Sales Promotion and Personal Selling

chapter 16

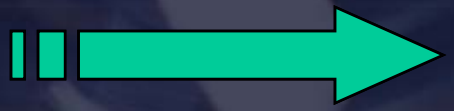


Prepared by wahabs

Learning Objectives

chapter 16

1. **Define and state the objectives of sales promotion.**
2. **Discuss the most common forms of consumer sales promotion.**
3. **List the most common forms of trade sales promotion.**



Learning Objectives (continued)

chapter 16

4. **Describe personal selling.**
5. **Discuss the key differences between relationship selling and traditional selling.**
6. **List the steps in the selling process.**
7. **Describe the functions of sales management.**

Learning Objective

1

Define and state the objectives of sales promotion.

Sales Promotion

1



Marketing communication activities, other than advertising, personal selling, and public relations, in which a short-term incentive motivates a purchase.

Sales Promotion

1



Uses of Sales Promotion

1



Objectives of Sales Promotion

1

Type of Buyer	Desired Results	Sales Promotion Examples
Loyal Customers	•Reinforce behavior •Increase consumption •Change timing	•Loyalty marketing •Bonus packs
Competitor's Customers	•Break loyalty •Persuade to switch	•Sampling •Sweepstakes, contests, premiums
Brand Switchers	•Persuade to buy your brand more often	•Price-lowering promotion •Trade deals
Price Buyers	•Appeal with low prices •Supply added value	•Coupons, price-off packages, refunds •Trade deals

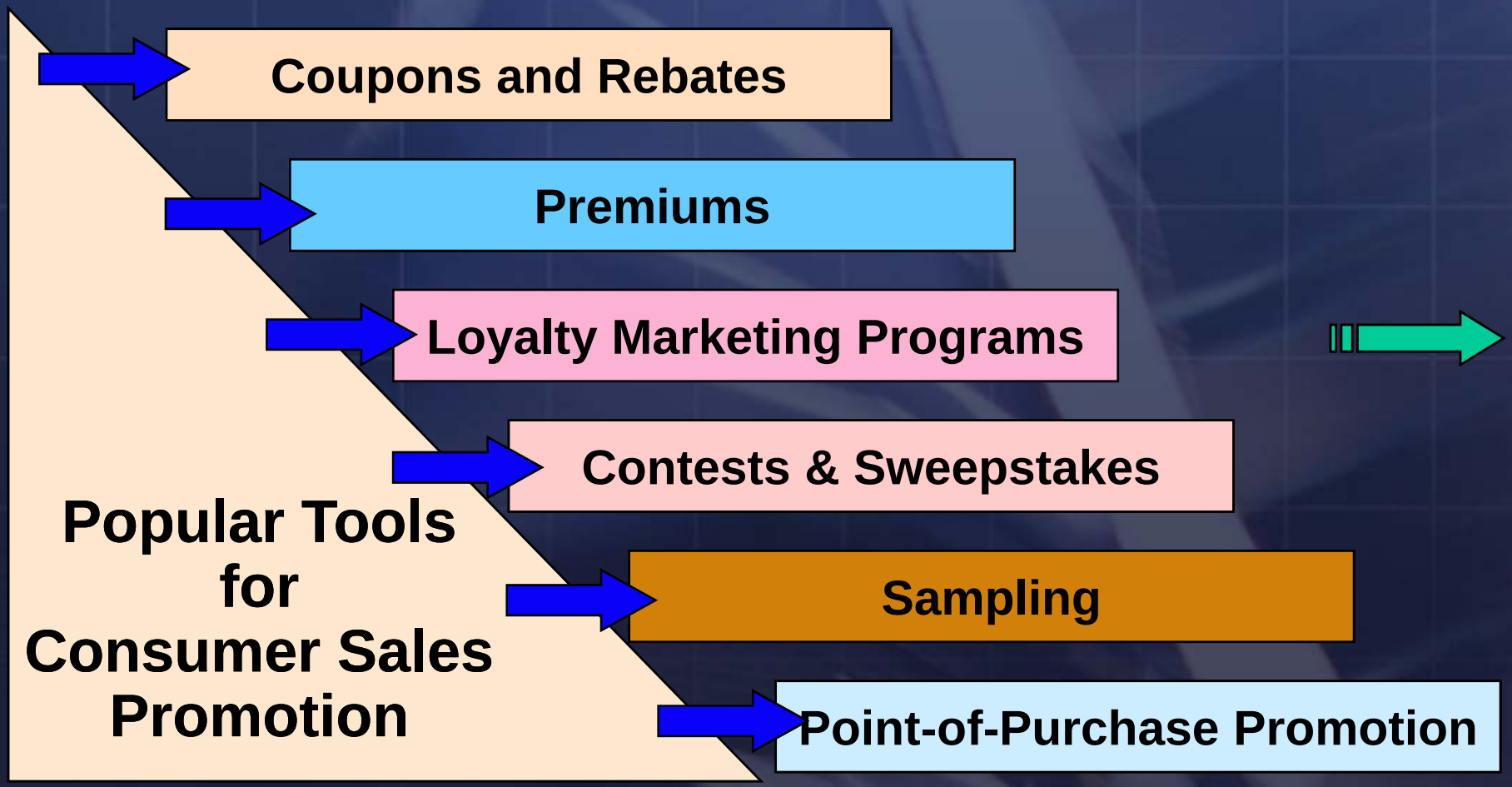
Learning Objective

2

Discuss the most common forms of consumer sales promotion.

Tools for Consumer Sales Promotion

2



Tools for Consumer Sales Promotion

2

Coupon	**A certificate that entitles consumers to an immediate price reduction.**
Rebate	**A cash refund given for the purchase of a product during a specific product.**
Premium	**An extra item offered to the consumer, usually in exchange for some proof of purchase.**

Tools for Consumer Sales Promotion

2

Loyalty Marketing Program	**A promotional program designed to build long-term, mutually beneficial relationships between a company and key customers.**
Frequent Buyer Program	**A loyalty program in which loyal consumers are rewarded for making multiple purchases.**

Tools for Consumer Sales Promotion

2

Contest	**Promotions that require skill or ability to compete for prizes.**
Sweepstakes	**Promotions that depend on chance or luck, with free participation.**

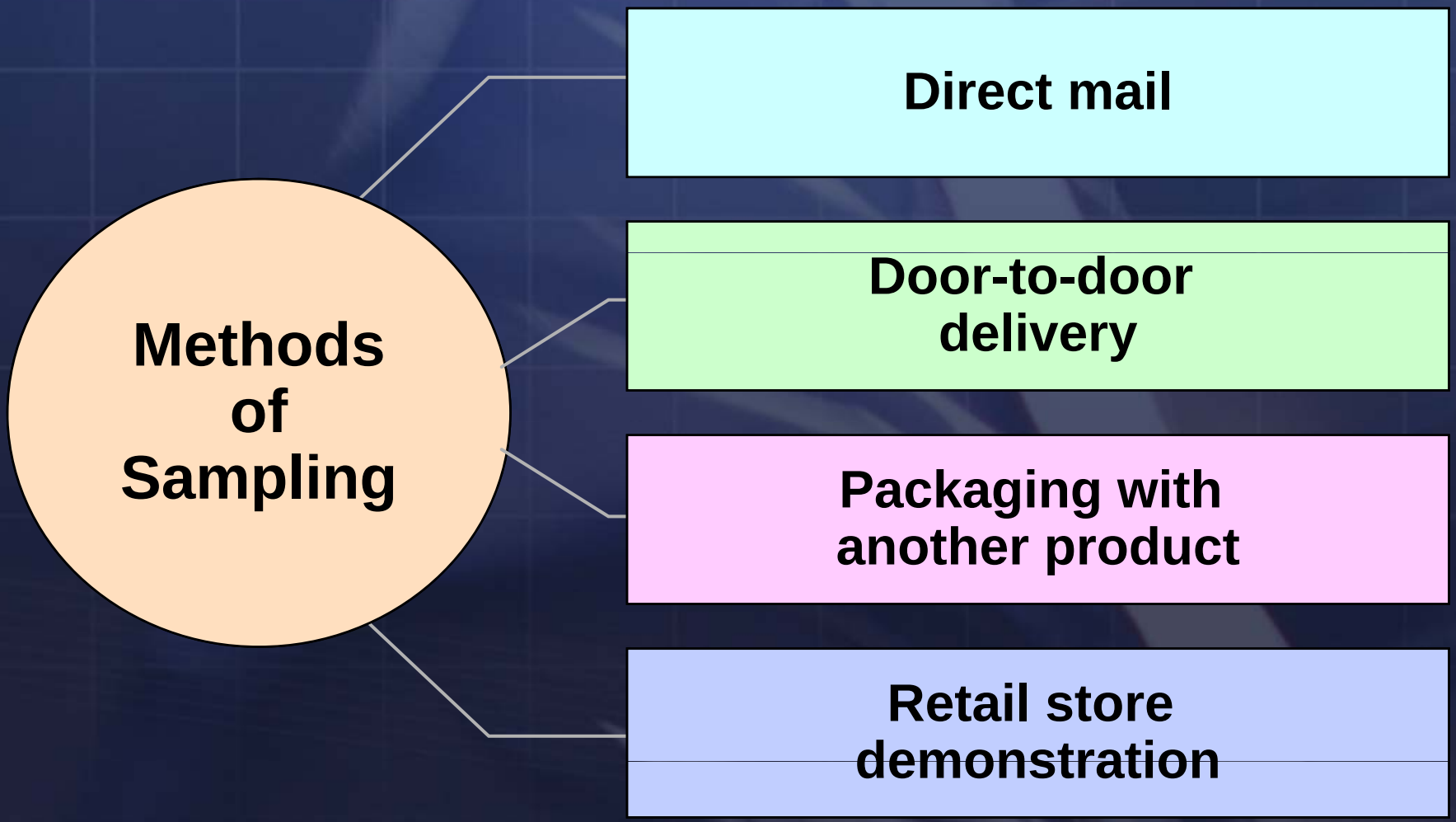
Tools for Consumer Sales Promotion

2

Sampling	**A promotional program that allow the consumer the opportunity to try a product or service for free.**

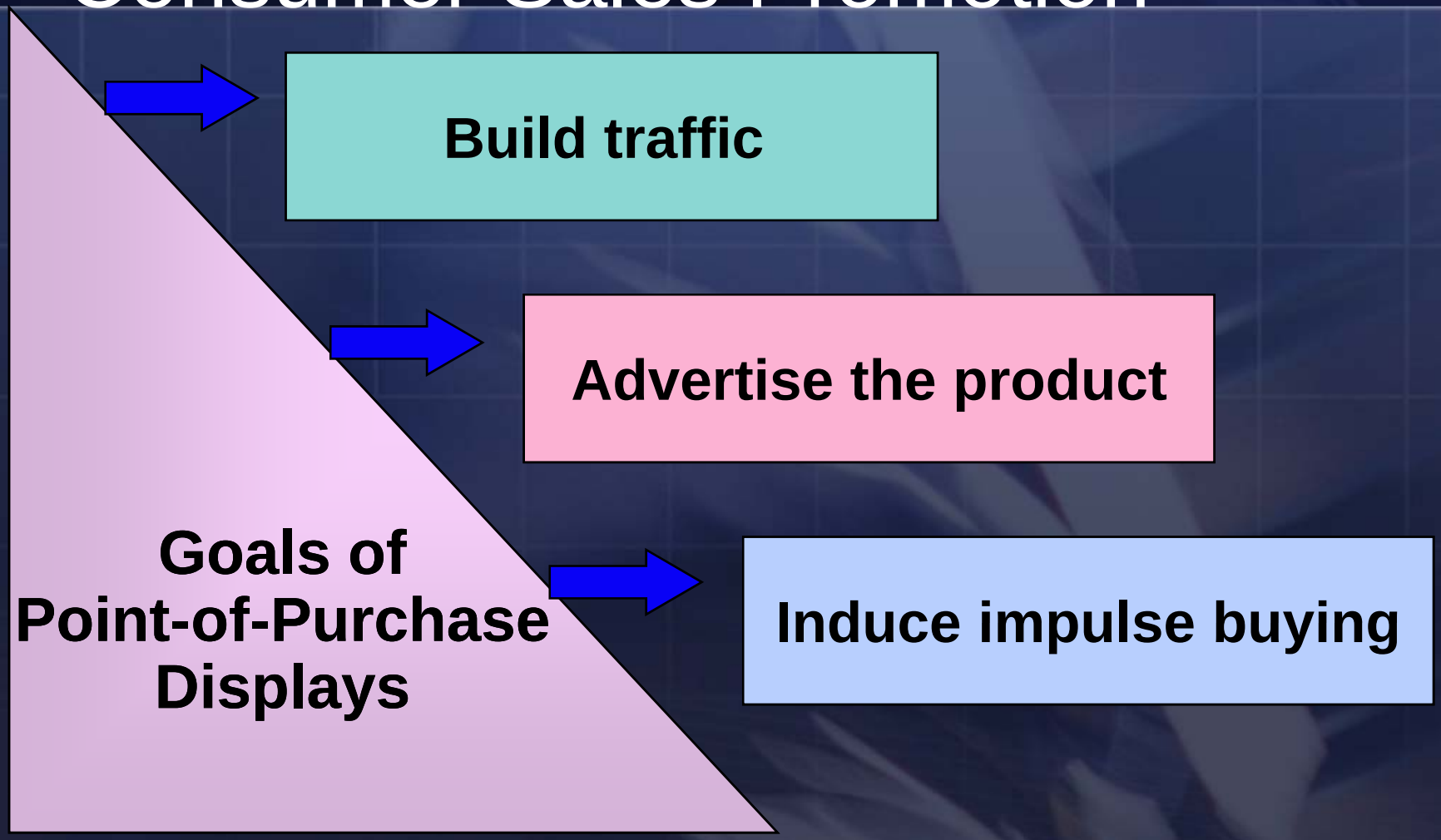
Sampling

2


Methods of Sampling
Direct mail
Door-to-door delivery
Packaging with another product
Retail store demonstration

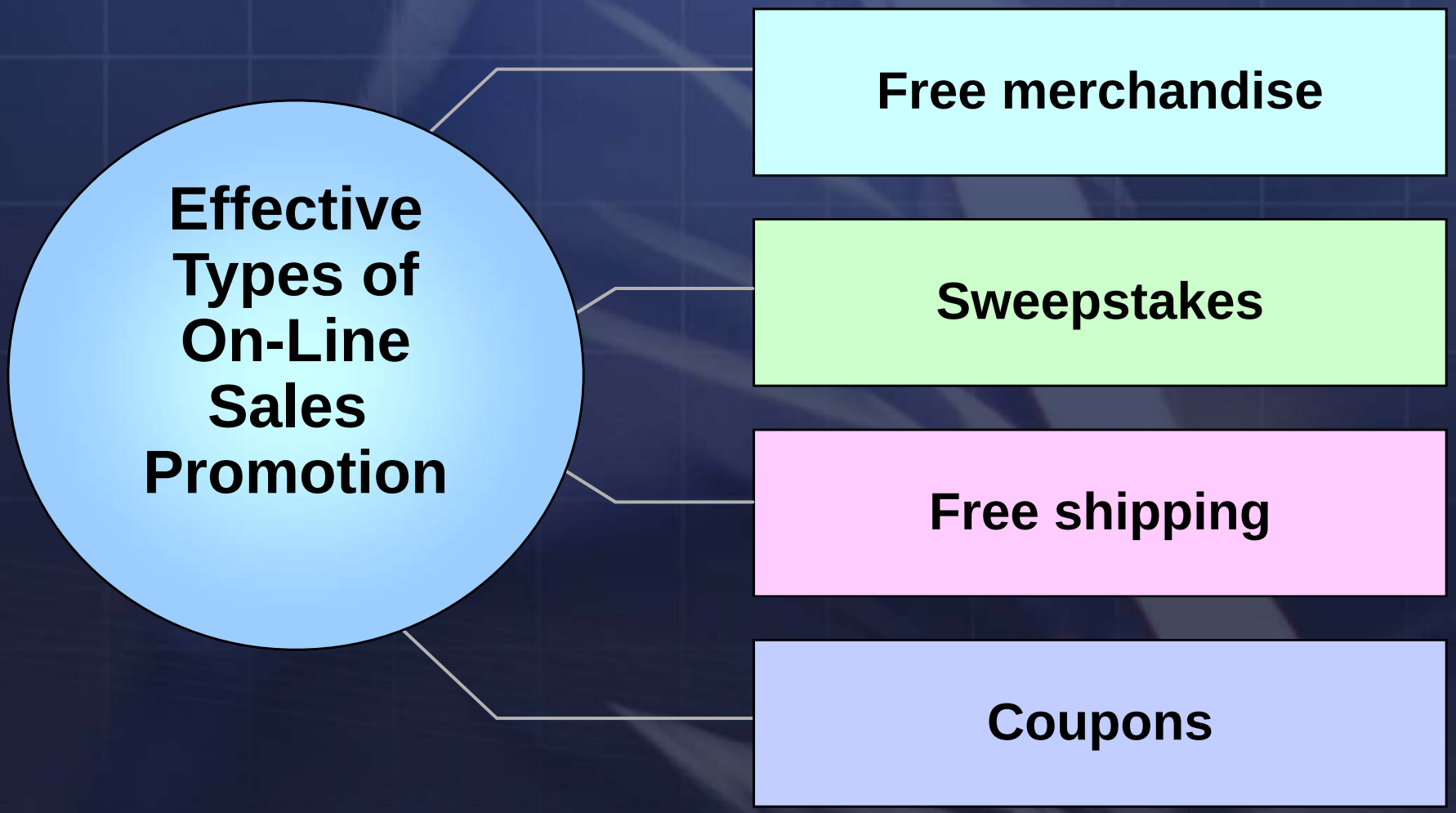
Tools for Consumer Sales Promotion

2



Tools for Consumer Sales Promotion

2



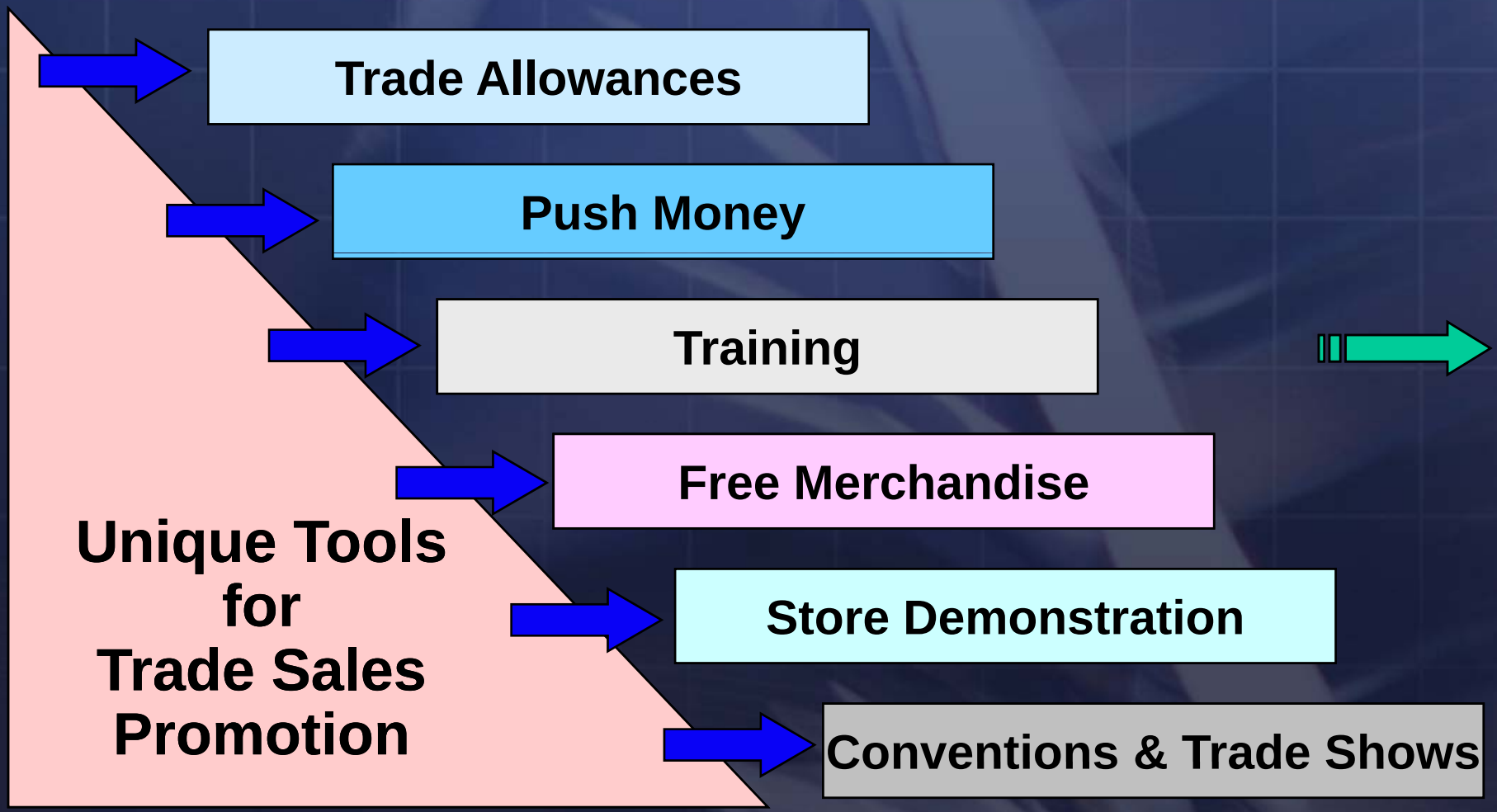
Learning Objective

3

List the most common forms of trade sales promotion.

Tools for Trade Sales Promotion

3



Trade Allowance

3



A price reduction offered by manufacturers to intermediaries, such as wholesalers and retailers.

Push Money

3



Money offered to channel intermediaries to encourage them to “push” products--that is, to encourage other members of the channel to sell the products.

The Role of Trade Sales Promotion

3

Gain new distributors

Obtain support for consumer sales promotions

Build or reduce dealer inventories

Improve trade relations

Learning Objective

4

Describe personal selling.

Advantages of Personal Selling

4

- Provides a detailed explanation or demonstration of product
- Message can be varied to fit the needs of each prospective customer
- Can be directed to specific qualified prospects
- Costs can be controlled by adjusting sales force size
- Most effective in obtaining sales and gaining satisfied customers



Personal Selling

4

Personal Selling is more important if...	Advertising & Sales Promotion are more important if...
Product has a high value	Product has a low value
Product is custom made	Product is standardized
Product is technically complex	Product is simple to understand
There are few customers	There are many customers
Customers are concentrated	Customers are geographically dispersed

Learning Objective

5

Discuss the key differences between relationship selling and traditional selling.

Relationship Selling

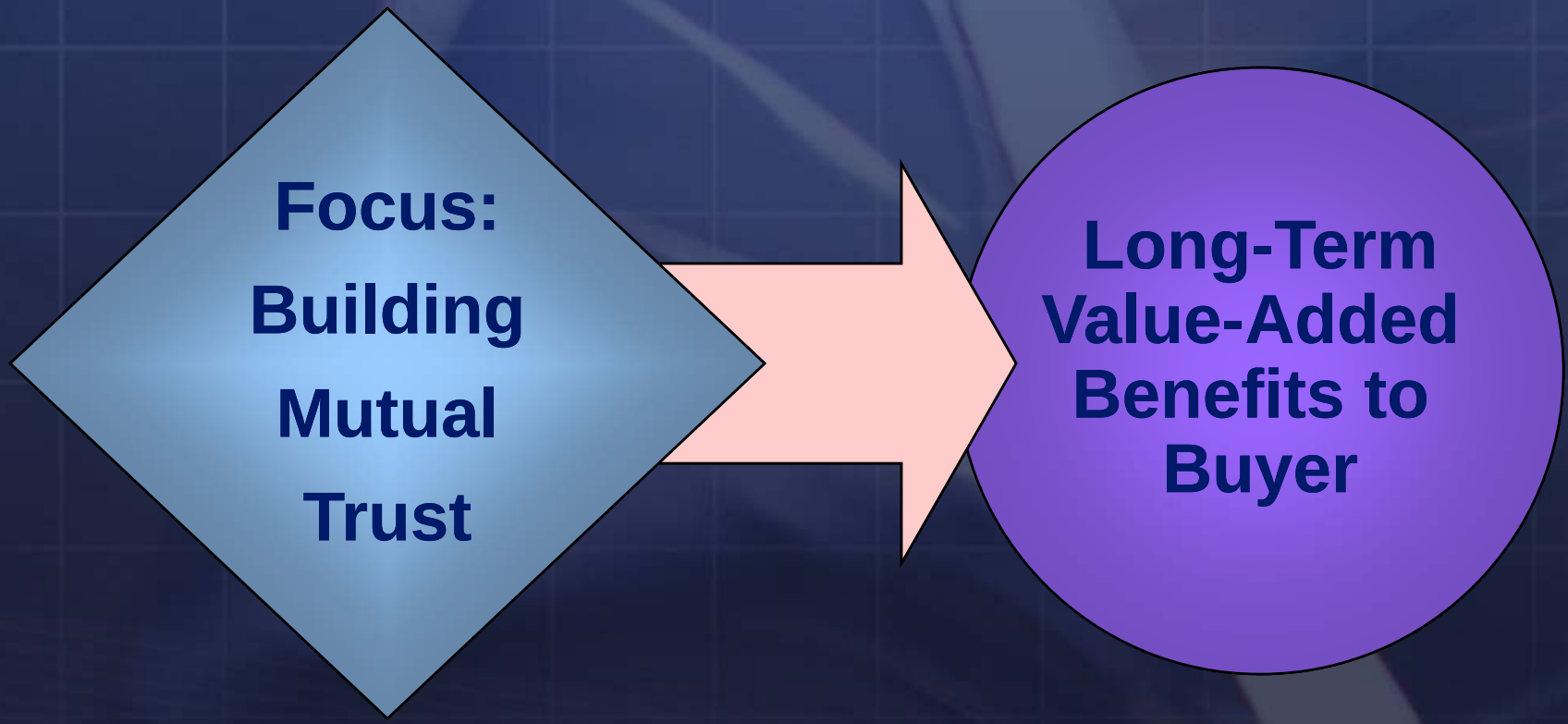
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A sales practice that involves building, maintaining, and enhancing interactions with customers in order to develop long-term satisfaction through mutually beneficial partnerships.

Relationship Selling

5



Relationship Selling vs. Traditional Selling

Traditional Personal Selling	Relationship Selling
Sell products	Sell advice, assistance, counsel
Focus on closing sales	Focus on customer's bottom line
Limited sales planning	Sales planning is top priority
Discuss product	Build problem-solving environment
Assess "Product-specific" needs	Conduct discovery in scope of operations
"Lone wolf" approach	Team approach
Pricing/product focus	Profit impact and strategic benefit focus
Short-term sales follow-up	Long-term sales follow-up

Learning Objective

6

List the steps in the selling process.

Sales Process

6



The set of steps a salesperson goes through in a particular organization to sell a particular product or service.

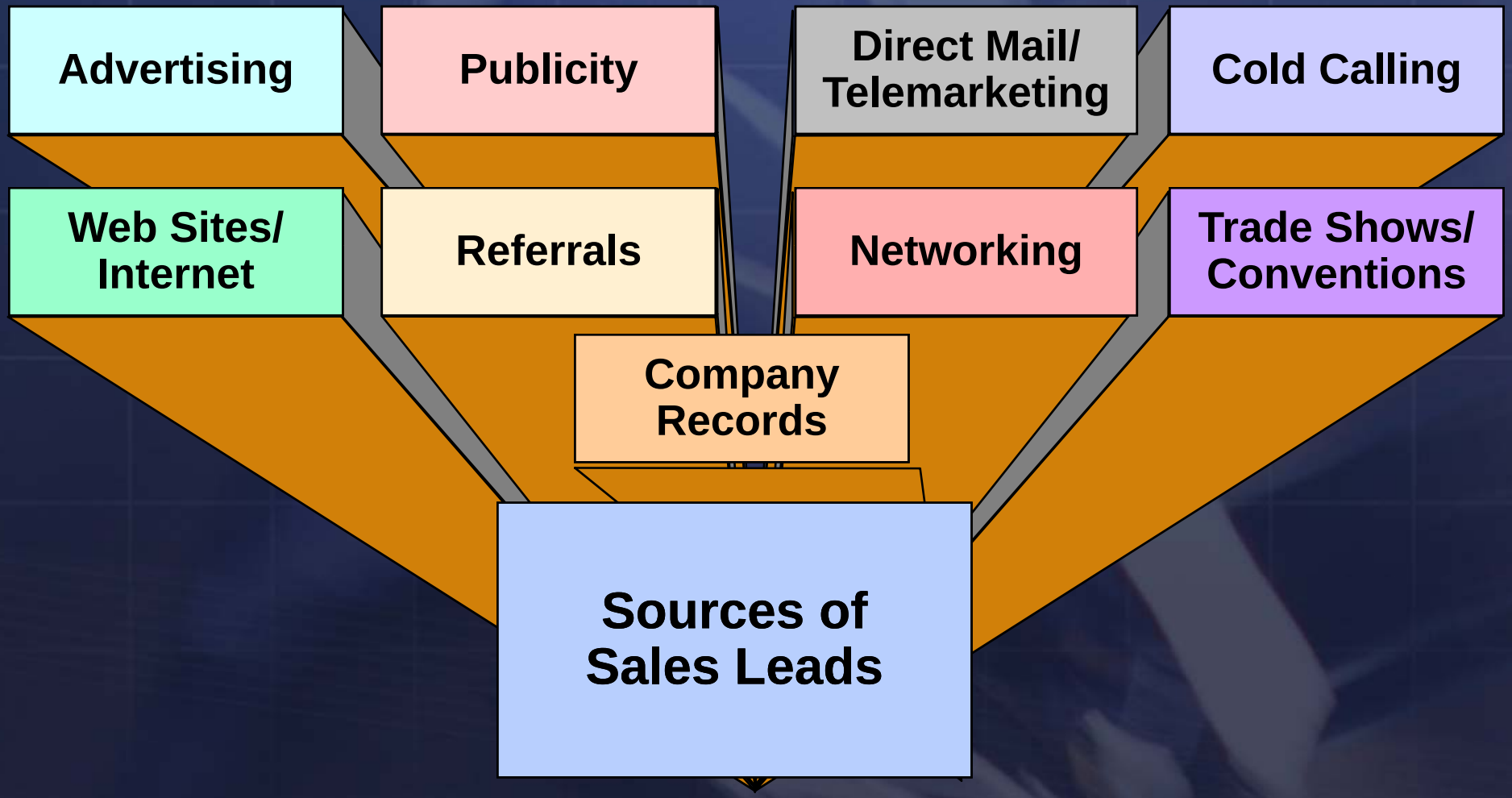
Steps in the Selling Process

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Generating Leads

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Cold Calling

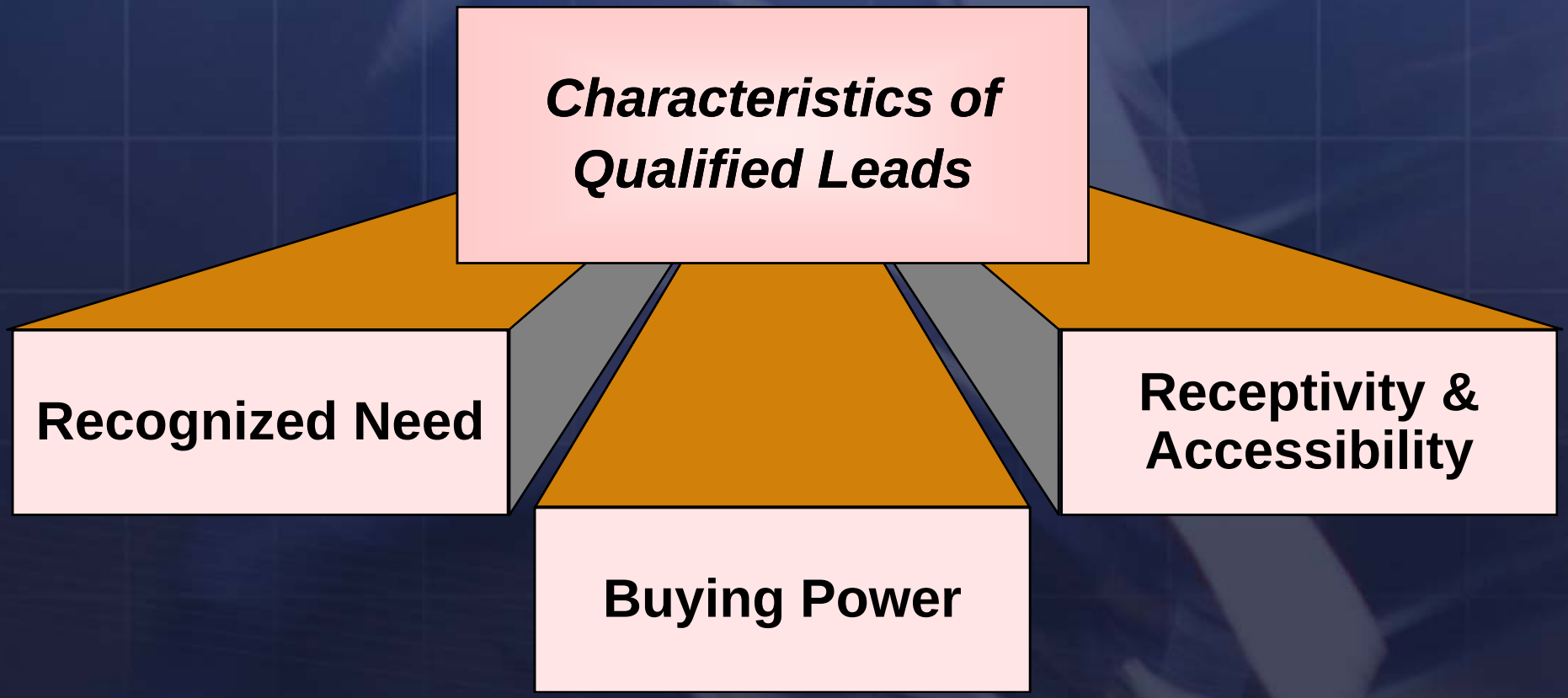
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A form of lead generation in which the salesperson approaches potential buyers without any prior knowledge of the prospects' needs or financial status.

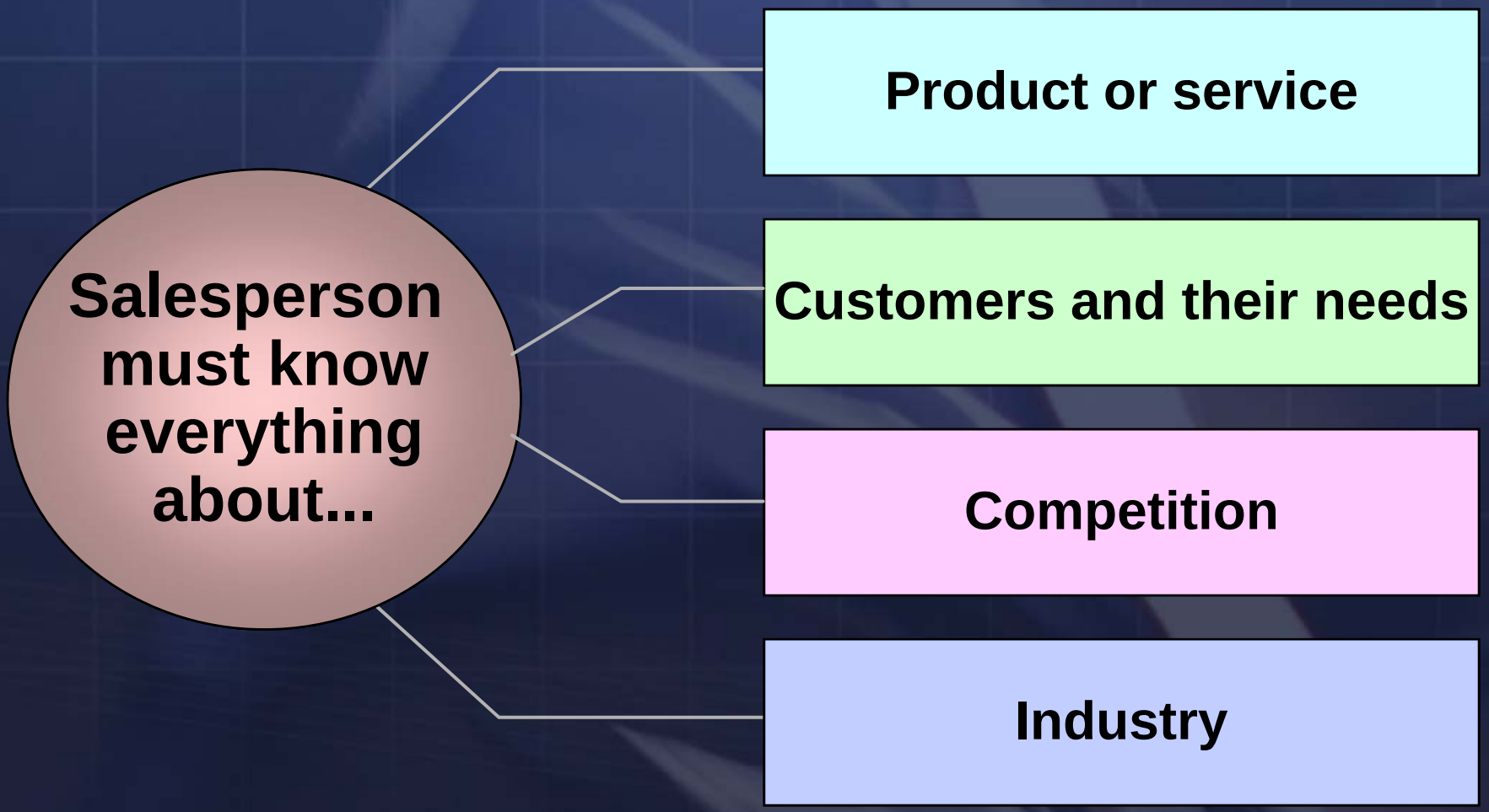
Qualifying Leads

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Probing Needs

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Needs Assessment

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A determination of the customer's specific needs and wants and the range of options a customer has for satisfying them.

Developing and Proposing Solutions

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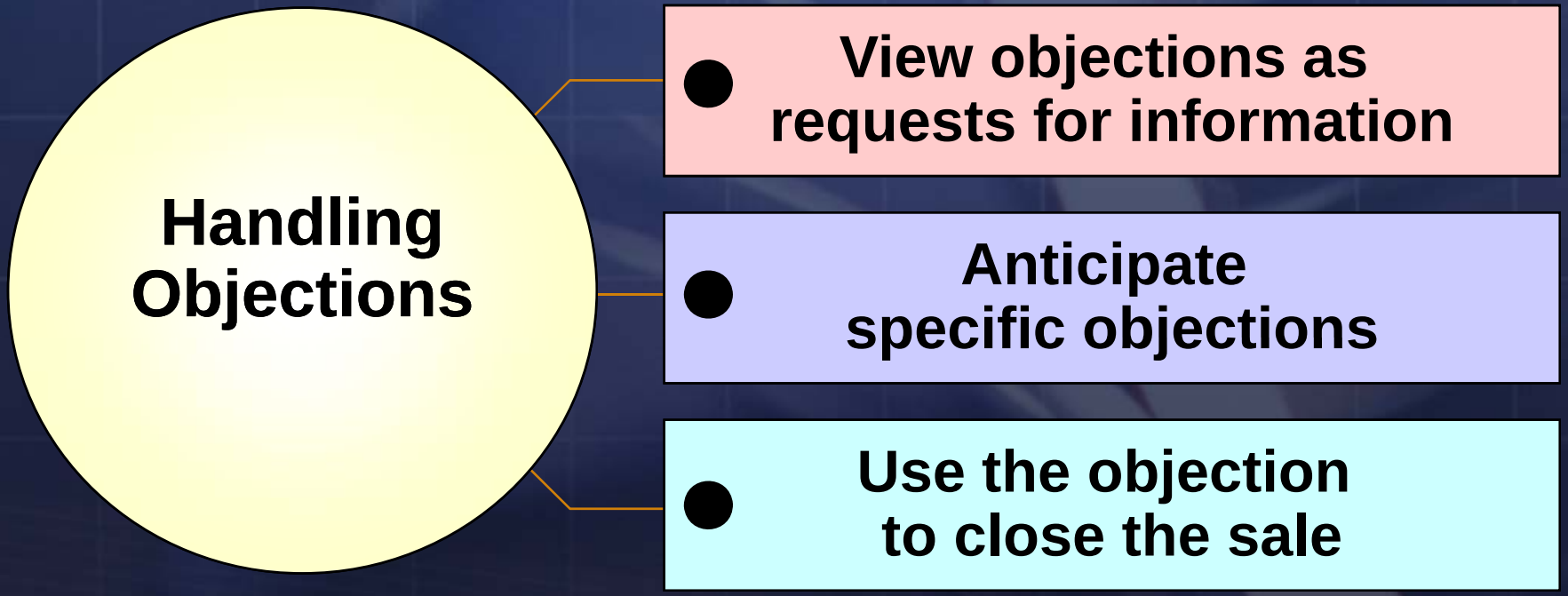
Sales Proposal

Sales Presentation



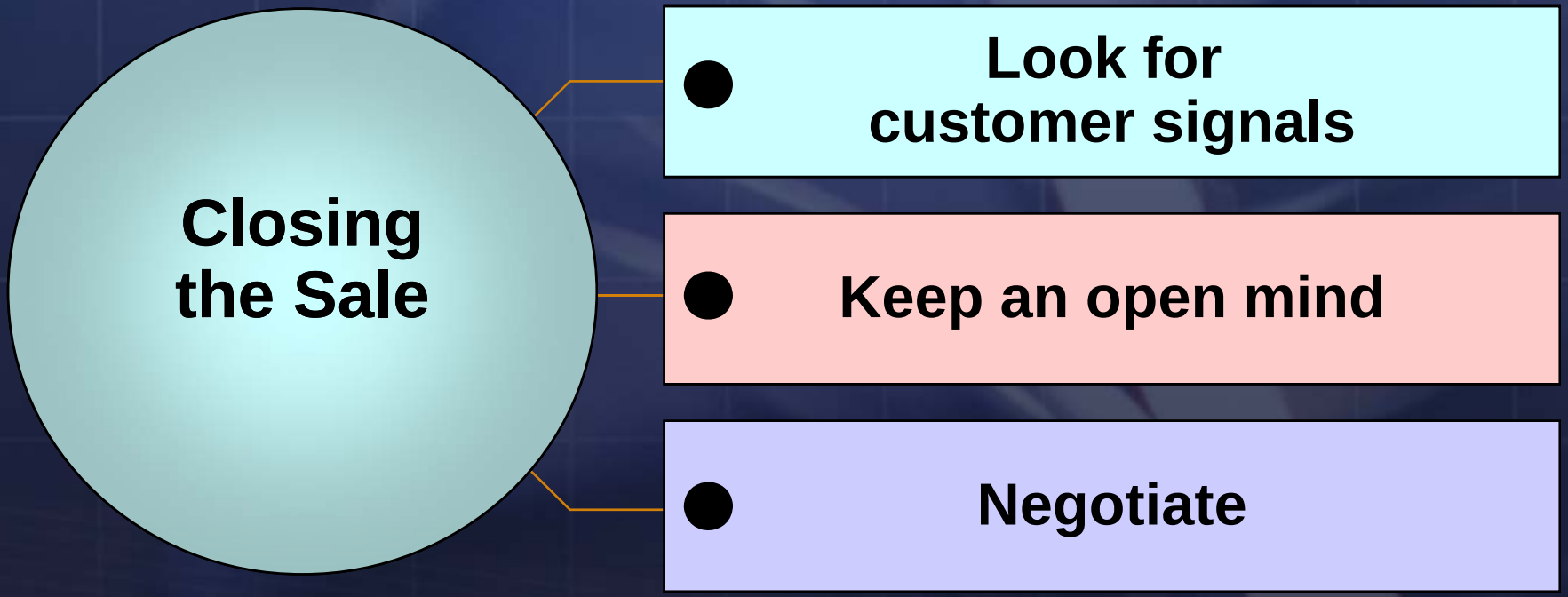
Handling Objections

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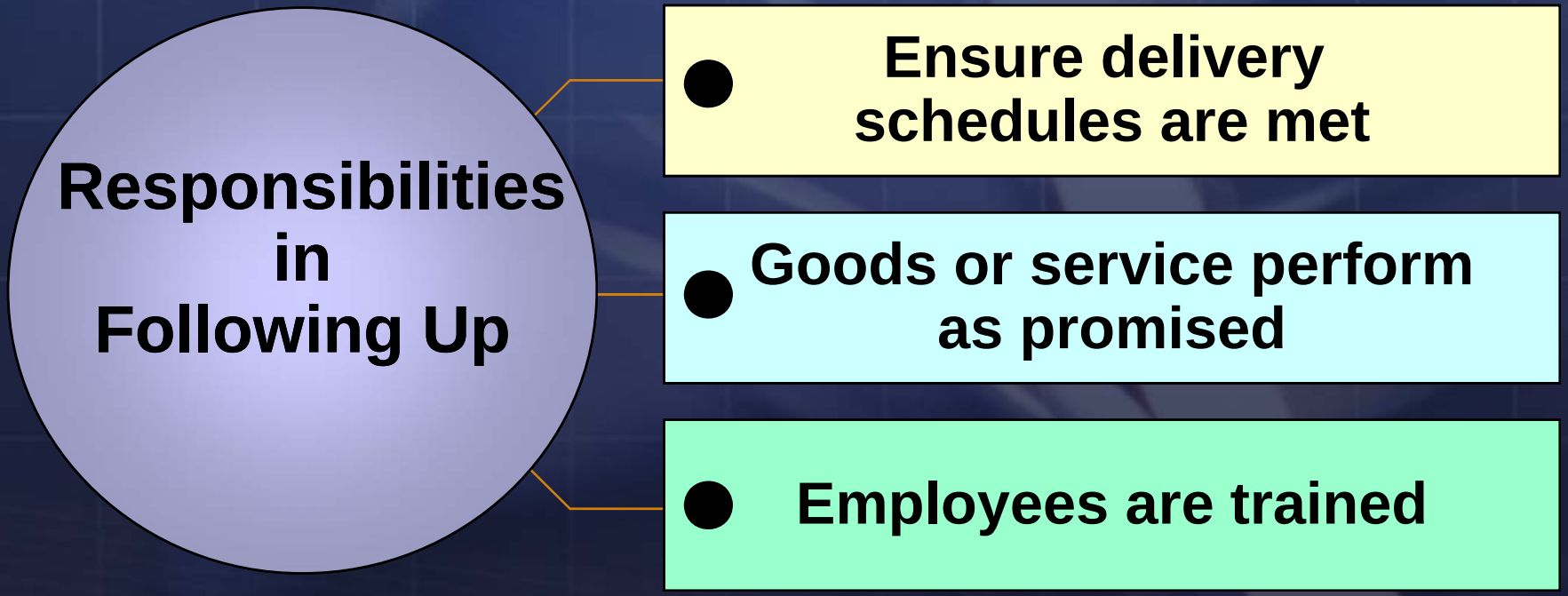
Closing the Sale

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Following Up

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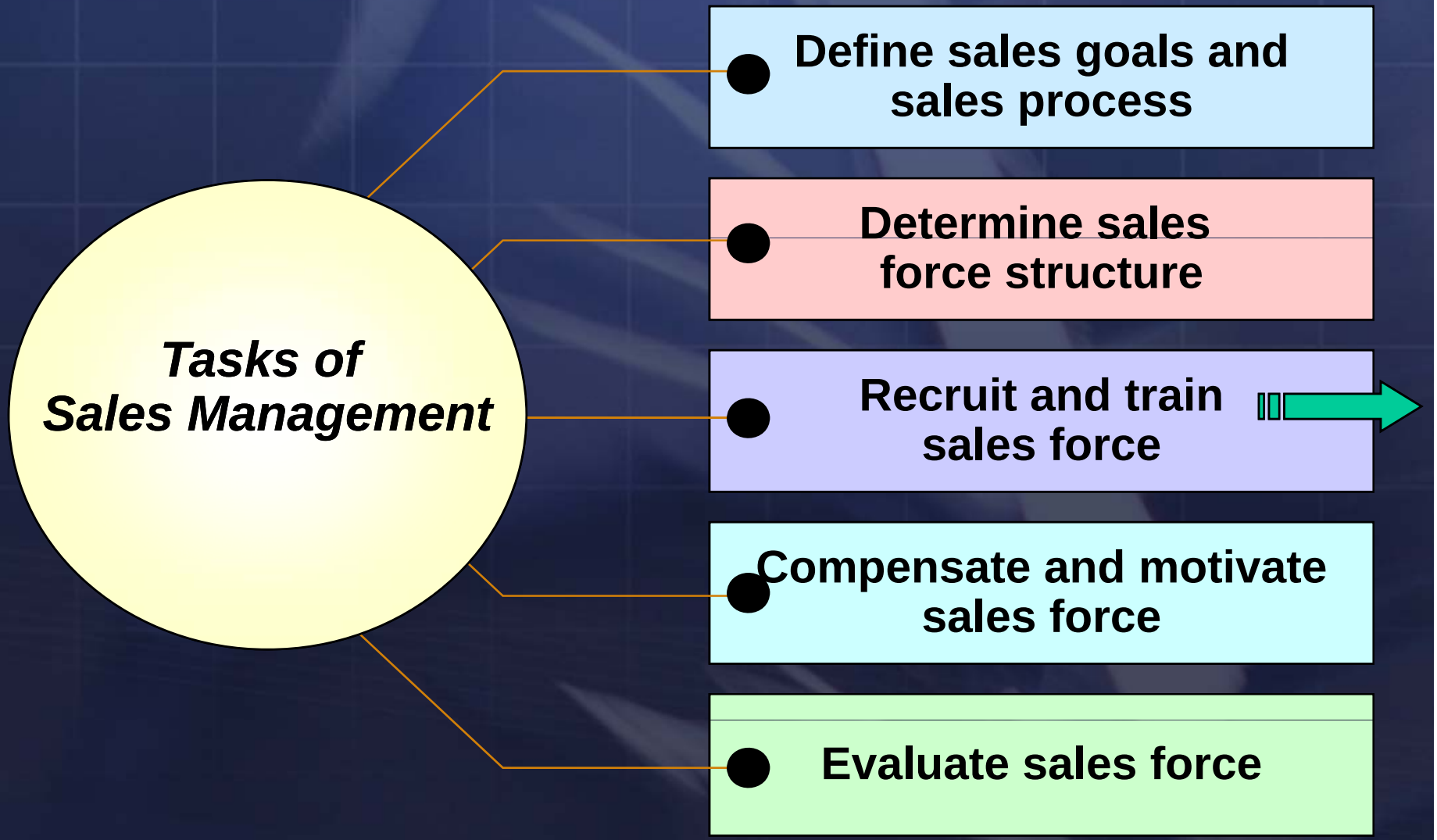


Learning Objective

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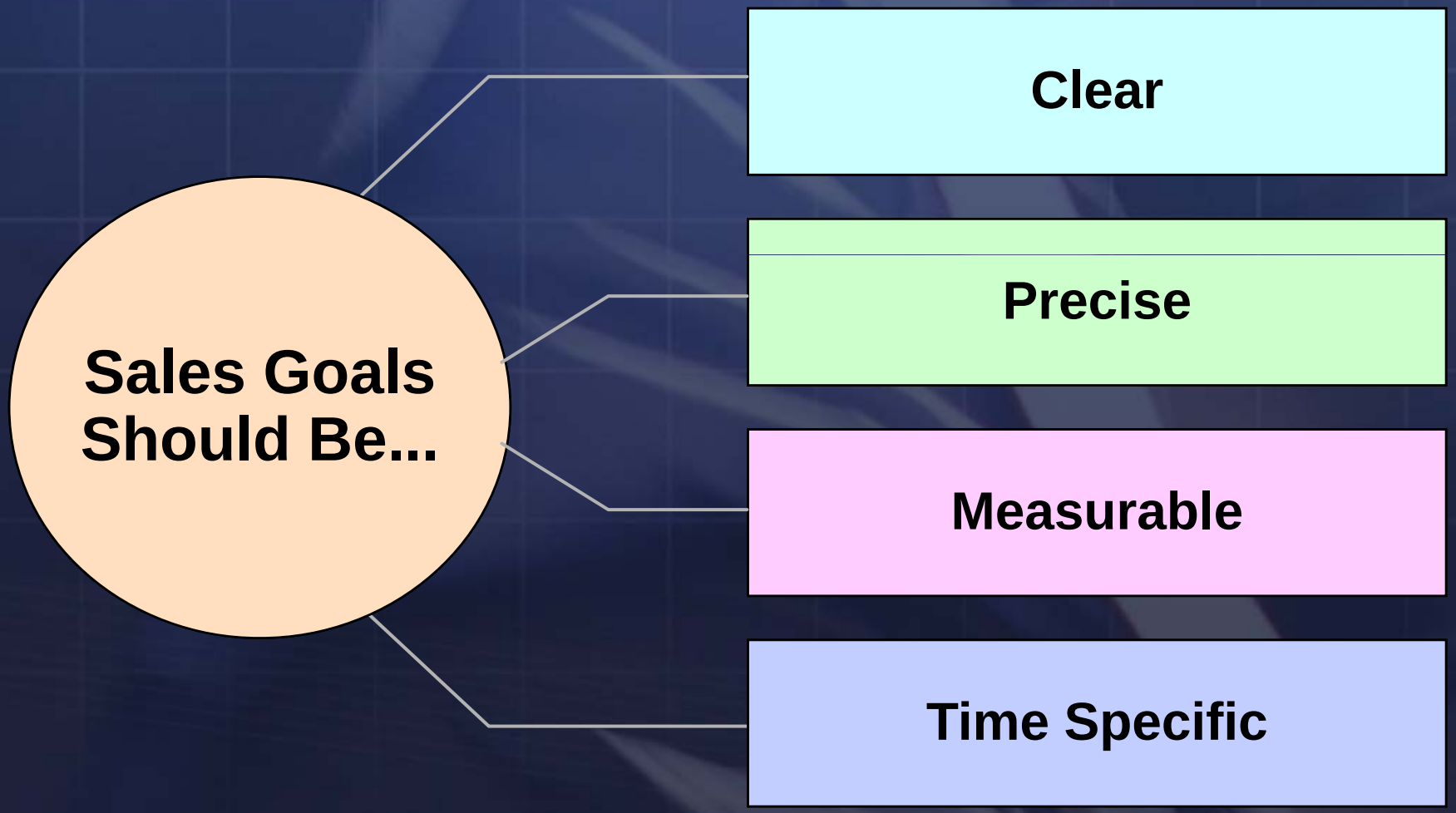
Describe the functions of sales management.

Sales Management Responsibilities



Defining Sales Goals

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Quota

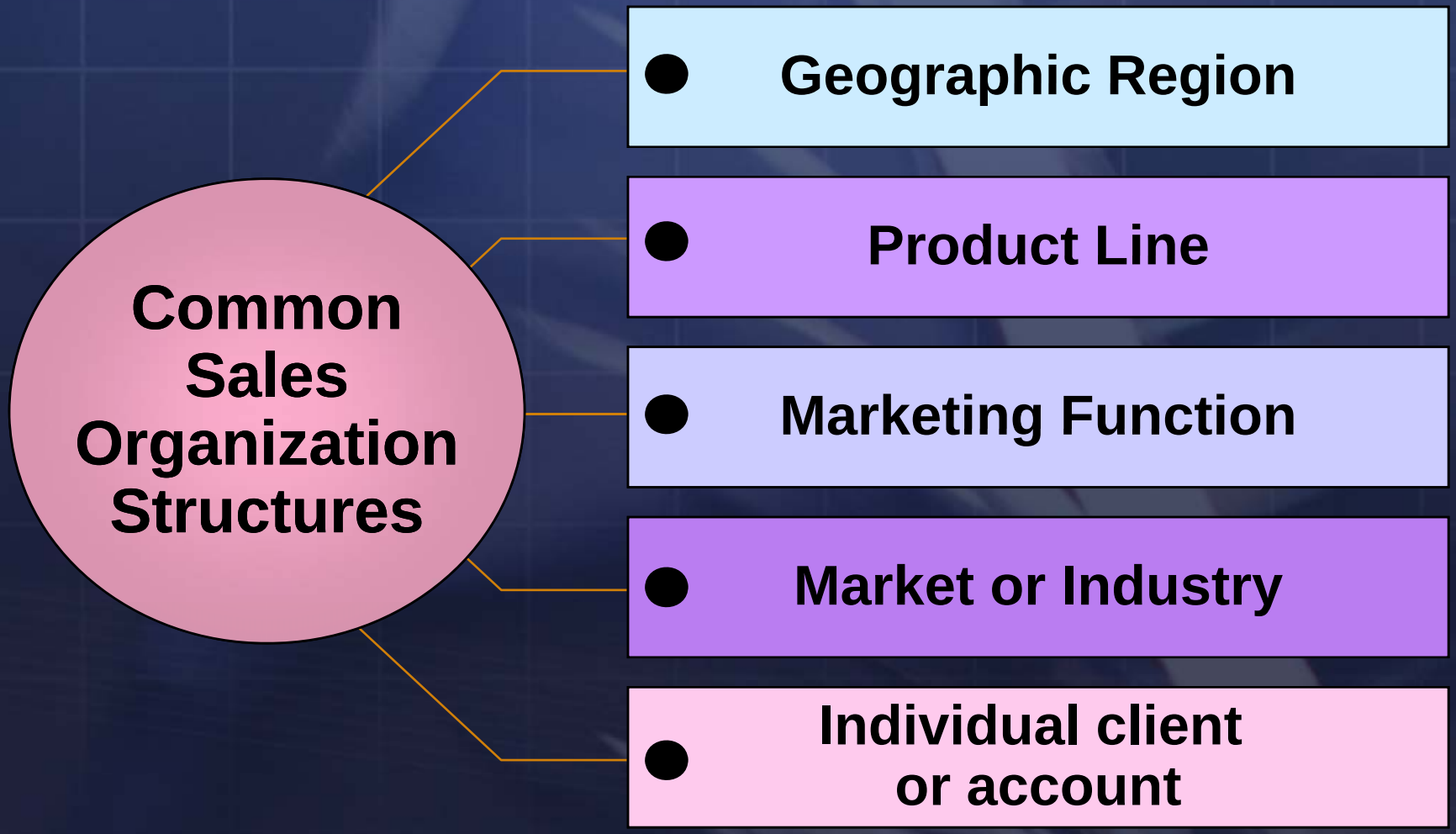
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A statement of the individual salesperson's sales objectives, usually based on sales volume alone but sometimes including key accounts.

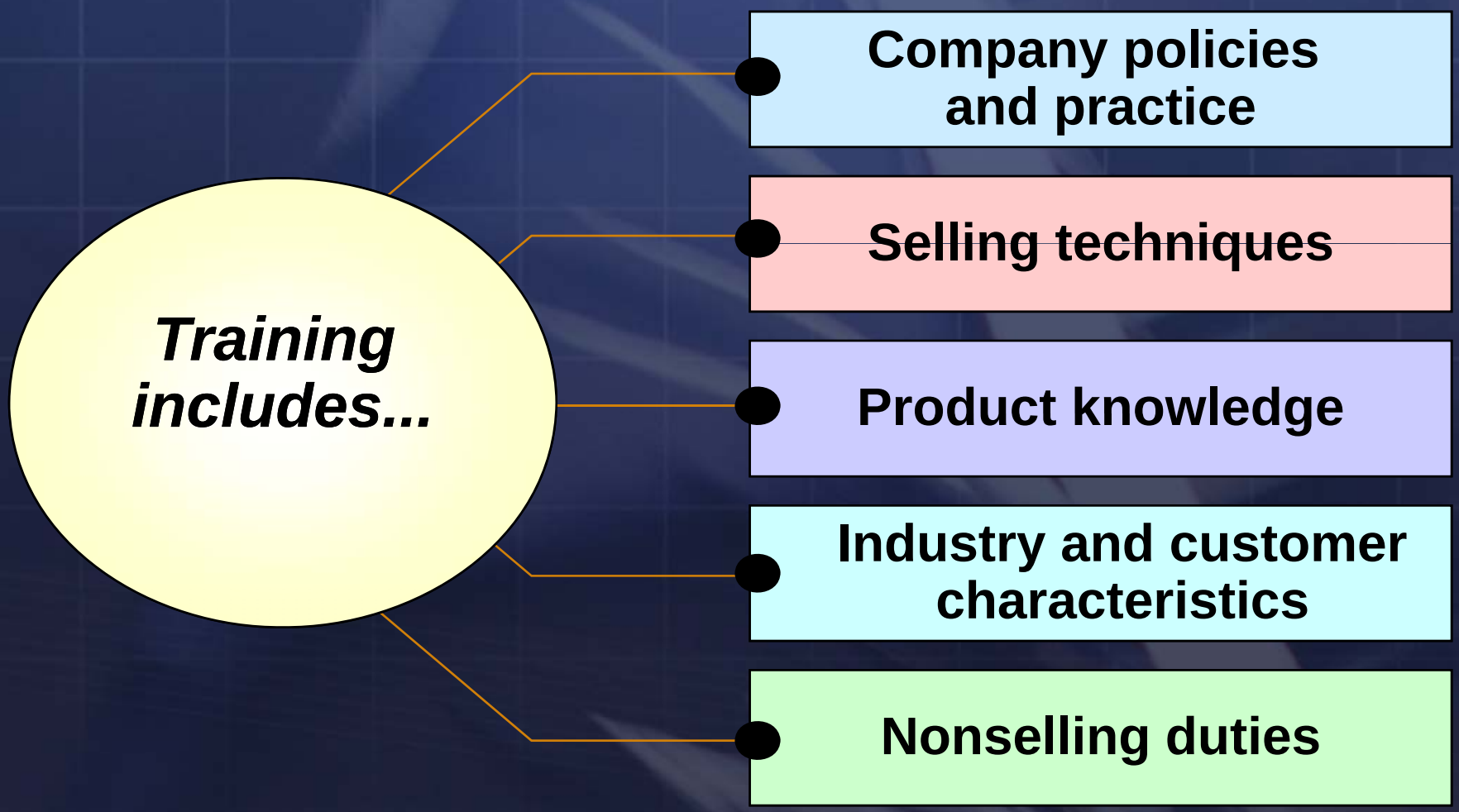
Sales Force Structure

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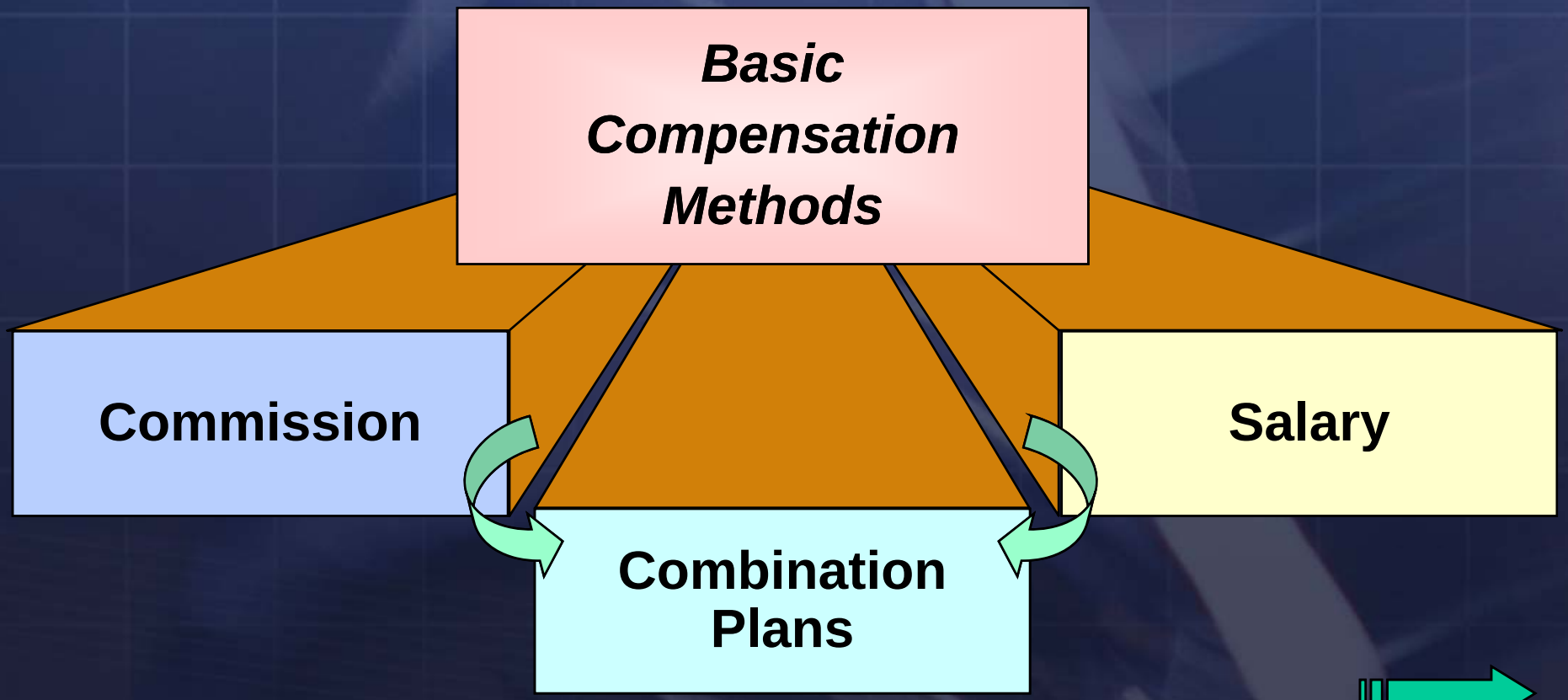
Training the Sales Force

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Compensation Plans

7



Compensation Plans

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Straight Commission	**The salesperson is paid some percentage when a sale is made.**
Straight Salary	**The salesperson receives a salary regardless of sales productivity.**

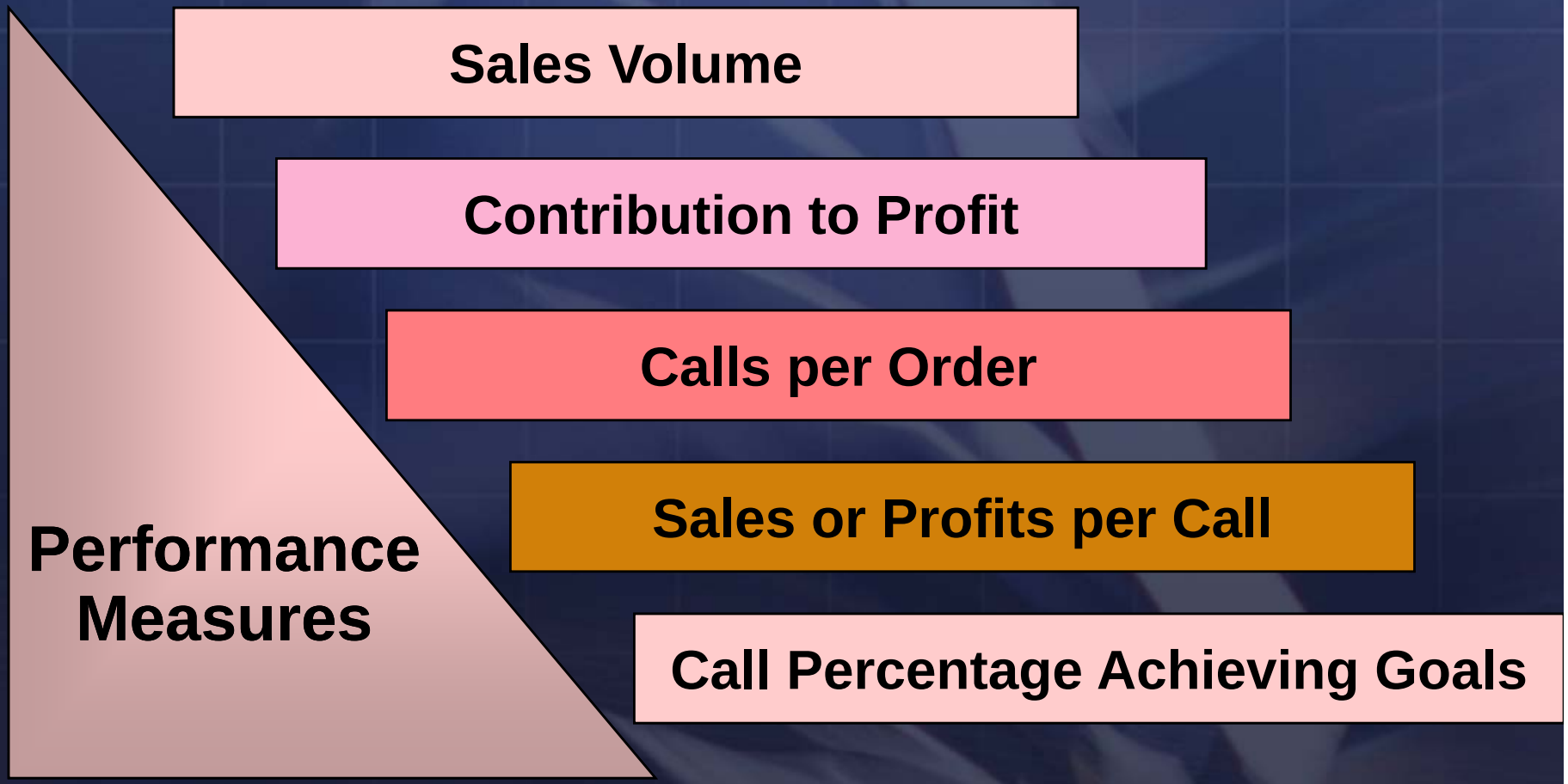
Effective Sales Leaders

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Effective Sales Leaders...
Are assertive
Possess ego drive
Possess ego strength
Take risks
Are innovative
Have a sense of urgency
Are empathetic

Evaluating the Sales Force

7



The Impact of Technology on Personal Selling

7

