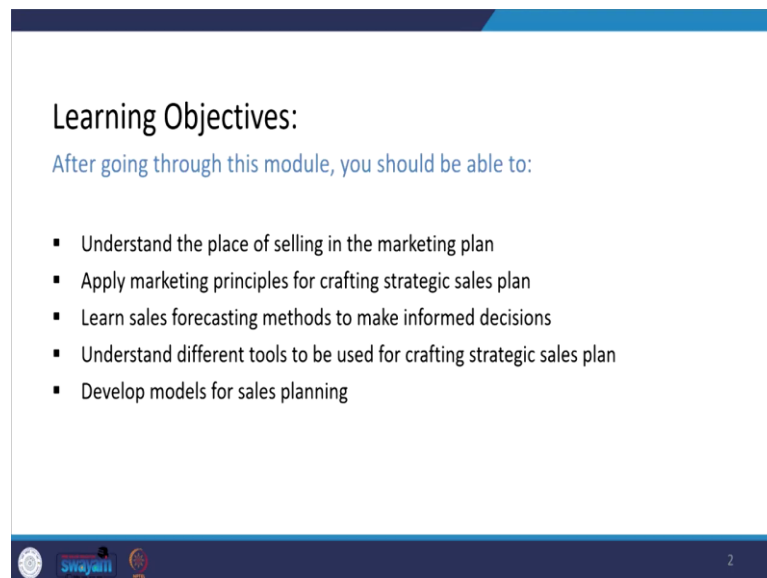


Strategic Sales Management
Prof. Kalpak Kulkarni
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 07
Place of Selling in Overall Marketing Plan

Hello everyone. Welcome to the week 2 of Strategic Sales Management. Here, we will learn more about how to craft strategic sales plan. In this week, we are going to achieve several objectives.

(Refer Slide Time: 00:41)



Learning Objectives:

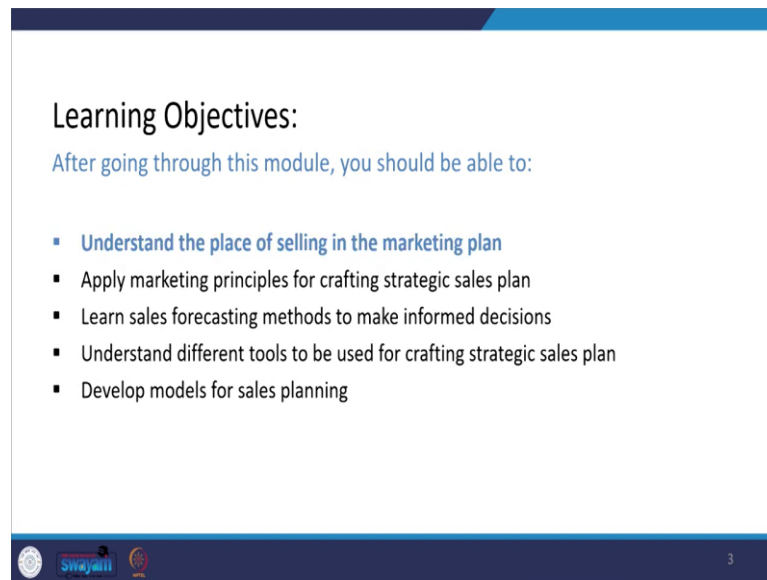
After going through this module, you should be able to:

- 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

2

So, after going through this module, you should be able to understand the place of selling in the overall marketing plan. You will be able to apply marketing principles for crafting strategic sales plan. We will learn more about sales forecasting methods to make informed decisions. We will also understand different tools that can be used for crafting strategic sales plan and towards the end, we will learn about how to develop models for sales planning.

(Refer Slide Time: 01:05)



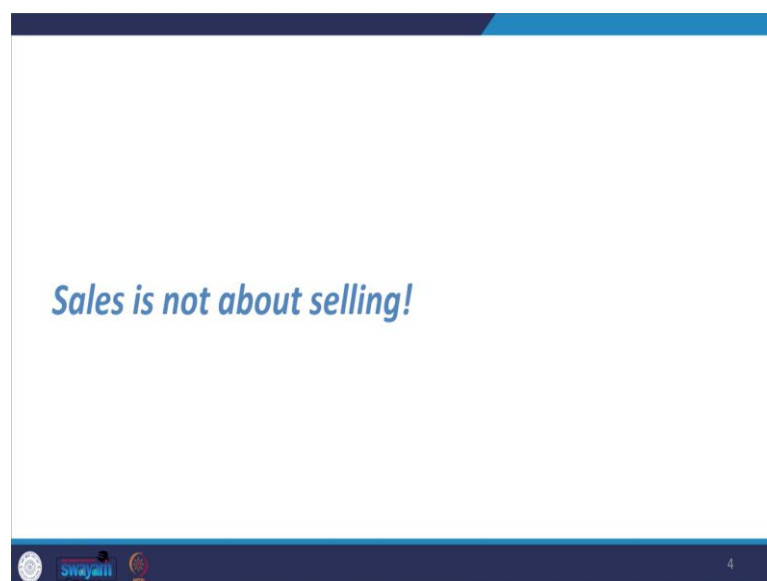
Learning Objectives:

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

3

(Refer Slide Time: 01:11)



Sales is not about selling!

4

Starting with the first objective that is to understand the place of selling in the marketing plan, let us look at what sales is all about right.

(Refer Slide Time: 01:16)



Source: <http://youtu.be/-Vky2XFCbac>

Sales is not about selling. So, what it is all about. Let us have a look at this funny clip from one of the classic movie which gives different perspective about what is selling in this particular era.

Hope you have enjoyed this video. It is bit funny; but it is not the way one should approach to sales right.

(Refer Slide Time: 04:21)

'Always be closing' ❌

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

'persuading someone to buy' ❌

Then, what is 'selling'?

6

So, sales may be kind of you know taken as always be closing kind of attitude; but it is not, its wrong. One can understand sales as a process of selling anything to anyone and to hell with the consequences. If this is what you think the sales is, this is also a wrong definition. Another approach towards sales is that it is something about persuading someone to buy right; but no, this is again wrong. So, what is selling then right?

(Refer Slide Time: 04:51)



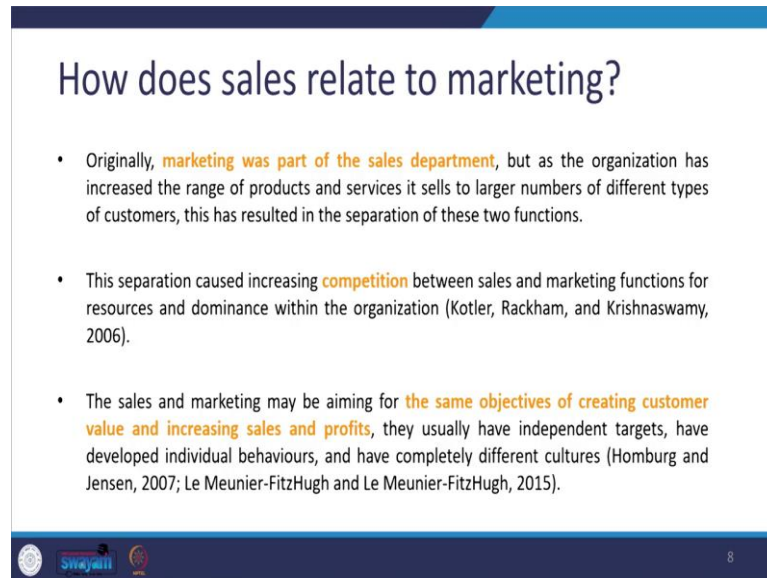
Now, imagine a particular customer walks into a showroom to buy a car and the particular sales person, who is handling the kind of sales for that particular car is very well-trained to manage the kind of you know customers and approach to him you know started with a given pitch which talks about specifications, mileage of the car, speed of the car etcetera.

Here, however, the particular sales person completely kind of you know ignores a previous experience of the buyer, the previous cars he has owned, then the buying motivation which with he has come to visit the place and again finally, the purchase journey. Like exactly where the particular customers is at particular purchase journey in his buying cycle.

So, planned communication personalized communication that influences purchase decisions to ensure customer satisfaction. If you combine all these four things together, that is where we call it as a selling. So, then what is marketing then? It looks very similar

to marketing right; but the marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging value to the customers.

(Refer Slide Time: 06:01)



How does sales relate to marketing?

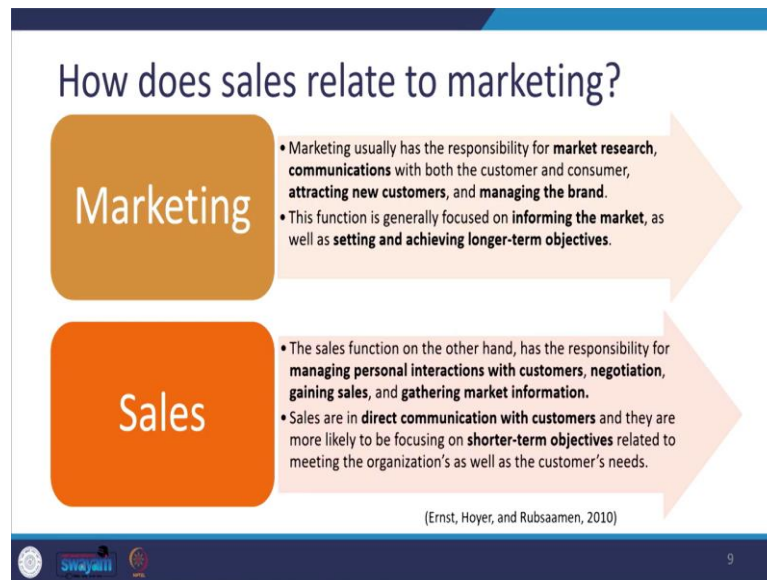
- Originally, **marketing was part of the sales department**, but as the organization has increased the range of products and services it sells to larger numbers of different types of customers, this has resulted in the separation of these two functions.
- This separation caused increasing **competition** 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).

8

So, how does sales relate to marketing? So, originally, marketing was part of the sales organization right. But as the organization has increased the range of products and services, it sells to large number of different types of customers that has resulted into a separation of these two functions sales and marketing. This separation cause increasing competition between sales and marketing functions and departments and this competition increase for resources and dominance within the organization itself.

So, 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 behaviors and have completely different cultures as well.

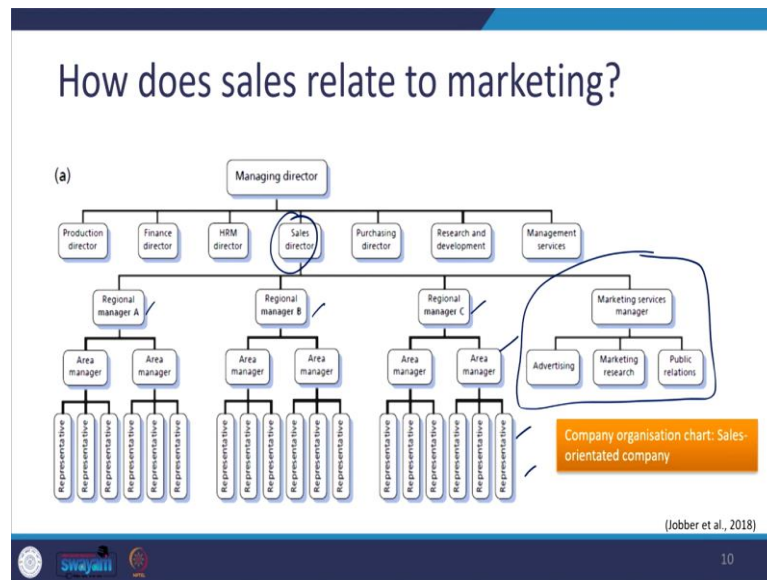
(Refer Slide Time: 06:44)



So, now look at the functions that are carried out by these two different functions marketing versus sales. Marketing usually has the responsibility for market research, communications with both customers and consumers, attracting new customers and managing the brand as well. This function is generally focus on informing the market as well as setting the achieving longer term objectives as well.

The sales function on the other hand has the responsibility for managing personal interaction with the customers, negotiation with the customers, gaining sales and even gathering market information as well. So, sales are in a direct communication with customers and they are more likely to focusing on shorter term objectives; whereas, marketing generally focuses on long term objectives.

(Refer Slide Time: 07:29)



Now, just have a look at the sales organization, how the company organization varies across two different companies; one which is having a sales orientation and another which is called as a marketing oriented company. So, here is the sales oriented company, where there are different functions like production, finance, HR, sales, purchase, R and D and manufacturing Area and within the sales director, we have regional teams.

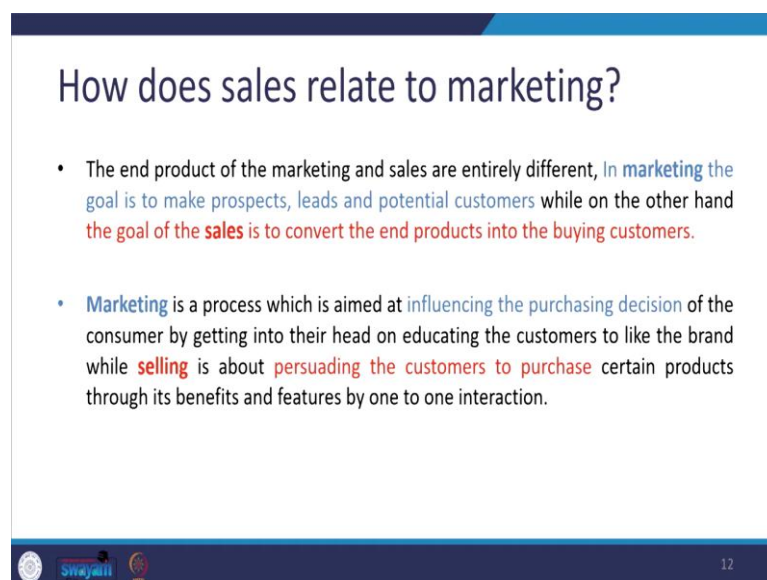
So, regional manager A, regional manager B and C and other things; whereas, the marketing actually functions as a kind of you know assistive function in the particular company and then, below the every regional manager, we have area managers and then, the team of sales representatives.

(Refer Slide Time: 08:15)



Now, coming to the next type of organization which is marketing oriented organization, here a marketing services actually feeds as a kind of support system to all the sales managers which are in the sales office and then, sales team has its own hierarchy like area managers and representatives catering to different markets based on either geographic territories or either catering to the different product categories as well.

(Refer Slide Time: 08:39)

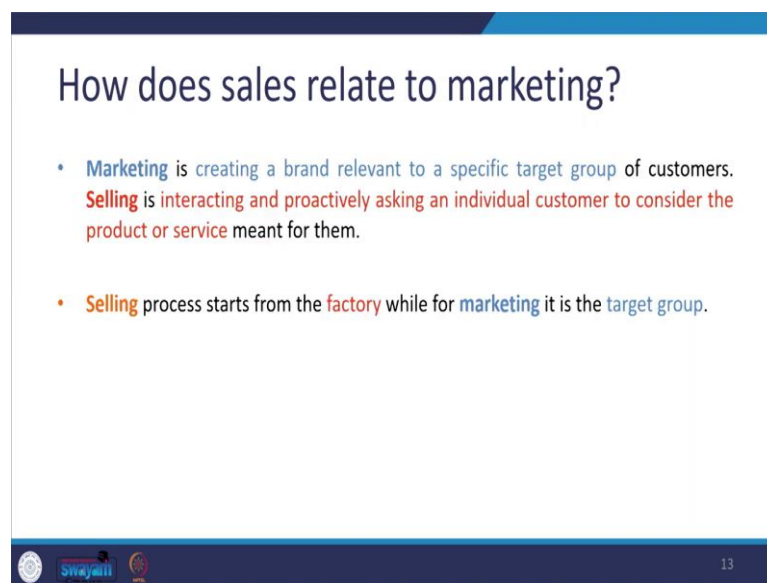


Then how does sales relate to marketing? The end product of the marketing and sales are entirely different. In marketing, the goal is to make prospect leads and potential

customers; while on the other hand, the sales teams try to achieve the convergence right. So, they do not want to achieve those convergence into a customers, the potential customers into actual purchase customers.

So, marketing is a process which is aimed in influencing the purchase decision of the consumer by getting into their head on educating the customers to like the brand, while selling is exactly about persuading the customers to purchase certain products through its benefits and features through one-to-one interactions.

(Refer Slide Time: 09:17)



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.

Swajathi 13

So, marketing is creating a brand relevant to a specific target group of customers, selling is interacting and proactively asking an individual customers to consider the product and services meant for them. So, selling process starts from the factory; whereas, the marketing starts from target group. So, that is the basic fundamental difference between these two functions. Going ahead, throughout last two eras, there is a friction between these two functions within organizations.

(Refer Slide Time: 09:45)

How does sales relate to marketing?

Economic friction ✓

<ul style="list-style-type: none">•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. <p>Price / ₹</p>	<ul style="list-style-type: none">•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. <p>Promotion / 10% OFF</p>	<ul style="list-style-type: none">•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. <p>Product / 🧴</p>
--	---	--

Kotler, Rackham, and Krishnaswamy (2006)

Swajati 14

And there are two types of frictions that can be documented; one is economic friction and another one is cultural friction. In economic friction, we are mostly talking about the 3 Ps of marketing that is price, Promotion and Product; whereas, the Price, related to price, the marketing group is under pressure to achieve revenue goals and wants the sales force to sell the price instead of selling through the price right. The sales people usually favor lower prices because that makes them easy for them to close the sales.

So, they do not want to go ahead with the prices that are given by the marketing domain or marketing department; whereas, coming to promotions the marketing group needs to spend lot of money to generate customer awareness, interests and preferences for the particular product or brand. Whereas, a CEO of a sales department or regional manager of sales department will think exactly opposite of this. He thinks that this money would be better spent on increasing the size and quality of the sales force that can ultimately add to the bottom line of the company.

In terms of product, the marketing team is concerned about releasing products, whose features are have broad appeal appealing to the mass market or appealing to a specific segment that is being selected; whereas, sales people however, often complain that there is a lack of feature, style or quality of their customers that is demanded in those such products.

So, the products that are created or you know kind of innovated from marketing function may not you know kind of you know sellable to the ultimate customers. So, that is kind of economic friction that continuously happens between sales and marketing people or functions as well.

(Refer Slide Time: 11:21)

The slide is titled "How does sales relate to marketing?" and features a central graphic with two large, opposing arrows pointing towards each other. Above the arrows, the text "Cultural friction" is written in red with a checkmark. The left arrow points towards the right and contains text about Marketers. The right arrow points towards the left and contains text about Salespeople. At the bottom of the slide, there are logos for "Sreyas" and "Kotler, Rackham, and Krishnaswamy (2006)", along with the number "15".

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)

15

Coming to cultural friction, there is again a difference between how these two functions acts. So, marketers who until recently had more formal education than sales people are highly analytical, data oriented and project focused. So, marketers are all about building competitive advantage for the future. So, their focus is more into the future, bringing the long term revenues for the company or for the brand as well.

Marketers judge their projects performance with the cold eye and they are ruthless with a failed kind of you know initiatives; whereas, exactly controversy to this, sales people in contrast spend their time talking to existing and potential customers. They are skilled at relationship building. They are not only savvy about customer's willingness to buy, but also attuned to which product features will fly and which will die. So, the sales people want to keep moving; they are used to rejection and it does not depress them as well. So, they live for closing a sale.

So, there is a different kind of cultural approach each person which is employed in a particular domain whether its marketing or sales, they bring the different kind of culture

to the organization and that is why there is a cultural friction between these two functions or the people, who are working in these two functions as well.

(Refer Slide Time: 12:41)

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)

16

Coming to the types of relationships then. So, Kotler et al in 2006 achieved an article that talks about four different kinds of relationship that exist between sales and marketing departments. The first of kind is undefined, where sales and marketing have grown independently; each is preoccupied largely with its own task and agendas. Each group does not know much about what the other group is up to and which usually results into a lot of conflicts and their meetings are usually held only to resolve these conflicts.

Second category is defined relationships, where the two groups marketing and sales set up processes and rules to prevent disputes. So, there is a "good fences make good neighbors" kind of an attitude or orientation; the marketers and sales people know who is supposed to do what and they stick to their own task for the most of the part.

Coming to the third category of relationship which is kind of you know aligned, where sales and marketing departments are aligned with each other. So, they have clear boundaries between them, but they are flexible to work with each other. So, the group engage in joint planning and training, the sales group understands and uses marketing terminology such as value proposition and brand image and marketers confer with sales

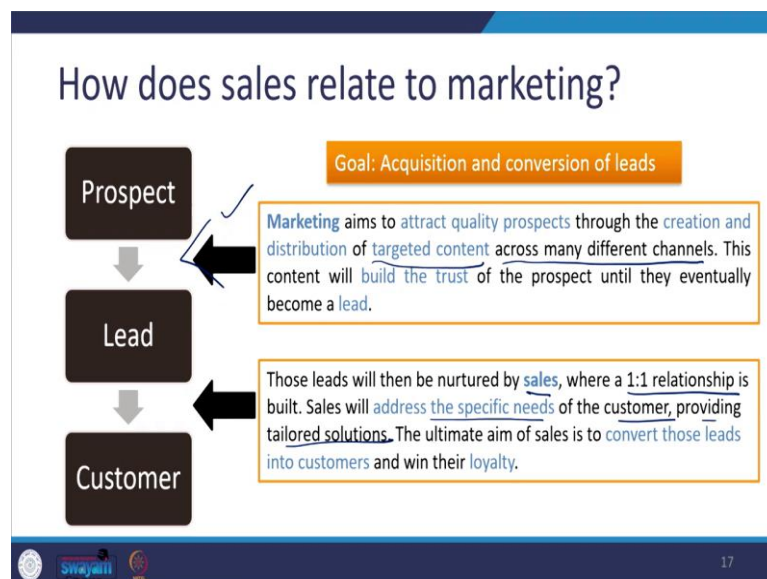
people on important accounts as well. So, its most like their functions or day to day activities, they may take into each other's territory as well.

Whereas, the last and important category which is also rarely find in organization is integrated relationship between sales and marketing. Here the boundaries become blurred. Both groups redesign and relationship redesign the relationship to share structure, systems and rewards as well.

So, marketing and to a lesser degree sales begins to focus on strategic forward thinking types of task like you know market sensing, gathering market information, planning for the new products as well. So, marketers are deeply embedded in the management of key accounts.

So, the key account management is usually where both sales and marketing people will work together, right from starting to identifying the lead up to the conversion and even after that going up to sales after sales service as well. So, the two groups develop and implement shared matrices to evaluate their performances. Coming to the next, so if you look at the overall process of how sales happens. So, it starts with getting identifying a prospect, a potential prospect, converting it into a lead and then converting that lead into a customer.

(Refer Slide Time: 15:11)



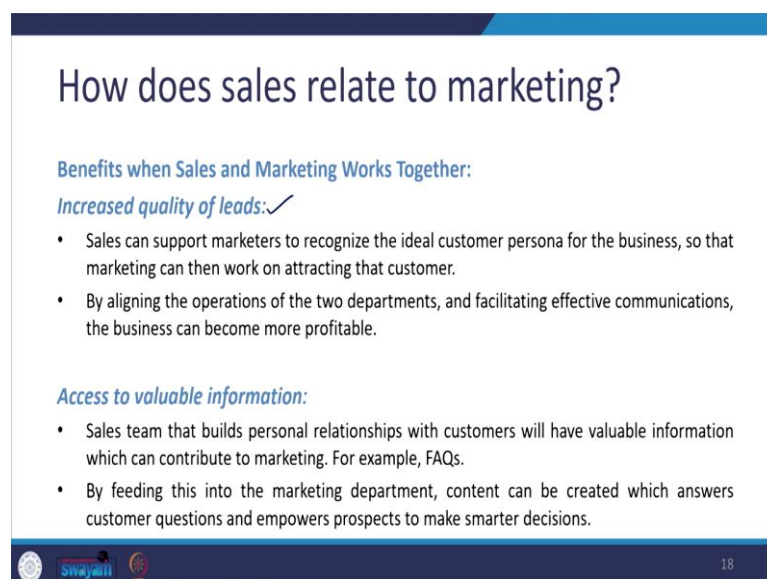
So, usually, marketing functions at the first stage that is between converting the prospect into a lead, a quality lead, marketing aims to attract quality prospects through this creation and distribution of targeted content, where we know nowadays that we are using content marketing tools.

And the content is created across many different channels and it is shared with the customers. This content will build the trust of the prospect until they eventually become a lead and once the lead is kind of you know qualified, it is being passed to the sales department. Then, the sales team took the lead into a forward stages. So, these leads will then be nurtured by sales, where one is to one relationship is built between a sales person and a particular lead or a customer and then, sales will address the specific needs of customers providing tailored solution.

So, identifying needs of a particular customer, they propose different solutions to identify or to approach to those problems or issues faced by the customers. So, the ultimate aim of sales is to convert those leads into customers and win their loyalty so that they become a kind of you know loyal customer for the company.

But overall if you look at this both this functions marketing and sales across the funnel or stages, they share the common goal acquisition and conversion of leads. So, how to go ahead with achieving that kind of a goal? So, what is the benefit if sales and marketing works together?

(Refer Slide Time: 16:40)



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.

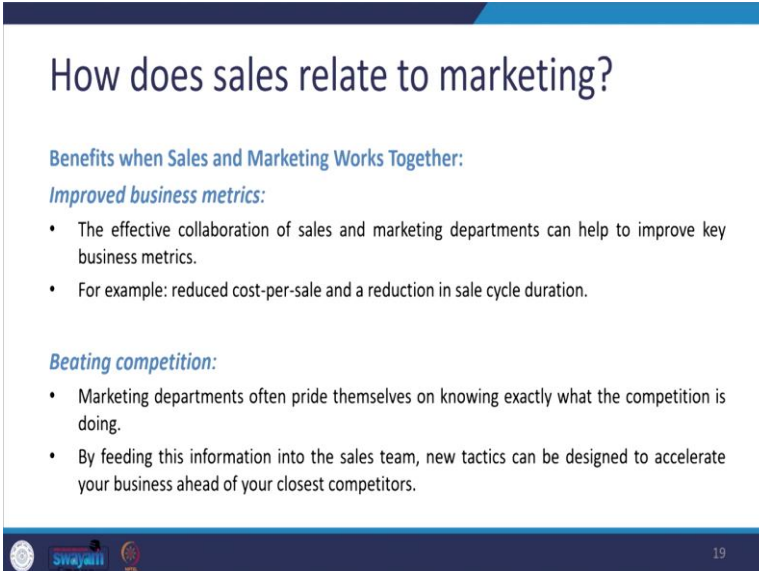
 18

So, there are different benefits. First one is 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. So, by aligning the operation of the two departments and facilitating effective communications between sales and marketing, the business can become more profitable.

Another benefit is access to valuable information. Sales team that builds personal relationship with customers will have valuable information which can contribute to marketing. For example, the frequently asked questions by customers, it is not something which marketers will come into contact with right. So, it is a sales person, who is continuously interacting with customers on the field, they know what are the most kind of you know frequently faced questions or doubts or queries by the customer.

So, then they can bring those FAQs to the marketing team and then, marketing team can actually use that information, feed that information into their kind of you know content that is created to approach those answers or to questions or to approach those questions faced by customers. This will empower prospect to make smarter decisions as well.

(Refer Slide Time: 17:54)



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.

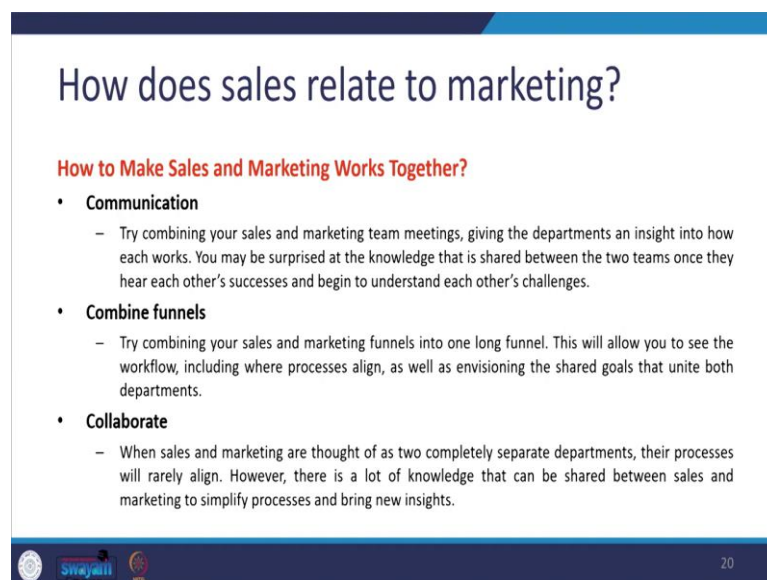
19

Third benefit is improved business metrics. The effective collaboration of sales and marketing departments can help to improve key business metrics. So, for example, it may reduce the cost per sale or it may also results in reduction in sales cycle duration as well.

Fourth benefit is beating the competition. So, marketing department often pride themselves to 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. So, here exactly how marketing is also can be you know beneficial to the sales team functions right.

So, anything information about competition that is generated through marketing that is through tools like market research or social listening nowadays can be given or transferred to sales team so that they can design their sales speech sales speeches accordingly so as to meet the or to close the deals as well.

(Refer Slide Time: 18:49)



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.

20

Going ahead, how to make sales and marketing works together? So, yes, we know the benefits of having these two functions working together; but how to do that? First is to open the communication line between the two departments. Try combining your sales and marketing team meetings, giving the department an insight into you know each other's work, how they are doing particular task. You may be surprised at the knowledge that is shared between the two teams once they hear each other's success and begin to understand each other's challenges as well.

Second is to combine funnels; try combining your sales and marketing funnels into one long funnel. This will allow you to see the workflow including where processes aligned as well as envisioning the shared goals that unite both department. So, it is something

which is again that we saw with relation to having you know a single funnel, where both marketing and sales team personnel can join hands together.

Third collaborate. So, when sales and marketing are thought of two completely separate departments, their processes will rarely aligned right? So, however, there is a lot of knowledge that can be shared between these two teams or these two functions to simplify processes and bring new insights. So, that leads to a completion of the first objective that is how a particular what is the place of selling in the overall marketing plan and how the sales and marketing functions relates to each other.