

Marketing action plans

[sales & salesforce management]

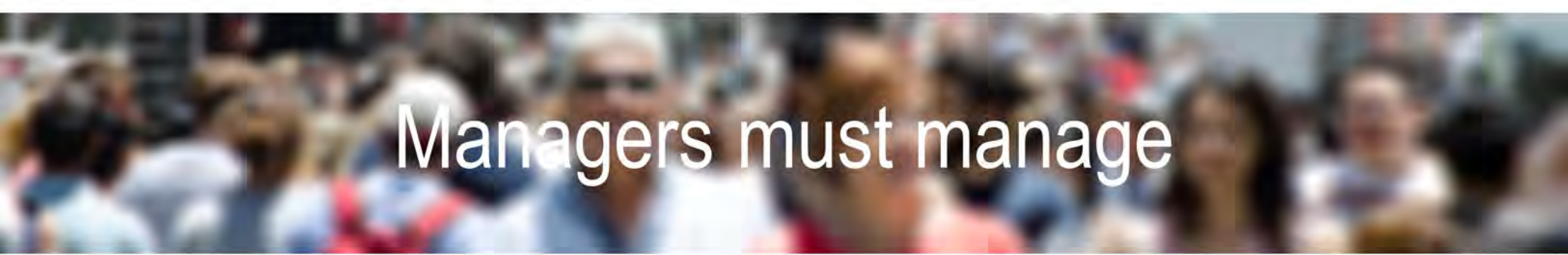


Directions



Today we will discuss

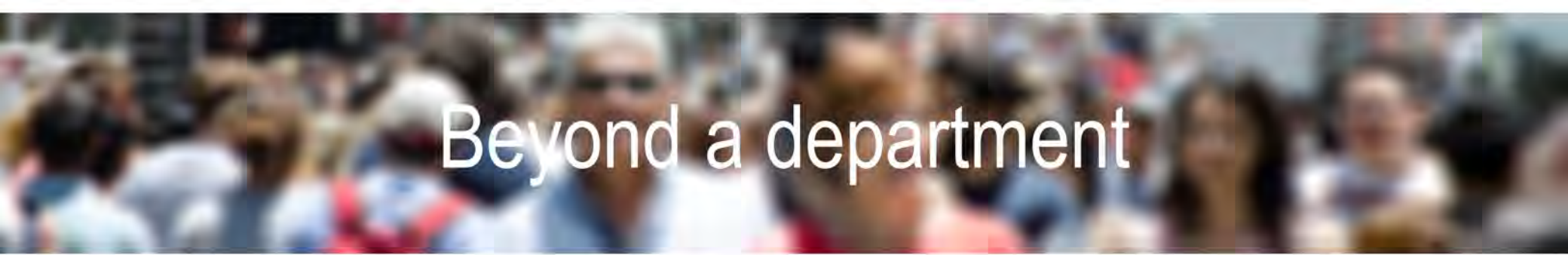
- How lead management is often a neglected area
- The components of
 - the salespipeline
 - accountability in marketing practice



Managers must manage

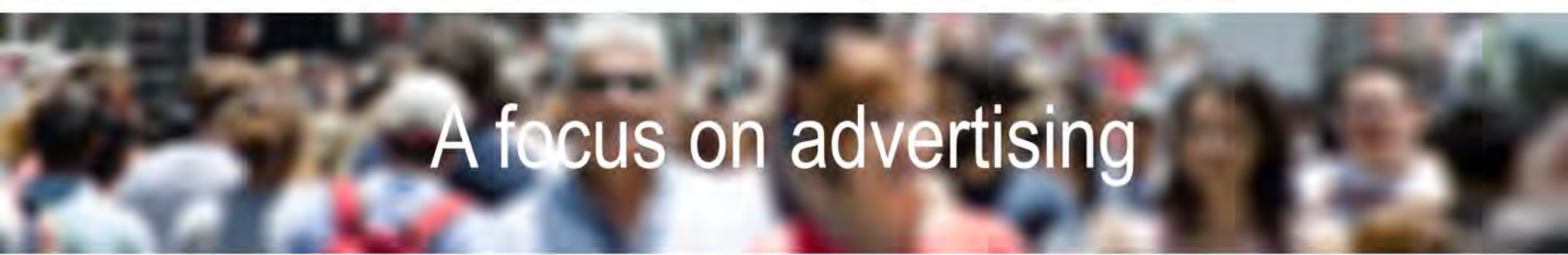
Sales leads are the lifeblood of many organisations. Often organisations spend considerably to generate sales leads yet sadly they are not always managed correctly.

Obermayer (2007)



Beyond a department

- Previously we have discussed how marketing is often seen as a department or as a function rather than a business philosophy
- There are a number of reasons why some marketing managers are reluctant to venture beyond a broad communication role, some marketing managers:
 - Focus on the creation of a **brand image** rather than the cultivation of profitable relationships that build a **brand identity/brand equity**
 - Are reluctant to express marketing objectives in terms of sales outcomes
 - View sales as beyond their control or domain



A focus on advertising

- There is often a greater focus on the creative side of the communication mix than on the role of personal selling and the sales process.
 - Consider the TV shows dedicated to advertising.
- However, often products are sold 1+1+1+1.... and are encounters between real people in real time.



How long does the sales process take ?

Identify the true source of an enquiry

- Two terms need clarification **an enquiry and a lead**.
 - An enquiry is from someone who **suspects** that you have a product that may be of benefit to them in the future.
 - An enquiry transforms into a lead when the suspect agrees to further discussion
 - At this point the **suspect** becomes a **prospect**.
 - Keep in mind that: Not all customers start their relationship as suspects - some are presold* through WOM
 - *Sometimes referred to as “qualified leads”

What would the reaction be if a company lost

10% of its suspects

10% of its prospects

10% of its customers

or

10% of its stock



A photograph of a field of golden wheat or grain, with the stalks reaching upwards against a clear blue sky. The image is partially obscured by a dark blue banner at the top and a white text area on the right.

Think and behave like a farmer

You can't harvest
if you don't sow
& nurture your
crops



Effort must be made to populate the salespipeline

Advertising can create the attention, the interest, the desire but often it needs personal conversations to make a sale – to create the exchange.



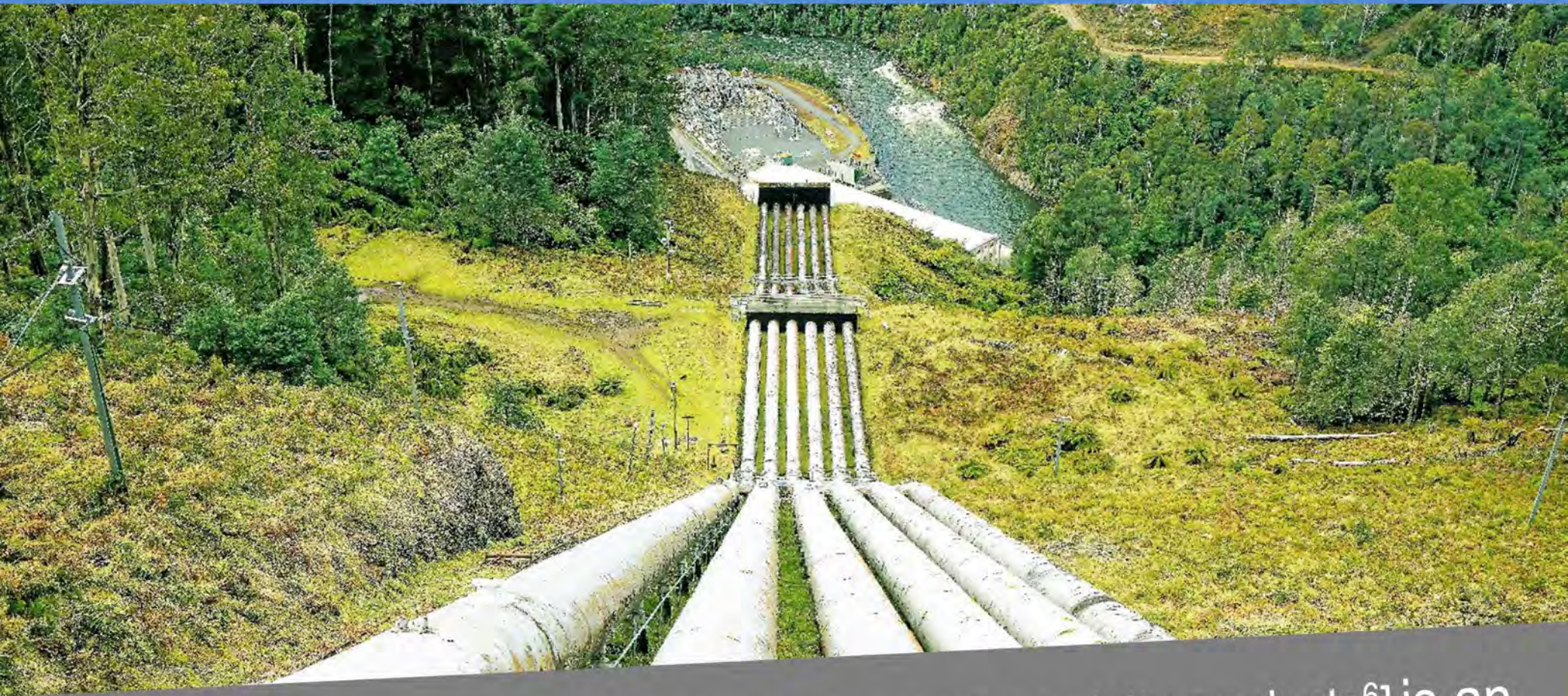
Nurture every lead like your life depended on it

Consider how commission salespeople in third world countries propagate, cultivate, and nurture a sales lead

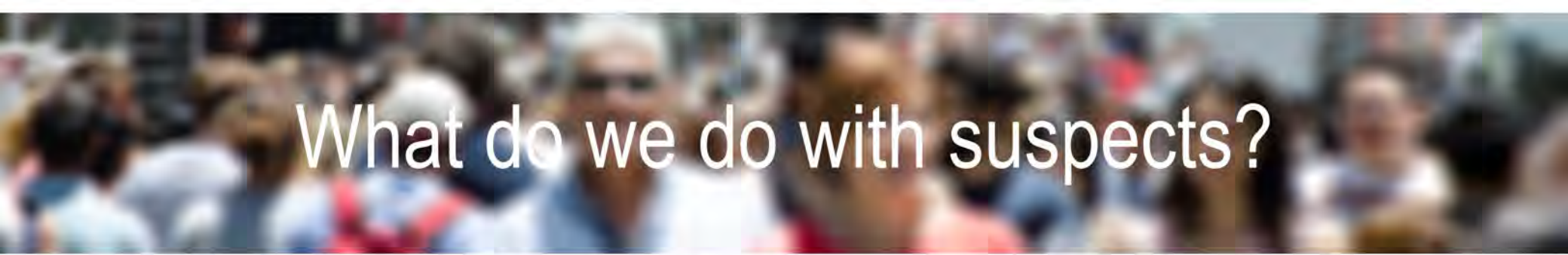


What are the benefits to department stores who track and respond to the consumption patterns of their customers?

Populating & energising the salespipeline is vital.



Lead generation [shopping and specialty products⁶] is an important step in the sales process & future relationship building processes



What do we do with suspects?

- Once there is the overall recognition of a *suspect* stage within an organisation there are a number of key tasks, including:
- determining a \$ value of a suspect to the organisation
- communicating the value of *suspects* to all customer contact people

What do we do with suspects?

Training should also communicate that

- Business relationships [like personal relationships], develop at different speeds
- Keep in mind that:
 - a suspect may not buy from you **now** but most likely **will** buy from **someone** in the future
 - if you let them down at this stage they will communicate their conclusions to others]

What do we do with suspects?

Marketing managers should

- create opportunities for suspects to discover the product by chance [e.g., product expos, advertising material]
- produce communication material designed to:
 - advance the suspect to the prospect stage
 - empower the suspect with sufficient knowledge to recall and sell to other decision makers.



The need to qualify

- Much has been written about the importance of qualifying and prioritising leads
- There is a need to prioritise against a time frame,
- However, qualifying and prioritising a lead should not be interpreted as ignoring or not following up on some leads

A real estate sign is positioned in the foreground, partially obscuring the background. The sign features a red banner at the top with the words 'FOR SALE' in white, bold, sans-serif capital letters. Below the banner is a collage of four photographs: the top-left shows a modern building with large glass windows; the top-right shows a swimming pool at night; the bottom-left shows a living room interior with a sofa; and the bottom-right shows another view of the swimming pool. Below the collage, the text 'IN A CLASS OF ITS OWN' is printed in white, bold, sans-serif capital letters. Underneath this text is a row of five small, square icons, each containing a number and a small graphic: '4' with a house icon, '3' with a house icon, '2' with a house icon, '1' with a house icon, and '1' with a house icon. To the right of these icons is the text '983sqm'. At the bottom of the sign, the text 'ACTION APPECROSS - 13 KEARNS CRESCENT APPECROSS WA 9316 8088' is printed in white, sans-serif capital letters. The sign is set against a background of green grass and trees.

FOR SALE

Gathering leads varies according to: the product the customer, & the action required to advance the customer to the next stage



Buying a new home

Specialty product

- High cost
- High involvement
- High risk
- High in problem solving
- High interaction
- Syncretic decision
- Long pre-purchase stage
- Goods, services, ideas, experiences, people & place components are all important.



Buying a tailored suit

Specialty product

- Relatively high cost
- High involvement
- High risk
- High in problem solving
- High interaction
- Autocratic/syncretic decision
- Long pre-purchase stage
- Goods, Services, ideas, experiences, people & place components are all important.



Shopping product

- Relatively low cost
- Med. involvement
- Low risk [unless a gift]
- Low in problem solving
- Medium interaction
- Autocratic decision
- Short pre-purchase stage
- Goods dominant.



Buying a new handbag

Shopping product

- Relatively low cost
- Med. involvement
- Low risk
- Low in problem solving
- Medium interaction
- Autocratic decision
- Short pre-purchase stage
- Goods, services, ideas dominant.



Why is it important
to nurture
customers in the:
luxury segment?

e.g., fashion, travel, hospitality



Keep in mind



That an organisation focussed on enhancing customer relationships will view the sales process differently to an organisation focussed on a production or selling philosophy



Different paradigms and philosophies

Keep in mind

- That sales are a measure of buying activity and not selling activity.
- The focus should be on creating buying moments.



Vignette: where do sales come from?



Change of topic
CRM and how it can assist managers

CRM technology & lead management

- One of the advantages of CRM technology is the ability to assist sales support staff, salespeople, sales managers and marketing managers to better manage the attraction of new customers.
- With real time information [externally via wireless access] salespeople are able to communicate better with customers and sales managers are able to communicate in real time



CRM software can assist

- Marketing managers need quality information to:
 - adapt quickly to changing conditions
 - forecast and manage capacity and demand
 - predict the effectiveness of the future promotional campaigns through marketing metrics
 - demonstrating a ROI on past or future spending
 - improve the effectiveness of marketing expenditure
 - rank marketing activities according to their ROI



CRM can help to manage leads

- Leads are perishable and depreciate with time
- One of the key CRM benefits is the ability to make better decisions, to manage costs and revenue:
 - cost of leads
 - leads-sales conversion [lead churn]
 - lead-sale time
 - \$value of sales
 - identify salespeople in need of training



Automation of leads

- Often lead distribution can be automated as part of the workflow
 - distributed to appropriate salesperson/region/department
 - entered seamlessly into the CRM system to
 - reduce repetition
 - ensure real time tracking



Change of topic

Identify the source of leads



Identify the source of the lead

- Often it is difficult to determine the source of the sale:
 - particularly with low involvement convenience products and shopping products
 - With convenience and shopping products there is often little contact with the customer or little opportunity to determine the catalyst for the sale.
- Furthermore, consumers are often wary of such questioning and often see intrusions on their time as an unnecessary cost.



Identify the source of the lead

- With specialty products, when involvement [enduring involvement] problem solving and customer interaction are high, customers are often prepared to be involved in information collection.
- With professional services they often expect that biographical and need details are taken prior to the product delivery
- This is particularly true when they perceive a personal benefit in the future.



Identify the true source of an enquiry

- Support staff need to be provided with the skills necessary to uncover the original source of the enquiry or lead.
- Because, there are different communication techniques for suspects, prospects and member customers
- We discuss this further in another session.



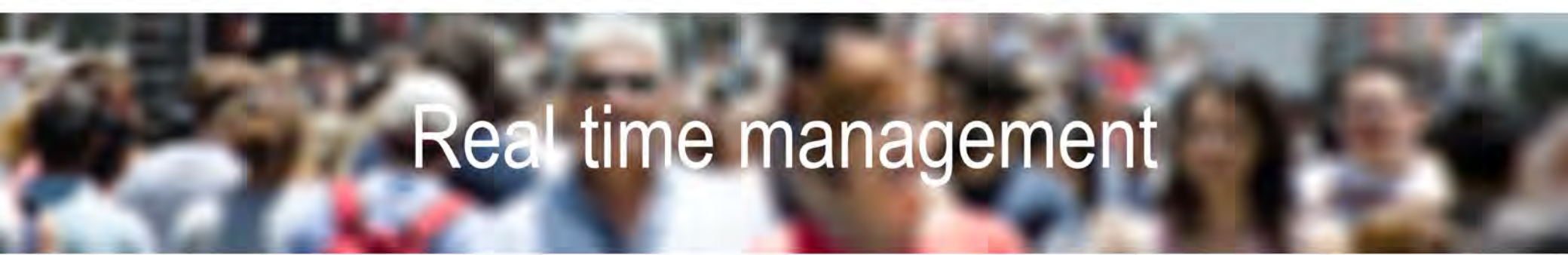
The salespipeline

- A rigorous lead management system, records:
 - the nature of their enquiry
 - allocates accountability – responsibility
 - Often automated
 - tracks salesperson behaviour/outcomes
 - tracks salesperson-customer interactions



No two salespeople will have the same training needs

Salesperson performance can indicate areas where
sales/service training is needed



Real time management

- Whilst recording information is important
- It is also important to gain **real time** access to track and monitor enquiries as they progress from suspect to prospect to customer and beyond [the lifetime value of that customer].

Quick recap on CLV



Customer lifetime value

- is the projected net contribution of a customer [after all future expenditure and all future revenue]
- Keep in mind that customers are generally seen as an asset, however they can be a liability.
 - Prospects that are likely to be unprofitable or dissatisfied should be carefully managed prior to an exchange

Alchemy – improving customer value

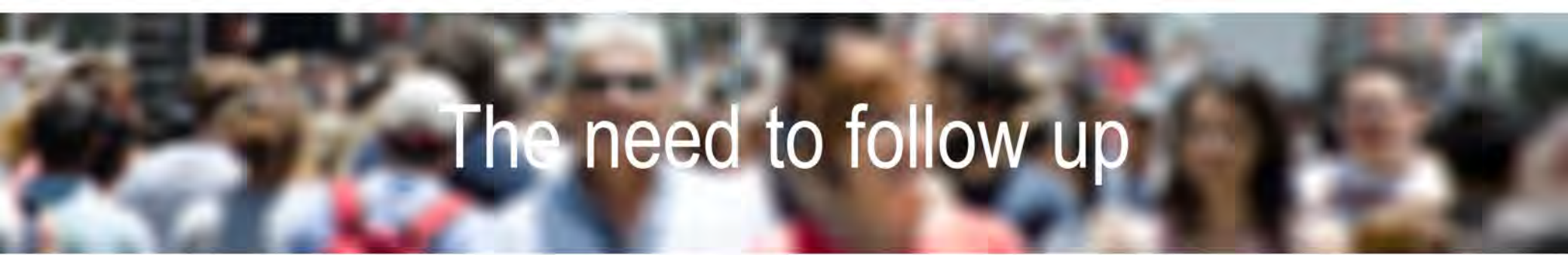




You are the marketing manager of an organisation with a head office in Sydney [Australia]. How would you track the performance of different offices in different countries and different states?

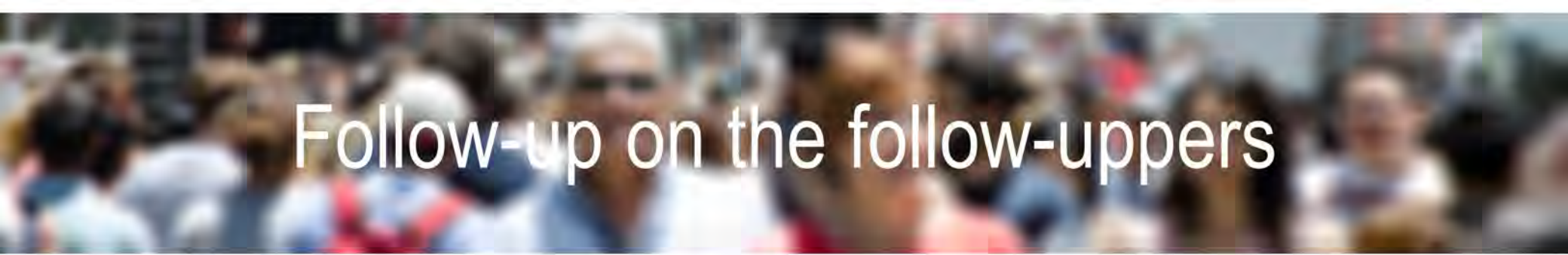


Change of topic
Treat leads as if they are precious



The need to follow up

- It is an important task for organisations selling specialty products to follow up **all leads**.
- A key point to remember is that relationships take time to develop [varies from person to person]
 - often it takes a number of buyer-seller interactions for a suspect to progress to the prospect stage.



Follow-up on the follow-uppers

- Organisation that follow up are better placed to create more buying moments
- A process needs to be implemented to ensure that follow-up has occurred
 - The time between the initial enquiry and a return phone call is also important.
 - For most products sales leads are perishable.
 - A *best before* time needs to be recorded on each lead as it is recorded
 - Every lead needs to have an outcome statement



Protecting intellectual property

- In my conversations with business people who have adopted CRM they say:
 - That CRM sensitizes managers to the value of their customers and protection of their customers when staff leave.
 - Plus CRM makes it easy to handover a case load to other employees when a staff member leaves
 - Previously, when a staff member left more knowledge left.