

Why sales is a support function for marketing, not the other way around, and why most companies get it wrong

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“Why can’t sales and marketing get along,” any number of CEO’s have complained, frustrated by constant friction between the two vital functions.

There’s a simple answer to that question: Most companies have never understood how the two relate, much less established rules for their cooperation.

In some companies, the two are like separate fiefdoms, competing for credit and resources. In others, particularly in sales-driven companies, marketing is just perceived as a sales support group, secondary in every way.

Both models are wrong.

What sales (personal selling) actually is, is a marketing communications medium – perhaps the most powerful and certainly the most expensive medium, true, but a medium nevertheless.

But wait, the screams will start, sales produces revenue. No it doesn’t. The implementation of marketing strategy produces revenue. Sales is just an instrument, no different from direct mail or a website designed to facilitate the customer ordering process or a coupon ad in the back of a magazine. No different from spam, for that matter, except usually more discriminating. (But not always – what are “smoke-stacking” or “cold calling,” if not two-legged spam?)

The Achilles’ heel of integrated marketing communications for most companies has been that they never tried to integrate sales into the process. Most never even perceived that sales was part of the process. Or if they did, management caved when sales predictably and volubly resisted integration.

Trying to produce an IMC program without integrating sales is like producing a battle plan that integrates the tanks and ground troops but leaves the air force to do its own thing. At best, such a plan would be inefficient and wasteful of resources. At worst, it could be self-defeating. Ever heard of “friendly fire?”

In the sixties, when marketing was just beginning to be codified, a major U.S. trade publisher put forth a concept called “The McGraw-Hill Seven Steps to a Sale.” Their thesis was that the selling process implied an escalation during which the potential customer went from unawareness of a product or a company to the state of understanding and commitment which undergirds a mutually profitable long-term relationship. Here is a paraphrased version of the steps they identified, which reads from bottom to top:

- Keep the customer sold
- Close the sale
- Gain preference
- Communicate information
- Establish need
- Arouse interest
- Create awareness

A potential customer obviously won't ever be anything else until he or she knows that you and your product or service exist. Made aware of your existence, his or her next question will be, "So what? Why should I care?" Beyond answering that question, the marketer needs to use the marketing communication process to get the target to where he or she thinks, "Hey, I could use one of these." Once this level is reached, the customer will become more proactive and start to gather information, which the marketer needs to make available faster, easier, more fully, and better tuned to that customer's specific interests than competitors do. Communication means just that: a dialogue, not one-way promotion. Understanding a customer's needs and positioning your product or service to uniquely satisfy those needs is how one gains preference. At last a sale is consummated, but McGraw-Hill was very smart, very early to recognize that that shouldn't be the end of the process. The object must always be not just to make a sale, but to gain a customer. "Keeping the customer sold" would be called CRM today, and it's the key to profitability. Studies prove that in virtually every business, retained customers are more profitable than those newly acquired.

The discipline imposed by this thinking process would have made a major contribution to most companies on its own, but tactical business-to-business marketing planners at GE took it one step farther. They used McGraw-Hill framework to optimize the allocation of resources among various selling media – including personal selling – and thus produced what may have been the first true IMC plans, long before the term existed.

Arranging marketing communication tactics by cost-per-contact (McGraw-Hill annually calculated the cost of a single sales call by industry, although GE had its own data), the GE people assigned tasks to the various media on a cost/benefit basis. A personal sales call being the most expensive, that was the one they started with. Where on the McGraw-Hill scale was the involvement of a sales person most necessary? The answer is at the close, of course, so the IMC plan objective is to make sure that nearly every time a sales person is with a customer, the customer is ready or nearly ready to take that step. Fewer calls at a lower level in the process means higher productivity. Fewer calls per close can add up to a potentially significant reduction in the cost of a sale. IBM calculated that if they could cut the number of calls it took to close a sale on a particular computer system from five to three, the bottom-line difference would be in the tens of millions of dollars. That's one very good way to measure the ROI on an integrated marketing communication program, incidentally.

The obvious question is, how do you get the customer to the point of being ready to close while minimizing costly sales calls? The obvious answer – once you’ve internalized the idea that sales is just one of many marketing communications media – is by allocating each task to the optimal alternative. At the awareness level, where there is the most potential for waste, GE assigned the least expensive media on a cost-per-contact basis – advertising and public relations. (Today, they’d no doubt add the internet.) The primary job of these media was to make contact, elicit a response and initiate a dialogue with the customer. The most promising prospects thus identified, the ensuing dialogue can be conducted with increasingly expensive media – customized direct mail, telemarketing, video conferencing, whichever media make sense relative to mission requirements, content, and customer preference. The investment is clearly justifiable, because at each level, the target prospect has a higher potential to transition from prospect to customer.

Here is how a prototypical allocation between personal selling and other marcom media might look:

	<u>Personal selling</u>	<u>Other marcom media</u>
Keep the customer sold	_____	_____
Close the sale	_____	_____
Gain preference	_____	_____
Communicate information	_____	_____
Establish need	_____	_____
Arouse interest	_____	_____
Create awareness	_____	_____

To turn the generic model into a practical tool, GE sales people worked with marketing and marketing communications people to construct specific steps-to-a-sale maps for each of several diverse product lines, ranging from motors for various industrial applications (such as elevators and steel mills) to packaged gas turbine electrical generation systems to military jet engine programs. For each, using a combination of market research and specific customer intelligence, teams worked out who the players on the customer side were (users, buyers, influencers), which “step” each group was on, and what information would have to be communicated to move people up. What needs and concerns did each group have, relative to the product? What was their current level of knowledge and interest? What did they need to hear that GE could say, and what was the optimally efficient and effective way to deliver that message? Comprehensive plans were created to accomplish the total selling job, with specific roles for the sales force integrated with various other forms of marketing communication, all deployed on a timeline with continuous feedback and measurement. By the time sales people called on a prospective customer, they knew exactly what information had changed hands, what information the

customer had been exposed to and what his or her response had been. Every planned company-initiated mail and phone contact, every customer request for information, every company follow up conversation had been recorded and analyzed. The customer would be ready or nearly ready to close. No costly sales calls were likely to have been wasted communicating information that could have been communicated in a less expensive way. Every sales call had the potential of culminating in an order; thus the productivity of both the marketing communication process and each individual sales person was maximized. There was no wasteful duplication of effort, and no potentially disastrous communication at cross-purposes, as often occurs in companies where marketing, sales, and marketing communication are not integrated. Company efforts are coherent in appearance and in fact, and the customer experience is consistent.

Can sales and marketing get along? They certainly can, if companies stop treating them as separate entities and build their relationship around the concept of integrated marketing communication.