

Suggested answers

1. **Which of the dimensions (personal selling, customer-orientation or public relations) had the biggest effect on AWD's services and marketing campaign?**

The greatest impact on AWD and its marketing campaign could be identified as the public relations activities that were inspired by its founder, Carsten Maschmeyer. Maschmeyer and the public relations team from AWD ensured that his public persona was continually associated with people who would enhance the trusted image of the company. However, whilst the public relations campaign may have produced the public image, the fact that AWD won an award for 'customer orientation' indicates that the personal sales team's work had been recognised as well. The changes in the German financial security system that were launched by the government specifically encouraging people to take care of their own retirement provisions could have also contributed to a growth in sales. AWD took this opportunity in its stride and integrated this into its public relations and personal selling campaign; however its public image, which had taken much time to develop, had been tainted.

2. **What are the different public relations tools or programs that a company such as AWD can use?**

There are many opportunities to gain PR media coverage through appearances in the broadcast and print media. Companies can use PR consultants and spokespersons for interviews, press conferences and press releases. Being involved in charity projects, making donations and sponsorship programs are all effective in establishing a positive public relations image both locally and internationally. Companies can arrange events, for example to promote new products or services, using prominent people from outside the company associating with those from within the business to gain unpaid media attention for their products or services. This can also occur through association at public events (though there is a discord where events become a tool of promotion or of public relations). Alternatively, companies can increase their value as a 'good citizen' with

events such as charity functions or open days.[17] Also the internet offers a variety of ways to gain publicity. Firms can create their own blogs and Facebook profiles or use Twitter. The disadvantage that comes with these methods of reaching a big part of the population is the lack of control over the message that is communicated. People can use the internet as a pool to inform others about their dissatisfaction with the company or its products or to complain about poor customer service.[18]

3. What impact might the AWD public relations campaign (that became viewed by the public as unethical) have upon the customer-orientation of the personal sales staff who have to sell the insurance and superannuation retirement insurance packages to their clients?

Personal sales staff might be adversely affected by the unethical public relations activities: the perception of the consumer is all-important. If the public relations campaign were seen to reduce the level of trust that consumers had in AWD, personal sales staff might find that not only do they receive lower bonuses because of lower sales, but they might also receive verbal criticism as consumers seek to lash out at anyone associated with AWD. Unethical behaviour and corporate social responsibility (CSR) demonstrated by companies such as AWD should cause a decrease in consumer loyalty. It is difficult for a company such as AWD to ensure the highest ethical performance in public. However, AWD should consider the effect those poor public relations outcomes will have upon sales staff and their sales activities. Issues such as low morale and loyalty among both customers and staff can have a dramatic impact upon personal selling and sales outcomes. This poor public relations image can be interpreted as a form of betrayal by AWD consumers and it will take a lot of effort for the company to recreate an improved corporate image. Poor levels of corporate social responsibility lead consumers to develop tainted images of the reputation of companies like AWD and these will remain in the minds of consumers for some time to come. However honourable activities (such as those of the personal sales staff who won awards for their service) will encourage potential AWD consumers to its products or services.

4. What factors may have influenced the effectiveness of personal selling in a company such as AWD? Explain.

The factors influencing the effectiveness of personal selling are:

The nature of the salesperson–customer relationship

For AWD, which had considerable success with its sales force winning awards for its customer service, the key factor is keeping its sales force. There is a concern with the continuity of its sales people's relationship with their customers. It is essential therefore that sales staff get to meet people face-to-face rather than through printed material and advertising. The development of relationships between the sales staff and their potential customers becomes very important. The salesperson has to develop a relationship of trust and friendship with their customers. As in most relationships, in the salesperson–customer relationship one party is dominant. Salespeople must try to create a balance in this power/dependence situation and drive the relationship towards cooperation rather than conflict. The nature of the relationship and willingness to cooperate also depends on the expectations the parties have of each other. In the case of AWD, what can be construed as inappropriate public relations behaviours and outcomes could have a very negative impact upon sales.

Behaviour of salesperson

The behaviour of salespeople is highly dependent upon their awareness of the local consumer and their ability to deal with the consumer's cultural values and norms. The salesperson should adapt his or her sales message, approach and behaviour to the customer according to local norms. Public relations activities can affect the sales staff's relationships with their customers. In the instance of AWD, sales staff received accusations of corruption, arising from the public relations activities of Carsten Maschmeyer.

Resources of salesperson

Salespeople involved in marketing need to be trained not only for a particular product's sales market but also for general capabilities such as analysis and negotiation. Training

of sales staff at AWD has obviously been of the highest quality, as sales staff had been recognised for their successes. Development of product knowledge and sales capabilities are essential for marketing activities and for developing relationships with customers. The sales force should be fully aware of the company's products and customers' needs and how these two could be matched together. A holistic view of the company's capabilities and resources is essential for representing the company fully and efficiently. The salesperson should have full knowledge of the market and customer segmentation, not only of existing customers. Having a full picture of all available alternatives is a good resource that helps customer relationships. The image and positioning of a company such as AWD in a particular market is of the utmost importance and can be either good or bad baggage for the salespersons. There must be consistency between the company image and the message that the sales force is presenting to its customers.

Nature of customer's buying task

The salesperson can influence the nature of the customer's buying task, for instance by making the customer believe that there is a perfect match between the customer's needs and what the salesperson is offering, or by working together with the customer in defining their needs. The relationship orientation from both sides is thus crucial. The salesperson can get involved at an early stage of the customer's buying process. The more alternatives a customer has, the harder the salesperson has to work to convince the customer. However if the sales person (like those at AWD) has to contend with poor public relations dragging down the image of the company, the sales task becomes much more difficult.

5. Are consumer attitudes considered important by marketers? Reflect using your interpretations from the case of AWD.

Attitudes can be defined as the way consumers think about, feel about and act towards some aspect of their environment. For example, initially consumers had good feelings and positive attitudes toward AWD as they saw Carsten Maschmeyer mixing with

positive role models such as high profile politicians and acting positively toward charities. As a result of all the influences that consumers observed, attitudes reflected the positive lifestyles of the individuals that Maschmeyer pursued. Attitudes, therefore, are the focal point of a great deal of marketing strategy. However, as the public relations image of Carsten Maschmeyer deteriorated in the press, consumer attitudes rapidly declined and were reflected in abuse of sales personnel.