling activities are limited to accepting orders for the supplier's available offering and conveying it to the buyer.
2. **Persuader stage.** Selling involves an attempt to persuade market members to buy the supplier's offerings.
3. **Prospector stage.** Activities include seeking out selected buyers who are perceived to have a need for the offering as well as the resources and authority to buy it.
4. **Problem-solver stage.** Selling involves obtaining the participation of buyers to identify their problems, which can be translated into needs, and then

CHARACTERISTICS OF STAGES				
Stages and Description	Customer Needs	Type of Market	Nature and Intensity of Competition	Examples
1. <i>Provider</i> : accepts orders and delivers to buyer	Assumed to exist; not a concern	Sellers'	Non	Route salespeople/drivers; some retail salesclerks
2. <i>Persuader</i> : attempts to convince anyone to buy available offerings.	Created, awakened	Buyers'	Undifferentiated; slight intensity	Telemarketers for photo studio; many new car dealers
3. <i>Prospector</i> : seeks out prospects with need for available offering and resources to buy	Considered but inferred	Segmented	Differentiated; growing	Car insurance salespeople calling on new car buyers; office supplies sellers calling on small businesses
4. <i>Problem solver</i> : matches available offerings to solve customer-stated problems.	Diagnosed with attention to customer input	Participative	Responsive and counteractive with increasing resources	Communication systems salespeople for a telephone company; architectural services sellers calling on building contractors
5. <i>Procreator</i> : creates a unique offering to match the buyer's needs as mutually specified, involving any or all aspects of the seller's total marketing mix	Mutually defined; matched with tailored offering	Coactive	Focused, growing in breadth of market and service offerings	Materials handling equipment salespeople who design and sell a system to fit a buyer's manufacturing facility

FIGURE 21-2
The Stages in the Evolution of Selling

presenting a selection from the supplier's offerings that corresponds with those needs and can solve those problems.

- 5. Procreator stage.** Selling defines the buyer's problems or needs and their solutions through active buyer-seller collaboration and then creates a market offering uniquely tailored to the customer.

According to Wotruba, firms evolving through these five 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 very 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.⁶ 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, described by Wotruba, 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 solution with tangible value.
- *Fire starting*—engaging customers and driving them to commit to a solution.⁷

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

Relationship Marketing As noted, 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.

Relationship marketing is defined as “an organization’s effort to develop a long-term, cost-effective link with individual customers for mutual benefit.”⁸ Rather than focusing on a short-term sale, the sales rep tries to establish a long-term bond. 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. For example, customer relationship management (CRM) tools have been used by a number of companies. These companies, including Gateway, Honeywell, America Online, among others, make extensive uses of their databases on purchase behavior and frequency and duration of customer interactions to estimate profitability at the individual account level. A number of companies now offer software to assist in implementing CRM programs, including Seibel Systems, SAP, SAS, and PeopleSoft (Exhibit 21–1). AT&T builds databases of customers with similar profiles, flagging those with the most potential for up-selling. As noted by Copulsky and Wolf, such marketing uses a more personalized form of communication that crosses the previous boundaries between personal selling and the other promotional tools. Relationship building also requires trust, as noted by Pepper and Rodgers: if the customer does not trust the salesperson there is no relationship and the sale will focus only on price. In a long-term relationship, the buyer and seller collaborate within the context of previous and future transactions.⁹ Figure 21–3 on page 9 shows some of the factors considered important in maintaining customers.

Adoption of a 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. 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.

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

EXHIBIT 21–1

SAS designs software to assist customer relationship management (CRM)



Product Quality and Customer Service Are the Very Important Factors in Keeping a Customer

Very Important	Consumer Only	B-to-B Only	Both	All Respondents
Perceived price to value proposition	71%	71%	60%	67%
Customer service	71	69	75	73
Product quality	78	79	71	75
Product uniqueness	48	36	35	40
Depth of product line	31	44	34	35
Loyalty/reward program	13	11	12	12

FIGURE 21-3

Factors That Are Very Important in Keeping a Customer, by Company Type

Source: The DMA 2005 Customer Prospecting and Retention Report

other communication methods and (2) it is an expensive form of communication. The average cost per sales call varies by industry, though on average it has increased at the rate of \$9.60 per year since 1980, when the average was only \$126.00.

When the cost per sales call is compared with the cost per message delivered through other media, these figures seem outrageous. We saw in earlier chapters that these costs could be as low as 3 cents. 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. It may be that the higher costs cannot be avoided.

The costs of personal selling are even higher when you consider that one sales call is not likely to be enough to close a deal. This is particularly true in building and construction; while it may take (on the average) only 3.34 sales calls to close a deal in the building and construction industry, the same close in electronics and computer manufacturing may require 6.5 visits.¹⁰ The industry average is 5.12. As you can see through simple multiplication, the cost per sale is now even more intimidating (though in industrial markets the returns may easily warrant the expense).

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.

EXHIBIT 21-2

Salespeople may assume multiple responsibilities



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Personal Selling Responsibilities *Sales & Marketing Management* uses three categories to classify salespeople: **order taking**, **creative selling**, and **missionary sales**¹¹ (see Figure 21-4 on page 10). Of course, not all firms treat each of these responsibilities the same, nor are their salespeople limited to only these tasks (Exhibit 21-2). 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. Let's discuss these job classifications and some of the responsibilities assigned to each:

Order Taking

Once the initial sale has taken place, the creative seller may be replaced (not physically!) by an order taker, whose role is much more casual. It may simply involve a straight rebuy—that is, the order does not change much. (A bottled-water delivery person is an example.) When a slight change is considered, the order taker may be involved in a modified rebuy, which may require some creative selling (for example, a salesperson calling on a wholesale food company may have a list of products to sell). If a major purchase decision is required, however, the role of making the sale may again be turned over to the creative seller. Order takers are often classified as *inside* order takers, who work inside the sales office and receive orders by phone, mail, or the Internet, and *field* order takers, who travel to customers to get their orders.

Creative Selling

Creative selling jobs may require the most skill and preparation. In addition to prospecting, the salesperson must assess the situation, determine the needs to be met, present the capabilities for satisfying these needs, and get an order. The salesperson is often the “point person” who has established the initial contact on behalf of the firm and who is primarily responsible for completing the exchange. He or she is, in fact, the order getter. Sales personnel may focus on current customers, encouraging more sales and cross selling, and/or they may seek new customers.

Missionary Sales Reps

The missionary representative is essentially a support role. While performing many of the tasks assumed in creative selling, the missionary rep may not actually take the order. He or she introduces new products, new promotions, and/or new programs, with the actual order to be taken by the company's order taker or by a distributor representing the company's goods. The missionary sales rep may have additional account service responsibilities including customer relationship management. Missionary reps are most often employed in industries where the manufacturer uses a middleperson to distribute the product (for example, food products or pharmaceuticals).

FIGURE 21-4

Types of Sales Jobs

- 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 21-3 shows a page from the website of 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 others, use a Web-based system.
- 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.
- 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.

EXHIBIT 21-3

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- 87 Million Homeowners
- 11.4 Million Executives
- 18 Million New Movers
- 650,000 Manufacturers
- 3.7 Million New Homeowners
- 116,000 Big Businesses
- 1.7 Million Bankruptcies
- 5.4 Million Small Business Owners
- 12.4 Million Households with Children

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) is important 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.

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 non-rational 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 21–5 on page 12 provides a list of the 10 traits that are common to successful salespeople (the list is consistent with other studies conducted), while Figure 21–6 on page 13 shows the results of one company's survey of buyers' likes and dislikes regarding the sales force.

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 21-2

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).
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, ask 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.
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.

FIGURE 21-5

Ten Traits of Successful Salespeople

Source: Tom Reilly, *Value-Added Selling*, 3rd ed. (New York: McGraw-Hill, 2010).

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.
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.
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 who 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.

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 communications 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

FIGURE 21-6
Buyers’ Likes and Dislikes
about Salespeople

Source: Billboard material used with permission of e5 Global Media, LLC.

Traits Buyers Consider Most Helpful in Salespeople*	Traits Buyers Consider Most Objectionable in Salespeople*
1. <i>Knowledge.</i> They want salespeople who know products and policies thoroughly. They value technical support most highly.	1. <i>Unprepared.</i> Buyers hate salespeople who waste time by calling without clear purposes, especially on a busy day.
2. <i>Empathy.</i> They want salespeople who are interested in them. They want salespeople who listen and learn about them, their problems, and their goals.	2. <i>Uninformed.</i> They are vociferous about dealing with salespeople who don’t know their products or lines and can’t answer simple questions.
3. <i>Well organized.</i> They want salespeople who come prepared and do not waste their time. They strongly prefer salespeople who have written objectives.	3. <i>Aggressive.</i> They are turned off by “pushy” salespeople who argue and who “care more about their commission than the customer.”
4. <i>Promptness.</i> They expect quick replies to requests for information, especially when a problem rears its ugly head.	4. <i>Undependability.</i> They cite salespeople who do not return calls promptly and who are never there when needed.
5. <i>Follow-through.</i> They look for salespeople who will follow through without continuous badgering. This spells personal reliability.	5. <i>Poor follow-through.</i> They are disgusted with calling salespeople several times to get information the salespeople promised.
6. <i>Solutions.</i> They want salespeople to present innovative solutions to problems. They seek responsiveness and creativity.	6. <i>Presumptuousness.</i> Many are offended by salespeople asking for competitors’ quotes.
7. <i>Punctuality.</i> They expect salespeople to keep appointments promptly and to let them know if they will be late. They will excuse tardiness occasionally, but not frequently.	7. <i>“Walk-ins.”</i> They list people who call without appointments with no specific purposes. They also feel invaded by many telemarketers.
8. <i>Hard work.</i> They appreciate salespeople who work hard. They are impressed by salespeople who put in long and hard hours.	8. <i>“Gabbers.”</i> They dislike compulsive talkers who go on and on and don’t listen. They describe the “Gift of Gab” as boring. They are tired of hearing the “latest jokes.”
9. <i>Energetic.</i> They are impressed by a positive attitude, enthusiasm, affability, consistency, and flexibility.	9. <i>Problem avoiders.</i> They dislike salespeople who go to pieces in a crisis, those with no clout, and those who are afraid of their principals.
10. <i>Honesty.</i> They want specifics instead of generalities. They look for personal integrity.	10. <i>Lack of personal respect.</i> They resent salespeople who go to other people in the company without their knowledge.

*In order of greatest number of times mentioned.

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 communications aids can offset this problem to some degree, as you will see later in this chapter.)

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 faced by the sales staff, 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. As the cost per sales call continues to climb, the marketer may find mass communications 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 more scary is that almost 89 percent said that they had offered such gifts in exchange for business.¹² The potential for this problem has led to a renewed emphasis on ethics in the marketplace and has caused as many as 20 percent of companies to use surveillance measures to ensure that their representatives are not engaging in illegal activities.¹³

COMBINING PERSONAL SELLING WITH OTHER PROMOTIONAL TOOLS

LO 21-3

Like the other program elements, 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.

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 (for example, in creating awareness and interest), whereas personal selling is more likely to be used in the later stages (for example, stimulating trial and getting the order).

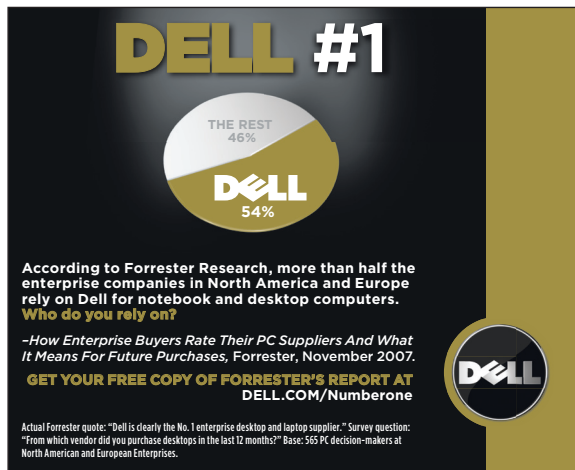


EXHIBIT 21-4

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

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 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. A study by Theodore Levitt showed that sales reps from well-known companies are better received than those from companies that do not spend advertising dollars to create awareness.¹⁴ (Once they are in the door, however, the buyer expects the salesperson to perform better than those from lesser-known companies.) If a salesperson from a lesser-known company can get in to see the buyer, he or she is as likely to make the sale. But in risky situations, the well-advertised company rep has the advantage. Dell used an IMC campaign (Exhibit 21-4) using advertising, direct marketing, sales promotion, and the Internet to create awareness that Dell is interested in companies' business (Dell entered the computer market by targeting consumers). The campaign was designed to position the company as a solutions provider and to assist and enhance the sales force's efforts.

In other studies, John Morrill found that selling costs were 2 to 28 percent lower if the buyer had received an advertising message before the salesperson's arrival.¹⁵ McGraw-Hill Corp., in a review of 54 studies, concluded the combination of advertising and personal selling is important since "less than 10 percent of industrial decision makers had been called upon by a salesperson from a specific company about a specific product in the previous two months."¹⁶

The studies suggest that combining advertising and personal selling is likely to improve reach, reduce costs, and increase the probability of a sale (assuming the advertising is effective). Unfortunately, many salespeople do not understand the role that advertising plays and the contribution it can make to supporting their sales efforts. Some view the impact advertising makes with skepticism and/or believe that the monies would be better spent on commissions, price reductions, and so on. Ted Pollock, writing in *The American Salesman*, discusses the fact that advertising contributes to the sales process, and he enumerates 12 ways salespersons can use advertising to help them sell more (Figure 21-7 on page 16).

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

1. *Save sales force time.* Sending a reprint of an advertisement ahead of time familiarizes the potential client with the product or service.
2. *Save lengthy explanations.* Sometimes ads can explain much of what the product does and even what it doesn't do, saving time as the salesperson only has to explain what is not already conveyed.
3. *Visual aids:* Ads can add impact to the presentation, reinforcing selling points.
4. *Ego boosters.* Telling prospects that an ad will appear in the media often makes the buyer feel she is important, and that she has inside information. Seeing the ad reinforces this.
5. *Personal refreshers.* Reviewing ad copy will often add insights to the salesperson, or remind him of key points that can be useful in a presentation.
6. *Clues to prospects' interests.* Sometimes prospects call in reference to an ad. By reviewing the ad, the salesperson can gain insights into the benefits the potential customer may be most interested in.
7. *Prove a point.* The printed word adds credibility to salespersons' verbal claims. One medium reinforces the other.
8. *Nudge indecisive prospects.* For indecisive prospects, a review of the ad campaign can often be the closer. If the ad is to include dealers' names, an additional benefit is offered, as the dealer may now directly benefit.
9. *Create preference.* Consistent advertising helps to build brand preference. Keeping customers and prospects aware of advertising creates favorable impressions of the company, the product or service, and the salesperson.
10. *Provide follow-ups.* Sending a reprint of an ad after the sales presentation serves as a good reminder, and can be used to focus attention on key benefits offered in the ad and in the presentation. It also demonstrates concern on the part of the salesperson.
11. *Fight lower-priced competitors.* Ads can be used to show support and ward off low-priced competitors. The salesperson can explain how the ad will help support the customer's own sales efforts and help them not have to get into price wars.
12. *Getting the customer into the act.* Asking the customer about the ads and getting his inputs helps cement relationships and provides valuable feedback to one's own organization. Often customers have ideas that may never have been thought of.

FIGURE 21-7

Twelve Ways to Use Advertising to Sell More

Source: Adapted from Ted Pollock, "12 Ways to Use Your Advertising to Sell More," *American Salesman*, October 2002.

daily duties to help people in need. For example, after hurricanes Katrina, Rita, and Wilma devastated the Southeast, many companies offered their support in a variety of ways (as noted in Chapter 17). These efforts also involved many sales forces (Exhibit 21-5). 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.

EXHIBIT 21-5

Salesforce volunteers from PacifiCare Corporation rebuild a house destroyed by Hurricane Katrina



Combining Personal Selling and Direct Marketing

Companies have found that integrating direct marketing, specifically telemarketing, into their field sales operations makes their sales efforts more effective. 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 telemarketing and sales efforts (a typical telesales call costs about 11 cents for each \$1 in revenue generated).¹⁷ A number of companies 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 21-6 on page 17.

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. For example, IZBM teamed up with Zacson Corp. to open an integrated teleservices

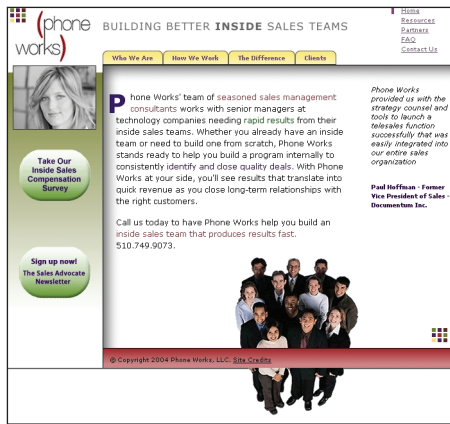


EXHIBIT 21-6

Research and consulting companies offer businesses direct-marketing services

center for its northern California territory. The group handles inquiries, lead generation, and qualification; develops promotional campaigns, distributes PR materials; and does problem solving for IBM clients. The new relationship reduced IBM's customer contact costs by 97 percent, lowered sales visit costs from \$500 to \$15, and exceeded customer expectations 78 percent of the time.¹⁸

As shown in Figure 21-8, there has been a rapid growth in the use of the telemarketing sales combination for other firms as well. They 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.

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.

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. For example, many companies send out lead cards to screen prospective customers. The salesperson follows up on those who express a genuine interest, saving valuable time and increasing the potential for a sale. Other uses include database building and mining. Exhibit 21-7 on page 18 shows an example of a highly used software program available to assist marketers in creating and managing a database.

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.

FIGURE 21-8

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

	Telephone Sales and Service*	Field Sales*
Total growth related	58.0%	61.8%
Overall business growth or expansion	44.7	43.1
Adding product lines	10.2	8.0
Adding 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.

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EXHIBIT 21-7

Oracle is one of the more popular database management tools

EXHIBIT 21-8

The Internet is used to conduct online meetings

TODAY
 MON TUE WED THU FRI SAT SUN

1. Wake-up (coffee to go)
 Last minute packing

2. Call cab (hope it comes)

3. Check in

4. Hour in Security (rainy cabin to take out laptop)

5. Flight (middle seat)

6. Sit uncomfortably as passenger falls asleep on shoulder

7. Sit on landing strip for hours

8. Rush to Meeting

9. Present for half hour

10. Flight home (eat before flight)

11. Lose feeling in legs

12. Taxi home (bring enough cash)

13. Call Therapist

14. Unpack

NOTES
 Cry self to sleep

Do More. Travel Less.

Log in
 GoToMeeting.com

3:00 Present to
 Dallas office

Don't waste time, money and energy traveling to a meeting. With GoToMeeting you can have unlimited online meetings, presentations and demonstrations with anyone, anywhere – right from your computer. So you can do more, and travel less.

Try GoToMeeting FREE for 30 days.

GoToMeeting
 gotomeeting.com/time

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 into the trunk of a consumer-product 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 contents 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 the Internet chapter, 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 think that the Web will be used to fulfill the more mundane tasks of order fulfillment and providing information. This, in turn, will allow the sales force to be more effective in closing orders, doing close 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 take orders.

A rapidly growing 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 21-8). 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. IMC Perspective 21-1 on page 19 discusses how some companies have used the Internet to successfully market their products.

It is important 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

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

IMC Perspective 21-1 > > >

New Technologies Result in New Salespersons

Back in the 1990s when the Internet started to diffuse throughout the business world, there were many so-called experts who predicted that business as we knew it would cease to exist. They were right, of course, but not in the way they predicted. Some thought that retail stores would close at alarming rates as consumers shopped online, others forecasted the demise of direct marketing for the same reason. They were wrong in both cases. Still others suggested that the field of personal selling would experience a dramatic upheaval, again, because the Internet would minimize or eliminate the need for salespeople. And, of course, they were wrong again.

Clearly, the world of personal selling has changed as a result of the Internet as well as other emerging technologies. But not in the way a lot of pundits expected. Personal selling is alive and well, and probably more efficient and effective than ever. And this is all as a result of technology, not in spite of it. Let's take a look at how.

First, there is instant messaging (IM). No doubt you know about it, and probably have used IM and continue to use it to keep in touch with your family and friends. IM and other forms of online chat were immediately adopted by salespeople to keep in touch with corporate colleagues, as well as inquire about new products, services, and program changes, and provide information to others in real time. Like IM itself, the use of this tool has continued to evolve, and salespeople are finding more ways to engage the potential buyer and increase sales. For example, live surveillance capabilities allow the salespersons to track in real time what pages someone is visiting and what links they have clicked. By tracking the potential buyer's page views, they can determine who is seriously shopping and who is not. Once this determination has been made, they can know precisely to begin the sales pitch with a chat. Since it is a very delicate situation, the pitch cannot be too assertive, or the prospect may leave. To help salespersons in this endeavor, Ari Galper has developed a sales method. ChatWise, which he sells bundled with a chat program called LivePerson to teach the rights and wrongs of selling through IM, and how to increase ones successful closes. His clients range from small mom and pop companies to large ones such as FujiXerox of Australia.

Sales professionals seeking rapid data-mining now can acquire information on prospects through their desktop, laptop, and even mobile devices. Software programs also exist which can provide information on companies in over 200 industries with information gleaned from the Web, SEC documents, annual reports, press releases, and the Factive news service. The information can be purchased and received in a matter of just minutes, and then be used to develop very specific content for the development of direct-mail pieces, proposals, and presentations. As noted by one user, the



more you show a prospect you understand what's happening in their industry, the more effective you will be in making a sale.

Perhaps the greatest value of the Internet for salespersons is prospecting. Every month a company by the name of ZoomInfo searches the Web looking for contacts to add to its database of 28 million business professionals. Users get basic contact information, the prospects' employment history, and some biographical information to use to "warm up the sales call." Cvent.com uses ZoomInfo's search capabilities to reach meeting planners. Searching by job title, company, industry, region, or even school affiliation along with professional credentials has led to a 30 percent increase in bookings according to the Virginia-based company.

But if you need it now, you can log onto Salesfoce.com using your Blackberry. While there you can examine new sales opportunities, run ad hoc reports, and update spreadsheets wirelessly. Soon, you will be able to access just about everything you need by just carrying a smartphone, says Mini Peiris, senior director of product management for Net Suite, Inc., leading to greater efficiencies in the field such as the ability to quickly update leads and sales forecasts. Even more capabilities are coming.

But, as Ms. Peiris notes, "It also means you're constantly working. Salespeople will need to learn how to shut that work switch off." As technology evolves, maybe salespeople won't even have to do that.

Sources: Paul Sloan, "Something to Talk About," *Business 2.0*, October 2007, p. 50, Dan Tyman, "Brave New Sales World," *Sales and Marketing Management*, April 2006, pp. 34-38.

FIGURE 21-9

Factors to Be Considered in the Sales Review Process

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

- 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.
- Required course corrections.

LO 21-4

type, or sales representative attitudes.¹⁹ 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."²⁰ They propose a number of criteria that should be used in the sales force evaluation as shown in Figure 21-9. 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 (Figure 21-10 on page 21).

In a recent study of high-performing sales organizations, five characteristics were identified as being critical for differentiating effective versus noneffective performances. These characteristics include

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.

Quantitative Measures	
SALES RESULTS	SALES EFFORTS
<i>Orders</i>	<i>Sales Calls</i>
Number of orders obtained	Number made on current customers
Average order size (units or dollars)	Number made on potential new accounts
Batting average (orders ÷ sales calls)	Average time spent per call
Number of orders canceled by customers	Number of sales presentations
<i>Sales Volume</i>	Selling time versus nonselling time
Dollar sales volume	Call frequency ratio per customer type
Unit sales volume	<i>Selling Expenses</i>
By customer type	Average per sales call
By product category	As percentage of sales volume
Translated into market share	As percentage of sales quota
Percentage of sales quota achieved	By customer type
<i>Margins</i>	By product category
Gross margin	Direct-selling expense ratios
Net profit	Indirect-selling expense ratios
By customer type	<i>Customer Service</i>
By product category	Number of service calls
<i>Customer Accounts</i>	Displays set up
Number of new accounts	Delivery cost per unit sold
Number of lost accounts	Months of inventory held, by customer type
Percentage of accounts sold	Number of customer complaints
Number of overdue accounts	Percentage of goods returned
Dollar amount of accounts receivable	
Collections made of accounts receivable	
Qualitative Measures	
SALES RESULTS	SALES EFFORTS
<i>Selling Skills</i>	<i>Sales-Related Activities</i>
Knowing the company and its policies	Territory management sales call preparation, scheduling, routing, and time utilization
Knowing 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	

FIGURE 21-10
Criteria Used to Evaluate Sales Forces

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. However, managers in most industries believe the importance of this program element will continue to increase over the next few years.

Personal selling offers the marketer the opportunity for a dyadic communications process (a two-way exchange of information). The salesperson can instantly assess the situation and

the affects 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

personal selling p. 4
dyadic communication p. 5
provider stage p. 6
persuader stage p. 6
prospector stage p. 6
problem-solver stage p. 6

procreator stage p. 7
relationship marketing p. 8
order taking p. 9
creative selling p. 9
missionary sales p. 9
prospecting p. 10

leads p. 10
prospects p. 10
qualified prospects p. 10
close p. 11
cross sell p. 11

Discussion Questions

1. Figure 21–5 describes the traits of successful sales people. Discuss these traits and why they are important in developing and sustaining an effective sales relationship with clients. (LO1)
2. Explain what is meant by “the new role of personal selling.” How does this new role differ from what personal selling has involved in the past? (LO1)
3. Figure 21–4 describes three types of sales positions. Discuss each of these. Describe some of the industries in which each might play a more important role. (LO1)
4. Explain why the high costs of personal selling might be warranted. Give a specific example of a situation where this is the case. (LO4)
5. Discuss how companies have successfully integrated the Internet into their personal selling programs. Provide additional ways this might be done. (LO3)
6. The chapter notes that successful companies use their customers as public relations tools. Explain what this means and how it can be accomplished. (LO3)
7. While marketers acknowledge that customer relationship management is important in both B-to-C and B-to-B markets, some believe that it is even more important in the B-to-B market. Explain why they might feel this way. Are they right? (LO1)
8. Discuss the advantages and disadvantages of personal selling versus other IMC program elements. When should personal selling assume a dominant role? (LO2)
9. There are many who believe that allowing pharmaceutical companies to advertise and promote their products directly to consumers should not be allowed. Others counter by noting that using the push strategy of marketing to doctors leads to the same result, as doctors will then push the product onto the patient. Discuss both sides of this issue. (LO3)

GLOSSARY CHAPTER 21

close Obtaining the commitment of the prospect in a personal selling transaction.

creative selling A type of sales position where the primary emphasis is on generating new business.

cross sell A term used in personal selling that refers to the sale of additional products and/or services to the same customer.

dyadic communication A process of direct communication between two persons or groups such as a salesperson and a customer.

leads A name given to a personal sales agent as a possible consumer.

missionary sales A type of sales position where the emphasis is on performing supporting activities and services rather than generating or taking orders.

order taking A personal selling responsibility in which the salesperson's primary responsibility is taking the order.

personal selling Person-to-person communication in which the seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea.

persuader stage A role of personal selling that attempts to persuade market members to buy the supplier's offerings.

problem-solver stage A stage of personal selling in which the seller obtains the participation of buyers in identifying their problems, translates these problems into needs, and then presents a selection from the supplier's offerings that can solve those problems.

procreator stage A stage of personal selling in which the seller defines the buyer's problems or needs and the solutions to those problems through active buyer-seller collaboration, thus creating a market offering tailored to the customer.

prospecting The process of seeking out prospective customers.

prospector stage A selling stage in which activities include seeking out selected buyers who are perceived to have a need for the offering as well as the resources to buy it.

prospects Prospective customers.

provider stage A stage of personal selling in which activities are limited to accepting orders for the supplier's available offering and conveying it to the buyer.

qualified prospects Those prospects that are able to make the buying decision.

relationship marketing An organization's effort to develop a long-term cost-effective link with individual customers for mutual benefit.

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