

Chapter 11 Notes

Personal Selling

Personal Selling:

The two-way flow of communication between buyer and seller designed to influence buyer's purchase decision

- Business to Customer (B2C): sales person and end consumer
- Business to Business (B2B): sales person and purchasing agents
- Business to Professional (B2P): sales person and professionals
- Event Planning: demonstrate products to potential buyers

Value of Personal Selling:

- Provide information and advice to existing and potential customers
- Make buying easier by saving time and simplifying the purchase process
- Help build relationships between customer and company

Uses of Personal Selling:

- Product or Service Characteristics
 - The more complex/important the product is, the more company will benefit from personal selling
- Channels of Distribution
 - Assisting purchasing departments and retailers
 - Fewer members of the supply chain (number of wholesalers/retailers) and/or the greater need for service and assistance increases the need for the personal selling
- Price Factors
 - When price is negotiated or when there are high margins on the product, a salesperson can be used
- Advertising
 - If the product cannot be explained solely through advertising, personal selling can become more important

Personal Selling Process:

- Generate and qualify leads: identifying who are potential customers
 - Cold calling
 - Trade shows
 - Networking (Word-of-Mouth)
- Pre-approach (Customer Learning): learning about customers and their needs
 - Data bases and technological improvements
 - Buying information of potential customers
- Sales presentation: actual presentation of information
 - Begin by understanding customers' needs
 - Explain the features and functions in a simple and easy to understand way
 - Prepare answers for standard questions

- Closing the sale: getting commitment to buy
 - Foot in the door technique: sales technique/the salesperson asks the customer to comply with a small request initially, then asks for the main action
 - Door in the face technique: this is somewhat the opposite of the foot in the door technique
 - Soft sale: this low-pressure approach essentially attempts to educate the consumer and makes them more knowledgeable
 - Down-selling: making recommendations to buy a reduced version of the product to enhance salesperson trust
- Follow-up: following up to help establish ongoing/long-term relationship
 - Reliability
 - Responsiveness
 - Assurance
 - Empathy
 - Tangibles

Sales Force Structure:

- Types of sales reps that a company uses => Alternative:
 - Company representatives
 - Manufacturer representatives/independent agents
- Primary function of salespeople
 - Collect orders
 - Provide support

Sales Force Recruitment:

- Determine the job requirements
- Look for important personality traits
 - Friendliness
 - Optimism
 - Resilience
 - Self-motivation
 - Empathy

Sales Force Compensation:

- Salary/Commission/Bonuses
- Sales contests
- Nonfinancial rewards
- Measuring the relative effectiveness

Ethical Considerations:

- Principal-agent problem
- Distribution of information