

# **SALES TECHNIQUE & MANAGEMENT**

Geoffrey Lancaster

David Jobber

# Foreword

The selling and sales management function has not received the attention it deserves from British universities and polytechnics. One reason for this is the paucity of suitable textbooks for undergraduate and postgraduate teaching. This book blends applied theory with the down-to-earth realities of the selling function, and provides a comprehensive coverage of the topic in a readable way. I believe this textbook will find favour among academics and may even stimulate a more in-depth treatment of the subject on marketing and business studies courses.

At the end of each chapter the authors provide mini-case studies and practical exercises to aid teachers in designing tutorial and seminar material, and students in exploring their understanding of the material to be found in the chapters. Typical examination questions are also included to supplement the case studies.

The practitioner, likewise, cannot fail to learn something from this book. The practicalities and problems of selling and sales management are explored in detail, and methods which have proved successful in the real world are explained lucidly.

Both Geoff Lancaster and David Jobber are experienced teachers of sales and marketing, and it is this training which has enabled them to produce an outstanding book.

1984

Professor Peter Doyle  
University of Bradford

# Preface

The text covers what must still be the most important element of the marketing mix for most students and practitioners. With a move away from the selling function towards more esoteric areas of marketing over the past few years, this vital aspect of marketing has been somewhat neglected. However, in the end it has to be face-to-face contact that eventually wins the order, and this text therefore explains and documents the selling and sales management process from both the theoretical and practical viewpoints.

More precisely, the text is split into five logical parts: Sales Perspective, Sales Technique, Sales Environment, Sales Management and Sales Control. Sales Perspective examines selling in its historical role and then views its place within marketing and a marketing organisation. Different types of buyers are also analysed in order to help us achieve an understanding of their thinking and organise our selling effort accordingly. Sales Technique is essentially practical and covers preparation for selling, the personal selling process and sales responsibilities. Sales Environment looks at the institutions through which sales are made; this covers channels, including industrial, commercial and public authority selling followed by selling for resale. International Selling is an increasingly important area in view of the ever increasing "internationalisation" of business and this merits a separate chapter. Sales Management covers recruitment, selection, motivation and training, in addition to how we must organise and compensate salesmen from a managerial standpoint. Finally, Sales Control covers sales budgets and explains how this is the starting point for business planning. Sales forecasting is also covered in this final section, and a guide is given to the techniques of forecasting and why it is strictly a responsibility of sales management and not finance. Each chapter concludes with a mini-case study and practical exercises, together with formal practice questions typical of those the student will encounter in the examination room.

The text will be invaluable to those students studying for the examinations of the Institute of Marketing, the Communication, Advertising and Marketing Education Foundation, the London Chamber of Commerce and Industry higher stage selling and sales management subject, marketing specialisms on Higher National Certificate and

Diploma in Business Studies, first degrees with a marketing input, and postgraduate courses like the Diploma in Management Studies and Masters of Business Administration that have a marketing input. In addition, the text emphasises the practical as well as the theoretical, and it will be of invaluable assistance to salespersons in the field as well as to sales management.

Finally, we have tended to use the term "salesman" throughout the text because this is the common convention and not for chauvinistic reasons. Needless to say, what is said also applies to saleswomen (and salespersons).

The authors wish to thank Mr R. Edwards, sales training manager, ICI Pharmaceuticals, for permission to reproduce his role playing exercise. We would also like to thank John A. Saunders and Tang Hon-Chung for permission to reproduce the material on selling to Japan, together with the publishers MCB University Press Ltd, Toller Lane, Bradford. In conclusion, we would like to thank Mrs R. A. Jones for producing the final typescript.

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## **PART ONE**

# **Sales Perspective**

## **CHAPTER ONE**

# **Development and Role of Selling in Marketing**

## **1.1 BACKGROUND**

Perhaps no other area of business activity gives rise to as much discussion within and between those directly involved and the so-called man in the street as the activity known as selling. This is not surprising when one considers that so many people derive their livelihood, either directly or indirectly, from selling. Even those who have no direct involvement in selling come into contact with it in their roles as consumers. Perhaps, because of this familiarity, many people have strong, and often misplaced, views about selling and sales people. Surprisingly, many of these misconceptions are held by people who have spent their working lives in selling; some of this might be due to the well-known saying of "not being able to see the wood for the trees".

It is important to recognise that selling and sales management, although closely related, are not the same and we shall start in this chapter by examining the nature and role of selling and sales management in the contemporary organisation and exploring some of the more common myths and misconceptions.

We shall also look at the developing role of selling, because, like other business functions, it is required to adapt and change. Perhaps one of the most important and far reaching of these business changes has been the adoption of the concept and practice of marketing, due to changes in the business environment. Because of the importance of this development to the sales function, we shall examine the place of marketing within the firm and the place of selling within marketing.

## **1.2 NATURE AND ROLE OF SELLING**

The simplest way to think of the nature and role of selling (or salesmanship as it is sometimes termed) is that its function is to make a sale. This

seemingly obvious statement disguises what is often a very complex process, involving the use of a whole set of principles, techniques and substantial personal skills, and covering a wide range of different types of selling task. Later in the chapter we will establish a more precise meaning for the term selling, but first we will examine the reasons for the intense interest in this area of business activity.

The literature of selling abounds with texts, ranging from the more conceptual approaches to the simplistic "how it is done" approach. Companies also spend large sums of money training their sales personnel in the art of selling. The reason for all this attention to personal selling is simple: in most companies sales personnel are the single most important link with the customer. The best designed and planned set of marketing efforts may fail because the sales force is ineffective. This front line role of the salesperson means that for many customers the salesperson *is* the company. Allied with the often substantial costs associated with recruiting, training and maintaining the sales force, there are powerful reasons for stressing the importance of the selling task and for justifying attempts to improve effectiveness in this area. Part Two of this text is addressed to this important area of sales techniques.

It should be remembered that the term selling encompasses a whole variety of sales situations and activities. For example, there are those sales positions where the sales representative is required primarily to deliver the product to the customer on a regular or periodic basis. The emphasis in this type of sales activity is very different to the sales position where the sales representative is dealing with sales of capital equipment to industrial purchasers. In addition, some sales representatives deal only in export markets whilst others sell direct to the customers in their homes. One of the most striking aspects of the term selling is thus the wide diversity of selling roles.

Irrespective of this diversity of roles, one trend common to all selling tasks is the increasing emphasis on professionalism in selling. This trend, together with its implications for the nature and role of selling, can be best explained if we examine some of the myths and realities which surround the image of selling.

### 1.3 IMAGE OF SELLING

Ask any group of people not involved in selling what springs to mind on the mention of the word "selling" and it will prompt a variety of responses. It will evoke a high proportion of negative, even hostile, responses, including "immoral", "dishonest", "unsavoury", "degrading", "wasteful", etc. Is such an unfavourable view justified? We suggest not. In fact the underlying attitudes to selling derive from widely held misconceptions about selling, some of which are outlined below.

- (i) Selling is not a worthwhile career. This notion is held by many, the

common attitude being that if one has talent then it will be wasted in sales. Unfortunately this attitude is often held by those who are in a position to advise and influence young people in their choice of careers. In some academic circles it is fashionable to denigrate careers in selling, and the consequence is that many of our brighter graduates are not attracted to a career in selling.

(ii) Good products will sell themselves and thus the selling process adds unnecessarily to costs. This view of selling assumes that if you produce a superior product then there will always be buyers. This may be all right if a firm can produce a technologically superior product, but then it is likely that the additional costs will accrue in terms of research and development, and there will be continued research and development costs involved in keeping ahead. In addition, as is developed later in the text, the role of selling is not solely to sell; it can be used to feed back information from customers to the firm — particularly product performance information — and this is of direct use to research and development!

(iii) There is something immoral about selling, and one should be suspicious about those who earn their living from this activity. The origins and reasons for this, the most pervasive and damaging of the misconceptions about selling, are unclear. Nevertheless, such attitudes can make life difficult for the salesman who has first to overcome the barriers which such mistrust erects in the customer/salesman relationship.

It has been suggested that some of the more critical responses towards selling derive from a number of misconceptions, but the question still remains as to how and why these misconceptions have arisen and why they still persist. Perhaps, more importantly, those who are concerned to improve the image of selling must be more vociferous, yet objective, in presenting the case for selling. In presenting this case, the first thing to recognise is that misconceptions invariably have some basis of fact. There are always unscrupulous individuals and companies ready to trade on the ignorance and gullibility of the unsuspecting customer. These individuals are not salespeople: at best they are misguided traders and at worst they are crooks. At some times in our lives we inevitably feel that we have purchased something that we did not really want or on terms that we could not really afford, because we were subjected to high pressure sales techniques.

Selling then is not entirely blameless, but salespeople are becoming more professional in their approach to customers. Some of the worst excesses in selling have been curbed, some legally, but increasingly voluntarily. To overcome some of the misconceptions, selling needs to sell itself, and the following facts about selling should be more universally aired.

(i) There is nothing inherently immoral or unscrupulous about selling or about those involved in this activity. Selling provides a mechanism for

exchange and, through this process, customers' needs and wants are satisfied. Furthermore, most people, at some stage in their lives, are involved in selling — even if it is only selling their skills and personality in an attempt to obtain a job.

(ii) Selling is now a worthwhile career. Many of those who have spent a lifetime in selling have found it to be a challenging, responsible and rewarding occupation. Inevitably a career in selling means meeting people and working with them, and a selling job often offers substantial discretion in being able to plan one's own work schedule.

(iii) Good products do not sell themselves. An excellent product may pass unnoticed unless its benefits and features are explained to the customer. What may appear to be a superior product may be totally unsuited to a particular customer. Selling is unique in that it deals with the special needs of each individual customer, and the salesman, with his specialist product knowledge, is in a position to assess these circumstances and advise each customer accordingly.

#### **1.4 THE NATURE AND ROLE OF SALES MANAGEMENT**

In the same way as selling has become more professional, so too has the nature and role of sales management. The emphasis is now on the word "management". Increasingly, those involved in management are being called upon to exercise in a professional way the key duties of all managers, namely planning, organising and controlling. The emphasis has changed from the idea that to be a good sales manager you had to have the right personality and that the main feature of the job was ensuring that the sales force were out selling sufficient volume. Although such qualities may be admirable, the duties of the sales manager in the modern company have both broadened and changed in emphasis.

Nowadays the sales manager is expected to play a much more strategic role in the company. The sales manager is required to make a key input into the formulation of company plans, this theme being developed in Chapters 3 and 11. There is thus a need to be familiar with the techniques associated with planning, including sales forecasting and budgeting, and these are dealt with in Chapters 12 and 13. The sales manager also needs to be familiar with the concept of marketing to ensure that sales and marketing activities are integrated — a theme expanded in this chapter. In many companies the emphasis is now less on sales volume and more on profits. The sales manager needs to be able to analyse and direct the activities of his sales force towards more profitable business. In dealing with a sales force, the sales manager must be aware of modern developments in human resource management.

Looked at in the manner just outlined, the role of the sales manager may seem to be formidable. He must be an accountant, a planner, a personnel manager and a marketer at the same time. However, his prime responsibility is to ensure that the sales function makes the most effective



contribution to the achievement of company objectives and goals. In order to fulfil this role, sales managers will undertake the following specific duties and responsibilities.

- (i) The determination of sales force objectives and goals.
- (ii) Stemming from the above, forecasting and budgeting.
- (iii) Sales force organisation, sales force size, territory design and planning.
- (iv) Sales force selection, recruitment and training.
- (v) Motivating the sales force.
- (vi) Sales force evaluation and control.

Because these areas encompass the key duties of the sales manager, they are discussed in detail in Parts Four and Five of the text.

Perhaps one of the most significant developments affecting selling and sales management in recent years has been the evolution of the marketing concept. Because of its importance to selling, we will now turn our attention to the nature of this evolution and its effect upon sales activities.

### 1.5 THE MARKETING CONCEPT

In tracing the development of the marketing concept it is customary to chart three successive stages in the evolution of modern business practice.

- (i) Production orientation.
- (ii) Sales orientation.
- (iii) Marketing orientation.

#### 1.5.1 Production orientation

This era was characterised by the focus of company efforts on producing a good or service. More specifically, management efforts were devoted to achieving high production efficiency, often through the large scale production of standardised items. In such a business other functions such as sales, finance and personnel were secondary to the main function of the business, which was to produce. More importantly, the underlying philosophy towards customers was that they would purchase the products, provided that they were available in sufficiently large quantities at a suitably low price.

One of the best known examples of such a philosophy was the Model T factory of Henry Ford. His idea was that if he could produce a standard model vehicle in large quantities using mass production techniques, then he could supply a potential demand for relatively cheap private transport. At the time (in the 1920s in the USA) Ford was correct; there was such a demand and his products proved successful. A production orientation to business was thus suited to an economic climate where potential demand outstripped supply, as was the case in the 1920s prior to the wide-scale introduction of mass production techniques.