

STRATEGIC SALES MANAGEMENT

Place of Selling in Overall Marketing Plan

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Learning Objectives:

After going through this module, you should be able to:

- **Understand the place of selling in the marketing plan**
- Apply marketing principles for crafting strategic sales plan
- Learn sales forecasting methods to make informed decisions
- Understand different tools to be used for crafting strategic sales plan
- Develop models for sales planning

Sales is not about selling!

<https://youtu.be/-VkY2XFCbac>

'Always be closing'



'sell anything to anyone and to
hell with the consequences'



'persuading someone to buy'



Then, what is 'selling'?



Specs

Mileage

Speed

Previous experience

Previous cars

Buying motivation

Purchase journey

Planned communication

Personalized communication

Influence purchase decision

Ensure customer satisfaction

Selling

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (AMA, Approved 2017)

How does sales relate to marketing?

- Originally, **marketing was part of the sales department**, but as the organization has increased the range of products and services it sells to larger numbers of different types of customers, this has resulted in the separation of these two functions.
- This separation caused increasing **competition** between sales and marketing functions for resources and dominance within the organization (Kotler, Rackham, and Krishnaswamy, 2006).
- The sales and marketing may be aiming for **the same objectives of creating customer value and increasing sales and profits**, they usually have independent targets, have developed individual behaviours, and have completely different cultures (Homburg and Jensen, 2007; Le Meunier-FitzHugh and Le Meunier-FitzHugh, 2015).

How does sales relate to marketing?

Marketing

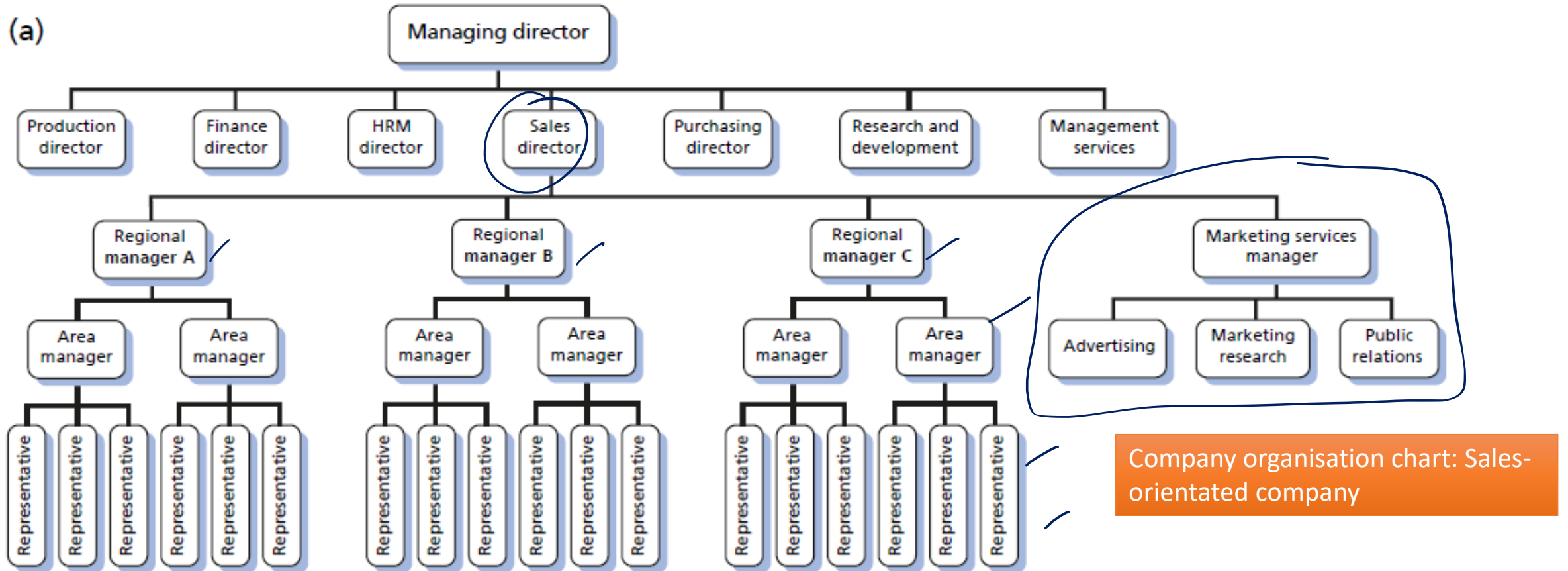
- Marketing usually has the responsibility for **market research, communications** with both the customer and consumer, **attracting new customers**, and **managing the brand**.
- This function is generally focused on **informing the market**, as well as **setting and achieving longer-term objectives**.

Sales

- The sales function on the other hand, has the responsibility for **managing personal interactions with customers, negotiation, gaining sales, and gathering market information**.
- Sales are in **direct communication with customers** and they are more likely to be focusing on **shorter-term objectives** related to meeting the organization's as well as the customer's needs.

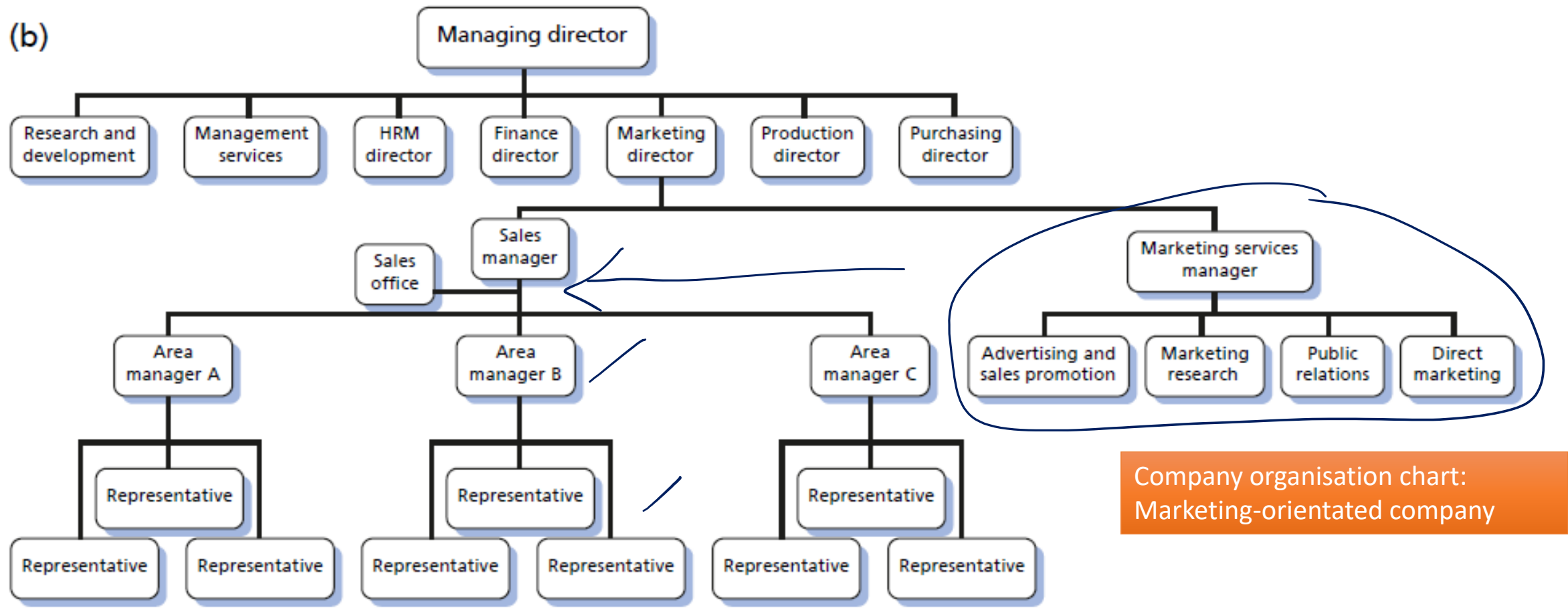
(Ernst, Hoyer, and Rubsaamen, 2010)

How does sales relate to marketing?



(Jobber et al., 2018)

How does sales relate to marketing?



(Jobber et al., 2018)

How does sales relate to marketing?

- The end product of the marketing and sales are entirely different, **In marketing** the goal is to make prospects, leads and potential customers while on the other hand the goal of the **sales** is to convert the end products into the buying customers.
- **Marketing** is a process which is aimed at influencing the purchasing decision of the consumer by getting into their head on educating the customers to like the brand while **selling** is about persuading the customers to purchase certain products through its benefits and features by one to one interaction.

How does sales relate to marketing?

- **Marketing** is creating a brand relevant to a specific target group of customers. **Selling** is interacting and proactively asking an individual customer to consider the product or service meant for them.
- **Selling** process starts from the factory while for **marketing** it is the target group.

How does sales relate to marketing?

Economic friction ✓

- The marketing group is under pressure to achieve revenue goals and wants the sales force to “sell the price” as opposed to “selling through price.”
- The salespeople usually favor lower prices because they can sell the product more easily and because low prices give them more room to negotiate.

Price



- The marketing group needs to spend money to generate customers' awareness of, interest in, preference for, and desire for a product.
- Sales group think that this money would be better spent increasing the size and quality of the sales force.

Promotion



- The marketing team is concerned about releasing products whose features have broad appeal.
- Salespeople, however, often complain that it lacks the features, style, or quality their customers want.

Product



Kotler, Rackham, and Krishnaswamy (2006)

How does sales relate to marketing?

Cultural friction ✓

Marketers, who until recently had more formal education than salespeople, are highly analytical, data oriented, and project focused.

They're all about building competitive advantage for the future.

They judge their projects' performance with a cold eye, and they're ruthless with a failed initiative.

Salespeople, in contrast, spend their time talking to existing and potential customers.

They're skilled relationship builders; they're not only savvy about customers' willingness to buy but also attuned to which product features will fly and which will die.

They want to keep moving. They're used to rejection, and it doesn't depress them. They live for closing a sale.

Kotler, Rackham, and Krishnaswamy (2006)

How does sales relate to marketing?

Types of Relationships

Undefined ✓

- Sales and Marketing have grown independently; each is preoccupied largely with its own tasks and agendas. Each group doesn't know much about what the other is up to—until a conflict arises.

Defined ✓

- The two groups set up processes—and rules—to prevent disputes. There's a “good fences make good neighbors” orientation; the marketers and salespeople know who is supposed to do what, and they stick to their own tasks for the most part.

Aligned ✓

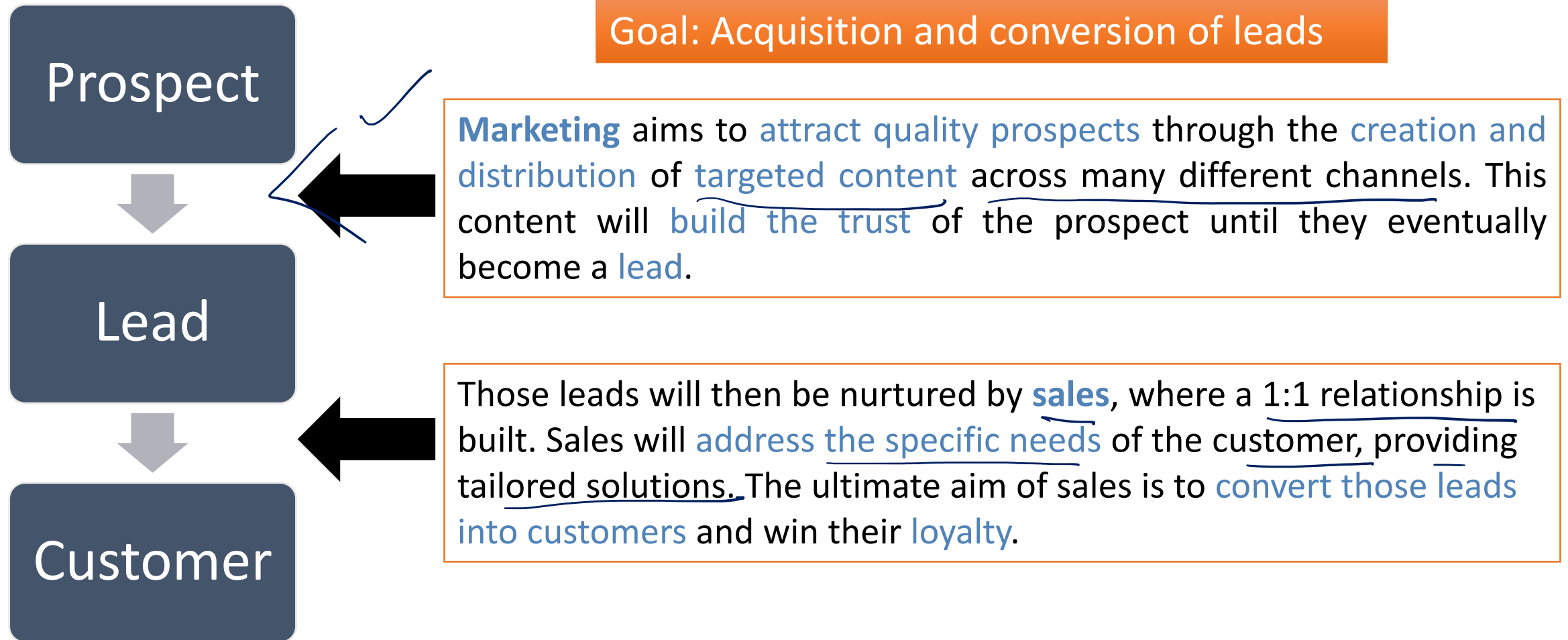
- Clear boundaries between the two exist, but they're flexible. The groups engage in joint planning and training. The sales group understands and uses marketing terminology such as “value proposition” and “brand image.” Marketers confer with salespeople on important accounts.

Integrated ✓

- Boundaries become blurred. Both groups redesign the relationship to share structures, systems, and rewards. Marketing—and to a lesser degree Sales—begins to focus on strategic, forward-thinking types of tasks (e.g. market sensing). Marketers are deeply embedded in the management of key accounts. The two groups develop and implement shared metrics.

Kotler, Rackham, and Krishnaswamy (2006)

How does sales relate to marketing?



How does sales relate to marketing?

Benefits when Sales and Marketing Works Together:

Increased quality of leads:

- Sales can support marketers to recognize the ideal customer persona for the business, so that marketing can then work on attracting that customer.
- By aligning the operations of the two departments, and facilitating effective communications, the business can become more profitable.

Access to valuable information:

- Sales team that builds personal relationships with customers will have valuable information which can contribute to marketing. For example, FAQs.
- By feeding this into the marketing department, content can be created which answers customer questions and empowers prospects to make smarter decisions.

How does sales relate to marketing?

Benefits when Sales and Marketing Works Together:

Improved business metrics:

- The effective collaboration of sales and marketing departments can help to improve key business metrics.
- For example: reduced cost-per-sale and a reduction in sale cycle duration.

Beating competition:

- Marketing departments often pride themselves on knowing exactly what the competition is doing.
- By feeding this information into the sales team, new tactics can be designed to accelerate your business ahead of your closest competitors.

How does sales relate to marketing?

How to Make Sales and Marketing Works Together?

- **Communication**

- Try combining your sales and marketing team meetings, giving the departments an insight into how each works. You may be surprised at the knowledge that is shared between the two teams once they hear each other's successes and begin to understand each other's challenges.

- **Combine funnels**

- Try combining your sales and marketing funnels into one long funnel. This will allow you to see the workflow, including where processes align, as well as envisioning the shared goals that unite both departments.

- **Collaborate**

- When sales and marketing are thought of as two completely separate departments, their processes will rarely align. However, there is a lot of knowledge that can be shared between sales and marketing to simplify processes and bring new insights.