Personal Selling and Sales Promotion

CDW Corporation, a leading provider of multibrand technology products and services, is thriving. In only 22 years since founder Michael Krasny started the business at his kitchen table, CDW has grown to become a high-tech heavyweight in a highly volatile and competitive industry. Even as much of the tech world has slumped, in just the past three years CDW has increased its sales 35 percent, to $6.3 billion annually, while profits have grown 55 percent. Sales last year grew by about 10 percent, almost three times the industry average.

How has CDW managed to grow so profitably? The company owes its success to good old fashioned high-touch personal selling that builds lasting one-to-one customer relationships. The strategy is fueled by a genuine passion for solving customer problems. Under CDW's "Circle of Service" philosophy, "everything revolves around the customer."

CDW sells a complex assortment of more than 100,000 technology products and services—computers, software, accessories, and networking products—including top name brands such as Adobe, APC, Apple, Cisco, HP, Lenovo, IBM, Microsoft, Sony, Symantec, Toshiba, and ViewSonic. Many of CDW's competitors chase after a relative handful of very large customers. However, although CDW serves customers of all sizes, one of the company's core customer segments is small and midsize businesses (SMBs). These smaller customers often need lots of advice and support. "Many of our clients don't have IT departments," says one CDW executive, "so they look to us for expertise."

That's where CDW's sales force comes in. The major responsibility for building and managing customer relationships falls to CDW's sales force of over 2,100 account managers. Each customer is assigned an account manager, who helps the customer select the right products and technologies and keep them running smoothly.

Account managers do more than just sell technology products and services. They work closely with customers to find solutions to their technology problems. "This is a big deal to us," says Jim Grass, CDW's senior director of sales. "We want to go beyond fulfilling the order and become the trusted adviser for them. We want to talk about what a customer is trying to accomplish and really add value to the sale, as opposed to just sending out a box."

To become trusted advisors and effective customer-relationship builders, CDW account managers really have to know their stuff. And CDW boasts some of the most knowledgeable salespeople in the industry. Before they make a single sales call, new
account managers complete a six-week orientation and then a six-month training program. CDW University's College of Sales offers intensive schooling in the science behind the company's products and in the art of consultative selling. But that's just the beginning—the training never ends. Tenured account managers receive ongoing training to enhance their relationship-selling skills. Each year, CDW's sales force completes a whopping 339,000 hours of sales-specific training. John Edwardson, chairman and CEO of CDW and former head of United Airlines, likes to point out that CDW reps get more training than some pilots.

To further support salespeople's customer problem-solving efforts, CDW has also created nine technology teams consisting of more than 120 factory-trained specialists and A+ certified technicians on staff. Account managers can draw on these teams to design customer-specific solutions in technology areas such as mobility/wireless, networking, security, and storage.

Customers who want to access CDW's products and expertise without going through their account manager can do so easily at any of several CDW Web sites. Better yet, CDW will create a free personalized CDW@work extranet site that reflects a given customer's pricing, order status, account history, and special considerations. The extranet site serves as a 24-hour extension of the customer's account manager. This resulted in CDW Web sales of more than $1.7 billion last year. But even here, the ever-present account managers are likely to add personal guidance. Account managers receive immediate notification of their customers' online activities. So if a blurry-eyed SMB manager makes a mistake on an emergency order placed in the middle of the night, chances are good that the account manager will find and correct the error first thing in the morning.

Beyond being knowledgeable and ever present, CDW's account managers are energetic and passionately customer focused. Much of the energy has passed down from CDW founder and former CEO Michael Krasny. Selling has always been a top priority for Krasny, not surprising given that he began the company by selling used personal computers out of his home through classified ads. During his 17-year reign as head of CDW, Krasny created a hardworking and dedicated sales force. One favorite Krasny tale involves a windstorm that ripped off a chunk of the CDW building's roof. Within minutes, Krasny himself was up on the roof, nailing
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“Tarp over the hole. When startled employees inside looked up, Krasny shouted down to them to get back to selling.”

However, Krasny’s most important legacy is the “Circle of Service” culture that he created—a culture that focuses on taking care of customers, and on the CDW employees who serve them (he calls them “coworkers”). “Whenever he made a decision, he’d always ask two questions,” says Edwardson: “What will the reaction of the coworkers be? and ‘What will the response of the customers be?’”

When someone says “salesperson,” you may still think of the stereotypical “traveling salesman”—the fast-talking, ever-smiling peddler who travels his territory foisting his wares on reluctant customers. Such stereotypes, however, are out of date. Today, like CDW’s account managers, most professional salespeople are well-educated, well-trained men and women who work to build valued customer relationships. They succeed not by taking customers in, but by helping them out—by assessing customer needs and solving customer problems.

CDW’s sales force instills loyalty in what are traditionally very price-conscious SMB customers. The company wants to create customer satisfaction at every touch point. Says a former CDW marketing executive, “We’re competitively priced, but what’s most important is the service and the customers’ relationships with their account managers. It’s how we actually touch people that creates our most long-lasting (success).”

In this chapter, we examine two more promotion mix tools—Personal selling and sales promotion. Personal selling consists of interpersonal interactions with customers and prospects to make sales and maintain customer relationships. Sales promotion involves using short-term incentives to encourage customer purchasing, reseller support, and sales force efforts.

Personal Selling

Robert Louis Stevenson once noted that “everyone lives by selling something.” Companies around the world use sales forces to sell products and services to business customers and final consumers. But sales forces are also found in many other kinds of organizations. For example, colleges use recruiters to attract new students and churches use membership committees to attract new members. Museums and fine arts organizations use fund-raisers to contact donors and raise money. Even governments use sales forces. The U.S. Postal Service, for instance, uses a sales force to sell Express Mail and other services to corporate customers. In the first part of this chapter, we examine personal selling’s role in the organization, sales force management decisions, and the personal selling process.

The Nature of Personal Selling

Personal selling is one of the oldest professions in the world. The people who do the selling go by many names: salespeople, sales representatives, district managers, account executives, sales consultants, sales engineers, agents, and account development reps to name just a few.

People hold many stereotypes of salespeople—including some unfavorable ones. “Salesman” may bring to mind the image of Arthur Miller’s pitiable Willy Loman in Death of a Salesman or Meredith Willson’s cigar-smoking, backslapping, joke-telling Harold Hill in The Music Man. These examples depict salespeople as loners, traveling their territories, trying to trick their wares on unsuspecting or unwilling buyers.

However, modern salespeople are a far cry from these unfortunate stereotypes. Today, most salespeople are well-educated, well-trained professionals who work to build and maintain long-term customer relationships. They listen to their customers, assess customer needs, and organize the company’s efforts to solve customer problems. Consider Boeing, the aerospace giant competing in the rough-and-tumble worldwide commercial aircraft market. It takes more than fast talk and a warm smile to sell expensive airplanes:

Selling high-tech aircraft at $100 million or more per order is complex and challenging. A single big sale can easily run into billions of dollars. Boeing salespeople
The term salesperson covers a wide range of positions. At one extreme, a salesperson might be largely an order taker, such as the department store salesperson standing behind the counter. At the other extreme are order getters, whose positions demand creative selling and relationship building for products and services ranging from appliances, industrial equipment, and airplanes to insurance and information technology services. Here, we focus on the more creative types of selling and on the process of building and managing an effective sales force.

The Role of the Sales Force

Personal selling is the interpersonal arm of the promotion mix. Advertising consists largely of one-way, nonpersonal communication with target consumer groups. In contrast, personal selling involves two-way, personal communication between salespeople and individual customers—whether face to face, by telephone, through video or Web conferences, or by other means. Personal selling can be more effective than advertising in more complex selling situations. Salespeople can probe customers to learn more about their problems and then adjust the marketing offer and presentation to fit the special needs of each customer.

The role of personal selling varies from company to company. Some firms have no salespeople at all—for example, companies that sell only online or through catalogs, or companies that sell through manufacturer’s reps, sales agents, or brokers. In most firms, however, the sales force plays a major role. In companies that sell business products and services, such as IBM or DuPont, the company’s salespeople work directly with customers. In consumer product companies such as Procter & Gamble and Nike, the sales force plays an important behind-the-scenes role. It works with wholesalers and retailers to gain their support and to help them be more effective in selling the company’s products.

The sales force serves as a critical link between a company and its customers. In many cases, salespeople serve both masters—the seller and the buyer. First, they represent the company to customers. They find and develop new customers and communicate information about the company’s products and services. They sell products by approaching customers, presenting their products, answering objections, negotiating prices and terms, and closing sales. In addition, salespeople provide customer service and carry out market research and intelligence work.

At the same time, salespeople represent customers to the company, acting inside the firm as “champions” of customers’ interests and managing the buyer-seller relationship. Salespeople relay customer concerns about company products and actions back inside to those who can handle them. They learn about customer needs and work with other marketing and nonmarketing people in the company to develop greater customer value. The old view was that salespeople should worry about sales and the company should worry about profit. However, the current view holds that salespeople should be concerned with more than just producing sales—they should work with others in the company to produce customer value and company profit.
Managing the Sales Force

Sales force management: The analysis, planning, implementation, and control of sales force activities. It includes designing sales force strategy and structure, and recruiting, selecting, training, supervising, compensating, and evaluating the firm's salespeople.

Territorial sales force structure: A sales force organization that assigns each salesperson to an exclusive geographic territory in which that salesperson sells the company's full line.

Product sales force structure: A sales force organization under which salespeople specialize in selling only a portion of the company's products or lines.

Customer sales force structure: A sales force organization under which salespeople specialize in selling only to certain customers or industries.

Designing Sales Force Strategy and Structure

Marketing managers face several sales force strategy and design questions. How should salespeople and their tasks be structured? How big should the sales force be? Should salespeople sell alone or work in teams with other people in the company? Should they sell in the field or by telephone or on the Web?

Sales Force Structure

A company can divide sales responsibilities along any of several lines. The decision is simple if the company sells only one product line to one industry with customers in many locations. In that case, the company would use a territorial sales force structure. However, if the company sells many products to many types of customers, it might need either a product sales force structure, a customer sales force structure, or a combination of the two.

Territorial sales force structure: In the territorial sales force structure, each salesperson is assigned to an exclusive geographic area and sells the company's full line of products or services to all customers in that territory. This organization clearly defines each salesperson's job and fixes accountability. It also increases the salesperson's desire to build local customer relationships that, in turn, improve selling effectiveness. Finally, because each salesperson travels within a limited geographic area, travel expenses are relatively small.

A territorial sales organization is often supported by many levels of sales management positions. For example, Campbell Soup uses a territorial structure in which each salesperson is responsible for selling all Campbell Soup products. Starting at the bottom of the organization, sales merchandisers report to sales representatives, who report to retail supervisors, who report to directors of retail sales operations, who report to 1 of 22 regional sales managers. Regional sales managers, in turn, report to 1 of 4 general sales managers (West, Central, South, and East), who report to a vice president and general sales manager.

Salespeople must know their products—especially when the products are numerous and complex. This need, together with the growth of product management, has led many companies to adopt a product sales force structure, in which the sales force sells along product lines. For example, Kodak uses different sales forces for its consumer products than for its industrial products. The consumer products sales force deals with simple products that are distributed extensively, whereas the industrial products sales force deals with complex products that require technical understanding.

The product structure can lead to problems, however, if a single large customer buys many different company products. For example, Cardinal Health, the large health care products and services company, has several product divisions, each with a separate sales force. Using a product sales force structure might mean that several Cardinal salespeople and up callers on the same hospital on the same day. This means that they travel over the same routes and wait to see the same customer's purchasing agents. These extra costs must be compared with the benefits of better product knowledge and attention to individual products.

More and more companies are now using a customer sales force structure, in which they organize the sales force along customer or industry lines. Separate sales forces may be set up for different industries, for serving current customers ver...
sus finding new ones, and for major accounts versus regular accounts. Many companies even have special sales forces set up to handle the needs of individual large customers. For example, Black & Decker has a Home Depot sales organization and a Lowe’s sales organization.

Organizing the sales force around customers can help a company build closer relationships with important customers. Consider Lear Corporation, one of the largest and most successful automotive suppliers in the world.

Each year, Lear Corporation produces more than $17 billion worth of automotive interiors—seat systems, instrument panels, door panels, floor and acoustic systems, overhead systems, and electrical distribution systems. Its customers include all of the world’s leading automotive companies, from Ford, DaimlerChrysler, General Motors, Toyota, and Volvo to BMW, Ferrari, Rolls-Royce, and more than a dozen others. Perhaps more than any other part of the organization, it’s Lear’s outstanding 145-person sales force that brings to life the company's credo, “Consumer-driven. Customer-focused.” Lear salespeople work hard at relationship building and doing what’s best for the customer. “Our salespeople don’t really close deals,” notes a senior marketing executive. “They consult and work with customers to learn exactly what’s needed and when.”

Lear organizes its sales force around major customers. More than that, the company itself is broken up into separate divisions dedicated to specific customers. For example, there’s a Ford division, a General Motors, and a Fiat division. This organization lets Lear’s sales teams get very close to their customers. In fact, Lear often locates its sales offices in customers’ facilities. For instance, the team that handles GM’s light truck division works at GM’s truck operation campus. “We can’t just be there to give quotes and ask for orders,” says the marketing executive. “We need to be involved with customers every step of the way—from vehicle concept through launch.”

When a company sells a wide variety of products to many types of customers over a broad geographic area, it often combines several types of sales force structures. Salespeople can be specialized by customer and territory, by product and territory, by product and customer, or by territory, product, and customer. No single structure is best for all companies and situations. Each company should select a sales force structure that best serves the needs of its customers and fits its overall marketing strategy.

A good sales structure can mean the difference between success and failure. Companies should periodically review their sales force organizations to be certain that they serve the needs of the company and its customers. Over time, sales force structures can grow complex, inefficient, and unresponsive to customers’ needs. This happened recently to technology giant Hewlett-Packard. To correct the problem, the company’s new CEO took dramatic steps to restructure HP’s corporate sales force (see Real Marketing 16.1).

Sales Force Size

Once the company has set its structure, it is ready to consider sales force size. Sales forces may range in size from only a few salespeople to tens of thousands. Some sales forces are huge—for example, American Express employs 23,500 U.S. salespeople, PepsiCo 36,000, and The Hartford Financial Services Group 100,000. Salespeople constitute one of the company’s most productive—and most expensive—assets. Therefore, increasing their number will increase both sales and costs.
Imagine this scenario: You need a new digital camera. You're not sure which one to buy or even what features you need. So you visit your nearest electronics superstore to talk with a salesperson. You walk through the camera section but can't find anyone to help you. When you finally find a salesperson, he yawns and tells you that he's responsible for selling all the products in the store, so he doesn't really know all that much about cameras—maybe you should talk to someone else. You finally find a camera-savvy salesperson. However, after answering a few questions, she disappears to handle some other task, handing you off to someone new. And the new salesperson seems to contradict what the first salesperson said, even quoting different prices on a couple of models you like.

As incredible as it seems, at least until recently, this is the kind of situation that many large business buyers faced when they attempted to buy from technology giant Hewlett-Packard. Before Mark Hurd took over as HP's new CEO in the spring of 2005, the company's revenues and profits had flattened and its stock price had plummeted. To find out why, Hurd first talked directly with 400 corporate customers. Mostly what he heard was gripes about HP's corporate sales force.

Customers complained that they had to deal with too many salespeople, and that HP's confusing management layers made it hard to figure out whom to call. They had trouble tracking down HP sales representatives, and once found, the reps often came across as apathetic, leaving the customer to take the initiative. HP reps were responsible for a broad range of complex products, so they sometimes lacked the needed depth of knowledge on any subset of them. Customers grumbled that they received varying price quotes from different sales reps, and that it often took weeks for reps to respond to seemingly simple requests. In all, HP's corporate customers were frustrated, not a happy circumstance for a company that gets more than 70 percent of its revenues from businesses.

But customers weren't the only ones frustrated by HP's unwieldy and unresponsive sales force structure. HP was organized into three main product divisions: the Personal Systems Group (PSG), the Technology Solutions Group (TSG), and the Image and Printing Group (IPG). However, these divisions had little control over the sales process. Instead, HP's corporate customers were frustrated, not a happy circumstance for a company that gets more than 70 percent of its revenues from businesses.

Many companies use some form of workload approach to set sales force size. Using this approach, a company first groups accounts into different classes according to size, account status, or other factors related to the amount of effort required to maintain them. It then determines the number of salespeople needed to call on each class of accounts the desired number of times.

The company might think as follows: Suppose we have 1,000 Type-A accounts and 2,000 Type-B accounts. Type-A accounts require 36 calls a year and Type-B accounts require 12 calls a year. In this case, the sales force's workload—the number of calls it must make per year— is 60,000 calls (1,000 X 36 + 2,000 X 12 = 120,000 + 24,000 = 60,000). Suppose our average salesperson can make 1,000 calls a year. Thus, we need 60 salespeople (60,000 / 1,000).5

Other Sales Force Strategy and Structure Issues
Sales management must also decide who will be involved in the selling effort and how various sales and sales support people will work together.
time with customers. And they had to work through multiple layers of bureaucracy to get price quotes and sample products for customers. 

"The customer focus was lacking," says an HP sales vice president. "Trying to navigate inside HP was difficult. It was unacceptable."

As CEO Mark Hurd peeled back the layers, it became apparent that HP's organizational problems went deeper than the sales force. The entire company had become so centralized, with so many layers of management, that it was unresponsive and out of touch with customers. Thus began what one observer called "one of Hurd's biggest management challenges: overhauling HP's vast corporate sales force." 

For starters, Hurd eliminated the CSG division, instead assigning salespeople directly to the three product divisions. He also did away with three layers of management and cut hundreds of unproductive workers on the sales floor. Hurd also took steps to reduce salesperson and customer frustrations. Eliminating the CSG meant that each salesperson was responsible for selling a smaller number of products and was able to develop expertise in a specific product area. Hurd urged sales managers to cut back on salesperson administrative requirements and to improve sales support so that salespeople could spend more quality time with customers. As a result, salespeople now spend more than 40 percent of their time with customers, up from just 30 percent last year. And HP salespeople are noticing big changes in the sales support they receive:

Salesman Richard Ditucci began noticing some of the changes late last year. At the time, Ditucci was trying to sell computer servers to Staples. As part of the process, Staples had asked him to provide a sample server for the company to evaluate. In the past, such requests typically took two to three weeks to fulfill because of HP's bureaucracy. This time, Ditucci got the server he needed within three days. The quick turnaround helped him win the contract, valued at several million dollars.

To ensure that important customers are carefully tended to, HP assigned each salesperson three or fewer accounts. The top 2,000 accounts were assigned just one salesperson each—so they'll always know whom to contact. Customers are noticing differences in the attention that they get from HP salespeople:

James Facio, a senior technology executive at Staples, says HP has freed up his salesmen to drop by Staples at least twice a month instead of only once a month as before. The extra face time enabled the HP salesman to create more valuable interactions, such as arranging a workshop recently for Staples to explain HP's technology to the retailer's executives. As a result, Facio says he is planning to send more business HP's way. Similarly, Keith Morrow, chief information officer of convenience-store chain 7-Eleven, says his HP sales representative is now "there all the time," and has been more knowledgeable in pitching products tailored to his business. As a result, last October, 7-Eleven began deploying in its U.S. stores 10,000 HP port nets—a mobile device that helps 7-Eleven workers on the sales floor.

So, HP's sales force restructuring appears to be paying off. Only one year after Mr. Hurd's arrival, HP is now a much leaner and more efficient sales organization. HP's earnings have improved over three consecutive quarters, stock prices are up by over 60 percent, and market share is improving against Dell and other competitors. More importantly, salespeople are happier and more productive, resulting in happier customers. CEO Hurd knows that there's still much more work to be done. But step by step, through restructuring, HP is fixing its sales force to create better value for its business customers. Now, if your local electronics superstore would only do the same for you. . . .


Chapter 16 Personal Selling and Sales Promotion

Outside sales force (or field sales force) Outside salespeople who travel to call on customers in the field.

Inside sales force Inside salespeople who conduct business from their offices via telephone, the Internet, or sales from prospective buyers.

Outside sales force (or field sales force), an inside sales force, or both. Outside salespeople travel to call on customers in the field. Inside salespeople conduct business from their offices via telephone, the Internet, or visits from buyers.

Some inside salespeople provide support for the outside sales force, freeing them to spend more time selling to major accounts and finding new prospects. For example, sales support specialists provide technical information and answers to customers' questions. Sales assistants provide administrative backup for outside salespeople. They will send and confirm appointments, follow up on deliveries, and answer customer questions when outside salespeople cannot be reached.

Other inside salespeople do more than just provide support. Telemarketers and Web sellers use the phone and Internet to find new leads and qualify prospects or to sell and service accounts directly. Telemarketing and Web selling can be very effective, less costly ways to sell to smaller, harder-to-reach customers. Depending on the complexity of the product and customer, for example, a telemarketer can make from 20 to 33 decision-maker contacts a day.
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compared to the average of four that an outside salesperson can make. And whereas an average business-to-business field sales call costs $329 or more, a routine industrial telemarketing call costs only about $5 and a complex call about $20.6

For some smaller companies, telephone and Web selling may be the primary sales approaches. However, larger companies also use these tactics, either to sell directly to small midsize customers or to help out with larger ones. For example, Avaya, a $5 billion global telecommunications firm, recently formed a telemarketing sales force to service its smaller, more routine, less complex accounts. Not only did the telesales force do a better job of selling to these smaller accounts, it freed Avaya’s outside salespeople to focus their attentions on the company’s highest-value customers and prospects. As a result, the company has experienced 40 percent higher sales in areas where the telesales model is being used.7

For many types of products and selling situations, phone or Web selling can be as effective as a personal sales call. Notes a DuPont telemarketer: “I’m more effective on the phone. [When you’re in the field], if some guy’s not in his office, you lose an hour. On the phone, you lose 15 seconds. . . . Through my phone calls, I’m in the field as much as the rep is.” There are other advantages. “Customers can’t throw things at you,” quips the rep, “and you don’t have to outrun dogs.”8

What’s more, although they may seem impersonal, the phone and Internet can be surprisingly personal when it comes to building customer relationships. Remember CDW from our chapter-opening story?

If you’re one of CDW Account Manager Ron Kelly’s regular customers, you probably know that he’s 35 and has a wife named Michelle, a 9-year-old son named Andrew, and a German shepherd named Bones. You know that he majored in journalism and political science at SIU (that’s Southern Illinois University) and was supposed to attend Northwestern’s law school but instead came to work at CDW. You know that he bleeds red and black for the Chicago Blackhawks. You also know that he knows as much, if not more, about you. Kelly, an affable account manager, is a master at relationship-based selling, CDW’s specialty. Customers love it. “He’s my sales rep, but he’s also my friend,” says Todd Greenwald, director of operations for Heartland Computers, which sells barcode scanners. “Most of the time we don’t even talk about price. I trust Ron.”

What’s particularly impressive is that, for the most part, the interaction occurs over the phone and Internet. Despite the lack of face time, CDW account managers forge close ties. One customer invited his CDW contact to his wedding. Kelly and Greenwald share Blackhawks season tickets. It’s not uncommon to find customers and reps whose partnership has outlasted job changes, budget cuts, and marriages. Of course, the relationships aren’t based solely on being likeable. They’re grounded in helping customers succeed. Account managers think like the customer and try to anticipate problems. For instance, before storms rocked Florida one summer, some account managers called or e-mailed clients there with battery and backup-storage solutions. “Instead of just sending a purchase order, we want to ask, ‘Why are you buying [that product]?’ says a CDW executive. ‘That’s how you identify customers’ needs.’” In this way, to their customers, CDW account managers are much more than just peddlers. When asked if she thinks of her CDW rep as a salesperson anymore, one customer replied, “Never. He’s my business partner.” And it all happens over the phone or the Web—both supposedly “arms-length” media.9

Team selling

Using teams of people from sales, marketing, engineering, finance, technical support, and even upper management to service large, complex accounts.

As products become more complex, and as customers grow larger and more demanding, a single salesperson simply can’t handle all of a large customer’s needs. Instead, most companies now use team selling to service large, complex accounts. Sales teams can untangle problems, solutions, and sales opportunities that no individual salesperson could. Such teams might include experts from any area or level of the selling firm—sales, marketing, technical and support services, R&D, engineering, operations, finance, and others. In team selling situations, the salesperson shifts from “soloist” to “orchestrator.”
In many cases, the move to team selling mirrors similar changes in customers’ buying organizations. “Today, we’re calling on teams of buying people, and that requires more firepower on our side,” says one sales vice president. “One salesperson just can’t do it all—can’t be an expert in everything we’re bringing to the customer. We have strategic account teams, led by customer business managers, who basically are our quarterbacks.”

Some companies, such as IBM, Xerox, and Procter & Gamble, have used teams for a long time. P&G sales reps are organized into “customer business development (CBD) teams.” Each CBD team is assigned to a major P&G customer, such as Wal-Mart, Safeway, or CVS Pharmacy. Teams consist of a customer business development manager, several account executives (each responsible for a specific category of P&G products), and specialists in marketing strategy, operations, information systems, logistics, and finance. This organization places the focus on serving the complete needs of each important customer. It lets P&G “grow business by working as a ‘strategic partner’ with our accounts, not just as a supplier. Our goal: to grow their business, which also results in growing ours.”

Team selling does have some pitfalls. For example, selling teams can confuse or overwhelm customers who are used to working with only one salesperson. Salespeople who are used to having customers all to themselves may have trouble learning to work with and trust others on a team. Finally, difficulties in evaluating individual contributions to the team selling effort can create some sticky compensation issues.

Recruiting and Selecting Salespeople

At the heart of any successful sales force operation is the recruitment and selection of good salespeople. The performance difference between an average salesperson and a top salesperson can be substantial. In a typical sales force, the top 30 percent of the salespeople might bring in 60 percent of the sales. Thus, careful salesperson selection can greatly increase overall sales force performance. Beyond the differences in sales performance, poor selection results in costly turnover. When a salesperson quits, the costs of finding and training a new salesperson—plus the costs of lost sales—can be very high. Also, a sales force with many new people is less productive, and turnover disrupts important customer relationships.

What sets great salespeople apart from all the rest? In an effort to profile top sales performers, Gallup Management Consulting Group, a division of the well-known Gallup polling organization, has interviewed hundreds of thousands of salespeople. Its research suggests that the best salespeople possess four key talents: intrinsic motivation, disciplined work style, the ability to close a sale, and perhaps most important, the ability to build relationships with customers.

Super salespeople are motivated from within. “Different things drive different people—pride, happiness, money, you name it,” says one expert. “But all great salespeople have one thing in common: an unrelenting drive to excel.” Some salespeople are driven by money, a hunger for recognition, or the satisfaction of competing and winning. Others are driven by the desire to provide service and to build relationships. The best salespeople possess some of each of these motivations.

What sets great salespeople apart from all the rest? In an effort to profile top sales performers, Gallup Management Consulting Group, a division of the well-known Gallup polling organization, has interviewed hundreds of thousands of salespeople. Its research suggests that the best salespeople possess four key talents: intrinsic motivation, disciplined work style, the ability to close a sale, and perhaps most important, the ability to build relationships with customers.
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get up early, work late, stay up till two in the morning working on a proposal, or keep making calls when everyone is leaving at the end of the day.13

Other skills mean little if a salesperson can't close the sale. So what makes for a great closer? For one thing, it takes unyielding persistence. "It takes anything but persistence," says one sales trainer. "They're not afraid to fail, and they don't give up until they close." Great closers also have a high level of self-confidence and believe that they are doing the right thing.

Perhaps most important in today's relationship-marketing environment, top salespeople are customer problem solvers and relationship builders. They instinctively understand their customers' needs. Talk to sales executives and they'll describe top performers in these terms: Empathetic. Patient. Caring. Responsive. Good listeners. Honesty. Top performers can put themselves on the buyer's side of the desk and see the world through their customers' eyes. They don't just want to be liked, they want to add value for their customers.

When recruiting, companies should analyze the sales job itself and the characteristics of its most successful salespeople to identify the traits needed by a successful salesperson in their industry. Then, it must recruit the right salespeople. The human resources department looks for applicants by getting names from current salespeople, using employment agencies, placing classified ads, searching the Web, and working through college placement services. An alternative source is to attract top salespeople from other companies. Proven salespeople need less training and can be immediately productive.

Recruiting will attract many applicants from whom the company must select the best. The selection procedure can vary from a single informal interview to lengthy testing and interviewing. Many companies give formal tests to sales applicants. Tests typically measure sales aptitude, analytical and organizational skills, personality traits, and other characteristics. But test scores provide only one piece of information in a set that includes personal characteristics, references, past employment history, and interviewer reactions.

Training Salespeople

New salespeople may spend anywhere from a few weeks or months to a year or more in training. Today, most companies provide continuing sales training via seminars, sales meetings, and the Web throughout the salesperson's career. In all, U.S. companies spend more than $7 billion annually on training salespeople. Although training can be expensive, it can also yield dramatic returns. For example, one recent study showed that sales training conducted by a major telecommunications firm paid for itself in 16 days and resulted in a six-month return on investment of 812 percent. Similarly, Nabisco analyzed the return on its two-day Professional Selling Program, which teaches sales reps how to plan for and make professional presentations. Although it cost about $1,000 to put each sales rep through the program, the training resulted in additional sales of more than $125,000 per rep and yielded almost $21,000 of additional profit per rep.14

Training programs have several goals. First, salespeople need to know about customers and how to build relationships with them. So the training program must teach them about different types of customers and their needs, buying motives, and buying habits. And it must teach them how to sell effectively and train them in the basics of the selling process. Salespeople also need to know and identify with the company, its products, and its competition. So an effective training program teaches them about the company's objectives, organization, and customer and product needs and how to use the strategies of major competitors.

Today, many companies are adding Web-based training to their sales training programs to cut training costs and make training more efficient. One recent study estimates that companies spend 40 cents of every sales training dollar on travel and lodging. Such costs can be greatly reduced through Web-based training. As a result, last year, companies did 33 percent of their corporate training online, up from 24 percent two years earlier.15

Online training may range from simple text-based product information to Internet-based sales exercises that build sales skills to sophisticated simulations that re-create the dynamics of real-life sales calls. International Rectifier, a global manufacturer of power management semiconductors, has learned that using the Internet to train salespeople offers many advantages.

To stay competitive in its complex, fast-changing industry, International Rectifier must continually retain its sales and support people. For example, IR introduces an average of three or more major new products each month. For each new product, the company must coordinate and train hundreds of sales reps, internal sales staffs, field engineers, key executives, and independent inside sales reps across a variety of time zones in 17 locations around the world.
Training salespeople.

International Rectifier created the online IR University to help keep its hundreds of global sales reps, internal sales staffers, and others trained on the constant stream of new products it introduces.

The answer: International Rectifier’s online IR University, which provides timely training in advance of new product launches, along with ongoing training on other company and industry developments. The e-learning center provides enhanced presentations, complete with creative animation and streamlined text, to share knowledge accurately but in a way that excites and captures attention. The center also allows for “real-time” visual and audible communications with the presenter via live chat and conference calls. Beyond learning about new products, salespeople can refresh their memories and sharpen their knowledge on almost any topic before meeting with customers. And evaluation diagnostics help sales managers to identify the skill and knowledge levels of each individual salesperson for ongoing support and training.

The sales force is thrilled about being able to “attend” training sessions at times convenient for them, without leaving their home offices. And online training results in significant cost savings. Approximately 500 IR sales and support people have completed more than 5,500 online courses during the past nine months. The cost? Just an estimated $12 per trainee per course. Compared to the costs associated with onsite training, the online learning system has saved the company approximately $125,000 during the past year. In all, online training has reduced IR’s training costs by 75 percent.

Compensating Salespeople

To attract good salespeople, a company must have an appealing compensation plan. Compensation is made up of several elements—a fixed amount, a variable amount, expenses, and fringe benefits. The fixed amount, usually a salary, gives the salesperson some stable income. The variable amount, which might be commissions or bonuses based on sales performance, rewards the salesperson for greater effort and success.

Management must decide what mix of these compensation elements makes the most sense for each sales job. Different combinations of fixed and variable compensation give rise to four basic types of compensation plans—straight salary, straight commission, salary plus bonus, and salary plus commission. A study of sales force compensation plans showed that 70 percent of all companies surveyed use a combination of base salary and incentives. The average plan consisted of about 60 percent salary and 40 percent incentive pay.

The sales force compensation plan can both motivate salespeople and direct their activities. Compensation should direct the sales force toward activities that are consistent with overall marketing objectives. Table 16.1 illustrates how a company’s compensation plan should reflect its overall marketing strategy. For example, if the strategy is to grow rapidly and gain market share, the compensation plan might include a larger commission component, coupled with a new-account bonus to encourage high sales performance and new-account development. In contrast, if the goal is to maximize current account profitability, the compensation plan might contain a larger base-salary component with additional incentives for current account sales or customer satisfaction.
Part 3  Designing a Customer-Driven Marketing Strategy and Integrated Marketing Mix

### TABLE 16.1 The Relationship between Overall Marketing Strategy and Sales Force Compensation

<table>
<thead>
<tr>
<th>Strategic Goal</th>
<th>To Gain Market Share Rapidly</th>
<th>To Solidify Market Leadership</th>
<th>To Maximize Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideal salesperson</td>
<td>An independent self-starter</td>
<td>A competitive problem solver</td>
<td>A team player</td>
</tr>
<tr>
<td>Sales focus</td>
<td>Deal making</td>
<td>Consulative selling</td>
<td>A relationship manager</td>
</tr>
<tr>
<td>Compensation role</td>
<td>To capture accounts</td>
<td>To reward new and existing account sales</td>
<td>Account penetration</td>
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<tr>
<td></td>
<td>To reward high performance</td>
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In fact, more and more companies are moving away from high commission plans that may drive salespeople to make short-term grabs for business. They worry that a salesperson who is pushing too hard to close a deal may ruin the customer relationship. Instead, companies are designing compensation plans that reward salespeople for building customer relationships and growing the long-run value of each customer.

### Supervising and Motivating Salespeople

New salespeople need more than a territory, compensation, and training—they need supervision and motivation. The goal of supervision is to help salespeople “work smart” by doing the right things in the right ways. The goal of motivation is to encourage salespeople to “work hard” and energetically toward sales force goals. If salespeople work smart and work hard, they will realize their full potential, to their own and the company’s benefit.

Companies vary in how closely they supervise their salespeople. Many help their salespeople to identify target customers and set call norms. Some may also specify how much time the sales force should spend prospecting for new accounts and set other time management priorities. One tool is the weekly, monthly, or annual call plan that shows which customers and prospects to call on and which activities to carry out. Another tool is time-and-duty analysis. In addition to time spent selling, the salesperson spends time traveling, waiting, taking breaks, and doing administrative chores.

Figure 16.2 shows how salespeople spend their time. On average, active selling time accounts for only 10 percent of total working time. If selling time could be raised from 10 percent to 30 percent, this would triple the time spent selling. Companies always are looking for ways to save time—simplifying record keeping, finding better sales call and routing plans, supplying

![How salespeople spend their time](source: Proudfoot Consulting. Data used with permission.)
more and better customer information, and using phones, e-mail, or video conferencing instead of traveling. Consider the changes GE made to increase its sales force's face-to-face selling time.\(^5\)

When Jeff Immelt became GE's new chairman, he was dismayed to find that members of the sales team were spending far more time on deskbound administrative chores than in face-to-face meetings with customers and prospects. "He said we needed to turn that around," recalls Venki Rao, an IT leader in global sales and marketing at GE Power Systems, a division focused on energy systems and products. "We need to spend four days a week in front of the customer and one day for all the admin stuff." GE Power's salespeople spent much of their time at their desks because they had to go to many sources for the information needed to sell multimillion-dollar turbines, turbine parts, and services to energy companies worldwide. To fix the problem, GE created a new sales portal, a kind of "one-stop shop" for just about everything they need. The sales portal connects the vast array of existing GE databases, providing everything from sales tracking and customer data to parts pricing and information on planned outages. GE also added external data, such as news feeds. "Before, you were randomly searching for things," says Bill Snook, a GE sales manager. Now, he says, "I have the sales portal as my home page, and I use it as the gateway to all the applications that I have." The sales portal has freed Snook and 2,500 other users around the globe from once time-consuming administrative tasks, greatly increasing their face time with customers.

Many firms have adopted sales force automation systems—computerized, digitized sales force operations that let salespeople work more effectively anytime, anywhere. Companies now routinely equip their salespeople with new-age technologies such as laptops, smart phones, wireless Web connections, Webcams for videoconferencing, and customer-contact and relationship management software. Armed with these technologies, salespeople can more effectively and efficiently profile customers and prospects, analyze and forecast sales, schedule sales calls, make presentations, prepare sales and expense reports, and manage account relationships. The result is better time management, improved customer service, lower sales costs, and higher sales performance.\(^6\)

Perhaps the fastest-growing technology tool is the Internet. The Internet offers explosive potential for conducting sales operations and for interacting with and serving customers. More and more companies are now using the Internet to support their personal selling efforts—not just for selling, but for everything from training salespeople to conducting sales meetings and servicing accounts (see Real Marketing 16.2).

Beyond directing salespeople, sales managers must also motivate them. Some salespeople will do their best without any special urging from management. To them, selling may be the most fascinating job in the world. But selling can also be frustrating. Salespeople often work alone and they must sometimes travel away from home. They may face aggressive competing salespeople and difficult customers. Therefore, salespeople often need special encouragement to do their best.

Management can boost sales force morale and performance through its organizational climate, sales quotas, and positive incentives. Organizational climate describes the feeling that salespeople have about their opportunities, values, and rewards for a good performance. Some companies treat salespeople as if they are not very important, and performance suffers accordingly. Other companies treat their salespeople as valued contributors and allow virtually unlimited opportunity for income and promotion. Not surprisingly, these companies enjoy higher sales force performance and lower turnover.

Sales Force Automation: Many sales forces have gone high tech, equipping salespeople with everything from smart phones, wireless Web connections, and videoconferencing to customer-contact and relationship management software that helps them to be more effective and efficient.
Many companies motivate their salespeople by setting sales quotas—standards stating the amount they should sell and how sales should be divided among the company's products.

Sales quota
A standard that states the amount a salesperson should sell and how sales should be divided among the company's products.

Compensation is often related to how well salespeople meet their quotas. Companies also use various positive incentives to increase sales force effort. Sales meetings provide social occasions, breaks from routine, chances to meet and talk with "company brass," and opportunities to air feelings and to identify with a larger group. Companies also sponsor sales contests to spur the sales force to make a selling effort above what would normally be expected. Other incentives include bonuses, merchandise and cash awards, trips, and profit-sharing plans. In all, American companies spend some $100 billion a year on incentive programs to motivate and reward sales-force performance.

Evaluating Salespeople and Sales-Force Performance
We have thus far described how management communicates what salespeople should do and how it motivates them to do it. This process requires good feedback. Good feedback means getting regular information about salespeople to evaluate their performance.
having to host the NEC team on-site. And Caspilar was pleased to find that Web-based selling is an effective way to interact with customers and to build customer relationships.

"By the time we're done with the Web cast, the customer understands the technology, the pricing, and the competition, and we understand the customer's business and needs," he says. Without Web-casts, "we'd be lost on how to communicate with the customer without spending a lot of money," says Caspilar. "I don't see us ever going back to the heavy travel thing."

The Web can be a good channel tool for selling to hard-to-reach customers. For example, the big U.S. pharmaceutical companies currently employ some 87,000 sales reps, often called "detailers," to reach roughly 600,000 practicing physicians. However, these reps are finding it harder than ever to get through to the busy doctors. "Doctors need immense amounts of medical information, but their patient loads limit their ability to see pharmaceutical reps or attend outside conferences," says an industry researcher. The answer increasingly is, it's the Web. The pharmaceutical companies now regularly use product Web sites, e-mail marketing, and video conferencing to help reps deliver useful information to physicians on their home or office PCs. One study found that last year more than 200,000 physicians participated in "e-detailing"--the process of receiving drug marketing information via the Web--a 400 percent jump in only three years. Using direct-to-doctor Web conferences, companies can make live, interactive medical presentations to any physician with a PC and Web access, saving both the customer's and the reps' time.

The Internet can also be a handy way to hold sales strategy meetings. Consider Cisco Systems, which provides networking solutions for the Internet. Sales meetings used to take an enormous bite out of Cisco's travel budget. Now the company saves about $1 million per month by conducting many of those sessions on the Web. Whenever Cisco introduces a new product, it holds a Web meeting to update salespeople in groups of one hundred or more, on the product's marketing and sales strategy.

Usually led by the product manager or a vice president of sales, the meetings typically begin with a 10-minute slide presentation that spells out the planned strategy. Then, salespeople spend the next 90 or so minutes asking questions via teleconference. The meeting's leader can direct attendees' browsers to competitors' Web sites or ask them to vote on certain issues by using the software's instant polling feature. "Our salespeople are actually meeting more online than they ever were face to face," says Mike Mitchell, Cisco's distance learning manager, adding that some salespeople who used to meet with other reps and managers only a few times a quarter are meeting online nearly every day. "That's very empowering for the sales force, because they're able to make suggestions at every step of the way about where we're going with our sales and marketing strategies."

Thus, Web-based technologies can produce big organizational benefits for sales forces. They help conserve salespeople's valuable time, save travel dollars, and give salespeople a new vehicle for selling and servicing accounts. But the technologies also have some drawbacks. For starters, they're not cheap. And such systems can intimidate low-tech salespeople or clients. "As simple as it is, if your salespeople or clients aren't comfortable using the Web, you're wasting your money," says one marketing communications manager. Also, Web tools are susceptible to server crashes and other network difficulties, not a happy event when you're in the midst of an important sales meeting or presentation.

For these reasons, some high-tech experts recommend that sales executives use Web technologies for training, sales meetings, and preliminary client sales presentations, but respect the old-fashioned, face-to-face meetings when the time draws near to close the deal. "When push comes to shove, if you've got an account worth closing, you're still going to get on that plane and see the client in person," says sales consultant Boone. "Your client is going to want to look you in the eye before buying anything from you, and that's still one thing you just can't do online."


Management gets information about its salespeople in several ways. The most important source is sales reports, including weekly or monthly work plans and longer-term territory marketing plans. Salespeople also write up their completed activities on call reports and turn in expense reports for which they are partly or wholly repaid. The company can also monitor the sales and profit performance of the salesperson's territory. Additional information comes from personal observation, customer surveys, and talks with other salespeople.

Using various sales force reports and other information, sales management evaluates members of the sales force. It evaluates salespeople on their ability to "plan their work and work their plan." Formal evaluation forces management to develop and communicate clear standards for judging performance. It also provides salespeople with constructive feedback and motivates them to perform well.

On a broader level, management should evaluate the performance of the sales force as a whole. Is the sales force accomplishing its customer relationship, sales, and profit objectives? Is it working well with other areas of the marketing and company organization? Are sales-force costs in line with outcomes? As with other marketing activities, the company wants to measure its return on sales investment."

Chapter 16
Personal Selling and Sales Promotion
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**Selling process**
The steps that the salesperson follows when selling, which include prospecting and qualifying, preapproach, approach, presentation and demonstration, handling objections, closing, and follow-up.

**Prospecting**
The step in the selling process in which the salesperson identifies qualified potential customers. Approaching the right potential customers is crucial to selling success. As one expert puts it: "If the sales force starts chasing anyone who is breathing and seems to have a budget, you risk accumulating a roster of expensive-to-serve, hard-to-satisfy customers who never respond to whatever value proposition you have." He continues, "The solution to this isn't rocket science. [You must] train salespeople to actively scout the right prospects."22

The salesperson must often approach many prospects to get just a few sales. Although the company supplies some leads, salespeople need skill in finding their own. The best source is referrals. Salespeople can ask current customers for referrals and cultivate other referral sources, such as suppliers, dealers, noncompeting salespeople, and bankers. They can also search for prospects in directories or on the Web and track down leads using the telephone and direct mail. Or they can drop in unannounced on various offices (a practice known as "cold calling").

Salespeople also need to know how to qualify leads—that is, how to identify the good ones and screen out the poor ones. Prospects can be qualified by looking at their financial ability, volume of business, special needs, location, and possibilities for growth.

**Preapproach**
Before calling on a prospect, the salesperson should learn as much as possible about the organization (what it needs, who is involved in the buying) and its buyers (their characteristics and buying styles). This step is known as the preapproach. The salesperson can consult standard industry and online sources, acquaintances, and others to learn about the company. The salesperson should set call objectives, which may be to qualify the prospect, gather information, or to make an immediate sale. Another task is to decide on the best approach, which might be a personal visit, a phone call, or a letter. The best timing should be considered carefully because many prospects are busiest at certain times. Finally, the salesperson should give thought to an overall sales strategy for the account.

**Approach**
During the approach step, the salesperson should know how to meet and greet the buyer and get the relationship off to a good start. This step involves the salesperson's appearance.
opening lines, and the follow-up remarks. The opening lines should be positive to build goodwill from the beginning of the relationship. This opening might be followed by some key questions to learn more about the customer’s needs or by showing a display or sample to attract the buyer's attention and curiosity. As in all stages of the selling process, listening to the customer is crucial.

Presentation and Demonstration

During the presentation step of the selling process, the salesperson tells the product “story” to the buyer, presenting customer benefits and showing how the product solves the customer’s problems. The problem-solver salesperson fits better with today's marketing concept than does a hard-sell salesperson or the glad-handing extrovert. Buyers today want solutions, not smiles; results, not razzle-dazzle. They want salespeople who listen to their concerns, understand their needs, and respond with the right products and services.

This need-satisfaction approach calls for good listening and problem-solving skills. A recent study revealed that 74 percent of 200 purchasers surveyed at companies nationwide said they would be much more likely to buy from a salesperson if the seller would simply listen to them. “To me, sales is listening to customers, finding out what they want, finding out what their concerns are, and then trying to fill them,” notes one experienced salesperson. “It’s no longer enough to have a good relationship with a client,” says another. “You have to understand their problems. You have to feel their pain.”

The qualities that buyers dislike most in salespeople include being pushy, late, deceitful, and unprepared or disorganized. The qualities they value most include good listening, empathy, honesty, dependability, thoroughness, and follow-through. Great salespeople know how to sell, but more importantly, they know how to listen and to build strong customer relationships. Says one professional, “Salespeople must have the right answers, certainly, but they also have to learn how to ask those questions and listen.”

Today, advanced presentation technologies allow for full multimedia presentations to only one or a few people. CDs and DVDs, online presentation technologies, and handheld and laptop computers with presentation software have replaced the flip chart. Here's an example:

Tina Cox, a technical trainer for Analytical Graphics, a company that produces integrated land, sea, and air analysis software, uses InterWrite software and its integrated land, sea, and air presentation software, and pen-and-pen capabilities to teach new and potential customers how to use the company’s products. Just like TV football commentator John Madden, she writes on her prepared screens during the presentation. She draws on freeze-frame images, just as Madden often does when he directs viewers to the significant elements of the previous football play with his trademark squiggly lines. Cox uses her tablet and pen to show her clients the key elements of the slides. If customers ever lose a thread of her sales presentation, they can easily check the information she circled and almost immediately get back on track. Cox believes the technology greatly enhances her presentations, both Web-based and in person, and customers agree.
Handling Objections

Customers almost always have objections during the presentation or when asked to place an order. The problem can be either logical or psychological, and objections are often unspoken. In handling objections, the salesperson should use a positive approach, seek out hidden objections, ask the buyer to clarify any objections, take objections as opportunities to provide more information, and turn the objections into reasons for buying. Every salesperson needs training in the skills of handling objections.

Closing

After handling the prospect's objections, the salesperson now tries to close the sale. Some salespeople do not get around to closing or do not handle it well. They may lack confidence, feel guilty about asking for the order, or fail to recognize the right moment to close the sale. Salespeople should know how to recognize closing signals from the buyer, including physical actions, comments, and questions. For example, the customer might sit forward and nod approvingly or ask about prices and credit terms.

Salespeople can use one of several closing techniques. They can ask for the order, review points of agreement, offer to help write up the order, ask whether the buyer wants this model or that one, or note that the buyer will lose out if the order is not placed now. The salesperson may offer the buyer special reasons to close, such as a lower price or an extra quantity at no charge.

Follow-Up

The last step in the selling process—follow-up—is necessary if the salesperson wants to ensure customer satisfaction and repeat business. Right after closing, the salesperson should complete any details on delivery time, purchase terms, and other matters. The salesperson then should schedule a follow-up call when the initial order is received, to make sure there is proper installation, instruction, and servicing. This visit would reveal any problems, assure the buyer of the salesperson's interest, and reduce any buyer concerns that might have arisen since the sale.

Personal Selling and Customer Relationship Management

The steps in the selling process as just described are transaction oriented—their aim is to help salespeople close a specific sale with a customer. But in most cases, the company is not simply seeking a sale. It has targeted a major customer that it would like to win and keep. The company would like to show that it has the capabilities to serve the customer over the long haul in a mutually profitable relationship. The sales force usually plays an important role in building and managing profitable customer relationships.

Today's large customers favor suppliers who can sell and deliver a coordinated set of products and services to many locations, and who can work closely with customer teams to improve products and processes. For these customers, the first sale is only the beginning of the relationship. Unfortunately, some companies ignore these relationship realities. They sell their products through separate sales forces, each working independently to close sales. Their technical people may not be willing to lend time to educate a customer. Their engineering, design, and manufacturing people may have the attitude that "it's our job to make good products and the salesperson's job to sell them to customers." Their salespeople focus on pushing products toward customers rather than listening to customers and providing solutions.

Other companies, however, recognize that winning and keeping accounts requires more than making good products and directing the sales force to close lots of sales. It requires listening to customers, understanding their needs, and carefully coordinating the whole company's efforts to create customer value and to build lasting relationships.

Sales Promotion

Personal selling and advertising often work closely with another promotion tool, sales promotion. Sales promotion consists of short-term incentives to encourage purchase or sales of a product or service. Whereas advertising offers reasons to buy a product or service, sales promotion offers reasons to buy now.

Examples of sales promotions are found everywhere. A freestanding insert in the Sunday newspaper contains a coupon offering $1 off Folgers coffee. An e-mail from EddieBauer.com
offers free shipping on your next purchase over $100. The end-of-the-aisle display in the local supermarket tempts impulse buyers with a wall of Coke cases. An executive buys a new Sony laptop and gets a free carrying case, or a family buys a new Explorer and receives a factory rebate of $1,000. A hardware store chain receives a 10 percent discount on selected Black & Decker portable power tools if it agrees to advertise them in local newspapers. Sales promotion includes a wide variety of promotion tools designed to stimulate earlier or stronger market response.

Rapid Growth of Sales Promotion

Sales promotion tools are used by most organizations, including manufacturers, distributors, retailers, and not-for-profit institutions. They are targeted toward final buyers (consumer promotions), retailers and wholesalers (trade promotions), business customers (business promotions), and members of the sales force (sales force promotions). Today, in the average consumer packaged-goods company, sales promotion accounts for 74 percent of all marketing expenditure. Several factors have contributed to the rapid growth of sales promotion, particularly in consumer markets. First, inside the company, product managers face greater pressures to increase their current sales, and promotion is viewed as an effective short-run sales tool. Second, externally, the company faces more competition and competing brands are less differentiated. Increasingly, competitors are using sales promotion to help differentiate their offers. Third, advertising efficiency has declined because of rising costs, media clutter, and legal restraints. Finally, consumers have become more deal oriented, and ever-larger retailers are demanding more deals from manufacturers. The growing use of sales promotion has resulted in promotion clutter, similar to advertising clutter. Consumers are increasingly tuning out promotions, weakening their ability to trigger immediate purchase. Manufacturers are now searching for ways to rise above the clutter, such as offering larger coupon values or creating more dramatic point-of-purchase displays.

In developing a sales promotion program, a company must first set sales promotion objectives and then select the best tools for accomplishing these objectives.

Sales Promotion Objectives

Sales promotion objectives vary widely. Sellers may use consumer promotions to urge short-term customer buying or to enhance long-term customer relationships. Objectives for trade promotions include getting retailers to carry new items and more inventory, buy ahead, or advertise the company’s products and give them more shelf space. For the sales force, objectives include getting more sales force support for current or new products or getting salespeople to sign up new accounts. Sales promotions are usually used together with advertising, personal selling, or other promotion mix tools. Consumer promotions must usually be advertised and can add excitement and pulling power to ads. Trade and sales force promotions support the firm’s personal selling process.

In general, rather than creating only short-term sales or temporary brand switching, sales promotions should help to reinforce the product’s position and build long-term customer relationships. If properly designed, every sales promotion tool has the potential to build both short-term excitement and long-term consumer relationships. Increasingly, marketers are avoiding “quick fix,” price-only promotions in favor of promotions designed to build brand equity. Examples include all of the “frequency marketing programs” and loyalty clubs that have mushroomed in recent years. Most hotels, supermarkets, and airlines now offer frequent-guest/buyer/flyer programs offering rewards to regular customers. For example, Cendant, which owns hotel chains such as Ramada, Days Inn, Travelodge, Howard Johnson, and Super 8, offers a loyalty program called TripRewards, a program that targets its core market of not-so-frequent leisure travelers.

In designing its TripRewards loyalty program, Cendant knew that Ramada, Days Inn, Travelodge, and the rest of its lodging family could not out-Marriott Marriott Rewards or duplicate the elite tiers of Starwood Preferred Guest. Cendant targets more budget-minded leisure travelers who venture out on a half dozen trips or fewer annually. Unlike frequent business travelers, these folks don’t travel enough to take advantage of most travel loyalty programs. So Cendant put together a network of TripRewards retailers that lets members earn points with everyday purchases. TripRewards members can earn points for purchases at retailers ranging from J.C. Penney and Best Buy to PTD Florists and CheapTickets.com.
Cendant’s “It’s fun to get more” ad campaign plays up the fun of getting a bonus from everyday shopping transactions. TripRewards’ low redemption threshold (as low as 66,000 points for a week-long resort stay versus Marriott Rewards’ 140,000) means that Cendant can win the patronage of consumers who would otherwise be decades away from earning anything in a competing program. The TripRewards program drew 2.1 million members in its first eight months, 60 percent of them first-time Cendant hotel customers. It’s attracting younger and more affluent consumers with higher average room rates and longer stays—and it keeps them coming back. “They’re going to be repeat business,” says the manager of one Cendant hotel. “The points add up pretty quick, [and] once we get [guests] through the... door, they’re not going back to Hilton.”

Major Sales Promotion Tools

Many tools can be used to accomplish sales promotion objectives. Descriptions of the main consumer, trade, and business promotion tools follow.

Consumer Promotion Tools

The main consumer promotion tools include samples, coupons, cash refunds, price packs, premiums, advertising specialties, patronage rewards, point-of-purchase displays and demonstrations, and contests, sweepstakes, and games. Samples are offers of a trial amount of a product. Sampling is the most effective—but most expensive—way to introduce a new product or to create new excitement for an existing one. Some samples are free; for others, the company charges a small amount to offset its cost. The sample might be delivered door-to-door, sent by mail, handed out in a store, attached to another product, or featured in an ad. Sometimes, samples are combined into sample packs, which can then be used to promote other products and services. Sampling can be a powerful promotional tool. Consider this example:

Fisherman’s Friend throat lozenges used sampling as the centerpiece of a very successful brand-building program. It began by passing out 250,000 samples of its lozenges at more than 25 fairs, sporting events, and other happenings where it was a sponsor. Each sample contained an invitation to visit the Fisherman’s Friend Web site, where customers could enter a contest to win a MINI Cooper by submitting a slogan to be used in the future “Tell a Friend” (about Fisherman’s Friend) ad campaign. The sampling promotion was a complete success. U.S. sales of Fisherman’s Friend lozenges grew 115 percent for the year, 25 percent better than expectations. Some 3,000 people submitted a slogan for the company’s new ad campaign. The winner and proud owner of a new MINI Cooper—Shirley Tucker of Pittsburgh—suggested the slogan, “Less a Cough, Gain a Friend,” which is now featured in ads and on the Web site. The successful sampling campaign continues via the company’s Web site, which invites consumers to sign themselves up to receive free samples of Fisherman’s Friend in the mail.

Coupons are certificates that give buyers a saving when they purchase specified products. Most consumers love coupons. U.S. companies distributed $2.9 billion coupons last year with an average face value of $1.16. Consumers redeemed more than 2 billion of them for a total savings of about $3.47 billion.29 Coupons can promote early trial of a new brand or stimulate sales of a mature brand. However, as a result of coupon clutter, redemption rates have been declining in recent years. Thus, most major consumer goods companies are issuing fewer coupons and targeting them more carefully.

Marketers are also cultivating new outlets for distributing coupons, such as supermarket shelf dispensers, electronic point-of-sale coupon printers, e-mail and online media, or even text-messaging systems. For example, text-message couponing is popular in Europe, India,
New forms of coupons: Text message couponing is gaining popularity. At the University of South Florida, local businesses can blast out text message coupons directly to interested students' cell phones via the university's MoBull system.

and Japan, and it's slowly gaining popularity in the United States. American Express recently launched Mobile Offers, which sends willing cardholders "coupons" from local merchants via text messages to cell phones. And at the University of South Florida, local businesses can send out text message coupons directly to interested students' cell phones via the university's MoBull Messenger system. For instance, if a local pizza place is having a slow night, it can log in and blast out a two-for-one pizza coupon to students who have opted-in.

Cash refunds (or rebates) are like coupons except that the price reduction occurs after the purchase rather than at the retail outlet. The consumer sends a "proof of purchase" to the manufacturer, who then refunds part of the purchase price by mail. For example, Toro ran a clever preseason promotion on some of its snowblower models, offering a rebate if the snowfall in the buyer's market area turned out to be below average. Competitors were not able to match this offer on such short notice, and the promotion was very successful.

Price packs (also called cents-off deals) offer consumers savings off the regular price of a product. The producer marks the reduced prices directly on the label or package. Price packs can be single packages sold at a reduced price (such as two for the price of one) or two related products banded together (such as a toothbrush and toothpaste). Price packs are very effective—even more so than coupons—in stimulating short-term sales.

Premiums are goods offered either free or at low cost as an incentive to buy a product, ranging from toys included with kids' products to phone cards and DVDs. A premium may come inside the package (in-pack), outside the package (on-pack), or through the mail. Kellogg often incorporates premiums with its cereals and related products. For instance, it recently offered a free Cars racer, based on characters from the Disney/Pixar movie, inside specially marked boxes of Apple Jacks. And buyers of Kellogg Frosted Flakes Cereal & Milk Bars could buy an Ice Age II: The Meltdown pop-up tent by mailing in two UPC symbols along with a check for $9.99.

Advertising specialties, also called promotional products, are useful articles imprinted with an advertiser's name, logo, or message that are given as gifts to consumers. Typical items include T-shirts and other apparel, pens, coffee mugs, calendars, key rings, mouse pads, matches, tote bags, coolers, golf balls, and caps. U.S. marketers spent more than $18 billion on advertising specialties last year. Such items can be very effective, the "best of them stick
around for months, subtly burning a brand name into a user's brain,” notes a promotional products expert. In a recent study, 71 percent of all consumers surveyed had received at least one promotional product in the past 12 months. Seventy-six percent of those were able to recall the advertiser's name on the promotional product they received, compared to only 53.5 percent who could recall the name of an advertiser in a print publication they had read in the past week.³²

*Patronage rewards* are cash or other awards offered for the regular use of a certain company's products or services. For example, airlines offer frequent flyer plans, awarding points for miles traveled that can be turned in for free airline trips. And supermarkets have frequent shopper cards that dole out a wealth of discounts at the checkout. Office Depot offers frequent-purchase awards—using its WorkLife Rewards card, customers who spend at least $200 at Office Depot in three months earn gift cards worth up to $50 that can be used toward future purchases.

**Point-of-purchase (POP) promotions** include displays and demonstrations that take place at the point of sale. Think of your last visit to the local Safeway, Costco, CVS, or Bed Bath & Beyond. Chances are good that you were tripping over aisle displays, promotional signs, "shelf talkers," or demonstrators offering free taster of featured food products. Unfortunately, many retailers do not like to handle the hundreds of displays, signs, and posters they receive from manufacturers each year. Manufacturers have responded by offering better POP materials, offering to set them up, and tying them in with television, print, or online messages.

**Contests, sweepstakes, and games** give consumers the chance to win something, such as cash, trips, or goods, by luck or through extra effort. A *contest* calls for consumers to submit an entry—a jingle, guess, suggestion—to be judged by a panel that will select the best entries. A sweepstakes calls for consumers to submit their names for a drawing. A *game* presents consumers with something—bingo numbers, missing letters—every time they buy, which may or may not help them win a prize. A sales contest urges dealers or the sales force to increase their efforts, with prizes going to the top performers.

**Trade Promotion Tools**

Manufacturers direct more sales promotion dollars toward retailers and wholesalers (78 percent) than to final consumers (22 percent).³³ Trade promotion tools can persuade retailers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers.

Business promotion tools used to generate business leads, stimulate purchases, reward customers, and motivate salespeople.

*Manufacturers* may offer a *straight discount* off the list price on each case purchased during a stated period of time (also called a *price-off*), or they may offer a *discount* off the list price on each case purchased during a stated period of time. Retailers also may offer an *allowance* (usually so much off per case) to return for the retailer’s agreement to feature the manufacturer's products in some way. An advertising allowance compensates retailers for advertising the product. A display allowance compensates them for using special displays.

Manufacturers may offer *free goods*, which are extra cases of merchandise, to retailers who buy a certain quantity or who feature a certain flavor or size. They may offer *push money*—cash or gifts to dealers or their sales forces in “push” the manufacturer’s goods.

Manufacturers may give retailers *specialty advertising items* that carry the company’s name, such as pens, pencils, calendars, paperweights, matchbooks, mouse pads, and yardsticks.

**Business Promotion Tools**

Companies spend billions of dollars each year on promotion to industrial customers. Business promotion tools are used to generate business leads, stimulate purchases, reward customers, and motivate salespeople. Business promotion includes many of the same tools used for consumer or trade promotions. Here, we focus on two additional major business promotion tools—conventions and trade shows—and sales contests.

Many companies and trade associations organize *conventions* and *trade shows* to promote their products. Firms selling to the industry show their products at the trade show. Vendors receive many benefits, such as opportunities to meet with new customers, learn about new products, meet new customers, sell more to present customers, and educate customers with publications and audiovisual materials. Trade shows also help companies reach many prospects not reached through their sales forces.

Some trade shows are huge. For example, at this year’s International Consumer Electronics Show, 2,500 exhibitors attracted more than 150,000 professional visitors. Even more impressive, at the BAUMA mining and construction equipment trade show in Munich, Germany, some
Tions. This one investigates integrated marketing element-promotion. This chapter is the third of chase or Sales

Some trade shows are huge. At this year's International Consumer Electronics Show, 2,500 exhibitors attracted more than 150,000 professional visitors.

1. Discuss the role of a company's salespeople in creating value for customers and building customer relationships.

Most companies use salespeople, and many companies assign them an important role in the marketing mix. For companies selling business products, the firm's salespeople work directly with customers. Often, the sales force is the customer's only direct contact with the company and therefore may be viewed by customers as representing the company itself. In contrast, for consumer product companies that sell through intermediaries, consumers usually do not meet salespeople or even know about them. The sales force works behind the scenes, dealing with wholesalers and retailers to obtain their support and helping them become effective in selling the firm's products.

As an element of the promotion mix, the sales force is very effective in achieving certain marketing objectives and carrying out such activities as prospecting, communicating, selling and servicing, and information gathering. But with companies becoming more market...
2. Identify and explain the six major sales force management steps.

High sales force costs necessitate an effective sales management process consisting of six steps: designing sales force strategy and structure, recruiting and selecting, training, compensating, supervising, and evaluating salespeople and sales force performance.

In designing a sales force, sales management must address strategy issues such as what type of sales force structure will work best (territorial, product, customer, or complex structure); how large the sales force should be; who will be involved in the selling effort; and how its various sales and sales support people will work together (inside or outside sales forces and teams selling).

To hold down the high costs of hiring the wrong people, salespeople must be recruited and selected carefully. In recruiting salespeople, a company may look to job duties and the characteristics of its most successful salespeople to suggest the tools it wants in its salespeople. It must then look for applicants through recommendations of current salespeople, employment agencies, classified ads, and the Internet and by contacting college students. In the selection process, the procedure can vary from a single informal interview to lengthy testing and interviewing. After the selection process is completed, training programs familiarize new salespeople not only with the art of selling but also with the company's history, its products and services, and the characteristics of its market and competitors.

The sales force compensation system helps to reward, motivate, and direct salespeople. In compensating salespeople, companies try to have an appealing plan, usually close to the going rate for the type of sales job and needed skills. In addition to compensation, all salespeople need supervision, and many need continuous encouragement because they must make many decisions and face many frustrations. Periodically, the company must evaluate these performance to help them do a better job. In evaluating salespeople, the company relies on getting regular information gathered through sales reports, personal observations, customers' letters and complaints, customer surveys, and conversations with other salespeople.

3. Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

The art of selling involves a seven-step selling process: preapproach, approach, presentation and demonstration, handling objections, closing, and follow-up. These steps help marketers close a specific sale and as such are transaction oriented. However, a seller's dealings with customers should be guided by the larger concept of relationship marketing. The company's sales force should help to orchestrate a whole-company effort to develop profitable long-term relationships with key customers based on superior customer value and satisfaction.

4. Explain how sales promotion campaigns are developed and implemented.

Sales promotion campaigns call for setting sales promotion objectives (in general, sales promotions should be consumer relationship building), selecting tools, and developing and implementing the sales promotion program. By using marketing, sales, and promotion tools (coupons, cash refunds, prizes, premiums, advertising specialties, patronage rewards, point-of-purchase promotions, and contests, sweepstakes, and games), trade promotions (free samples, allowances, tree goods, and push money), and branding promotion tools (commercials, trade shows, and sales contests) as well as deciding on such things as the size of the incentive, the conditions for participation, how to promote and distribute the promotion package, and the length of the promotion. After this process is completed, the company evaluates its sales promotion results.

... Reviewing the Key Terms

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- **Business promotion tools**: 472
- **Closing**: 468
- **Consumer promotion tools**: 470
- **Customer sales force structure**: 464
- **Follow-up**: 468
- **Handling objections**: 468
- **Inside sales force**: 457
- **Outside sales force (or field sales force)**: 457
- **Personal selling**: 462
- **Preapproach**: 466
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- **Product sales force structure**: 454
- **Prospecting**: 466
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- **Salesperson**: 453
- **Selling process**: 466
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- **Territorial sales force structure**: 454
- **Trade promotion tools**: 472

... Discussing the Concepts

1. According to the chapter, salespeople serve two masters. What does this mean? Is it a good or bad thing?

2. The chapter states that the ability to build relationships with customers is the most important of a salesperson's key talents. Do you agree? Explain.

3. DuPont sells thousands of industrial and consumer products throughout the world. It serves industries as diverse as aerospace, agriculture, and health care. Describe how DuPont can best structure its sales force.

4. A start-up manufacturer of low-carbohydrate muffins wants to sell its product in supermarkets all along the East Coast. It has identified 400 large supermarket chains and 100 smaller chains. The large supermarket chains will require 30 calls per year and the smaller stores 10 calls per year. An average salesperson can make 1,000 calls per year. Using the workload approach for setting sales force size, how many salespeople will this manufacturer need?

5. What are the main differences between sales promotion and advertising?

6. Explain why there has been rapid growth in the use of sales promotions.
Chapter 16  Personal Selling and Sales Promotion

Applying the Concepts

1. Who in your class would make a good salesperson? Why?

2. Work in pairs to describe the stages in the selling process for a small Minneapolis company that sells cleaning services to owners of small businesses, such as hair salons, dentists’ offices, and clothing stores. Role-play the actual selling process, from approach to close, with one team member acting as the salesperson. The other members of the team should act as a customer and raise at least three objections.

3. Suppose you are the marketing coordinator responsible for recommending the sales promotion plan for the market launch of a new brand of Red Bull energy drink sold in supermarkets. What promotional tools would you consider for this task? Explain.

Focus on Technology

High-level salespeople need sophisticated tools to perform more effectively, especially when on the road. They need to gather customer contact information, check updated product inventories, and keep track of order information. Strong customer relationship management systems, such as those offered by SAP (www.sap.com), provide many features that empower the sales force. Visit SAP online to find information on the mySAP business suite and mySAP CRM. The Web site outlines the features of mySAP CRM, which benefit salespeople as follows:

- Sales planning and forecasting
- Territory management
- Account and contact management
- Lead and opportunity management
- Quotation and order management
- Contract management
- Incentive and commission management
- Time and travel management
- Sales analytics

1. Explain which SAP functions apply to sales force management and which tie in more to the salesperson’s daily role with the customers.

2. Explain how these SAP functions fit into the personal selling process for an office furniture sales representative selling a new line of office chairs to an existing large customer.

3. Why would a company choose not to use SAP products?

Focus on Ethics

You are the senior sales manager for Johnson Manufacturing. Your company has developed a machine that makes electronic components faster and with a lower defect rate than your major competitor’s machines. You call on Haywood Electronics, an important customer, to discuss its purchase of the new machine. Haywood’s buyers have been very enthusiastic, but when you arrive, they want to discuss the results of some recent tests they’ve conducted. They show you output that shows that your competitor’s new machine produces components at 1.2 times the rate of your machine with a .01 lower defect rate. Based on this research, they ask for a reduction on the price of your machine from $800,000 to $500,000. When you return to your company and talk to the vice president of manufacturing, she states that the test results are impossible and that the tests must have been faulty or the results intentionally falsified.

1. What actions would you take?

2. Why is it important that you be careful with your reaction to this situation?

3. Could such a situation really happen? Discuss.

Video Case  Nudie

All across the globe, consumers are seeking all-natural, wholesome foods. Even Wal-Mart, a low-price leader, carries organic and all-natural foods. Nudie, a quirky little company in Australia, makes its own contribution to the fast-growing natural foods market—all-natural fruit crushes, smoothies that provide a day’s fruit in every bottle. After viewing the video featuring Nudie, answer the following questions about personal selling and sales promotion.

1. How does Nudie’s process for selecting sales representatives compare to the process described in the text?

2. What sales promotion tools does Nudie employ to reach consumers and encourage sales?

3. Select a sales promotion tool not listed in your previous response. How could Nudie use that tool to further promote its products?
Lear's growth and expansion of its product line have been driven by the quest to better meet customers' needs. As Lear has diversified its product line from seats to all parts of a vehicle's interior, it has become a kind of "one-stop shopping" source. As the provision of complete interior solutions benefits customers, it also benefits Lear. "It used to be that we'd build a partnership and then get only a limited amount of revenue from it," the executive says. "Now we can get as much as possible out of our customer relationships."

Lear's heavy customer focus has led to a structure that is responsive to customer needs. Its platform team structure has allowed Lear to be very customer-centric. In 1999, leaders at GM wanted to expand their commercial van business. One idea was to create a new model by fitting an existing van shell with deluxe leather seating; flip-down, flat-panel screens, and other high-tech gadgets. "It would have taken two, maybe three years to make a van like this in the GM system," says Larry Szydlowski, GM's program manager for the Express LT. At that time, the demand for such a van might have come and gone. Or, a competitor might have been first to market with a product fitting that concept.

But based on efficiencies derived from its platform teams, Lear confidently predicted that it could go from contract to product in just one year. The claim was so outrageous that GM hesitated. So, Lear took a risk and invested in a physical prototype on its own. GM was so impressed, that...
It awarded the lucrative contract to Lear. One year later, as promised, the Express LT was in production.

Lear has achieved another sales team efficiency by limiting its customer base to fewer major customers rather than many small-contract customers. This has allowed sales teams to get very close to their customers. "Our teams don't call on purchasers; they're linked to customer operations at all levels," the marketer notes. "We try to put a system in place that creates continuous contact with customers." In fact, Lear often locates its sales offices in customers' plants. For example, the team that handles GM's light truck division works at GM's truck operation campus. "We can't just be there to give quotes and ask for orders," says the marketing executive. "We need to be involved with customers every step of the way—from vehicle concept through launch."

THE TIDE SHIFTS FOR LEAR

Whereas the 1990s were golden years for Lear, numerous factors combined to create a dismal situation at the new millennium unfolded. Despite the fact that Lear captured 2005 revenues of more than $17 billion, it posted a net loss of $1.3 billion. Almost half of that loss came in the fourth quarter alone. Ironically, many of the factors responsible for Lear's earlier success may now be responsible for its current downturn.

For starters, gas prices went up. Although this was nothing that Lear could have stopped, as gas prices have risen, industry-wide vehicle sales have slowed. The biggest casualties have been SUVs and light trucks, models that litter the product lines for the Big Three automakers. Additionally, the downturn in SUV and truck sales has come at an inopportune time. The large American car companies were already losing market share to foreign competitors in other categories as well. Whereas Lear's strategy of limiting its customer base has allowed it to achieve closer customer relations, tough times for these large customers are wreaking havoc on Lear's sales.

Lear's product diversification strategy, which has been a key to building customer relationships, is also contributing to current losses. In 2006, the company spent a record $586 million on capital investments, in part to become a total supplier for its largest customer. At the same time, however, these large customers have abandoned their strategy of sourcing all vehicle interior components to one supplier.

As of 2006, things are looking better for Lear, at least in its seating and electronics segments. However, despite overall first-quarter profits of $17.6 million, Lear's interior systems business continues to hemorrhage money, showing a $59.5 million loss. Given that this division has been its poorest performer for some time, Lear is considering the option of selling the business and restructuring it on its own.

Lear also has been struggling to absorb double-digit increases in plastic resin prices and increases in other raw materials. Failing the pinch from its plastic suppliers, Lear has attempted to work with customers in order to pass on some of these costs. As a result, DaimlerChrysler AG's Chrysler Group sued the company, claiming that Lear threatened to stop shipping parts if Chrysler didn't comply.

Maintaining profitable relationships with large customers takes much more than a nice smile and a firm handshake. And certainly there's no place for the "smoke and mirrors" or "limelight" sometimes mistakenly associated with personal selling. Success in such a selling environment requires careful teamwork among well-trained, dedicated sales professionals who are bent on profitably taking care of their customers. But even as Lear has focused on these principles, it has found that maintaining solid customer relationships can at times be very difficult.

Questions for Discussion

1. Classify Lear's sales force structure. What role has this structure played in the company's successes and failures?
2. What role does team selling play in Lear's sales force strategy? Should Lear make any changes to this strategy?
3. What implications would selling its interior systems division have on Lear's sales force and its ability to serve its customers? What do you recommend that Lear do?
4. Make other recommendations for how Lear can reverse the difficulties it now faces. How would you implement each recommendation?