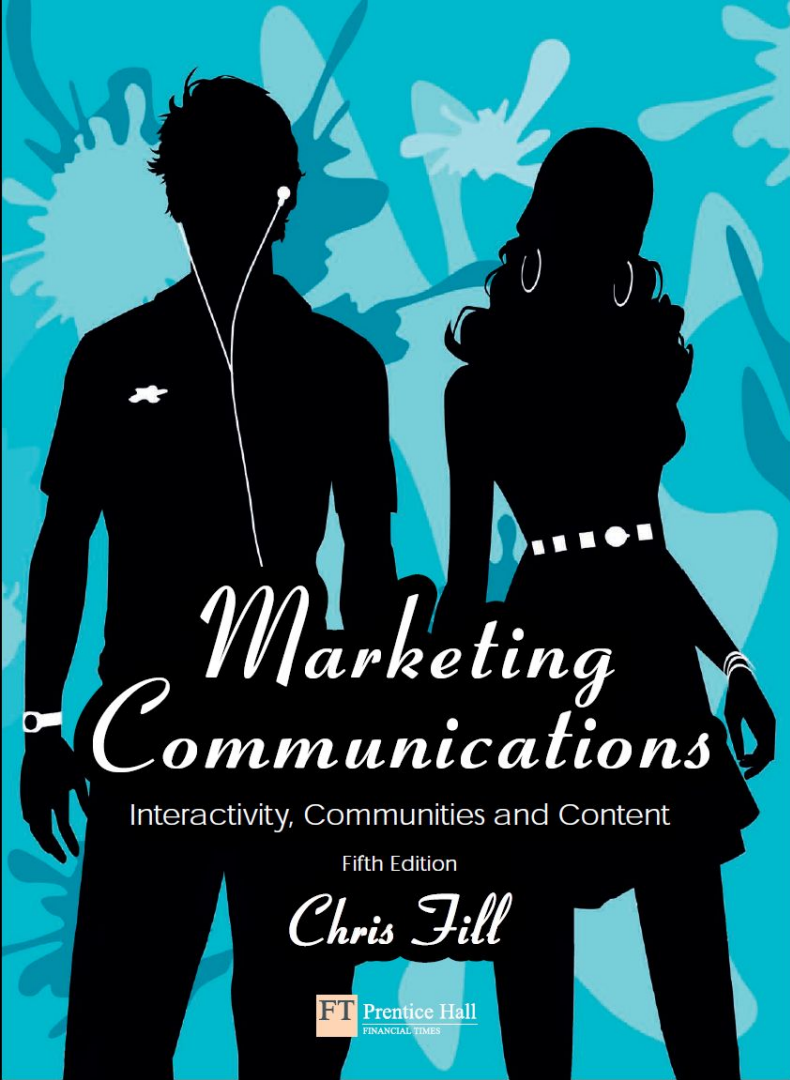


PERSONAL SELLING

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PERSONAL SELLING

Section 22 (pg 654 - 686)



Personal selling: the traditional image



Personal selling: a modern approach

Contents

Personal selling: types and tasks

Strengths and weaknesses of personal selling

How personal selling works

Organizing a sales force

Optimal sales force size

The future of personal selling

PERSONAL SELLING: TYPES AND TASKS

Types of customers

Intermediaries

Industrial

Professional

Consumer

Intermediaries



Selling products or services to **value-added resellers**.

Industrial



Business-to-business selling of components that are included in the final product offering.

Professional



Selling to influencers who incorporate the offerings within their projects.

Consumer



Selling directly to consumers.

Tasks of personal selling

Communicating (informing stakeholders)

Selling (selling...)

Information gathering (about the market and customers)

Servicing (consulting, fixing - dealing with customer “problems”)

Allocating (distributing time and resources as needed)

Shaping (building and sustaining relationships)

STRENGTHS AND WEAKNESSES OF PERSONAL SELLING

Strengths

Two-way interaction → fast, direct feedback

Reduced likelihood of distraction or noise

Greater level of participation in the decision process by the vendor

Power to tailor messages in response to feedback → solve customer problems

Weaknesses

Cost

Reach and frequency

Control over message delivery → message inconsistency → misunderstanding

↳ The quality of the relationship can be jeopardised

When personal selling should be a major part of the communications mix?

Important issues to consider:

Complexity

Buyer significance

Communication effectiveness

Network factors

Complexity

- Important when there's a medium to high level of relationship complexity.

- Complexity associated with either:

 - the physical characteristics of the product

 - or

 - the environment in which the negotiations are taking place

- Personal selling allows customising, testing, explaining and demonstrating the product (see, touch, taste)

Buyer significance

- Significance of the product to the target market
- Can be measured as a form of risk. Risk associated with benefits and costs.

E.g. a new photocopier for a major multinational organization vs. new start-up

- Timing of a product's introduction may be crucial to the success of a wider scheme



Communication effectiveness

-One of the main reasons for using personal selling is that using any other tool alone fails

Advertising media cannot provide all the information the customer needs to make a purchasing decision. E.g car

-In B2B marketing the complexity of products requires salespeople to discuss specific needs

Building source credibility through expertise and trustworthiness ➡ a relationship

-Economic sense: small customer base dispersed on a wide geographic area

Communication effectiveness



Channel network factors

-Communications strategy: more push than pull activities

↳ Personal selling is required to provide necessary communications

-Number of members in the network is limited, use of sales force advisable

↳ Advertising inefficient

-A close collaborative relationship is a sustainable competitive advantage

HOW PERSONAL SELLING WORKS

The 9 main stages of a sales process

Can vary between organizations and sales people

Fails to explain how a salesperson should approach a customer or why some negotiations are successful and others are not.

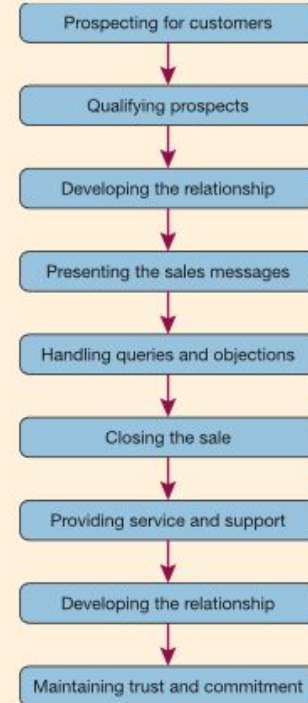


Figure 22.1

The main stages in the sales process

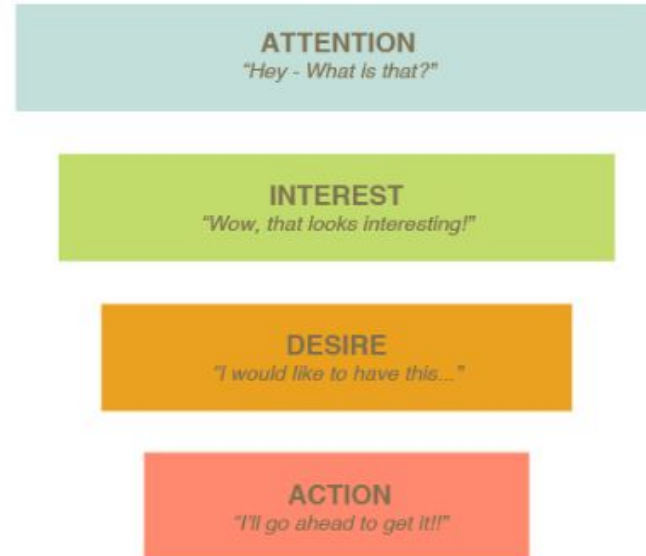
Models to explain how the personal selling process works:

1) AIDA by Strong (1925)

Prospects must be drawn along a continuum of mental states.

Allows flexibility in the vendors approach.

THE AIDA - MODEL



2) Stimulus-response model

If a salesperson can create the right circumstances, it is probable that the buyer will react in a particular way → control the circumstances, induce the desired response

Jolson (1975) studied these “canned” vs. personalized sales presentations

↳ Buyers learned more through personalized presentations, but were more likely to buy after the prepared presentation

Vendor-led model that discounts the cognitive processes of the buyer



3) The buying formula

-The role of the salesperson is to assist buyers to find solutions to their problems.

-Attacks from competitors will be rejected because the current solution is deemed adequate

-A long term relationship can be developed as a result of satisfaction

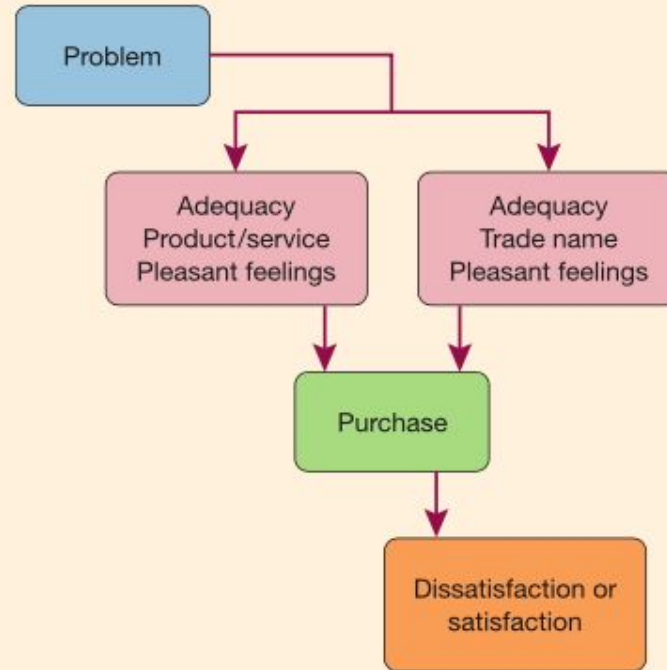


Figure 22.4

The complete buying formula

Source: Still and Cundiff, *Sales Management: Decisions, Strategies and Cases*, 5th, © 1988. Electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

What can influence the buying process?

Semiotics

-A bunch of things can influence the buying process, semiotics as one growing area of interest:

The perception that buyers have of the salespeople can influence the sales process, e.g. the clothes they are wearing



"Onks sul liittymähommat kondiksessa?"
starter pack



COMMUNICATION APREHENSION

-Refers to the degree to which an anxiety concerning communication will negatively affect a salesperson's performance

-McCroskey's (1984) model has two main conditions:

- 1) a condition that affects individuals in situations that normal people would not consider threatening
- 2) a state that refers to the normal apprehension felt by people when speaking in group situations, public speaking situations etc.

-Above-average sales performance is achieved by individuals who have the lowest level of communication apprehension

ORGANIZING A SALES FORCE

SALES FORCE MANAGEMENT AND ORGANIZATION

FIELD SALES FORCE

- Primary and Traditional sales channel

SALES PERSON

- Explain and sell organizations products

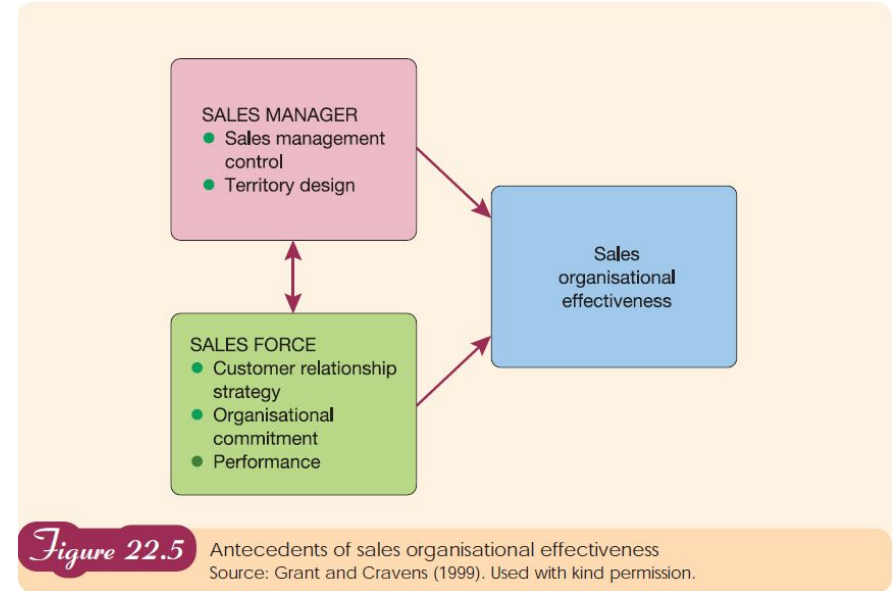
Grant and Caverns (1999) suggests two reasons for effectiveness:

SALES MANAGER

- Decides on degree to actively manage inputs as well as reward against targeted outcomes

SALES FORCE

- Sales people whose effectiveness results from organizational and environmental factors



Core Business Capabilities

Srivastava (1999) suggests three processes that links an organization to its customers:

- Product Development Management
- Supply Chain Management
- Customer Relationship Management



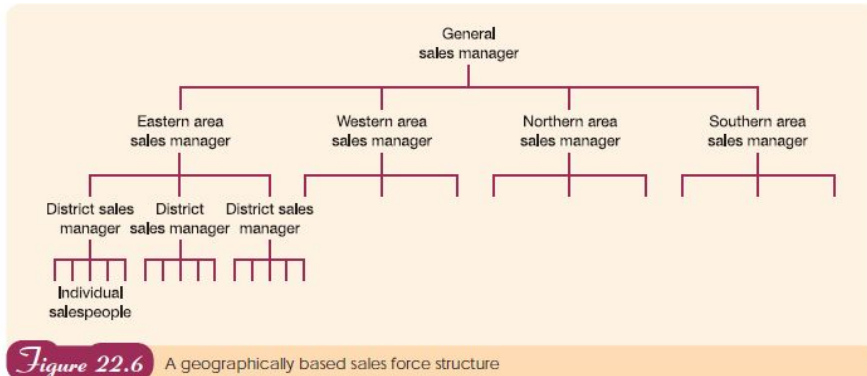
Sales Management Approaches

- **Behavior Based**
 - Managing the inputs or processes to a salesperson
- **Outcome Based**
 - A focus on results
 - Little managerial supervision



OPTIMAL SALES FORCE SIZE

ORGANIZING THE SALES FORCE



Geographical approach

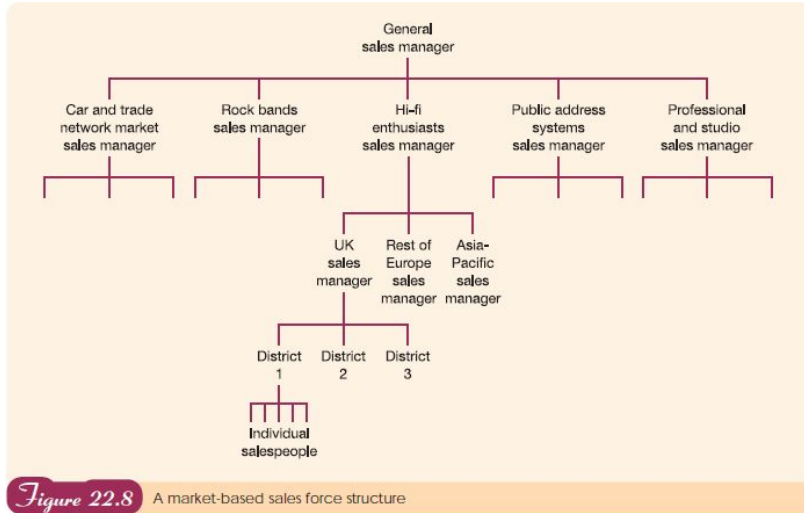
PROS

- Low cost
- High selling effort
- Simple for customers

CONS

- Specialised knowledge is reduced
- Number of new customers tends to be low
- Line of least resistance is often pursued

ORGANIZING THE SALES FORCE



Product-based approach

PROS

- Technical expertise
- Improved source credibility
- Better control

CONS

- Duplication of sales efforts
- Selling expenses and management time

ORGANIZING THE SALES FORCE

Market-based approach

PROS

- Greater understanding of customers
- Specialized selling techniques

CONS

- Highest cost

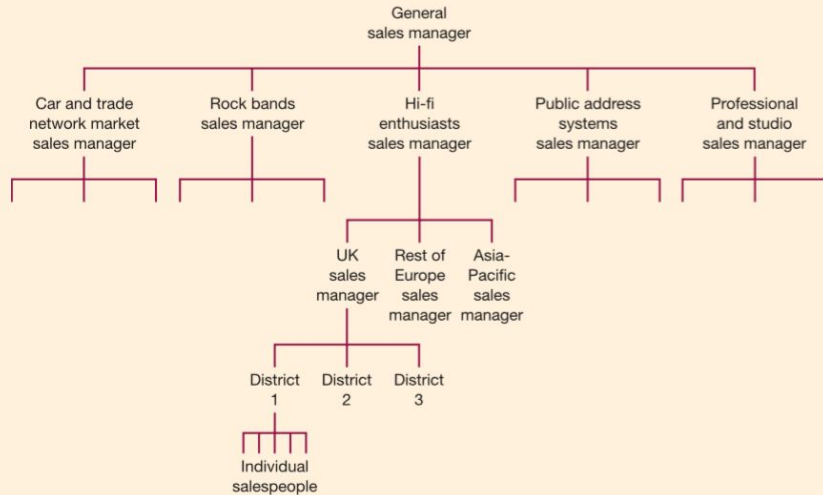
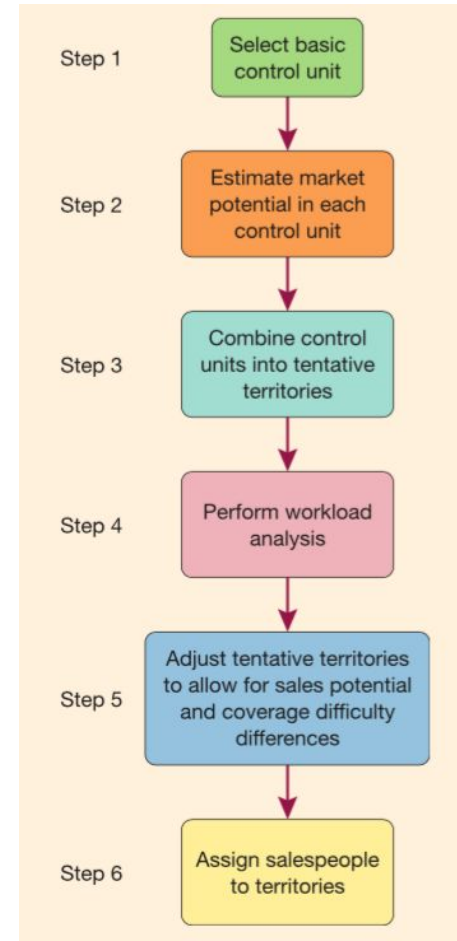


Figure 22.8

A market-based sales force structure

Territory Design

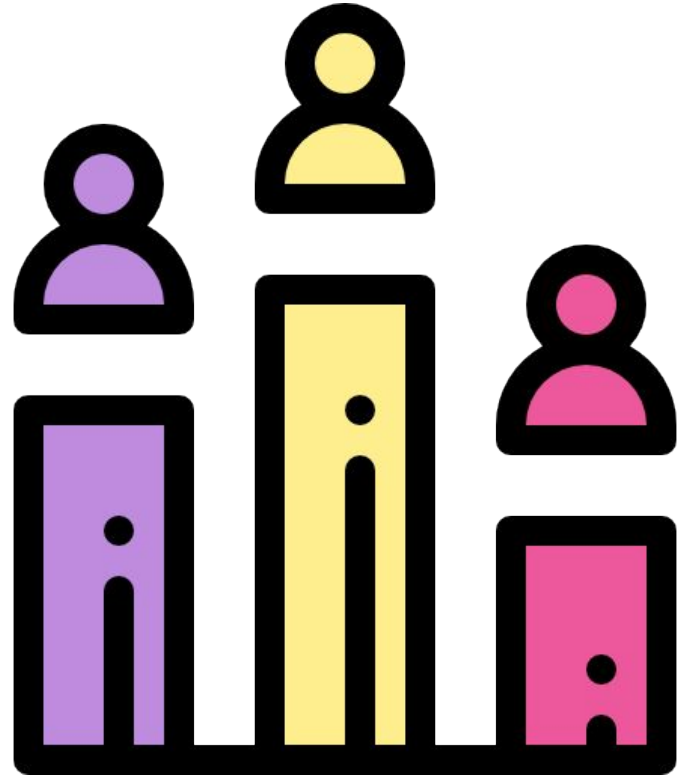
- Make all territories as equal as possible
- Churchill (1999) suggests a six step process are the most appropriate.
- Allows for planning and control



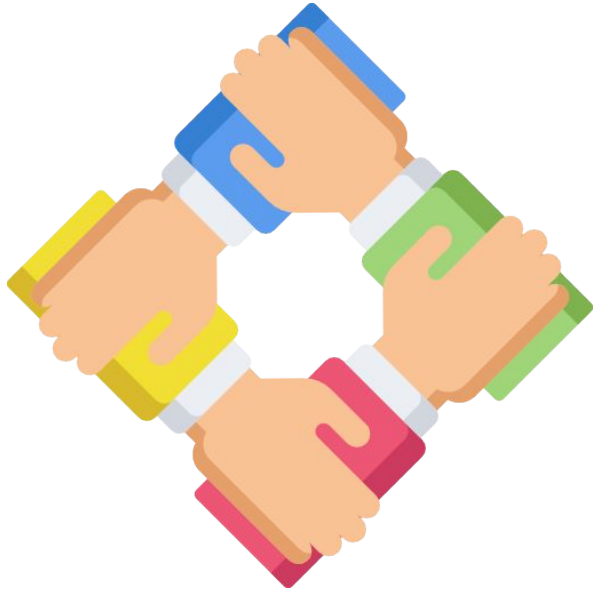
THE FUTURE OF PERSONAL SELLING

Performance networks

(organizations who directly influence/are influenced by the value-added processes of the focus organization) of many markets have been in transition for many years



Organizations should seek *cooperative*, rather than *competitive* relationships.



Transition has occurred in multiple other areas, leading to an expected change in the roles of salespeople

Customer

Partner and supplier
Service provider
DMU contact
Vision of the supplier
Relationship manager

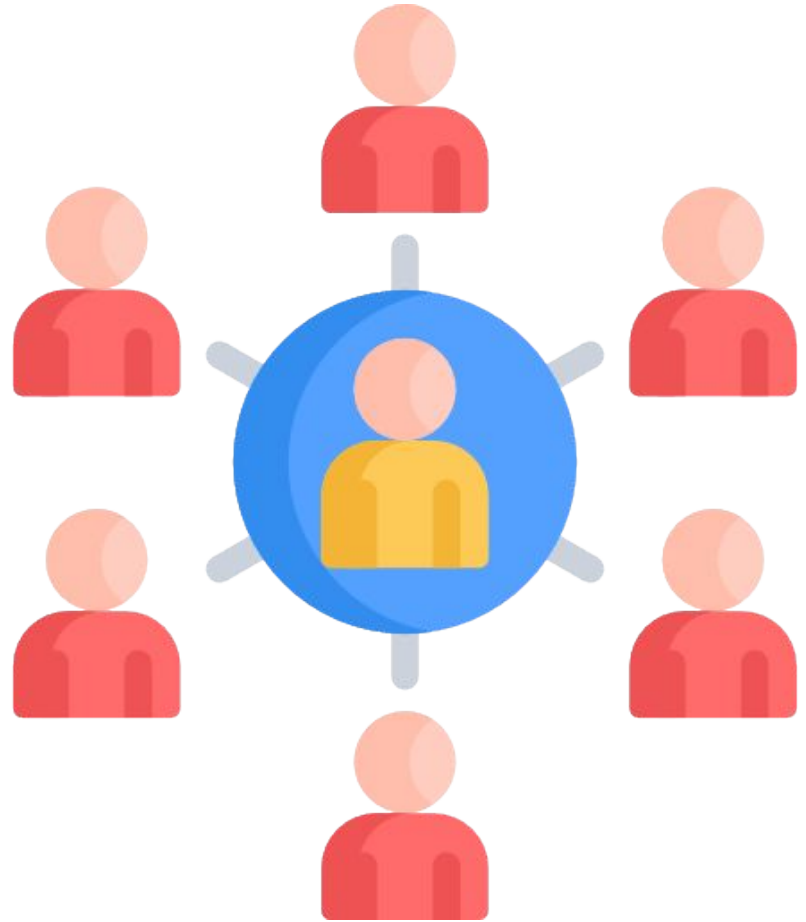
Market

Analyst and planner
Opportunist
Trend spotter and
forecaster
Researcher

Organisation

Sales team coordinator
Profit
generator/manager
Information channel
Technology and product
developer

Emergence of
the salesperson
as a **network
coordinator
and manager
of customers**



THANKS!



Sources

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