



MILLIONS

MANAGEMENT SOLUTIONS

Marketing Management SUMMARY

Chapter 14

One to One: Trade Communication,
Direct Marketing & Personal Selling

Chapter 14

Trade Sales Promotion: Targeting The B2B Customer

- **Trade Promotions** - Focus on members of the supply chain which include distribution channel members, such as retail salespeople or wholesale distributor, that a firm must work with in order to sell its products.
- There are various forms of Trade Promotions : (1) **As Discount and Deals** (2) **To Increase Industry Visibility**

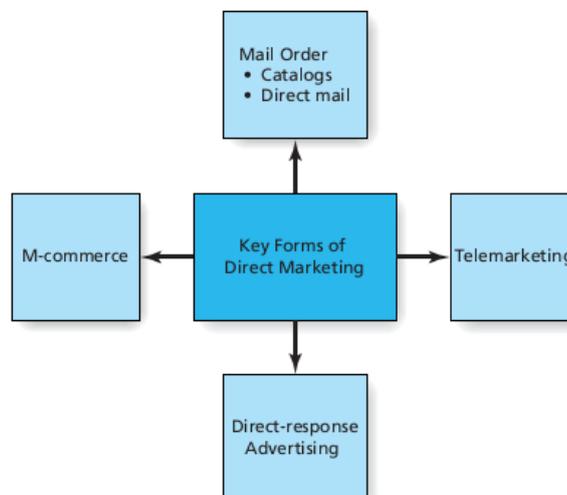


- **Discount Promotions** - Reduce the cost of the product to the distributor or retailer or help to fund its advertising expense
 - **Allowances, Discounts and Deals**
 - **Merchandising Allowance** - Reimburse the retailer for in-store support of the product, such as when a store features an off shelf display for a brand
 - **Case Allowance** - Provide a discount to the retailer or wholesaler during a set period based on the sales volume of a product they order from manufacturer
 - They have **Drawbacks. Forward Buying** (Purchasing in large quantities of the product during a discount period, warehouse them, and don't buy again until manufacturer offer discount again) and **Diverting** (After the promotion expired, retailer sell back to other retailer at lower price than manufacture's)

- **Co-op Advertising** - Pay the retailer a portion, usually 50 percent of the cost of any advertising that features the manufacturer's product.
- **Sales Promotion Designed to Increase Industry Visibility**
 - **Trade Shows** - Events at which many companies set up elaborate exhibits to show their products, give away samples, distribute product literature and troll for new business contacts. The **Benefit** is the opportunity to develop customer leads that the company then forwards to its sales force for follow up
 - **Promotional Products** - Goodies such as coffee mugs, T-shirts, and magnets given away **to build awareness** for a sponsor. Some freebies are distributed directly to consumers and business customers; others as intended for channel partners such as retailers and vendors
 - **Point-of-Purchase (POP) Displays** - In-store displays and signs such as signs, mobile banners, ads and temporary merchandising displays.
 - **Incentive Programs** - A prize is offered to employees who meet a prespecified sales goal or who are top performers during a given period. **Push Money** - A particular type of incentive program in which salespeople are given a bonus for selling a specific manufacturer's product.

Direct Marketing

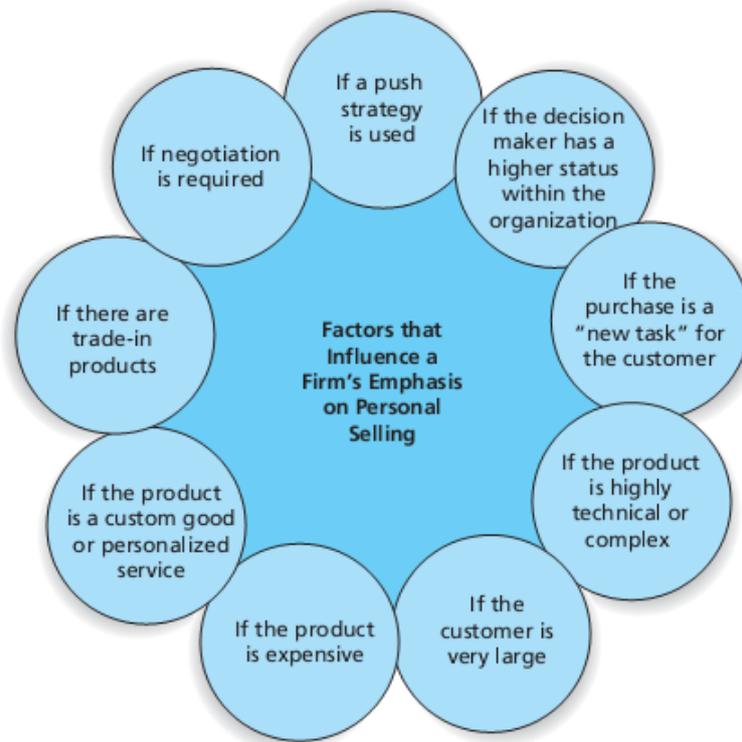
- **Direct Marketing** - Any direct communication to a consumer or business recipient that is designed to generate a response in the form of an order, a request for further information, or a visit to a store or other place of business for purchase of a product.



- **Mail Order** - Comes in Two Forms
 - **Catalog** - a collection of products offered for sale in book form, usually consisting of product descriptions accompanied by the photos of the items. It can reach people in remote place or small area or overseas.
 - **Direct Mail** - A brochure or pamphlet that offers a specific good or service at one point in time, It can be personalized for certain objectives.
- **Telemarketing** - direct marketing an organization conducts over the telephone. More profitable for business markets than for consumer markets.
- **Direct-Response Advertising** - allows consumer to respond to a message by immediately contacting the provider to ask questions or order the product.
 - **Direct-response TV (DRTV)** - short commercials of less than two minutes, 30 minutes or longer infomercial and the shows home shopping network.
 - **Infomercials** - Half-hour or hour-long commercials that resemble a talk show but with heavy product demonstration and spirited audience participation, but actually they are sales pitches.
- **M-commerce** - promotional and other e-commerce activities transmitted over mobile devices, such as smartphones and personal digital assistants (PDAs)

Personal Selling

- **Personal Selling** - a company representative interacts directly with a customer or prospective customer to communicate about good or services. Intimate way to talk to customer.
- **Factors that influence a firm's emphasis on Personal Selling**
 - Personal Selling is more important when a firm engages in a *push strategy*, in which the goal is to push the product through the channel of distribution so that it is available to consumers.
 - Personal selling is likely to be crucial in business-to-business
 - Also important in firms' product that infrequently bought and expensive or very complex.



- **Drawback for Personal Selling** - When dollar amount of individual purchases is low, it doesn't make sense to use personal selling.

The Landscape of Modern Personal Selling

- **Types of Sales Jobs**

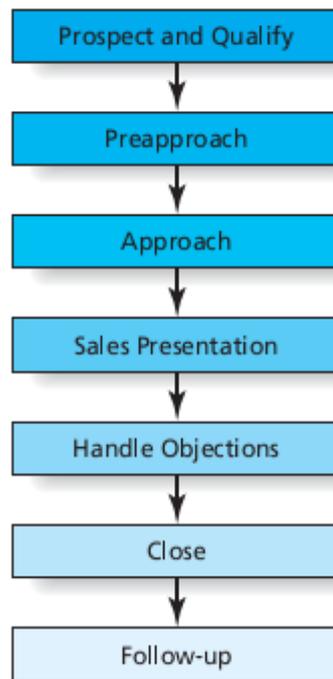
- **Order Taker** - a salesperson who processes transactions the customer initiates. Little creative selling is involved and lowest-paid.
- **Technical Specialist** - a sales support person with high level of technical expertise who assist in product demonstrations, recommendation for complex equipment and setup machinery.
- **Missionary Salesperson** - a salesperson who promotes the firm and tries to stimulate demand for a product but does not actually complete a sale. Ex : a salesperson of medicine, persuades physicians to prescribe their medicine.
- **New-business Salesperson** - the person responsible for finding new customers and calling on them to present the company's product. Requires High degree of creativity and professionalism.
- **Order-getter** - A salesperson who works to develop long-term relationships with particular customers or to generate new sales.

- **Team Selling** - The sales function when handled by a team that may consist of a salesperson, a technical specialist, and others.
- **Two Approaches to Personal Selling**
 - **Transactional Selling** - A form of personal selling that focuses on making an immediate sale with little concern for developing a long-term relationship with the customer
 - **Relationship Selling** - Process by which a salesperson secures, develops, and maintains long-term relationships with profitable customers.

The Creative Selling Process

- **Creative Selling Process** - The process of seeking out potential customers, analyzing needs, determining how product attributes might provide benefits for the customer, and then communicating that information
- **There are Seven steps**
 - **Prospect and Qualify - Prospecting** is process by which a salesperson identifies and develops a list of prospect or sales leads (potential customer). After that salespeople need to qualify these prospect to determine how likely they are become customers.
 - **Preapproach** - A part of selling process that includes developing information about prospective customers and planning the sales interview.
 - **Approach** - The first step of the actual sales presentation in which the salesperson tries to learn more about the customer's needs, create a good impression, and build relationship.
 - **Sales Presentation** - The part of the selling process in which the salesperson directly communicates the value proposition to the customer and invites two-way communication.
 - **Handle Objections** - It's rare when a prospect accepts everything, they may raise an objections - reasons why the prospect is reluctant to make a commitment.
 - **Close the Sale** - Decision stage in which the salesperson actually asks the customer to buy the product. There are three approaches
 - **Last Objections** - Address any concerns they have about products with example question "Are you ready to order if we can prove our delivery time frames met your expectations?"

- **Assumptive or Minor points close** - act as if the purchase is inevitable with example question “What quantity would you like to order?”
- **Standing-room-only or buy-now** - Customer might miss an opportunity when deferred purchase with example question “If you buy now, you will get 20 discounts”
- **Follow up** - Activities after the sale that provide important services to customers include arranging delivery, payment and purchase terms.



Sales Management

- **Sales Management** - Process of planning, implementing and controlling the personal selling function of an organization. The Processes are



- **Set Sales Force Objectives** - State what management expects the sales force to accomplish and when. Sales manager with salespeople individual develops objectives. There are two types
 - **Performance Objectives** - measurable outcomes
 - **Behavioral Objectives** - actions that must be completed
- **Create a Sales Force Strategy** - establish important and specifics such as the structure and size of firm's sales force. Each salesperson is responsible for a set group of customers - **Sales territory**, allows salespeople to have an in-depth understanding of customers and their needs through frequent contact both business and personal.
- **Recruit, Train and Rewards the Sales Force** - Ideal candidates exhibits good listening skills, effective follow up skills, ability to adapt their sales style, tenacity, high level of personal organizations.
 - **Training that can be provided**
 - **Sales Training** - Teaches salespeople about the organization and its goods and services and helps them to develop skills, knowledge and attitudes they require to succeed.
 - **Professional Development** - Prepare salespeople personally and professionally for new challenges such as promotions and management responsibilities.
 - **Compensation to performance**
 - **Straight Commission Plan** - Solely based on a percentage of sales the person closes.
 - **Commission with draw plan** - earnings come from commission plus a regular payment
 - **Straight Salary Plan** - The salesperson is paid a set amount regardless of sales performance
 - **Quota Bonus Plan** - Pays salespeople a salary plus a bonus for her sales that exceed an assigned quota.
 - **Sales Contest** - Provide prizes for selling specific goods or services in order to boost short-term sales.
- **Evaluate the Sales Force** - Evaluate the total effort, take corrective action if needed