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MIDOCEAN
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Personal Selling

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MKT728

Lecture 9

Learning Objectives

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

Personal selling

- 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.

Personal Selling

- Selling through a person-to-person communications process
- Affected by increased emphasis on customer relationship management



Personal Selling

- Importance varies for each firm depending on:
 - Nature of the product or service being marketed
 - Size of the organization
 - Type of industry



Dyadic Communication

- Dyadic communication allows for specific tailoring of the message.
- It is direct and interpersonal, letting the sender immediately receive and evaluate feedback from the receiver.
- 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 be enough.



Factors that Determine the Role of Personal Selling

The factors that a manager needs to consider with regard to personal selling, when planning a promotional program.

To determine the role of personal selling, management should be guided by four questions:

- What specific information must be exchanged between the firm and potential customers?
- What are the alternative ways to carry out these communications objectives?
- How effective is each alternative in carrying out the needed exchange?
- How cost-effective is each alternative?

Factors that Determine the Role of Personal Selling

Determining the information to be exchanged (msg must be said bet. 2 not other pillars)

Examining promotional-mix alternatives (cant use social media or adv)

Factors that Determine the Role of Personal Selling

Evaluating the relative effectiveness of alternatives (will u buy villa from adv only? Lotsum needs personal selling & اعزمه و يشوف كل حاجة

Determining cost-effectiveness هل هاقنع الشخص اكثر لما اقبله عن التليفون

Characteristics of Stages of Personal Selling Evolution

Chapter 09

Stages and description	Customer needs	Type of market	Nature and intensity of competition
Provider - Accepts orders and delivers to buyer	- Assumed to exist - Not a concern	Sellers'	None
Persuader - Attempts to convince anyone to buy available offerings	- Created - Awakened	Buyers'	- Undifferentiated - Slight intensity
Prospector - Seeks out prospects with need for available offering and resources to buy	Considered but inferred	Segmented	- Differentiated - Growing

Increased due to competition



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Characteristics of Stages of Personal Selling Evolution



Chapter 09

Stages and description	Customer needs	Type of market	Nature and intensity of competition
Problem solver - Matches available offerings to solve customer-stated problems (Peugeot 205)	Diagnosed with attention to customer input	Participative	Responsive and counteractive with increasing resources
Procreator - 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 (tailoring & customizing for person himself)	- Mutually defined - Matched with tailored offering	Coactive (we both say our problems)	- Focused - Growing in breadth of market and service offerings

The different stages of personal-selling evolution:

- **Provider stage** - Selling activities are limited to accepting orders for the supplier's available offering and conveying it to the buyer.
- **Persuader stage** - Selling involves an attempt to persuade market members to buy the supplier's offerings.
- **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.
- **Problem-solver stage** - Selling involves obtaining the participation of buyers to identify their problems, which can be translated into needs, and then presenting a selection from the supplier's offerings that corresponds with those needs and can solve those problems.
- **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.

The different stages require different promotional strategies, each integrated with personal selling to achieve the maximum communications effect.



INSIDER

New Role of Salespeople in IMC



Surveying

Mapmaking

Guiding

Fire starting

Chapter
09



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New Role of Salespeople in IMC

The additional responsibilities that have been taken up by salespeople to increase their effectiveness. That is, in addition to being information providers, influencers through proximity, and demonstrators, salespeople 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. 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.

These additional responsibilities help create added value and develop a relationship between buyer and seller.

The Nature of Personal Selling



- The new role of sales persons has become less focused on selling products and services and **more focused on building a partnership with the customer.**
- Establishing a long-term, symbiotic (mutual) relationship with clients also requires working with marketing to use techniques like database marketing, message differentiation, and tracking of promotional effects in order to improve the relationship.

Chapter 09



Relationship Marketing

- Organization's effort to develop a long-term, cost-effective link with individual customers for mutual benefit
- **Customer relationship management (CRM):**) involves the business processes and supporting technologies that support the key activities of **targeting, acquiring, retaining, understanding and collaborating with customers.**
- *Ex. Real estate and cars and online*

*The most imp job in company 1 cust. is 7x less in cost than acquiring new 1 Vodafone target 0.5 bcoz market is saturated.
Waiting for kids*



Chapter 09





The reasons for the high costs incurred in personal selling and on what basis they are evaluated.

Personal selling incurs high costs due to the following reasons:

- Much attention is devoted to it due to its advantages over other communication methods.
- It is an expensive form of communication.
- In evaluating the costs of personal selling, one must consider *the nature of the call, the objectives sought, and whether other program elements could deliver the message as effectively.*
- Personal selling is an expensive way to communicate, however, if the returns are greater than those from the other program elements, then the high costs are justified.

Costs of Personal Selling

- Incurs high costs (*carte blanche in expenses*)
 - Gathers a lot of attention due to its advantages over other methods
 - Expensive form of communication (Adv lacks instant feedback)
- Evaluated by considering:
 - Nature of the call (sales call)
 - Objectives sought
 - Delivery of the message by other program elements

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The Eight Step Personal-Selling Process

- Step 1 Prospecting—looking for and checking leads.
- Step 2 The pre-approach—the collection of as much relevant information as possible prior to the sales presentation.
- Step 3 The approach—focusing on the features, advantages, and benefits of the product or service to the buyer.
- Step 4 The sales presentation—the persuasive, vocal presentation, and answering questions.
- Step 5 The trial close—establish customers' attitudes and attempt to lead to sale.
- Step 6 Handling objections—addressing concerns and requests for more information. Determine exactly what is on the prospect's mind.
- Step 7 Closing the sale—consummating the deal.
- Step 8 Follow-up—ensure everything goes as planned. Address additional concerns or issues that may arise.

The Eight Step Personal-Selling Process

The steps involved in a personal-selling process.

1. **Prospecting** - Looking for and checking leads.
2. **The pre-approach** - The collection of as much relevant information as possible prior to the sales presentation.
3. **The approach** - Focusing on the features, advantages, and benefits of the product or service to the buyer.
4. **The sales presentation** - The persuasive, vocal presentation, and answering questions.
5. **The trial close** - Establish customers' attitudes and attempt to lead to sale.
6. **Handling objectives** - Addressing concerns and requests for more information, and determining exactly what is on the prospect's mind.
7. **Closing the sale** - Consummating the deal.
8. **Follow-up** - Ensure everything goes as planned. Address additional concerns or issues that may arise.

1. Order taking:

Role is more casual and often involves straight rebuying by the customer, but can also involve modified rebuys.

Accomplished by:

- Inside order takers - Work inside the sales office and receive orders by phone, mail, or the Internet
- Field order takers - Travel to customers to get their orders



2. Creative selling:

Requires skill and preparation, and the ability to assess the situation and determine the needs, present capability to satisfy those needs, and get an order.

Getting an order by:

- Assessing a situation and determining the needs
- Presenting capabilities to satisfy the needs



3. Missionary sales: Introduce new products, promotions, and/or programs with the actual order to be taken. (offers new solutions)

- Perform a support role



The sales representative's role is one of supporting and servicing the customer rather than trying to get new business.

Successful salespeople	Most helpful to customers	Most objectionable to customers
• Knowledgeable • Professional • Thorough • Results-oriented • Problem solving • Relationship-oriented • Customer-focused • Responsive • Good communicators • Reliable	• Knowledge • Empathy • Well organized • Promptness • Follow-through • Solutions • Punctuality • Hard work • Energetic • Honesty	• Unprepared • Uninformed • Aggressive • Undependability • Poor follow-through • Presumptuousness • Calling without appointments • Compulsive talkers • Problem avoiders • Lack of personal respect

Compare the traits of effective salespeople against the traits that customers find most helpful or objectionable.

Advantages

- Allows for two-way interaction
- Tailors the message
- Lack of distraction
- Involvement in the decision process
- Source of research information

Disadvantages

- Inconsistent messages
- Sales force/management conflict
- High cost
- Poor reach
- Potential ethical problems

The various ways in which advertising can be used to sell more.

- **Save sales force time** - Sending a reprint of an advertisement ahead of time familiarizes the potential client with the product or service. (*already knows about product*)
- **Save (avoid) lengthy explanations** - 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.
- **Visual aids** - Ads can add impact to the presentation, reinforcing selling points.

The various ways in which advertising can be used to sell more.

- **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.
- **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.
- **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.

The various ways in which advertising can be used to sell more.

- **Prove a point** - The printed word adds credibility to salespersons' verbal claims. One medium reinforces the other.
- **Nudge indecisive prospects** - For indecisive prospects, a review of the ad campaign can often be the closer.
- **Create preference** - Keeping customers and prospects aware of advertising creates favorable impressions of the company, the product or service, and the salesperson.

The various ways in which advertising can be used to sell more.

- **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.
- **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.
- **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.

- Combining personal selling and public relations:
 - Personal-selling agents represent a firm and its products and can be used directly in a PR role.
 - Result in goodwill toward the company and its products while at the same time benefiting society.

- Combining personal selling and direct marketing:
(best fit)
 - Costs incurred can be reduced by combining telemarketing and sales efforts.
 - The net result is *a higher percentage of sales closings, less wasted time by the sales force, and a lower average cost per sale.*

Combining Personal Selling and Advertising

Advantages

- Improve reach
- Reduce costs
- Increase the probability of a sale (assuming the advertising is effective)

Combining Personal Selling and Advertising

Disadvantages

- Many salespeople do not understand the role that advertising plays and its contribution to their sales efforts. Many view it with skepticism. (suspicion)
- Less time wasted
- Lower average cost per sale

- Combining personal selling and sales promotion:
 - Designed to assist salespeople. Flip charts, leave-behinds, and specialty ads may be designed to assist salespeople in their presentations, serve as reminders, or just create goodwill.
 - Targeted at sales force. 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.



- Combining personal selling with the Internet:
 - Allows salespeople to focus on selling products and developing relationships.
 - Takes care of the mundane(routine) tasks and allows 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.
 - Online meetings save time and money. Conducting online meetings in which the sales force and/or clients saves both time and money.



Criteria Used to Evaluate Sales Forces

Measures	Sales results	Sales efforts
Quantitative measures	• Orders • Sales volume • Margins • Customer accounts	• Sales calls • Selling expenses • Customer service
Qualitative measures	• Selling skills	• Sales-related activities

Quantitative and qualitative measures are evaluated in accordance with the sales results and the sales efforts.

To Sum Up...

- Understood the role of personal selling in the integrated marketing communications program
- Knew the advantages and disadvantages of personal selling as a promotional program element
- Understood how personal selling is combined with other elements in an IMC program
- Knew methods used to determine the effectiveness of the personal selling effort



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Thank You
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