

13.1: The Role Professional Salespeople Play

Learning Objectives

1. Recognize the role professional selling plays in society and in firms' marketing strategies.
2. Identify the different types of sales positions.

You've created a great product, you've priced it right, and you've set a wonderful marketing communication strategy in motion. Now you can just sit back and watch the sales roll in, right? Probably not. Unless your company is able to sell the product entirely over the Internet, you probably have a lot more work to do. For example, if you want consumers to be able to buy the product in a retail store, someone will first have to convince the retailer to carry the product.

"Nothing happens until someone sells something," is an old saying in business. But in reality, a lot must happen before a sale can be made. Companies count on their sales and marketing teams not only to sell products but to lay the groundwork to make it happen. However, salespeople are expensive. Often they are the most expensive element in a company's marketing strategy. As a result, they have to generate business in order to justify a firm's investment in them.

What Salespeople Do

Salespeople act on behalf of their companies by doing the following:

- Creating value for their firms' customers
- Managing relationships
- Relaying customer and market information back to their organizations

In addition to acting on behalf of their firms, sales representatives also act on behalf of their customers. Whenever a salesperson goes back to her company with a customer's request, be it for quicker delivery, a change in a product feature, or a negotiated price, she is voicing the customer's needs. Her goal is to help the buyer purchase what serves his or her needs the best. Like Ted Schulte, the salesperson is the expert but, in this case, an expert representing the customer's needs back to the company.

From society's perspective, selling is wonderful when professional salespeople act on behalf of both buyers and sellers. The salesperson has a fiduciary responsibility (in this case meaning something needs to be sold) to the company and an ethical responsibility to the buyer. At times, however, the two responsibilities conflict with one another. For example, what should a salesperson do if the product meets only most of a buyer's needs, while a competitor's product is a perfect fit?

Salespeople also face conflicts within their companies. When a salesperson tells a customer a product will be delivered in three days, she has made a promise that will either be kept or broken by her company's shipping department. When the salesperson accepts a contract with certain terms, she has made a promise to the customer that will either be kept or broken by her company's credit department. What if the credit department and shipping department can't agree on the shipping terms the customer should receive? Which group should the salesperson side with? What if managers want the salesperson to sell a product that's unreliable and will swamp the company's customer service representatives with buyers' complaints? Should she nonetheless work hard to sell the offering?

Situations such as these create role conflict. Role conflict occurs when the expectations people set for you differ from one another. Now couple the situation we just mentioned with the fact that the salesperson has a personal interest in whether the sale is made or not. Perhaps her income or job depends on it. Can you understand how role conflict might result in a person using questionable tactics to sell a product?

So are salespeople dishonest? Many people think so in part because certain types of salespeople have earned poor reputations that have tarnished the entire profession. As a result, some business students avoid sales despite the very high earnings potential and personal growth opportunities. You might be surprised to learn, however, that one study found that salespeople are less likely to exaggerate in order to get what they want than politicians, preachers, and professors. Another study looked at how business students responded to ethical dilemmas versus how professional salespeople responded. What did the study find? That salespeople were more likely to respond ethically than students were.

In general, salespeople handle these conflicting expectations well. Society benefits because salespeople help buyers make more informed decisions and help their companies succeed, which, in turn, creates jobs for people and products they can use. Most salespeople also truly believe in the effectiveness of their company's offerings. Schulte, for example, is convinced that the

pacemakers he sells are the best there are. When this belief is coupled with a genuine concern for the welfare of the customer—a concern that most salespeople share—society can't lose.

Most marketing majors begin their career in sales. While a growing number of universities are offering a major in sales, the demand for professional salespeople often outstrips supply, creating opportunities for marketing majors. Sales is a great place to start a career not only because the earnings are at the top of any business major but because sales is the only place to really learn what is happening in the market.

Creating Value

Consider the following situations:

- At the beginning of the chapter, we described a real-life situation—a cardiac surgeon with a high-risk patient is wondering what to do. The physician calls Ted Schulte at Guidant to get his input on how to handle the situation. Schulte recommends the appropriate pacemaker and offers to drive one hundred miles early in the morning in order to be able to answer any questions that might arise during the surgery.
- A food wholesaler is working overtime to prepare invoices. Unfortunately, one out of five has a mistake. The result is that customers don't get their invoices in a timely fashion, so they don't pay quickly and don't pay the correct amounts. Consequently, the company has to borrow money fulfill its payroll obligations. Jay King, a salesperson from DG Vault, recommends the wholesaler purchase an electronic invoicing system. The wholesaler does. Subsequently, it takes the wholesaler just days to get invoices ready, instead of weeks. And instead of the invoices being only 80 percent accurate, they are close to being 100 percent accurate. The wholesaler no longer has trouble meeting its payroll because customers are paying more quickly.
- Sanderson Farms, a chicken processor, wants to build a new plant near Waco, Texas. The chambers of commerce for several towns in the area vie for the project. The chamber representative from Waco, though, locates an enterprise zone that reduces the company's taxes for a period of time, and then works with a local banker to get the company better financing. In addition, the rep gets a local technical college involved so Sanderson will have enough trained employees. These factors create a unique package that sells the company on setting up shop in Waco.

All these are true stories of how salespeople create value by understanding the needs of their customers and then create solutions to meet those needs. Salespeople can adapt the offering, such as in the Sanderson Farms example, or they can adapt how they present the offering so that it is easier for the client to understand and make the right decision.

Adapting a message or product on the fly isn't something that can be easily accomplished with other types of marketing communication. Granted, some Web sites are designed to adapt the information and products they display based on what a customer appears to be interested in while he or she is looking at the sites. But unless the site has a "chat with a representative" feature, there is no real dialogue occurring. The ability to engage in dialogue helps salespeople better understand their customers and their needs and then create valuable solutions for them.

Note also that creating value means making sales. Salespeople sell—that's the bulk of the value they deliver to their employers. There are other ways in which they deliver value, but it is how much they sell that determines most of the value they deliver to their companies.

Salespeople aren't appropriate channels for companies in all situations, however. Some purchases don't require the salesperson's expertise. Or the need to sell at a very low cost may make retail stores or online selling more attractive. But in situations requiring adaptation, customer education, and other value-adding activities, salespeople can be the best channel to reach customers.

Managing Relationships

Because their time is limited, sales representatives have to decide which accounts they have the best shot at winning and which are the most lucrative. Once a salesperson has decided to pursue an account, a strategy is devised and implemented, and if a sale happens, the salesperson is also responsible for ensuring that the offering is implemented properly and to the customer's satisfaction.

We've already emphasized the notion of "customers for life" in this book. Salespeople recognize that business is not about making friends, but about making and retaining customers. Although buyers tend to purchase products from salespeople they like, being liked is not enough. Salespeople have to ensure that they close the deal with the customer. They also have to recognize that the goal is not to just close one deal, but as many deals as possible in the future.

Gathering Information

Salespeople are boundary spanners, in that they operate outside the boundaries of the firm and in the field. As such, they are the first to learn about what competitors are doing. An important function for them, then, is to report back to headquarters about their competitors' new offerings and strategies.

Similarly, salespeople interact directly with customers and, in so doing, gather a great deal of useful information about their needs. The salespeople then pass the information along to their firms, which use it to create new offerings, adjust their current offerings, and reformulate their marketing tactics. The trick is getting the information to the right decision makers in firms. Many companies use **customer relationship management (CRM)** software like Netsuite or Salesforce.com to provide a mechanism for salespeople to enter customer data and others to retrieve it. A company's marketing department, for example, can then use that data to pinpoint segments of customers with which to communicate directly. In addition to using the data to improve and create and marketing strategies, the information can also help marketing decision makers understand who makes buying decisions, resulting in such decisions as targeting trade shows where potential buyers are likely to be. In other words, marketing managers don't have to ask salespeople directly what customers want; they can pull that information from a customer database. (For an online demonstration of Aplicor, visit www.aplicor.com/product_tour.php.)



Figure 13.1.1: Aplicor is a computer software program that enables salespeople to capture and track information on their accounts. This information can then be used by marketing managers to design better marketing strategies and offerings. The system also helps salespeople manage their accounts better, because they have access to more customer information. www.aplicor.com/

Types of Sales Positions

There are different ways to categorize salespeople. They can be categorized by the customers they work with, such as whether they are consumers, other businesses, or government institutions. Another way to categorize salespeople is by the size of their customers. Most professional sales positions involve selling to other businesses, but many also sell to consumers like you. For the purposes of this book, we will categorize salespeople by their activities. Using activities as a basis, there are four basic types of salespeople: missionary salespeople, trade salespeople, prospectors, and account managers. In some discussions, you'll hear that there are three types: order getters, order takers, and sales support. The four we describe in the following are all types of order getters; that is, they actively seek to make sales by calling on customers. We'll also discuss order takers and sales support after we discuss the four types of order getters.

Missionary Salespeople

A missionary salesperson calls on people who make decisions about products but don't actually buy them, and while they call on individuals, the relationship is business-to-business. For example, a pharmaceutical representative might call on a physician to provide the doctor with clinical information about a medication's effectiveness. The salesperson hopes the doctor will prescribe the

drug. Patients, not doctors, actually purchase the medication. Similarly, salespeople call on your professors urging them to use certain textbooks. But you, the student, choose whether or not to actually buy the books.

There are salespeople who also work with “market influencers.” Mary Gros works at Teradata, a company that develops data warehousing solutions. Gros calls on college faculty who have the power to influence decision makers when it comes to the data warehouses they use, either by consulting for them, writing research papers about data warehousing products, or offering opinions to students on the software. In an effort to influence what they write about Teradata’s offerings, Gros also visits with analysts who write reviews of products.

Trade Salespeople

A **trade salesperson** is someone who calls on retailers and helps them display, advertise, and sell products to consumers. Eddy Patterson is a trade salesperson. Patterson calls on major supermarket chains like HEB for Stubb’s Bar-B-Q, a company that makes barbecue sauces, rubs, marinades, and other barbecuing products. Patterson makes suggestions about how Stubb’s products should be priced and where they should be placed in store so they will sell faster. Patterson also works with his clients’ advertising departments in order to create effective ads and fliers featuring Stubb’s products.

Prospectors

A prospector is a salesperson whose primary function is to find prospects, or potential customers. The potential customers have a need, but for any number of reasons, they are not actively looking for products to meet those needs—perhaps because they lack information about where to look for them or simply haven’t had the time to do so. Prospectors often knock on a lot of doors and make a lot of phone calls, which is called *cold calling* because they do not know the potential accounts and are therefore talking to them “cold.” Their primary job is to sell, but the activity that drives their success is prospecting. Many salespeople who sell to consumers would be considered prospectors, including salespeople such as insurance or financial services salespeople, or cosmetic salespeople such as those working for Avon or Mary Kay.

In some B2B situations, the prospector finds a prospect and then turns it over to another salesperson to close the deal. Or the prospector may take the prospect all the way through the sales process and close the sale. The primary responsibility is to make sales, but the activity that drives the salesperson’s success is prospecting.

Account Managers

Account managers are responsible for ongoing business with a customer who uses a product. A new customer may be found by a prospector and then turned over to an account manager, or new accounts may be so rare that the account manager is directly responsible for identifying and closing them. For example, if you sold beds to hospitals, new hospital organizations are rare. A new hospital may be built, but chances are good that it is replacing an existing hospital or is part of an existing hospital chain, so the account would already have coverage.

Taylor Bergstrom, a Baylor University graduate, began his career as a sales representative prospecting for the Texas Rangers baseball team. Bergstrom spent a lot of time calling people who had purchased single game tickets in an effort to sell them fifteen-game packages or other special-ticket packages. Today, Bergstrom is an account manager for the club. He works with season ticket holders to ensure that they have a great experience over the course of a season, regardless of whether the Rangers win or lose. His sales goals include upgrading season ticket holders to more expensive seats, identifying referral opportunities for new season-ticket sales, and selling special-event packages, such as party packages to box-seat holders. While most account managers sell to businesses, some, like Bergstrom, sell to individual consumers.

Account managers also have to identify lead users (people or organizations likely to use new, cutting-edge products) and build relationships with them. (Recall that we discussed lead users in Chapter 6.) Lead users are in a good position to help improve a company’s offerings or develop new ones. Account managers work closely with these lead users and build relationships across both their companies so that the two organizations can innovate together.

Other Types of Sales Positions

Earlier, we stated that there are also order takers and sales support. These other types of salespeople do not actively solicit business. Order takers, though, do close sales while sales support do not. Order takers include retail sales clerks and salespeople for distributors of products, like plumbing supplies or electrical products, who sell to plumbers and electricians. Other order takers may

work in a call center, taking customer sales calls over the phone or Internet when customers initiate contact. Such salespeople carry sales quotas and are expected to hit those sales numbers.

Sales support work with salespeople to help make a sale and to take care of the customer after the sale. At ResearchNow, a marketing research company headquartered in Dallas, sales support help salespeople price projects and prepare bids. At Oracle, an information systems provider, sales support assist by engineering solutions and, like at ResearchNow, pricing offerings and preparing proposals. At ResearchNow, the sales support staff also helps deliver the project, whereas at Oracle, another team takes over when the sale is made.

Key Takeaway

Salespeople act as representatives for other people, including employees who work in other parts of their companies. Salespeople create value for their customers, manage relationships, and gather information for their firms. There are four types of salespeople: missionary salespeople, trade salespeople, prospectors, and account managers.

Review Questions

1. Salespeople play three primary roles. What are they?
2. Salespeople create value in what two ways?
3. How does each type of salesperson create value?

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