

## 1.2: Heartbeat of the Company

### Learning Objectives

- Discuss the role of selling in the economy.
- Explain the role of selling in an organization.

Look around. Your computer, your car, your jewelry, your eyeglasses, and your cell phone—many of the things you own—were probably sold to you by someone. Now, think about things you *can't* see, like your cell phone service, your Internet service, and your car insurance. Chances are, those services were probably sold to you by someone as well. Now that you think about it, you can see that selling is involved in life in so many ways. But did you ever think about the impact that selling has on the economy?

In the United States alone, almost 16 million people were employed in jobs in sales in 2018. This number includes retail salespeople and cashiers, insurance sales agents, real estate brokers and sales agents, and manufacturing sales reps just to name a few. That translates to one in every ten people in the United States having a job in sales!

### The Internet: Power to the People

The Internet has been a game changer for selling in many ways. Just as the Internet expands the reach of a company to virtually anywhere in the world, it also provides customers with access to information, products, and services that they never had before. In some industries, the Internet has virtually eliminated the need for a salesperson. Travel agents are no longer the exclusive providers of reservations and travel plans. Music stores are almost extinct. Newspaper want ads have almost vanished. In other industries, the relationship of the salesperson and customer has changed dramatically. The power has shifted from the seller to the buyer. Take, for example, the auto industry. It used to be that when you wanted to buy a car, you went to a car dealership. The salesperson would show you the cars, take you out on a test drive, and then negotiate the selling price when you were ready to buy, withholding the dealer invoice. Today, customers may e-mail a car dealership to set up an appointment to drive a specific car after they have researched different models of cars including features, benefits, competitive models, editor and customer reviews, competitive pricing, and dealer invoice pricing. In some cases, the customer may know more than the salesperson.

### Sales Is Not a Department, It's a State of Mind

Sold.

It's a deal.

Let's shake on it.

Sign on the dotted line.

You've got the job.

Those are the words that signal success in selling. They seem simple, but bringing a sale to fruition isn't just celebrating the win; it is about celebrating with the customer. The most successful companies work to build and sustain relationships with the customer at every touch point, any way in which the company comes in contact with the customer, and considers selling the job of everyone in the organization. In other words, although there are specific functional departments such as sales, marketing, operations, human resources, finance, and others, everyone in the organization is focused on the customer. This is called a customer-centric approach that focuses on creating a positive experience.

### It's all about the Customer

Being customer-centric means insisting on accountability. Although everyone is focused on the customer, every employee is part of a department or function. Each department has goals and accountabilities. In a true customer-centric organization, the departments work together to satisfy the needs of the customer and achieve the financial objectives of the company. Most companies have core functions or departments such as sales, customer service (sometimes it is included as part of the sales department), marketing, operations, finance, human resources, product development, procurement, and supply chain management (also called logistics). Departments such as finance and human resources are called support (or staff) functions since they provide support for those that are on the front lines such as sales and customer service (these departments are also called line functions as they are part of a company's daily operations). In a customer-centric organization, the focus on the customer helps prevent organizational "silos"

(i.e., when departments work independently of each other and focus only on their individual goals). The sales department is the heartbeat of every company. According to *Selling Power Magazine*, the manufacturing and service companies listed on its “Power Selling 500 Report” generate \$4.9 trillion dollars in sales annually. Selling Power, [Largest Sales Organizations / 2019 B2B Largest Sales Forces / Selling Power](#), accessed May 23, 2024). Yes, trillions. This means that each salesperson supports an average of 12.9 other jobs within the company and that the level of sales that is generated by each salesperson actually pays for the roles in human resources, marketing, operations, and other departments. It makes sense that the salespeople fund the operations of the company. After all, it is a salesperson with whom you interact when you buy a Toyota Camry, lip gloss at Ulta, or an interview suit at Kohl’s. The people in the sales department “ring the cash register” (whether the business has a cash register or not). They are responsible and accountable to deliver sales to generate revenue and profit, which are required to operate and to invest in the company.

## Is It Sales, or Is It Marketing?

So you might be wondering, if the sales department interacts with customers, what exactly does the marketing department do? That’s a great question. Some people use the terms in tandem—sales and marketing—to refer to sales. Some people use the terms interchangeably and refer to marketing as sales. It’s no wonder that it confuses so many.

According to the American Marketing Association, “**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 (”American Marketing Association, “About AMA,” May 2024) In other words, it is the role of the marketing department to use the four Ps of the marketing mix (product, place, promotion, and price) to determine the brand message, which is ultimately communicated to customers. Marketers seek to motivate prospective customers to purchase by driving them to a website, store, phone, event, social channel, or another related, desired action. Essentially, marketing builds relationships between customers and the brand. When you see an online ad for Allegiant Airlines, get a text message about the new a new flight to New York, post a comment on the Allegiant Facebook page, respond to a tweet from Allegiant, or see a news story on television, these are all examples of marketing. They are designed to encourage you to engage with the brand and encourage you to take an action— go to the website, call the 800 number, like or share a post on social media, or tell your friends about the brand.

When you go into a store or visit a website, it’s the sales department that takes over. Let’s say you want to buy a new printer at Best Buy. A salesperson will speak with you (either in person in the store, online with live chat, or by phone) to determine what you need and to help you make the best decision by communicating product information (*this printer is wireless*), service information (*we can deliver that tomorrow*), warranty information (*it has a 90-day manufacturer warranty*), and other pertinent facts. The salesperson extends the relationship that was established with the marketing contacts and makes a personal connection with you. If you have a good experience, your relationship with Best Buy gets even better, and you are more likely to shop there again and tell your friends.

At times, however, sales and marketing don’t play well together. When organizations are not customer-centric, the departments may appear to have separate or conflicting goals. Marketing may feel that sales doesn’t follow up on prospective customers, or perhaps sales feels that the marketing efforts are focused on the wrong customers.



Figure 1.2.5: Marketing and Sales: How They Work Together

In addition to closing the sale (when the customer purchases the product or service), the salesperson has a very important role in the marketing process. Because the salesperson (in the store, online, or on the phone) is a primary touch point and a personal interaction with the customer, the salesperson is the brand in the eyes of the customer. According to Dr. David A. Shore of Harvard University, “The sales force is the most visible manifestation of the brand. Salespeople need to say with a singular voice, ‘This is who we are, and, by extension, this is who we are not.’ The critical element that power brands have is trust, and a sales force needs to become the trusted advisor to the customer.” Gerhard Gschwandtner, “How Power Brands Sell More,” *Selling Power* 21, no. 3, <http://www.sellingpower.com/content/article.php?a=5705> (accessed May 20, 2024).

So now you can see that marketing and sales work hand-in-hand: one develops the brand and the other assumes the image of the brand. Neither works without the other, and the relationship between the functions must be transparent to the customer. There’s only *one brand* in the eyes of the customer, not two departments. When marketing and sales work well together, the customer experience is seamless.

## Key Takeaways

- **Sales** is a career opportunity for you to consider; one in ten people in the United States has a job in sales or a sales-related occupation.
- In this global economy, many companies sell products in multiple countries around the world. Many **multinational corporations** have sales offices in foreign countries, and large and small companies sell globally by using the Internet.
- **Sales 2.0** is a term that is used to refer to the ever-changing technology, such as social networking, that is changing the relationship salespeople have with customers. It’s important to understand how technology can support your communication and collaboration with customers.
- A **customer-centric** organization has the customer as the focal point. You work as a team with all functions in the company to provide products and services that meet customers’ needs.
- **Sales** and **marketing** are two distinct but closely related functions. **Sales** converts the customer to a purchaser with one-on-one interaction. **Marketing** determines the brand message and uses the elements of the promotion mix to motivate the customer to take an action. Both work together to build ongoing relationships with customers.

### ? Exercise 1.2.1

1. Visit <http://www.sellingpower.com> and review the “Selling Power 500.” Discuss the top ten companies listed in one of the six categories of businesses (office and computer equipment, insurance, consumables, communications, medical products, or financial services). Did you realize these companies employed so many salespeople? Have you come in contact with salespeople from any of these companies? To whom do these salespeople sell?
2. Identify a company that you think is customer-centric and one that is not. Identify at least three touch points for each company. Based on this, discuss why you think each company is customer-centric or not.
3. Discuss the difference between sales and marketing. Choose one of your favorite retail brands and discuss one example of sales and one example of marketing.

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