

Session 18

Personal Selling , Sales and Customer Relationship Management

Text: Chapter 16



- I. Personal selling**
- II. Role of Sales force**
- III. Sales force management**
- IV. Selling process**
- V. Customer Relationship Management**

I. Personal Selling-- Definition

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Involves two-way, personal **communication** between salespeople and individual customers whether

- face to face,
- by telephone,
- through video conferencing,
- or by other means.



Depends on the salespeople who are

1. well-educated
2. well-trained professionals who work to build and maintain long-term relationships with customers.

Wide spectrum of positions from:

➤ **Order taker**

(department store salesperson)

➤ **Order getter**

(someone engaged in creative selling)

➤ **Missionary salesperson**

(building goodwill or educating buyers)

II. The Role of the Sales Force

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- **Personal selling is effective because salespeople can:**
 - **probe customers**
 - **adjust the marketing offer**
 - **negotiate terms of sale**
 - **build long-term personal relationships**



II. The Role of Sales Force

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Produce Customer Satisfaction

Sales Force: A Critical Link

Produce Company Profit

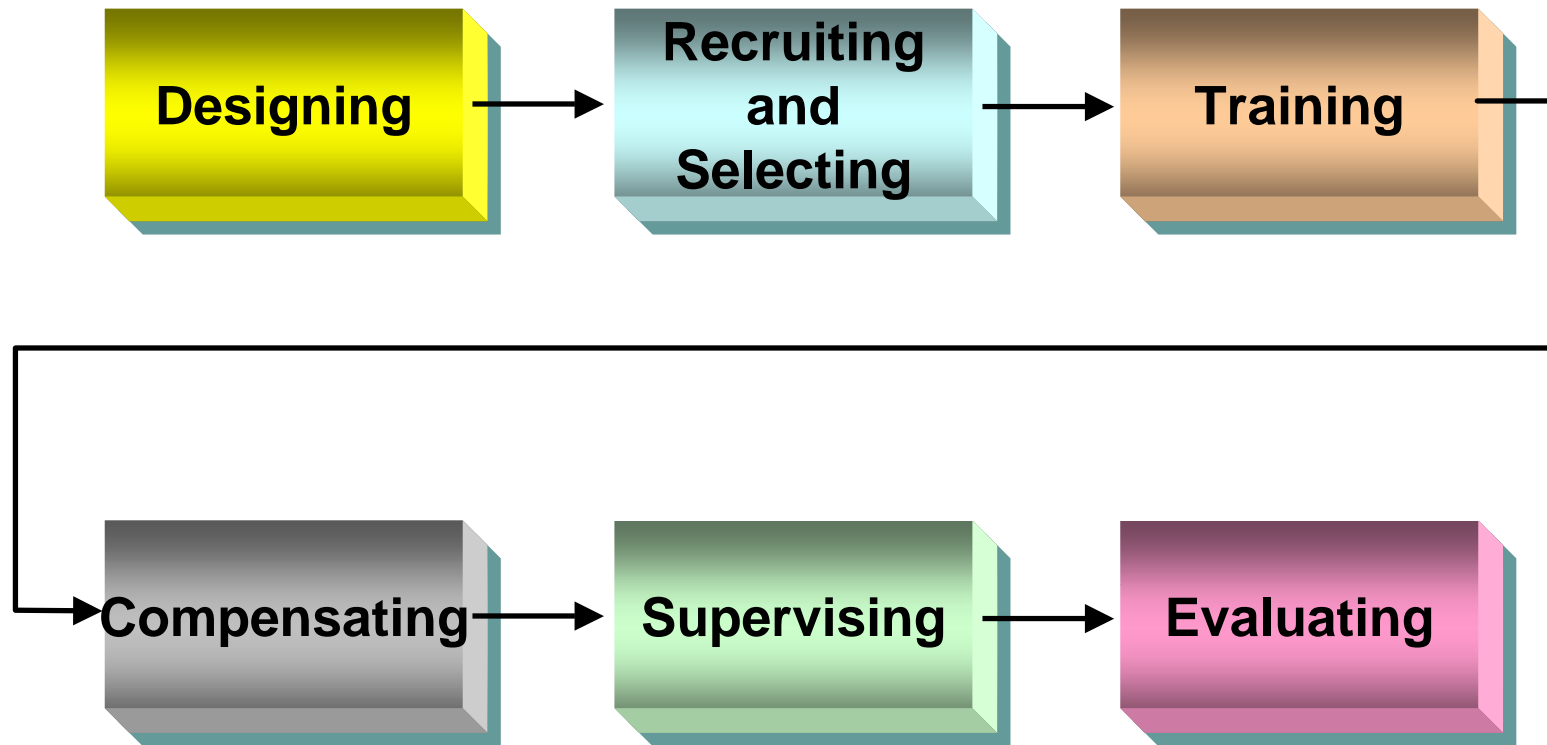
III. Sales force management

1. **Designing Sales Force Strategy and Structure**
2. **Recommendations for Recruiting Salespeople**
3. **Selecting Salespeople**
4. **Training Salespeople**
5. **Compensating Salespeople**
6. **Supervising Salespeople**
7. **Evaluating Salespeople**



Major Steps In Sales force Management

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1. Designing Sales Force Strategy and Structure

Territorial

Exclusive Territory to Sell the Company's Full Product Line

Complex Forms Are a Combination of Any Types of Sales Force Structures

Product

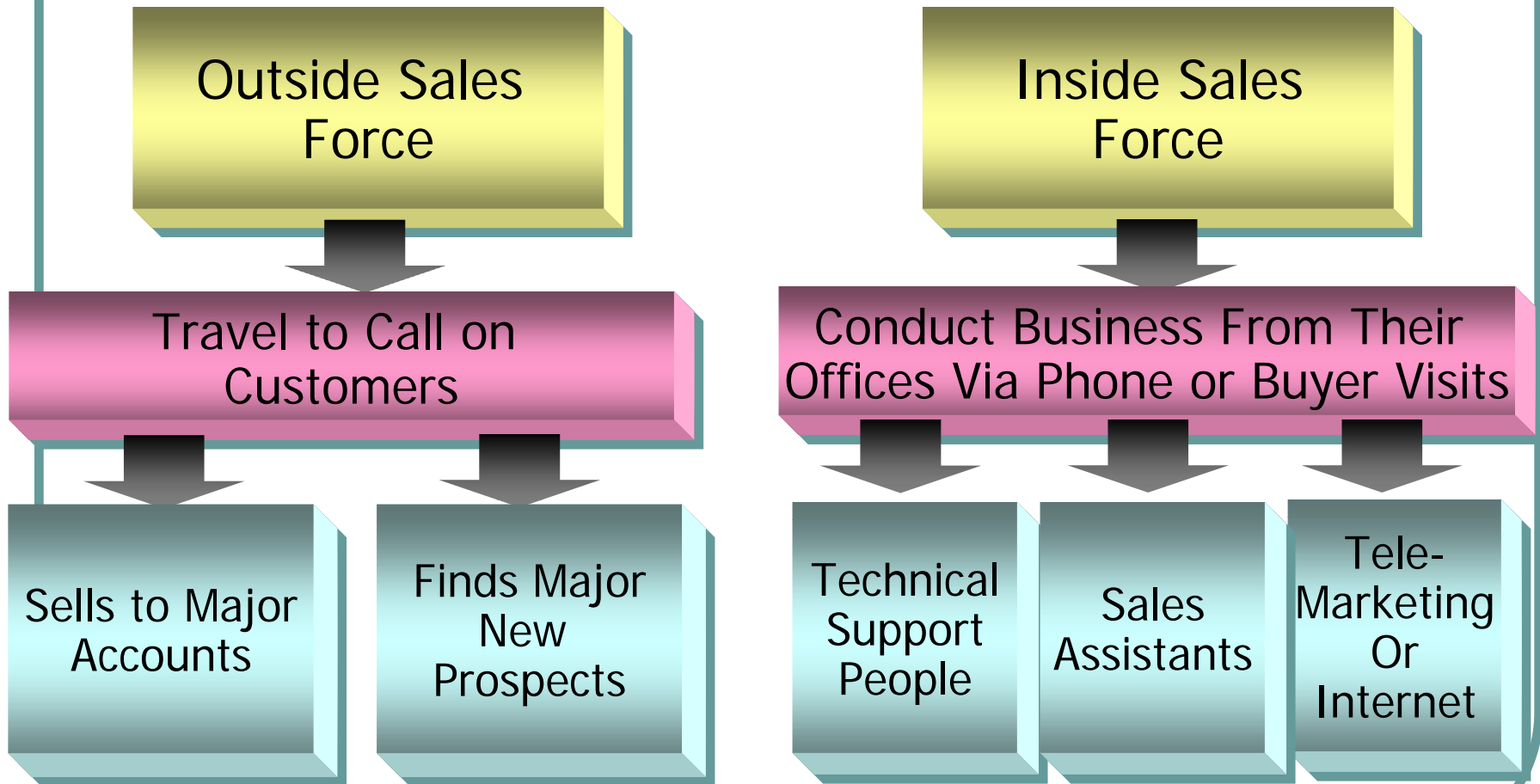
Sales Force Sells Only a Portion of The Company's Products or Lines

Customer

Sales Force Sells Only to Certain Customers or Industries

- S.F. -- company's most productive and expensive assets.
- S.F. have been shrinking in size because of:
 - Advances in selling technology
 - Recent merger mania.
- Companies use some form of workload approach to set sales force size:
 - Group accounts into different size classes
 - How many people are needed to call on them.

Other Sales Force Strategy & Structure Issues



- to service large, complex accounts.
- Finds problems, solutions, and sales opportunities.
- **Problems:** can overwhelm customers, difficulties working with teams, evaluation of sales performance.



2. Sources of Salespeople

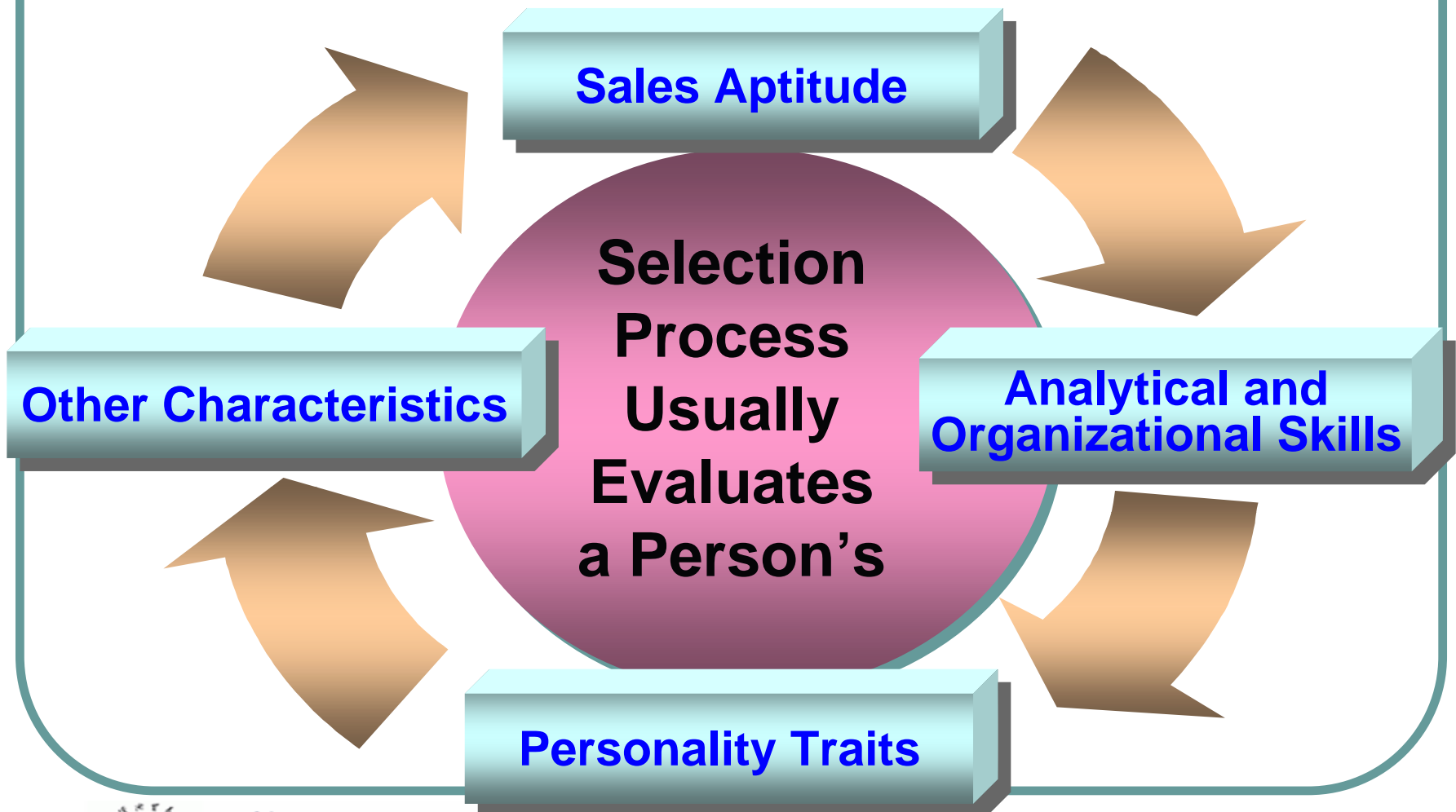
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- **Current Salespeople**
- **Employment Agencies**
- **Classified Ads**
- **College Students**



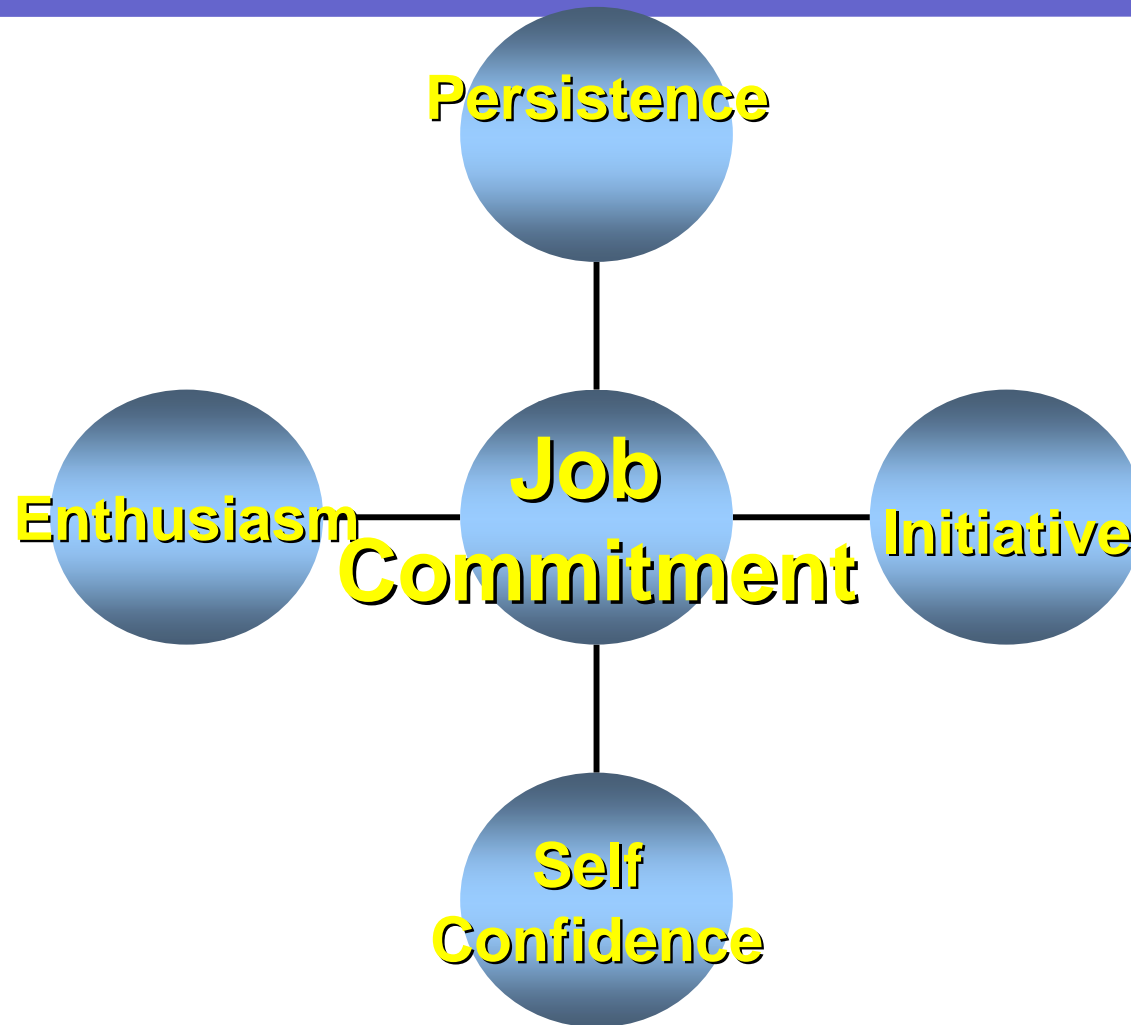
3. Selecting Salespeople

18-15



Some Traits of Good Salespeople

18—16



4. Training Salespeople

18-17

The Average Sales Training Program lasts for Four Months and Has the Following Goals:

Help Salespeople Know & Identify
With the Company

Learn About the Products

Learn About Competitors'
and Customers' Characteristics

Learn How to Make
Effective Presentations

Understand Field Procedures
and Responsibilities



5. Compensating Salespeople

18-18

To Attract Salespeople, a Company Must Have an Attractive Plan Made Up of Several Elements

Fixed Amount

Usually a Salary

Variable Amount

Usually Commissions Or Bonuses

Expense Allowance

For Job Related Expenses

Fringe Benefits Provide Job Security and Satisfaction



5. Compensating Salespeople

18-19

Components of Compensation

- ❖ **Salary**
- ❖ **Benefits**
- ❖ **Bonus**
- ❖ **Commission**



6. Supervising Salespeople

18—20

Directing Salespeople

- Identify Customer Targets & Call Norms
- Develop Prospect Target
- Use Sales Time Efficiently
 - Annual Call Plan
 - Time-and-Duty Analysis
 - Sales Force Automation

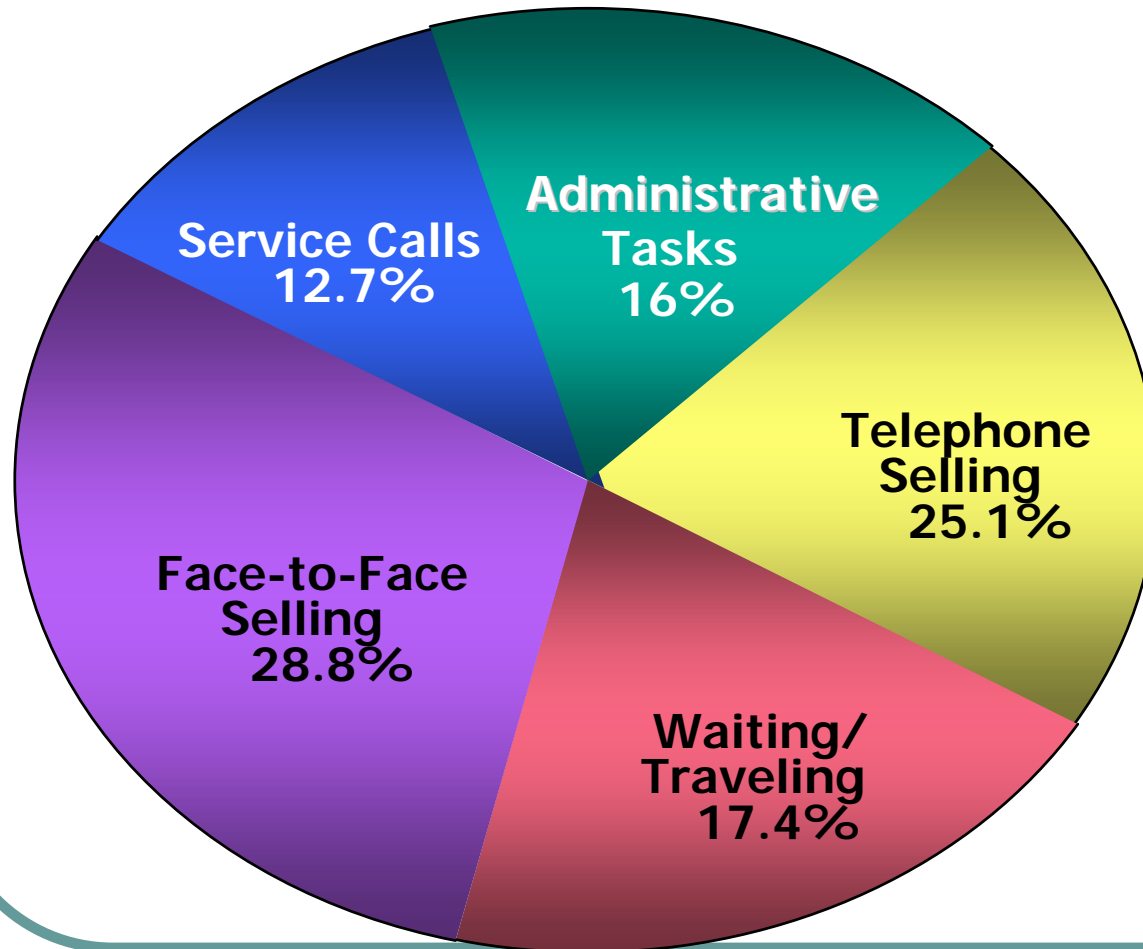
Motivating Salespeople

- Organizational Climate
- Sales Quotas
- Positive Incentives
 - Sales Meetings
 - Sales Contests
 - Honors and Trips
 - Merchandise/ Cash



How Salespeople Spend Their Time

18-21



Companies Look For Ways to Increase the Amount of Time Salespeople Spend Selling.

7. Evaluating Salespeople

18-22

- Gets information in several ways:
 - *Sales reports, call reports, expense reports, Personal observations, customer surveys, etc.*
- Formal evaluation of performance done qualitatively or quantitatively.
- Evaluation methods of performance include:
 - *Comparing salespeople's performance to others,*
 - *Comparing current sales with past sales.*



Questions

18—23

1. Envision a typical salesperson.
 - *Have your perceptions of salespeople changed after what you've just read and discussed? How? Be specific.*
2. What role does training play in helping a person develop selling skills and abilities?
3. State what your career ambition is and briefly state how you might be involved in selling.



Major Steps in Effective Selling

Prospecting and Qualifying

Pre-approach

Approach

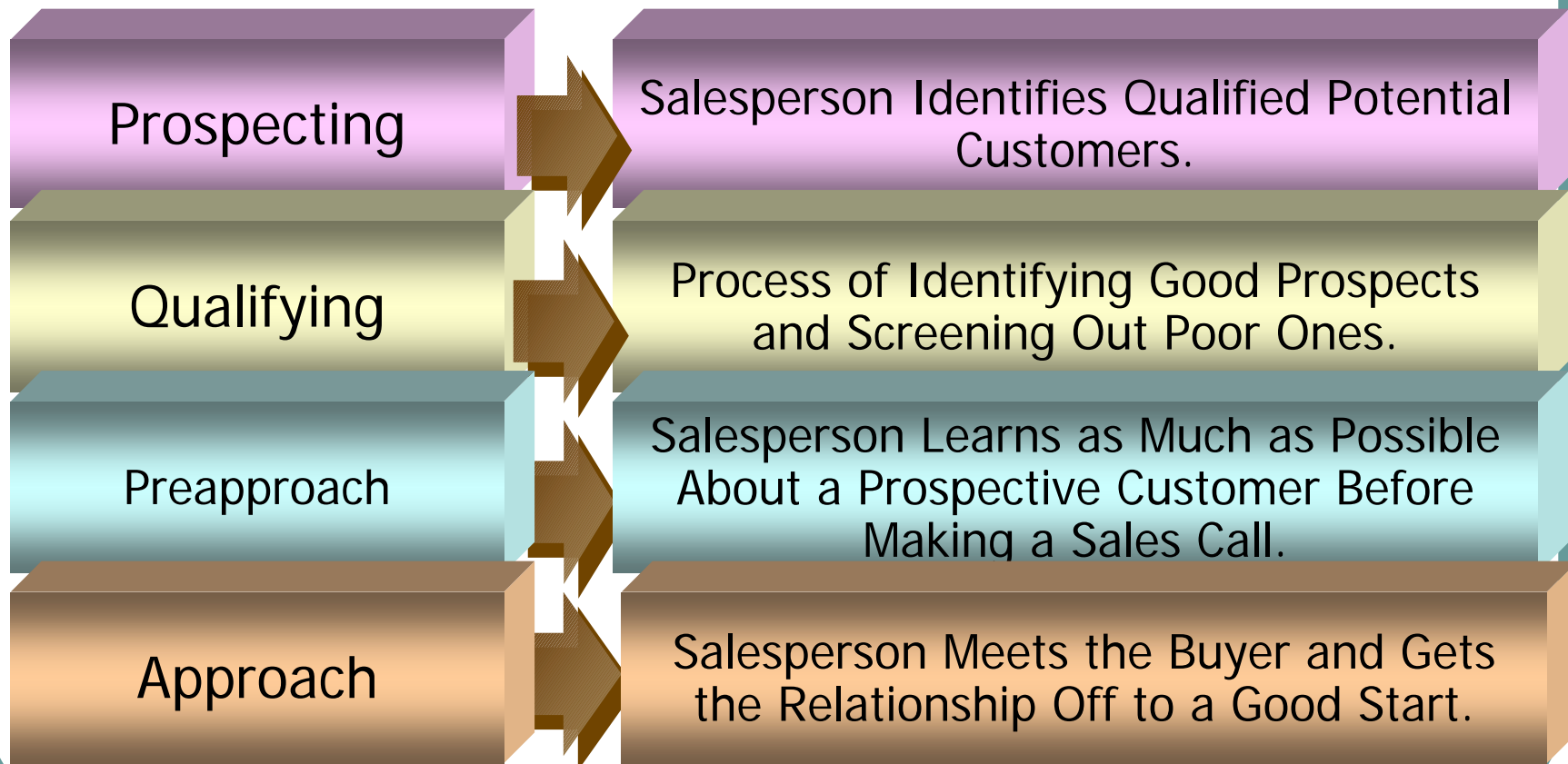
Presentation and Demonstration

Handling objections

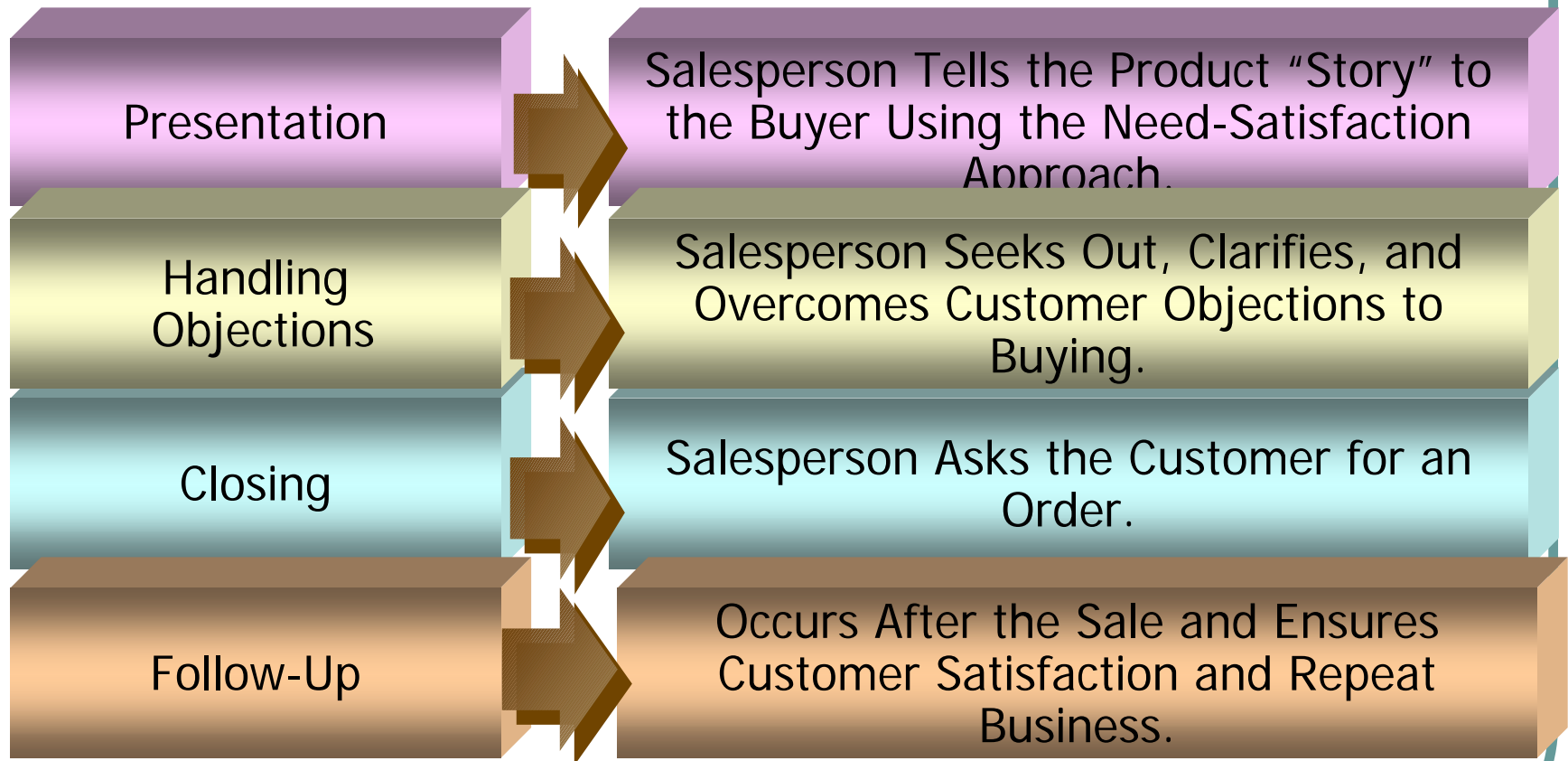
Closing

Follow-up

Steps in the Selling Process (1)



Steps in the Selling Process(2)



V. Customer Relationship Management

➤ Customer Lifetime Value

The amount by which revenues from a given customer over time will exceed the company's costs of attracting, selling, and serving that customer.

➤ Customer Database

An organized collection of comprehensive data about individual customers or prospects, incl. geographic, demographic, psychographic, and behavioral data.

What is Relationship Marketing?

18—28

Relationship Marketing is the Process of Creating, Maintaining, and Enhancing Strong, Value-Laden Relationships With Customers and Other Stakeholders.



- **Fundamentals of communities:**
meaningful human relationships,
social interaction, social ties,
and a common ‘space’

- **Company examples:**
CNN (<http://community.cnn.com>)
Disney (<http://family.go.com/boards>)
Pentax (www.pentax.com)
Bosch (www.boschtools.com)
Nescafe (<http://connect.nescafe.com>)