

# SALES PLANNING AND OPERATIONS





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## **Executive summery**

When considering about the marketing strategy of a certain business, it may include several marketing tools such as advertising, sales promotion, direct marketing, public relations, events and experiences, personal selling and word of mouth marketing. Although there are too many marketing tools that can be applied for the marketing mix, all of them are not relevant or suit for all the products in the same manner. The most appropriate marketing tool for a product may be differing from one product to another. Therefore marketing people should pay a proper attention to select the most suitable method for the goods being produced by their company. At the same time selecting the most appropriate marketing tool is not enough; in addition to that there should be a well-trained sales force for putting these steps into action. And there should be a well-planned marketing plan for the marketing department which is in line with the co-operative strategies of the organization and sales force should also be motivated towards achieving those strategies time to time. If all these steps are carried out successfully, the organization has the ability to think about beyond the domestic region by entering into the international market which offers a number of marketing opportunities.

## **1. The role of personal selling within the marketing strategy**

### **How personal selling supports the promotion mix**

For a successful marketing effort in any kind of a business, there should be a well-planned promotional mix. This kind of a promotional mix will contain several types of marketing tools such as advertising, sales promotion, public relations, events and experiences, word of mouth marketing and so on. However in this context a major role in promotional mix is done by the tool called “personal selling”. Personal selling can simply be defined as the process communicating with potential buyers orally with the aim of creating sales. Here the sales force of the company utilizes their knowledge and skills for building a strong relationship with their customers with the intention of making a sale. (Thompson, 2005)

This kind of personal selling supports for the overall marketing mix of the organization by generating several advantages.

- Results in effective communication with the customer- As this is a method of two way communication, it will result in receiving the feedback

- Creates a long-term and on-going relationship with the customers- As there is a contact between the sales person and the customer up to a certain extent, it will result in creating a long-term trusting relationship with the customers.
- Highly suitable for goods which are fairly complex in nature- For goods and services which are normally complex in nature requires some kind of personal explanation regarding the usage, repairing and maintaining those products.
- The overall sales message of the promotion mix can be customized in accordance with the several customers.

Therefore personal selling supports in making the overall promotional mix a success.

### **Buyer behavior and the decision making process**

When it is planning to implement any kind of promotional tool in the promotional mix, it should be done with a greater attention of the consumer buying behavior and the nature of their decision making process. Otherwise a marketing strategy without understanding the consumer buying behavior will go in vain. The consumer buying behavior can simply be defined as the process and act of the final customers/individuals who buys goods for the final consumption. This process can be illustrated as follows ;( Appendix 01) (Galloway, 1998)

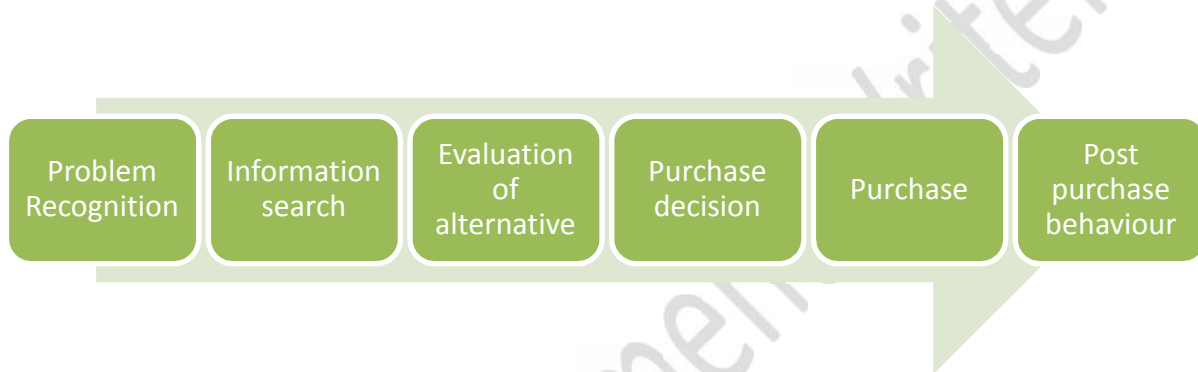
The purchase decision of one customer may be not as same as that of another. This variation in consumer buying behavior will occur because of several factors are called Marketing stimuli and other stimuli. All the four elements in marketing mix will be considered under the marketing stimuli while some other social, economical, and cultural factors are considered under the other stimuli. Here the most important and critical element is the buyer behavior because none of the customers in the market don't respond uniformly even to the same set of stimuli which are given at different intervals.(Thompson, 2005)That's why it is called as Buyer's black box. Therefore any kind of marketing tool should focus on this consumer's unpredictable behavior.This complex behavior of the consumers can be analyzed under two different dimensions. The decision of the buyers is affected by several factors called as buyers characteristics.

- **Cultural factors** (Culture, sub-culture, Social class)
- **Social factors** (Reference groups, Roles and status, Family members)

- **Personal factors** (Life cycle stage, age, Occupation, Economic condition, Personality and self concept)
- **Psychological factors** (Motivation, Perception, Learning and beliefs)

As all these factors affect the decision of the customers, all the marketing tools should be designed by taking all these factors into account.(Galloway, 1998)

Other important part in here is Buyer's decision process which can be illustrated as follows;



1. **Problem recognition**- This is the difference between the actual level of consumption of the customer and his/her desired level of consumption. Here marketer even can artificially stimulate the customer for a new purchase through effective advertising and other marketing effort although he/she doesn't want that product actually.
2. **Information search**- After recognizing that there is a gap between his desired consumption and actual consumption, customer try to find out some information regarding that through internal and external sources of information.
3. **Evaluation**- After collecting enough information, consumer evaluates the different alternatives which are available for fulfilling his/her desired level of consumption.
4. **Purchase decision**- after selecting the best alternative for satisfying his/her need, he will obviously take the decision to buy it.
5. **Purchase**- Purchasing the product
6. **Post-purchase behavior**- After purchasing the product, customer seeks the level of satisfaction/dissatisfaction and whether he/she has taken the right decision. Here, it is better to issue warranties, service certificates and after sales services.

After the decision making process, it will result in creating buyer's attitudes and preferences in customers mind regarding the product and the company. At the same time this will result in creating a trust worthy relationship between the company/brand and the customer.

### **1.3.Role of sales teams within the marketing strategy**

Within the overall marketing strategy in an organization there are several vital roles are assigned to the sales teams. Among those various roles generating and increasing the sale revenue is the most important task of them. In this context they should work collaboratively to increase the Brand Awareness and to drive the sales forward. Therefore it is essential a business to recruit and maintain a cohesive sales team for the business.(Taylor, 1998) These sales teams build trustworthy relationships with the customers by engaging customs at all stages. By engaging in those customer sales cycles, sales teams build trust through customer satisfaction. When considering the respective contribution of the sales teams for the overall marketing mix of the organization, Field representatives who are a kind of sales teams are more likely to work independently for generating sales than those of outside sales representatives.(Rolf, 2007) The main advantage of sales teams for the marketing strategy of the company is structuring the marketing act with more responsibility under a lower level of supervision. On the other hand they support the marketing strategy through increasing brand awareness, heightening the company/brand loyalty, and increasing revenues. Therefore it is clear that sales teams play an important role in the overall marketing strategy in the company.

## **2. The principles of selling process of a product or service**

### **2.1.Preparing a sales presentation for a product or service**

Sales presentation regarding a certain product or service will obviously result in whether the customers buy it or not. Therefore it is essential to a sales presentation to be a sales winning one. It is better to make the customer feel to buy the good than just compelling him to buy the product or just pushing it towards the customer. When preparing a sales presentation, a careful attention should be laid down on the followings;(Galloway, 1998)

- **Relevant-** when preparing a sales presentation for a certain product, it should be essentially relevant to that product or service. It should not be a generic but a specific presentation to that product. As an example if it is a presentation regarding a soft drink, it should specify its unique characteristics which differentiate it from those of other competitive products such as taste, affordable cost and convenient package.
- **Focused on the point-** A good presentation should highlight the special features/characteristics of that product or service at once. Otherwise being a lengthy presentation deteriorates its attractiveness and conveying the message clearly.
- **Distinguish between the target audience and target customer/market-** when preparing a sales presentation it should be clearly focused on the target audience but not on the target customers. (Thompson, 2005) Otherwise though it is a good presentation that conveys a good message it will not result in generating sales because though the target customers use the product the target audience is the persons who are involved in taking the decision of purchasing. As an example, if it is a sales presentation regarding a product for infants then it should be focused on mothers who are the target audience but not on the infants who are the target customers who use that product.
- **Design the presentation based on needs and expectations of the target audience-** For an effective sales presentation, it should be listener focused and persuasive. For this purpose it should keep in mind the followings when preparing the presentation.
  - What do you want your listeners to know?
  - What do you want your listeners to do?
  - What do you want your listeners to feel?

For achieving the above objectives, it is essential to make sure that the listeners have no any doubt regarding what you want them to do. At the same time it is vital to include all the relevant information that will help to make the audience know what you want to make them know.

It will result in creating an effective and working sales presentation if you consider all these facts when designing the presentation.

## **2.2. Carry out sales presentation for a product**



Preparing a good effective sales presentation is not enough for succeeding in the sales presentation but it should be carried out in the right manner. In this context, following hints will be helpful. (Thompson, 2005)

- **Be animated-** In order to give a good impression regarding the product or service, the presentation should be an imaginative, enthusiastic and energetic one.
- **Believe in your product or service-** When presenting a certain product or service, the presenter should believe in what he says regarding that product. It should be visualized from the body language of the presenter and he/she should be more enthusiastic and confident about the facts and figure he/she says. Then the audience will automatically will believe what he/she says.
- **Use “SSS formula” for moving the audience to action-** There should be a strong opening and a proper conclusion of the presentation. Within the body of the presentation it should support the message with supportive information. This can be explained as follows;
  - **State-** It should mention the critical and important points concisely within the presentation.
  - **Support-** Those main points must be supported with addition information in the body of the presentation.
  - **Summarize-** At the conclusion; summarize all the special points in order to create a consistent image about what you said during the whole presentation.

If it is possible to carry out the sales presentation by keeping those points in mind, it will definitely ensure the effectiveness of that presentation.

### **3. The role and objectives of sales management**

#### **3.1.How sales strategies are developed in line with corporate objectives**

A sales strategy can simply be defined as the detailed plan that specifies the way that you get your product in front of the target customers. This will give a methodological and comprehensive approach to ensure that it is marketed properly and it has focused to the right set of target customers.However this sales strategy should be in accordance with the co-operate strategies and the overall marketing mix of the company.

This relationship can be illustrated as follows;



This sales strategy should answer how you're going to achieve the objectives set out in the marketing plan of the business. And that marketing plan will ensure the way that the co-operate objectives of the company are achieved. This sales strategy will say how you are focusing on the each market segment which has motioned in

the overall marketing mix of the organization. (Taylor, 1998) Therefore the marketing plan should be in align with the co-operate strategy of the organization and the sales strategy should be in align with that marketing plan. Once the sales strategy is achieved, the marketing plan will also be succeeded and then automatically it will full-fill the Co-operate strategy also.

### 3.2. The role of recruitment and selection procedure

The process of recruiting and selecting the sales force is one of the key factors of organizational success as they are the people who involve with generating the revenue for the organization. Therefore it is important to recruit and select most appropriate candidates for the sales force through a descriptive and well-orchestrated method. (Galloway, 1998) Those recruited people should be competent enough to achieve or exceed the sales objectives which have set out in the sales strategy. This process of recruiting sales force also as similar as the normal recruiting process of the organization which may include steps such as job designing and job analysis, collecting applications, screening and assessment.

### 3.3. The role of motivation, remuneration and training in sales management

The motivation, remuneration and training the staff play a vital role in any kind of a department in any kind of organization. But when it comes to sales force that is in the

marketing department, it becomes more crucial as they are the people who are directly attached with generating revenue for the company.(Rolf, 2007)Having this kind of a proper mode of motivation, remuneration and training for the sales force in the organization will result in creating following advantages.

- Attracting most suitable and desirable sales force.
- Retaining the sales force contended
- Increasing the loyalty of the sales force for the organization
- Building a sound labor relationship with the sales force
- Results in a better service for the customers

### **3.4. How sales management organize sales activity and control of output**

The sales management of an organization manages the overall sales activity of the business. Most of the time, this is done by using a sales or marketing plan. This is done in various ways;(Galloway, 1998)

- **By defining the activities and output-** Sales management of the organization assigns the specific tasks to the sales persons to be fulfilled by them. Here managers should keep in mind not only to assign specific tasks but also to assign the authority needed to fulfill those tasks.
- **By improving sales performance-** The sales management of the company encourages and enables the sales force for enhancing their performance by offering scientifically designed training programs. At the same time in order to be in line with the new trends in the dynamic business world, the management of the sales division should give a proper training for their sales force.
- **Through controlling and close supervision-** Sales management controls the sales activities and the output through the close supervision and guidance. For the success of this kind of a mechanism there should be a proper “chain of command” and good communication network within the organization.

Through this kind of mechanisms, sales managers control the activities and the output of the organization.

### **3.5. Use of database in effective sales management**

For the success of the sales management, a company can maintain an effective marketing database which will include all customer details and relationships. This will also result in creating a Customer Relationship management (CRM) system. (Taylor, 1998) This kind of sales database will make the job of the sales force an easier one and it will also satisfy the customers too.

An effective sales database will support for the success of sales management of the organization in many ways; (Rolf, 2007)

- **Improve customer relationships-** An effective sales database will help the sales force by providing all the relevant information regarding its customer base. This will result in reducing the time for treating the customers. This kind of databases are widely used in the hotel and accommodation industry for keeping their customer's information such as their likes and dislikes, behaviors, life style and their family members etc. By having this kind of information they can serve the customer in a much customized manner based on their personal likes and dislikes.
- **Improve the marketing communication-** By having all the information regarding the customers, it will be very easy to communicate with them and give them messages by identifying the most appropriate touch points of the customers.
- **Offer several management benefits-** By having a good sales database, management can obtain several benefits such as task management, managing customer contact information and service differentiation/customization. At the same time it will result in reducing the administration cost of maintaining and manipulating customer relations.

## 4. Planning a sales activity for a product or service

### 4.1. Developing a sales plan for a product or a service

A sales plan can simply be defined as a strategic and tactical plan for reaching the goals and objectives mentioned under the marketing strategy. This is a procedure which will acquire more new businesses or generating more businesses from existing customers.

For developing a sales plan for a certain product such as a "New Soft Drink", following steps will be helpful ; ( Rolf, 2007)

- **Segmenting the target market-** This is the set of customers who shares similar needs and is willing to buy your product. For a product like a soft drink it may be the young generation who are in between age 15-25 or kids who are below the age of 16 or both of them. Whatever the target market you select, it should identify the needs and want they shares in common and how to cater those needs.
- **Evaluate the industry-** By analyzing the market; it should identify the current market trends and the buying behavior of the customers of other competitive brands. Here it is important to identify your potentials for development by comparing the product with those of competitors'.
- **Develop a unique sales strategy-** For reaching the target customers effectively; there should be a unique way of reaching the customers. It should be linked with a unique characteristic that differentiates the product from those of competitors. In the soft drink market, it may be the unique taste you have with your drink, the affordable price, packaging or something else.
- **Think through the sales plan-** Here sales strategies should be developed based on the analysis you do in the previous step and it should determine what you can do for reaching the target customer. In this stage it should break the whole sales strategy into quantifiable activities. As an example for the sales strategy for new soft drink, it might focus on capturing 5% of the market share in the Northern Province by within next 3 months.
- **Implementing, measuring and improving-** After deciding what to do, it should be implemented. Just implementing is not enough for succeeding in the sales plan but it should be revised time to time and check whether there are some required improvements to be made. In the context of soft drink, it should be revised whether the early stated targets have achieved. If not what were the reasons for that and are there any improvements or adjustment to made to the existing sales plan.

By putting all these steps into action, it will result in creating a successful and working sales plan for the organization.

#### **4.2. Opportunities for selling internationally**

When considering the market of a certain business in a certain country, it has only a limited market space if it is operating only in the domestic region of that country. But if it focuses on the global market it will offer unlimited number of market opportunities to be succeeded in.

These kinds of opportunities in the international market have occurred as a result of several facts and conditions such as ;(Taylor, 1998)

- **Growing Asia-** During the last few decades, Asia has become a good commercial destination in the global market because of the emerging economies such as China, India, Hong-Kong and Singapore. Therefore there is a good market space for the business to be established in those countries.
- **Increase in global middle class-** There is a higher tendency of increasing the middle class families all around the world especially in the developing economies. This will result in creating number of new customers especially for the luxurious goods all over the world.
- **Managing the business risk in the dynamic business world-** Because of the factors such as economic recession in all around the world, there is a high risk of exposing to those recessions if a business is operating within only one country. Therefore focusing towards several countries will be a good solution for reducing that risk.

Apart from the above motioned opportunities there are some other opportunities of doing business internationally such as population growth, increased purchasing power, powerful women customers, increasing young generation and advanced consumer connectivity.

#### **4.3. Opportunities for using exhibitions or trade fairs as sales strategy**

When analyzing the marketing tools available for a company, exhibitions and trade fairs have a great significance over it because of the following reasons ;(Galloway, 1998)

- **Builds a face to face interaction among the key audience of the business-** Exhibitions and trade fairs allow the company to meet its key audience face to face and get the productive feedback from those parties. Sometimes they may be customers, suppliers, agents, retailers or trade peers.
- **Ideal platform for product launch-** An exhibition or a trade fair is a good platform to launch a new product or service in front of those who are interested about it.

- **Provide information and educate the stakeholders-** Exhibitions and trade fairs are a good way of conveying information and educating the community and interested parties regarding the product or service. This is a good opportunity for product demonstrations or letting the buyers to make a trial regarding the product free of charge.
- **Instant feedback-** One of the most important advantage in exhibitions and trade fairs is the instant feedback taken from the audience. This will be very cost efficient and credible than those of other research methods.

By analyzing all the above mentioned advantages regarding the sales exhibitions and trade fairs, it is crystal clear that trade fairs and exhibitions are some of the very helpful marketing tools in the marketing mix of the organization.

## **Conclusion**

Although there are several marketing tools available for a business to use, marketing division of the organization should be keen enough to select the best method which suits them among those methods. All these decisions should be taken by taking the customer's buying behavior into action. After identifying the customer buying behavior and other marketing insights, it should develop a proper marketing plan for the marketing division which is in line with the overall co-operate strategy. In order to put this marketing strategy into action, there should be a properly motivated and contended sales force within the organization. Not only that there should be an intention of the organization to enter into the global market which will expose the company for an unlimited market spaces which will ultimately ensure the utmost success of the marketing strategy.

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## Appendices

### Appendix 01

