**Chapter 17**

Managing Personal Communications

**Chapter Questions**

- How can companies use integrated direct marketing for competitive advantage?
- How can companies do effective interactive marketing?
- What decisions do companies face in designing and managing a sales force?
- How can salespeople improve their selling, negotiating, and relationship marketing skills?

**Marketing Communications**

- Direct marketing
- Interactive marketing
- Personal selling

**Direct Marketing**

Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customers without marketing middlemen.

**Direct Marketing Channels**

- Face-to-face
- Online
- Kiosk
- Interactive
- Telemarketing
- Catalog marketing
- Direct mail
- Email marketing

**Steps in Developing a Direct-Mail Campaign**

- Step 1: Set objectives
- Step 2: Identify target markets
- Step 3: Define the offer elements
- Step 4: Test the elements
- Step 5: Measure results (and lifetime value)
Offer Elements

- Product
- Offer
- Medium
- Distribution
- Creative strategy

Telemarketing

- Use of telephone operators and call centers to attract prospects, sell to existing customers, and provide service by taking orders and answering questions
  - Telesales
  - Telecoverage
  - Teleprospecting
  - Customer service and technical support

Elements of Effective Website Design

- Context
- Content
- Community
- Customization
- Connection
- Communication
- Commerce

Website Performance

Ease of Use
- Fast downloads
- Intuitive first page
- Easy navigation

Physical Attractiveness
- Clean pages
- Readable fonts
- Good color and sound

E-Marketing Guidelines

- Give the customer a reason to respond
- Personalize the e-mail content
- Offer something the customer could not get via direct mail
- Make it easy to unsubscribe

Types of Sales Representatives

- Deliverer
- Order taker
- Missionary
- Technician
- Demand creator
- Solution vendor
Designing a Sales Force

- Sales force objectives
- Sales force strategy
- Sales force structure
- Sales force size
- Sales force compensation

Designing the Sales Force

Steps in Process

- Objectives and strategy
- Structure
- Sales force size
- Compensation

- Objectives
  - Sales volume and profitability
  - Customer satisfaction
- Strategy
  - Account manager
  - Type of sales force
  - Direct (company) or contractual

Steps in Process

- Types of sales force structures:
  - Territorial
  - Product
  - Market
  - Complex
  - Key accounts

Steps in Process

- Objectives and strategy
- Structure
- Sales force size
- Compensation

- Workload approach:
  - Group customers by volume
  - Establish call frequencies
  - Calculate total yearly sales call workload
  - Calculate average number of calls/year
  - Calculate number of sales representatives

Steps in Process

- Objectives and strategy
- Structure
- Sales force size
- Compensation

- Four components of compensation:
  - Fixed amount
  - Variable amount
  - Expense allowances
  - Benefits
  - Compensation plans
    - Straight salary
    - Straight commission
    - Combination

Steps in Process

- Recruiting and selecting
- Training
- Supervising
- Motivating
- Evaluating

Managing a Sales Force
Managing the Sales Force

- Recruiting begins with the development of selection criteria
  - Customer-desired traits
  - Traits common to successful sales representatives
- Selection criteria are publicized
- Various selection procedures are used to evaluate candidates

Motivating Sales Representatives

Most Valued Rewards
- Pay
- Promotion
- Personal growth
- Sense of accomplishment

Least Valued Rewards
- Liking
- Respect
- Security
- Recognition

Which of the rewards are intrinsic rewards? Extrinsic?

Evaluating the Sales Force

- The amount of time needed and the training method used vary with the level of task complexity
- Successful firms have procedures to aid in evaluating the sales force
  - Norms for customer calls
  - Norms for prospect calls
  - Using sales time efficiently

Call Reports

- Average number of sales calls per rep per day
- Average sales call time per contact
- Average revenue per sales call
- Average cost per sales call
- Entertainment cost per sales call
- Percentage of orders per hundred sales calls
- Number of new customers per period
- Number of lost customers per period
- Sales force cost as a percentage of total sales

Major Steps in Effective Selling

- Prospecting and qualifying
- Preapproach
- Approach
- Presentation and demonstration
- Overcoming objections
- Closing
- Follow-up and maintenance