

Unit 3:

Sales Promotion and Personal Selling

INTRODUCTION

In this unit, we continue building an in-depth understanding of the individual tools of marketing communications. Specifically we are investigating the tools of sales promotion and personal selling. We could have probably devoted a whole unit to each of these as we did for advertising. The fact that we are combining the two does not mean that they are any less important or complex than advertising; simply, we do not have the space to devote a unit to each one. Although interestingly, in combining some of the tools of promotion together raises the issue of grouping. Why have sales promotion and personal selling been combined? In fact, there is a reason for the groupings. Both sales promotion and personal selling share the characteristic of being the most immediate of the promotional tools – both focus on attempting to create or cause an immediate sale. Although a theme of this course is the need for integrated marketing communications plans based on the overlap and interaction between all the different tools of promotion, often sales promotion and personal selling are used closely together in promotional campaigns.

In this unit, you will need to read the following chapters from the textbook:

Chapter 18: Sales promotion: principles and techniques

Chapter 22: Personal selling

Follow the same approach of reading the chapters in the textbook and then doing the activities as you did in Units 1 and 2. Once again, you should try to investigate some of the issues in more depth using the Further Reading identified at the end of the unit.

OBJECTIVES

After completing this unit, you should be able to:

- understand the role of sales promotion in the marketing communications mix
- explain the range of sales promotion methods and current thinking about how they work
- develop plans for using sales promotion strategically in a range of applications and settings
- understand the role of personal selling in the marketing communications mix
- explain the range of selling roles and tasks and current views about how selling works as a communications tool
- explain the issues in planning and managing personal selling in the communications mix
- evaluate some key trends and developments in personal selling.

Read Chapter 18.

OVERVIEW OF SALES PROMOTION

Sales promotion encompasses many different types of individual sales promotion methods. It can be used for many different purposes and may be aimed at different target audiences. We look at these different methods and their uses shortly. However, irrespective of the particular methods of sales promotion being considered or used, or the specific objectives of a particular sales promotion campaign, we can identify a number of characteristics that distinguish sales promotion from some of the other tools of marketing communications. The key characteristics of sales promotion include:

- essentially, it is intended to create an **immediate boost to sales**
- related to this and, in contrast to much advertising, it is **short rather than long term**
- it is principally aimed at the **latter stages of the buying process**
- it is **channelled directly to the intended target** rather than through the media
- because no media is used, there are no commission costs and it is **paid for direct**.

Advantages of sales promotion

Most analyses show that sales promotion now accounts for the highest proportion of overall spend in the communications budgets of most companies. Slowly, it has gradually overtaken advertising.

ACTIVITY 3.1

Try to establish the proportion of the marketing communications budget which is allocated to sales promotion activities in your own organisation.

There are a number of reasons to explain the growth in importance and subsequent spend on sales promotion.

- Often sales promotion can be **more precisely targeted** than advertising.
- Largely because sales promotion is aimed at creating immediate sales, it is **easier to measure the effectiveness** of a sales promotion campaign than an advertising campaign.
- Perhaps not an explanation of its initial growth, but certainly a reason for it being used extensively today, increasingly intermediaries and customers have come to 'expect' brands to be accompanied by sales promotion support and activities – it has become **part of the choice criteria for intermediaries and customers**.
- In many ways, sales promotion is **more flexible** than other promotional tools. It can, for example, be planned and implemented relatively quickly if market and competitive conditions require it. Similarly, sales promotion activities can be eliminated or reduced relatively quickly.
- Most companies now accept that sales promotion is **a very powerful and effective competitive weapon**, particularly to increase market share, cause brand switching, or to develop brand loyalty.
- Sales promotion is **suitable for all companies**, small and large, and can be relatively successfully used with budgets which would not be sufficient for many advertising campaigns.
- Finally, sales promotion **can be aimed at several, or all, network members** in the marketing chain. It is often used to develop dealer loyalty or to motivate the sales force just as much as it is used to attract customers.

Disadvantages of sales promotion

ACTIVITY 3.2

Either from the perspective of your personal experience as a customer purchasing products and services, or based on your experience as a manager with your company, what in your view might be some of the possible disadvantages of sales promotion as a promotional tool?

Clearly, sales promotion has grown in importance because of a number of distinct advantages. Perhaps as you would expect, however, sales promotion also has some potential disadvantages as a tool of promotion. Some of the more important of these potential drawbacks include:

- Sales promotion can be perceived by customers as having **low source credibility**. This is principally because target audiences understand that sales promotion is being used to generate a sale.
- Sales promotion can encourage a company to think and plan **short term rather than long term** in its markets.
- Related to the previous point, many argue that even if sales promotion does increase sales it does so only by bringing forward future sales so that eventually **any increase in sales will be temporary**, followed by a subsequent dip.
- Customers may simply **postpone purchasing** in anticipation of possible sales promotion campaigns in the future.
- Sales promotion may **encourage brand promiscuity** – less brand loyalty and more brand switching in the market.
- Sales promotion may result in a **negative or devalued image for a brand** – it may cheapen a brand. This may even have a knock-on effect on the company image.
- Finally, sales promotion may **lead to excessive competition**, and particularly price-based competition between companies in the industry. Sales promotion campaigns are much more likely to prompt retaliatory action by competitors.

Review Chapter 18, pages 537–545.

Sales promotion has a number of potential disadvantages as well as clear advantages. In order to maximise the potential advantages of sales promotion and at the same time minimising the potential disadvantages as the marketing communications planner, we need to understand the following issues:

- how sales promotion works
- importance of and issues in developing a more strategic and integrated approach to sales promotion
- range of sales promotion methods available, and how to use these in planning and implementing sales promotion campaigns.

We now look at each facet of maximising the potential advantages of sales promotion.

HOW SALES PROMOTION WORKS

Just as there is no one universally accepted theory of how advertising works, so too there is no one single theory of how sales promotion works. Again, given the wide range of types and purposes of sales promotion, perhaps we should not be surprised. Perhaps surprisingly, given the importance and spend in this area of promotion now, we actually know a lot less of how sales promotion works than we do about advertising. Quite simply, there has not been as much research in this area. Two of the more promising areas of research in improving our knowledge and understanding of the processes involved in sales promotion, focus on two related areas: **behavioural change** and the factors affecting this; and the concept of **customer loyalty**. In beginning to explore how sales promotion might work then, the textbook examines these two areas in some detail.

Review Chapter 18, pages 545–552.

Behavioural change and sales promotion

You will appreciate that the area of behavioural change and sales promotion is complex. The reason for linking the two, however, is clear. Sales promotion differs from advertising as it is focused almost entirely on the latter stages of the buying process. Indeed, we have noted that sales promotion is primarily designed to encourage purchase behaviour in some way. For example, it might be intended to encourage customers to switch from another brand, or to purchase more of an existing brand, etc. Regardless of the specific objectives, sales promotion campaigns are aimed at directly inducing or changing behaviour. Not surprisingly then, theories and concepts pertaining to how to initiate and/or change behavioural patterns with respect to brand choice and purchase are proving to be one of the most fruitful lines of research.

Customer loyalty

A second promising area of research into how sales promotion might work concerns customer loyalty. There are a number of reasons for exploring this line of research, not least of which is the recent growth of loyalty sales promotion campaigns. We return to the issue of loyalty, and particularly the growth of **loyalty programmes** later in the unit. Much of sales promotion, by encouraging certain customers into certain patterns of behaviour, is designed to encourage loyalty to one brand, whilst at the same time encouraging disloyalty to all other brands. Central to developing our understanding of how sales promotion might work, therefore, is an understanding of the nature of customer loyalty and disloyalty, and the factors which affect this.

ACTIVITY 3.3

Look for examples of sales promotion activities which reflect the different types of loyalty shown in Figure 18.1 of the textbook.

A STRATEGIC APPROACH

If our knowledge about how sales promotion works is relatively undeveloped, maximising the potential of sales promotion is now widely understood and appreciated amongst sales promotion and promotional planners. Previously, sales promotion has been thought of as principally a short term, tactical element in the promotional mix with the inherent danger of losing sight of the long-term effect on promotion objectives. It is now increasingly recognised that often the most effective sales promotion campaigns are those that are planned and executed with a longer term strategic perspective. Moreover, and related to this, it is increasingly being recognised that the need for integration of all elements of the marketing communications mix is likely to be more effective. Again, in the past, sales promotion has often been planned and implemented independently of other marketing and promotional activities, perhaps in response to, say, a decrease in sales. The advantages of sales promotion outlined earlier, however, are best achieved when sales promotion is planned together and combined with the other elements of the promotional mix.

Review Chapter 18, pages 552–555.

ACTIVITY 3.4

What practical problems might arise in trying to move towards a more strategic and integrated approach to sales promotion?

Commentary

The major problems include the following:

- the emphasis in many companies on short-term sales and profits discourages a strategic perspective on the use of sales promotion
- partly because they have come to 'expect' it, customers are often more interested in short-term sales promotion incentives
- it is much more difficult to plan and evaluate sales promotion in an integrated strategic programme.

Developing a strategic integrated approach to sales promotion can be problematical, at the very least the sales promotion campaign itself needs to be planned and implemented as effectively as possible. This requires an understanding of how and when sales promotion campaigns can be used and the range of sales promotion methods available. We now look at this third aspect of getting the most out of sales promotion.

Read Chapter 18 pages 555–562.

SALES PROMOTION METHODS

You will now appreciate that there is a wide range and variety of sales promotion methods which the marketing communications planner may draw upon. As with any technique, it is important to understand how to select the most appropriate method to achieve the desired result. The selection of the appropriate methods of sales promotion, however, is facilitated, not only by an understanding and appreciation of the methods available but more importantly by having a systematic approach to planning and implementing a sales promotion campaign. We discuss the methods in the context of such a systematic approach.

The key steps in a systematic approach to planning and implementing sales promotion follow. You should note that in discussing these steps, sales promotion planning and implementation are considered and discussed from the point of view of the manufacturer. Obviously, retailers and intermediaries too make use of sales promotion. However, broadly the same principles apply.

Determining objectives

Although we have seen that ultimately sales promotion is intended to increase sales and profits, it is important to be much more specific about the objectives of a particular campaign. In order to achieve the desired increase in sales there may be a number of possible specific objectives for a particular sales promotional campaign. So for example, in the case of a new product, the objectives might be to encourage consumer trial by switching from other brands, to encourage intermediaries to stock the new product, and also to motivate the sales force to establish the new product. In the case of an existing product, the objective might be to encourage heavier usage amongst existing users.

Obviously, the objectives for a sales promotion campaign need to be as clear and specific as possible. We can also see that in order to achieve the overall objective of, say, increasing sales, a number of sub-objectives may be required to be achieved with different targets. The identification of targets for the sales promotion, then, is another key step in the planning and implementation process.

Determining targets

Broadly, for the manufacturer, there are three possible targets for sales promotion, namely:

- re-sellers and intermediaries
- consumers
- company sales force.

As we saw when discussing objectives for sales promotion, all three groups may be targets for a sales promotion campaign and obviously where this is the case it will be necessary to ensure integration across the sales promotion methods being used to reach each target group. As with objectives, targets should be defined as precisely as possible. So, for example, in the case of consumers we should identify which target groups in the market we are aiming our sales promotion at, for example, particular users, non-users, geographical areas or income groups.

ACTIVITY 3.5

Identify examples of possible specific objectives for a sales promotion campaign for one or more products of your own organisation.

Selecting methods

Having determined objectives and targets for a sales promotion campaign, the promotional planner can now turn to selecting the most cost-effective sales promotion techniques to reach the targets and achieve the objectives.

At this stage, based on these objectives and targets, some of the tools of sales promotion will obviously be unsuitable or inappropriate. For example, 'merchandising allowances', say, are clearly not relevant to a sales promotion campaign targeted only at final customers. However, the sales promotion planner is still likely to have a wide range of methods to choose from.

In making this selection, it is important to understand the range of methods available, the advantages and limitations of each, their main applications and uses, and their relative cost-effectiveness in achieving specified sales promotion tasks. Normally, a specialist agency will be used to advise in this respect. Just like advertising, sales promotion has become a specialist area within marketing and even within marketing communications.

Key factors, in addition to objectives and targets, which will affect the selection of appropriate methods include:

- resources available (budgets)
- competitor considerations
- company and marketing objectives.

Again, it is important to stress that sales promotion activities including the selection of specific sales promotion methods must be planned and implemented in the context of and to integrate with the rest of the marketing communications mix.

Pre-testing campaigns

As with advertising it is important to pre-test proposed sales promotion campaigns wherever possible. Techniques of particular value here include the use of **focus groups** again, **hall tests**, and the use of **test marketing**.

Implementation

Implementation involves ensuring that all production of any sales promotion materials has been completed, where appropriate, sales staff briefed and so on. Again, with the emphasis on integration, timing and co-ordination of sales promotion with other elements of the marketing communications mix and the marketing mix itself are crucial. This is particularly the case where the sales promotion is aimed at all three targets identified earlier – sales force, intermediaries and consumers. Specialist agencies would normally be used to produce sales promotional materials.

Evaluation of campaigns

A final step in a systematic sales promotion campaign is the evaluation of the extent to which the objectives of the campaign have been achieved. Given that sales promotion is primarily aimed at achieving sales effects, measurement of effectiveness is easier than with other promotional tools. For example, it is much easier to use the quantitative measure of sales rather than as with, say, advertising, to try and measure a qualitative communication effect. Unfortunately, there are still possible problems in evaluating even the sales effect of sales promotion.

Review Chapter 18, pages 545–552.

ACTIVITY 3.6

Figures 18.2–18.4 (page 547) show possible sales profiles as a result of a sales promotion event. Why is it suggested that Figure 18.3 is the most 'realistic response' to a sales promotion event? Should ex-factory or retail sales figures be used, and why? What factors other than sales could be used to assess the effectiveness of a sales promotion event?

You will probably now appreciate that measuring the effectiveness of sales promotion events particularly through a simple analysis of sales figures is not necessarily all that easy or straight forward. Amongst the traditional methods used to evaluate sales promotions are:

- retail audits
- tracking studies
- consumer audits
- redemption levels.

More recently, marketers have been able to use IT technology to evaluate sales promotion based, for example, on databases and electronic household panels.

Review Chapter 15, pages 457–461.

OTHER ISSUES IN SALES PROMOTION

There is much more activity and effort in the area of research into sales promotion and how it works. Given the increase in spend in this area this is likely to accelerate. As with all aspects of marketing, and indeed virtually every aspect of business, developments in technology continue to lead to new techniques, both in the types of sales promotion activities and the implementation and evaluation of these. The concept of 'loyalty' is recognised as being a key area and issue in sales promotion. Linked to this, the recognition of the value of retaining customers and the associated development of **relationship marketing** has given rise to a much-increased use of **loyalty programmes** as a sales promotion technique.

Review Chapter 18.

ACTIVITY 3.7

Are there any marketing and promotional activities in your own organisation which are specifically designed to build customer

loyalty? What sales promotion activities could be undertaken to improve customer loyalty?

Finally, once again, it is worth repeating the fact that a significant trend in managing sales promotion is the recognition of the importance of integrating sales promotion with the other elements of the marketing communications mix. One area in particular where this integration can be seen is the integration of sales promotion with the personal selling element. We now turn our attention to this element.

PERSONAL SELLING

For a long time, personal selling was not always viewed as being part of the marketing communications mix, or even part of marketing! Even now, because the sales function is often managed by the sales director with a sales team, sales is still not fully planned and integrated with the other elements of marketing communications. Fortunately, this is changing. Here we look at:

- nature, scope and uses of personal selling in the marketing communications mix
- range of selling activities and tasks
- advantages and disadvantages of personal selling as a tool of marketing communications
- selected aspects of sales force management
- some of the recent developments and trends in this element of the marketing communications mix.

It is important to stress that we do not purport to develop sales management or personal selling skills. Elements of sales force management, for example, territory design, are looked at only where there is an implication for the communications aspect of personal selling. As you will appreciate, we view personal selling specifically from a marketing communications perspective.

Read Chapter 22.

Key characteristics

If sales promotion is different in nature to advertising, then personal selling is different again. As a marketing communications tool, personal selling has the following characteristics:

- **direct personal contact** with customers, often, though not always, face to face
- related to the above, personal selling enables **two-way communication** between seller and buyer
- like sales promotion, personal selling is aimed at **inducing behaviour** and **specifically purchase**.

Advantages as a communications tool

Although, as we see there is a very wide range of types of selling activity, generally personal selling offers a number of advantages as a marketing communications tool:

- **Precision:** it can be very precisely targeted with regard to target customers. Indeed, individual customers can be specifically targeted.
- **Flexibility:** it enables two-way communication with customers. This results in personal selling being a very flexible form of marketing communications. A sales person can respond and adapt the message being delivered according to the customer's reaction.
- **Facilitates relationship building:** more than any of the other tools of marketing communications, even loyalty building promotions, personal selling enables the building of close relationships with customers, thereby potentially increasing customer loyalty.
- **Enables a range of tasks:** most of the marketing communications tools are just that – they facilitate the communications process. In addition to its communication tasks, personal selling also facilitates the accomplishment of other tasks, for example, information gathering, product or service delivery and complaint handling.

Disadvantages as a communications tool

- **Cost per contact:** personal selling is probably the highest cost method in terms of contacting each customer.
- **Less control:** the advantage of flexibility with the sales person being able to adapt the message according to circumstances, for example, the response of the customer, can also be a disadvantage. Unlike advertising messages which are at least delivered to the target audience as planned, a company has much less control over what the sales person actually says when communicating with customers. Needless to say, many companies attempt to remove this problem by pre-scripting. These so-called 'canned' approaches to selling are often used in telephone selling.
- **Variability:** related to the problem of lack of control and indeed, often a reason for it being a problem is the fact that because personal selling is 'personal' it is subject to the vagaries of human nature. If the sales

person is having a 'bad day', this may affect the communication process.

- **Low source credibility:** obviously customers understand that the job of the sales person is to make a sale. Any messages delivered by the sales person are interpreted from this perspective. This may mean that they have a low credibility for the customer.

ACTIVITY 3.8

Briefly, how could some of these disadvantages of personal selling be minimised?

Commentary

Some of the ways in which the disadvantages could be minimised are:

- **High costs:** minimised by good targeting and the identification of good prospects through good sales preparation. Good planning of, for example, routes and territories, can maximise the amount of selling time spent with the customer.
- **Control:** can be increased by pre-scripting. This can bring its own disadvantages, so effective training is required.
- **Variability:** training and good preparation of the sales force can help reduce this problem.
- **Source credibility:** can be improved by building trust with customers. The sales person should attempt to develop relationships with customers and must be perceived as trustworthy and knowledgeable about products and services.

Planning and managing personal selling

Remember that we are primarily concerned with the role of personal selling and its management from the perspective of managing the marketing communications mix. You will appreciate that the management of sales activities encompasses many aspects other than those specifically concerned with its communications role. In particular, the sales manager will be charged with the responsibility of, for example, sales force compensation, selection and recruitment, motivation, territory design and training. Broadly speaking, these and other aspects of managing the sales force, important though they are to the sales function, and indeed to the whole marketing effort, are not our concern here, other than where they relate to or affect the role of personal selling in the communications mix.

We now look at some of the key elements of planning and managing personal selling from a marketing communications perspective.

Role of personal selling in the marketing communications mix

The first task in planning and managing selling from a marketing communications perspective is to determine what role, if any, personal selling is to play in the mix. In fact, we considered this aspect in Unit 1 when we looked at the tools of marketing communications. Some companies have no personal selling activities; others use only personal selling to communicate with their targets. Many factors affect this choice, for example, personal selling is likely to play a more significant role in business-to-business marketing. The marketing of high cost or high complexity products such as cars and computers often favour a personal selling approach. Overall a decision must be made about what represents the most cost-effective way of communicating with the target market and the selection of the appropriate communication mix should reflect this.

ACTIVITY 3.9

Using Table 22.2 in the textbook, page 661, assess the extent to which the factors reflect the relative importance accorded to personal selling versus advertising in your own organisation and markets.

Nature of the selling activity and tasks

Most classifications of the different types of selling activity and tasks focus on the **order** aspect.

Review Chapter 22, pages 654–661.

Personal selling can range from **order getting** through to **order supporting**. Certainly, selling embraces a wide range of tasks and can mean very different things. However, this conventional classification of selling is, particularly from a marketing communications point of view, rather limited in relation to the complexity and range of selling activities and tasks. The selling activity and tasks involves much more than simply the order aspect.

ACTIVITY 3.10

Using Table 22.1, in the textbook, page 657, evaluate the relative importance of each task in the selling activities of your organisation's sales force. If your organisation does not have a sales force, how are

these tasks achieved in your organisation and using what communication tools?

Commentary

This is a much wider perspective on the nature of selling and selling tasks than simply thinking of the order aspect. In most organisations, it is not a question of whether or not these tasks should be performed, but more a question of how they should be performed. In other words, if they are not achieved by the sales function, they will have to be performed through other activities and functions. Note also that although 'communicating' is shown as only one task of personal selling, all other tasks to some extent are based on, and involve, communication. We could argue that personal selling is ultimately all about communication.

How selling works: the sales process

Review Chapter 22, pages 661–665.

There are a number of models which purport to represent how selling might work and the nature of the sales process. Some suggest that the process can be best understood as a **dyadic exchange process** between two parties. Others are based on the notion that the process works by the sales person providing the right clues or stimuli to elicit the desired response from the buyer – **stimulus-response models**. Amongst some of the most widely accepted models are based on the notion that it is a **problem solving process** with the sales person first helping the customer to identify problems (needs) and then showing how the organisation's products or services solve these problems (needs).

Yet again, there is no one single model of the sales process and perhaps it would be surprising if there were, given the range of different types of selling and sales situations. However, all the models underline the fact that communication is essential to the selling process. In many ways, the notion of the customer passing through a number of stages from unawareness through to action during the selling process is probably the most realistic and useful way of thinking of how the sales process works. In this sense, the AIDA model still represents a useful way of viewing how the sales process works. Another useful and widely accepted view of the steps and stages in the sales process is that shown in Figure 22.1 in the textbook, page 662. This model has proved particularly useful in understanding the key steps in the process of selling and the skills which are required by the sales person.

SALES FORCE MANAGEMENT

Remember, in discussing sales force management we are only looking at selected elements, specifically we consider issues of:

- sales force structure and organisation
- sales force size
- territory design
- evaluation of sales performance.

Sales force structure

Review Chapter 22, pages 665–671.

There are a number of ways of organising the sales force, each with its own advantages and disadvantages.

ACTIVITY 3.11

Which of the alternative ways of structuring the sales force given in the textbook most closely fits the structure in your own organisation? Which of the structures do you feel would be most effective in terms of communicating with customers?

Sales force size

Clearly, the size of the sales force is a compromise between levels of coverage and customer service versus cost. The three methods of determining sales force size are:

- **breakdown method**
- **workload method**
- **sales potential method.**

Review Chapter 22, pages 671–672.

ACTIVITY 3.12

The breakdown method of calculating sales force size is by far the simplest. Using this method, calculate the sales force size required in your organisation. Compare the figure you arrive at with the actual sales force size. What are the reasons for any differences between the two figures.

Territory design

Each sales person is usually responsible for a sales territory with sometimes these individual territories being grouped together and allocated to a sales team. Sales territories should ideally give rise to:

- equal sales potential for each sales person
- equal earning potential for sales people where earnings are related to commission
- equal workloads
- cost-effective territories which maximise the selling time available for each sales person.

No territory should be so large or widespread as to be impossible for the sales person to cover. Recently a lot of companies have been organising their sales force and territories around **key accounts** often using a **team selling approach**.

Review Chapter 22, pages 673–677.

ACTIVITY 3.13

How are sales territories designed in your own organisation? Would a key account approach be appropriate in your organisation, and if not, why not?

Evaluation of sales performance

There are two related aspects to measuring sales performance. One aspect is the evaluation of the performance of individual sales persons including, for example, their overall levels of sales, cost per call and average order size. Important though this evaluation is for the effective management of the sales function, from a communication point of view, evaluation of the performance of the sales function as a whole is most important. This includes aspects such as customer/client relationships and number of customers lost and gained, which are much more difficult to measure.

Review Chapter 22, pages 677–683.

ACTIVITY 3.14

What measures for evaluating the performance of the sales function are used in your organisation? How could this evaluation process be improved?

REVIEW ACTIVITY 3.1: SELLING THE BENEFITS OF PERSONAL SELLING

Read the Mini-case on pages 681-683, and then answer the questions on page 683.

SUMMARY

In this unit, you looked at two further major tools of marketing communications – sales promotion and personal selling. Sales promotion has been one of the fastest growing spend areas in marketing communications, as it does have several advantages, not the least of which is the fact that it is directly aimed at generating sales. However, sales promotion has to be used carefully in a company's marketing overall promotional plans. Excessive use of this promotional tool can result in short termism and a poor image for the company's products.

The three main targets for sales promotion are consumers, the trade (intermediaries) and the sales force. Often, all three are targets for a particular sales promotion campaign. Until recently, surprisingly little research has been conducted about how sales promotion works, but we do know that behavioural change and customer loyalty are key concepts.

Like all the tools of marketing communications, sales promotion needs to be planned systematically from setting key objectives, identifying target audiences, selecting appropriate sales promotion techniques, through to implementing and evaluating campaigns.

Personal selling, too, is a major tool of marketing communications. For a variety of reasons, however, often this element of promotion is not considered and planned from a communications perspective. Increasingly, it is recognised that it is a major promotional tool and needs to be integrated with the other tools of the promotional mix. Because of this, we considered personal selling primarily from the perspective of its role in the promotional mix and therefore omitted some aspects such as recruitment and compensation. We have seen that the role of personal selling in the marketing communications mix needs to be determined and the marketing communications manager does need to understand the sales process and the implications of this for planning effective marketing communications.

FURTHER READING

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ANSWER TO REVIEW ACTIVITY 3.1

1. The criteria deemed important by Johnson and Johnson were price, reliability, ease of communication and flexibility.

Opinions were sought from the sales force, customer services and despatch departments.

2. The salesman created a strong initial first impression. He arrived on time (when most others arrived late) and was smartly dressed. Rather than using a rehearsed or regimented sales presentation at the initial meeting he demonstrated a sense of empathy by listening and asking questions. Also there was an overall emphasis on quality. The involvement of the Regional Director and the fact that TNT had an open telephone policy and provision were other factors which assisted in creating trust and developing the relationship.
3. He kept the presentation deliberately short to allow time for questions to be fully discussed. He used a summary to clarify understanding and emphasise the benefits and features TNT's proposal would provide. He used a conditional close, asking an 'open' question to stimulate a response. He could overcome the main objection, price, by utilising the higher authority level of the Regional Director to minimise the price gap and by offering an 'augmented' service. A level of service above the customer's expectation was offered through the provision of a second collection vehicle at a later time.