

## **PART 5**

# **Extension case studies and activities**

As you worked through this text I hope you tested your selling knowledge, skills and aptitude using the questions associated with various ads and pictures and the problems and activities at the end of each chapter. I hope you might now feel ready to further extend your understanding of personal selling.

**PART 5** contains a number of case studies, role-plays and exercises to help you to develop your selling knowledge and to apply your skills to practical real-world sales situations.



# CASE STUDY 1

## Chasing her tail?

**This case study examines the sales tasks of gathering information and organising activities and time.**

The first day in a new job is always daunting, but after just an hour Rosina Melocco was wondering what had hit her. One hour, just long enough for a meeting with her new boss, Melissa Vincent. Just long enough for Melissa to tell Rosina what was expected of her and how big the task was.

‘Where do I even start?’ Rosina muttered as she returned to her new office, the office she had set her sights on occupying three years ago. Now it was hers, but was she ready, could she really live up to her new surroundings?

For the past three years, Rosina had been a sales rep for one of Australia’s leading suppliers of pet foods. Her firm was not market leader overall but it had established a solid position by focusing on the premium end of the market: cans and packets of foods for pet owners who wanted the very best for their animals.

Sales through supermarkets dominate the pet food market in Australia and this was the market in which Rosina had learned the business. Firstly as a merchandiser and then as a territory rep, she had called on supermarkets to ensure her brands had their rightful shelf space, to erect promotional displays and to deal with any problems or issues the stores might have. After two years she was also given some major account responsibilities, assisting the key account managers to prepare proposals for the Coles and Woolworths buyers, the people who could make or break a brand. It was her work on these tasks that had now earned her new role. But what a challenge!

### A new market segment

‘Supermarkets may be where the volume is’, Melissa had explained to her, ‘but the profit margin and the growth is in another market sector, pet specialty stores.’ These are large, usually free-standing shops that specialise in pet products—food, accessories, kennels and so on. ‘They appeal to exactly the type of pet owner we are targeting’, Melissa continued. ‘At present there are only about fifty of them but they will grow. In America they account for forty per cent of the market.’

Rosina was aware of the specialty stores, of course, she had even called on a couple in her territory. ‘We have decided it’s time to treat these stores as a separate market segment. Up until now we have been selling these stores our supermarket lines, but now we are ready to launch a range of super-premium products aimed specifically at these stores.’ Melissa had told her, ‘We need someone to organise our sales effort with them. We think that someone is you!’

It had sounded like a great opportunity, exactly what she had been working for, but after one hour in the job, and a first detailed briefing meeting with Melissa, she was not so sure. Back in her office she sat at her new desk, Melissa’s final words ringing in her ears: ‘Your first job is to develop a detailed plan for this part of our business. It will be you here in Melbourne plus one full-time sales rep based in Sydney. For merchandising you have two choices: either use our current supermarket team—most of the reps drive quite close to a pet specialty store on their normal runs—or hire your own. You need to learn about these stores, how they operate, what they need and so on. You need to work out how best to use your time and your people’s, and you need to make sure we are the first supplier to knock

on the door when a new store is being opened. Obviously, I'm here to advise and support you, but do you think you're up to it?'

'Oh, sure', Rosina had enthused.

But was she? Only one way to find out, Rosina thought as she settled down to the task. She decided her first priority should be to make a list of everything she knew, and another one of everything she needed to know. Then, finally, she needed a list of tasks, the things she would need to decide or do to get control of her new 'business'.

'That's what it feels like', she said to herself as she began to write. 'I feel like I have taken on my own business.'

Here is what Rosina's lists looked like.

### What I know about pet specialty stores

- Currently fifty-two stores nationally, located in capital cities, mainly outer suburbs.
- Two small chains each of five to ten stores, all others are independently owned.
- The stores stock a wide range of pet foods and accessories—a much wider and deeper range than supermarkets.
- The stores seem to operate as self-service outlets, but with staff available to give advice. (This is another point of differentiation from supermarkets.)
- The average customer purchase is several times higher than pet food buyers in supermarkets, apparently both because of bulk packs stocked and because of the range of non-food items available.

### What I need to know

- Our super-premium pet food range?
- Store locations?
- Ownership/management?
- Size/turnover?
- Required profit margins?
- Promotional requirements and attitudes?
- New store openings?

### What I need to decide/organise/do

- How should I divide my function? How do I allocate my time between head office calls for the two chains, sales calls on stores and administration?
- How do I organise merchandising—tap into the current team or develop my own?
- How should I use the firm's marketing, telephone sales and customer service departments?
- What reports will I need to organise—myself and merchandisers?

### QUESTIONS

1. **Examine Rosina's list titled 'What I need to know'. For each item, suggest sources or means of obtaining the information.**

What I need to know	Source or means of obtaining information
Our super-premium pet food range?	
Store locations?	

Ownership/management?	
Size/turnover?	
Required profit margins?	
Promotional requirements and attitudes?	
New store openings?	

**2. Outline a process Rosina might follow over, say, the first three months in her new job to ensure she allocates her time most effectively.**

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**3. Discuss the issues Rosina needs to consider in deciding whether to use the existing merchandisers or hire her own team.**

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4. How could Rosina use the firm's other functional departments to help her develop the business with this new market segment?

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5. Describe the reports that Rosina will need to complete or collect in her new job.

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# CASE STUDY 2

## After my friends and relatives . . . what then?

**This case contrasts two different sales jobs and introduces practical aspects of finding new customers in B2B and B2C markets.**

Sally Crips has been working as a salesperson for a multinational grocery products manufacturer for the past three years; now she's ready to progress her career.

'I've learned a lot about sales in this job, but it's time to take the next step as a sales professional', she said.

Now the opportunity might have arisen. Recently, Sally met up with an old class mate from TAFE. Ron Tallon has become one of the most successful financial consultants at Global Investments Company. He spoke to Sally about career opportunities at Global.

'Previously our salespeople focused on selling life assurance policies but now the whole industry has moved into other product areas', Ron told her. 'We have titles like Investment Adviser and Financial Consultant, but it's really still selling', he laughed. 'The services we sell are complicated but our company has a very good training program. In fact, the hardest part for the salesperson is to locate enough potential customers. Once you do that, we can show you how to sell to them. You should think about joining us.'

Ron gave Sally some background information on Global and the financial services market:

- Financial services is a fast-growing market, both because of the many baby-boomers looking to secure their retirement and because of a general increased awareness by government, organisations and individuals of the importance and value of planning for long-term wealth creation.
- The market for superannuation products includes individuals who are self-employed or move job to job in an industry, people who wish to top up the benefits from one superannuation scheme by purchasing additional coverage, and organisations that wish to provide a superannuation benefit for their employees and members.
- Middle-aged and older people are usually already heavily involved in a superannuation scheme but there is a huge potential market among young people who are beginning their careers and who have not committed to superannuation products yet.

Global Investment offers a variety of financial services:

- Superannuation schemes provide investors with an income stream after retirement and can also provide lump sum payments. Customers can choose between riskier funds that offer higher returns and safer funds with a lower yield.
- Professionally managed investment funds allow investors to pool their money and invest in a much wider variety of securities than they could as individuals. There is a wide variety of these products. Some are focused on growth potential while others are conservatively managed.
- A wide range of insurance policies are available, ranging from professional indemnity insurance and life insurance to vehicle coverage.

Ron has told Sally that his best leads are obtained by asking satisfied customers for referrals.

'That's fine for him', Sally thought, 'he's been in the industry for years. I'd be starting with nothing. She made a list of her relatives and friends who might be interested in the services Global offers. That would be a start, but where should she go from there?'



‘It’s a lot different to my current job. My customers are supermarkets and grocery stores. Just drive around my area, you can’t miss them.’

Sally decides that before she makes up her mind about whether to join Global she needs to be sure she has the knowledge and skills to identify and qualify a large number of prospects.

QUESTIONS

1. List and briefly explain at least five separate prospecting methods or sources Sally could use for:
- (a) young people just beginning their working lives;
  - (b) families with children aged between five and eighteen years.

Young workers	Families
Prospecting sources	Prospecting sources
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

2. How would Sally’s prospecting methods differ in the consumer and commercial markets?

Prospecting in the consumer market (B2C)

Prospecting in the commercial market (B2B)

3. What qualifications should leads in both these segments (consumer and commercial) have for Sally to consider them as genuine prospects?

Qualifying consumer prospects

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Qualifying commercial prospects

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4. From your answer to Question 3, develop a set of appropriate and sensitive qualifying questions Sally could use with her consumer and commercial prospects.

Qualifying questions for consumers

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2. 

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Qualifying questions for commercial customers

1. 

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2. 

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# CASE STUDY 3

## A breath of fresh air

**This case considers the different sales approaches needed for B2C and B2B customers.**

‘Sometimes, I feel like this business is running us, rather than the other way around’, said Jenny Ma to her husband, Simon. ‘Remember at the beginning when we said the first five years will be tough but then we can take it a bit easier? How long has it been, fifteen years? And we still seem to lurch from one crisis to the next.’

‘Business is tougher now than it used to be, that’s all it is’, said Simon. ‘There’s more competition, customers want more, red tape everywhere. That’s just the way it is.’ And Simon turned away to take another phone call.

But Jenny was not convinced. She and her husband established Lifestyle Air-conditioning Services in Brisbane in 1991, and they have steadily built the business into one of the best-known suppliers of climate control systems in Queensland. In the early days Jenny and Simon did everything: answered the phone, called on potential customers to give quotes, arranged the delivery of the air-con units. Simon even did all the installations. Fifteen years on they have three salespeople, four installers and an office staff of three, and yet the business seems no easier to run than it did in the beginning. ‘Why?’ Jenny wondered, ‘What are we doing wrong?’

She didn’t have the chance to wonder for long. Just then, Simon and one of the sales consultants, Grant Ford, charged into her office, yelling at each other.

‘How could you possibly lose that job?’ Simon shouted. ‘It was ideal for our systems, we know we were the low bid, what went wrong?’

‘Don’t blame me!’ Grant yelled back. ‘I handled the quote just like I normally do. They must have just decided to go with someone else.’

‘How about we all calm down’, said Jenny. She knew that both men’s anger was just frustration at losing an important project. It was worrying though; there seemed to be more and more like this.

## Was B2B a mistake

Perhaps it had been a mistake to go after the commercial market for air-conditioning. But Simon had been so enthusiastic: ‘Even the smaller size installations that we can cope with range from one hundred to several hundred thousand dollars. How many split system units at two thousand each do we have to install in suburban lounge rooms to equal that sort of turnover? Anyway, I’m not saying we should get out of the residential market, we can do both.’

Lifestyle had only begun to tackle the commercial air-conditioning market over the past three years. Until then it had stuck to the domestic market—room air-conditioners for the first few years, then split systems and ducted systems as these became more affordable for the average householder. Jenny understood why Simon was so keen on selling climate control to offices and shops, though. The residential market had become very crowded in recent years with many small one-person operations popping up all the time.

‘Look at how our hit rate has dropped’, Simon had pointed out to Jenny. ‘Five years ago we scored one job for every three quotes, now it’s one in five. That’s okay whether they’re big jobs but we’re just going backwards with all these small installations.’

His reasoning had seemed logical at the time. But Grant’s failure was just the latest in a sequence of missed commercial project opportunities.

‘Okay’, said Jenny. ‘Let’s go through the way we tried to win this job and see whether we can work out if we did make mistakes, or if we were just unlucky.’

An hour later, the three of them were still mulling over what had gone wrong, although Jenny at least was beginning to see the problem. Grant was their most successful sales consultant. His success rate with the mums and dads of Brisbane suburbia was almost double that of the other two members of the sales team. In his early twenties and good-looking, he had a bright easy-going manner that always seemed to charm the couples he called on. His knowledge of the domestic split systems brands such as LG and Hitachi was incredible. He had joined the Ma’s straight from school and had initially helped with installing the units before going into sales. His advice to customers was always accurate and because of this he obtained a lot of his sales through recommendations from satisfied customers.

When the decision was made to enter the commercial market, it seemed only logical to give Grant the task. But it hadn’t been the success that Simon had predicted. In fact, this latest loss meant that in two years Lifestyle had won only two commercial jobs out of nearly thirty quoted for.

‘They take so long, too’, Grant was complaining now. ‘With this job, I’ve been there four times during the last two months to talk with their Office Manager, and it’s taken them until today to make a decision. I even tried putting a bit of pressure on them last week, talking about possible price rises, stuff like that. It’s worked with some of my domestic jobs when they can’t quite make up their minds, so I thought it was worth a try.’

‘How did they respond to that?’ Jenny asked quietly.

‘Not very well’, Grant admitted. ‘Actually, towards the end I was not even sure Mrs Carpenter, the Office Manager, was all that interested in who did the job anyway. Maybe I should have tried to see someone else. She even told me today it wasn’t her decision not to give us the job.’

‘What sort of person was she?’ Jenny asked.

‘Hard to say, really’, Grant said thoughtfully. ‘Usually, I can pick people easily. You walk in their front gate, sit in their lounge room, you get a sense of who they are. Not in an office though; everyone’s all formal and businesslike.’

Simon had been poring over the paperwork for the job. ‘Is this the quote you gave them?’ he said holding up one of the firm’s standard quotation forms. Grant nodded: ‘It’s a bit of a mess isn’t it?’ Simon told him, ‘Look here, you’ve crossed out sections and written over the top, I can hardly read it. And by the way, it’s vertical, not verticle.’

‘I was never much of a speller’, Grant laughed ruefully, ‘but anyway, they knew what I meant’.

Jenny interrupted the two men’s exchange. ‘I think I’m starting to get a feel for what’s happening. Let me put some thoughts together, and I’ll come back to you. Oh, Grant, by the way, do you own a suit?’

‘No way, when would I wear it? Anyway, wearing a tie always feels like someone’s trying to choke me.’

## QUESTIONS

1. Use the situation facing Lifestyle Air-conditioning Services to discuss five differences between B2C and B2B markets.

Market characteristic	B2C markets	B2B markets
E.g. quantity purchased		
1.		
2.		

Market characteristic	B2C markets	B2B markets
3.		
4.		
5.		

What steps could Simon and Jenny Ma take to solve the problems they are facing?

1.
2.
3.
4.
5.

2. How might Grant have better dealt with the fact that Mrs Carpenter does not seem to be the decision-maker for this purchase?

# CASE STUDY 4

## Learning the ropes

**This case follows a sales call from making the appointment through to the ultimate consultation and presentation.**

Imagine clambering up a suspended, swaying rope netting until you are ten metres above the ground, then making your way carefully across a series of timber poles to a tiny perch high above your friends below. Are they laughing at how badly your legs are shaking? Then, as you shut your eyes tightly, imagine jumping off into the void, free-falling . . . until your safety rope takes up the slack and your support team lowers you back down to safety!

Perhaps you are one of the thousands of Australians who have already ‘enjoyed’ this experience. If so, chances are you have been on a Vertical Innovations International (VII) high-ropes challenge course. VII is Australia’s largest designer, builder and trainer of outdoor challenge courses. VII’s customers include holiday resorts, school and church camps, and government agencies such as the Department of Sport and Recreation and the armed forces. When organisations like these see the need for a new challenge course they might approach one supplier, or they might call for proposals from companies like VII and its competitors. The market is small and fragmented—if you are not constantly alert a job can be given to another firm before you are even aware of it. And that is exactly what had been concerning Matt Scott from VII over the previous two weeks. But now he was breathing easier . . . for the moment at least.

Matt had finally secured an appointment with Angela Bonham, Director of the Ravensholme Girls’ College outdoor education program. Among her various duties Angela is responsible for establishing the College’s new camp facility at Goulburn in the New South Wales Southern Highlands. The camp can accommodate up to one hundred and fifty students at a time and the College feels it will provide an excellent facility for implementing its programs in physical education and personal development. Matt has been keen to win the opportunity to present a proposal for VII to construct a high-ropes challenge course at the camp.

## A change of luck

Over a two-week period Matt had phoned the College on several occasions trying to arrange an appointment. On his first call he had asked the receptionist for the name of the person he should speak to about the new camp in Goulburn. The receptionist was vague about the project but told Matt that the School’s Property Manager, Frank Walker, seemed to be in charge of the Goulburn camp. Matt had subsequently tried to make contact on two occasions with Mr Walker but had been unsuccessful; perhaps he was one of those people who never returned phone calls. Matt’s luck changed though when he ran into Angela at a conference organised by the Outdoor Recreation Council of Australia.

‘Frank is Property Manager’, Angela told Matt, ‘but he is only involved with the camp from a security and maintenance perspective. Actually, I’m the one you needed to see, but I’m afraid you’re too late. We’ve already had discussions with Australian Adventure Activities (AAA) and we’ve just about finalised an agreement on a ropes course they’ve offered us.’

Matt thought fast. He wanted at least the opportunity to quote on this job and especially did not want to lose it to his arch rival, AAA.

‘Look Angela, I know you really want to achieve excellence in outdoor education at Ravensholme. After all, isn’t that why you’re here at this conference? We share that desire,

and that's why we're here too. Just give me a chance to show you what we can do before you make a final decision.'

Matt didn't actually point out to Angela that AAA was not at the conference, but his meaning was clear.

'Okay, okay, you're a good salesman', Angela laughed. 'I'll be on site at Goulburn next Wednesday. Meet me there, around midday.'

'I'll be there, and thank you', said Matt as they walked into the next conference session.

Matt arrived at the camp just after 11 am on the day of the appointment. By 12 noon he had walked over the area twice, had already selected the best site for the ropes course, and had drawn a sketch of how it would look against a background of the trees and buildings of the camp site. He also read through again the written proposal he had prepared for Angela.

Just then a car pulled up and Matt found himself greeting not just Angela, but three other people as well, one of whom he recognised as Mrs Appleby, the College Principal. The others were introduced to him as Frank Walker, the College's Property Manager, and Simon Jones, from the Planning Department of the local council. Even from their initial conversation, Matt could tell that the camp was Mrs Appleby's pet project; her eyes positively shone when she spoke of it. It was equally as obvious, however, that Frank Walker saw it as just another job he would have to do, just another piece of property to worry about.

'How would you like to start, Matt?' asked Angela, obviously keen to get down to business.

'I have prepared a full proposal for you to take away and examine at your convenience', Matt replied, showing her the folder. 'But I thought we might just have a look first at the specific site I think would be ideal for the ropes course. Then perhaps we might sit down in one of the cabins and discuss some of the details. Would that be okay?'

'Fine', said Mrs Appleby, setting off in the direction Matt had indicated. He quickly caught up with her, leaving the others to follow.

'You must be very proud to be getting this project off the ground', Matt chatted to the Principal as they walked.

'It's been a dream ever since I came to the College, I just can't wait to get it up and running', enthused Mrs Appleby.

## A change of mind

As they reached a small rise, Matt stopped. He hadn't intended to use his sketch until later, but now changed his mind.

'Mrs Appleby, do you see that group of eucalypt trees around the little clearing over there? Let me show you something. Can you picture that clearing like this?' he said, holding the sketch in front of her as she looked towards the trees. 'See how the poles of the ropes course merge with the trunks of the biggest trees? Imagine that scene with a group of, say, your Year 9 girls and their teachers, or a buddy-session with Year 12 students and new Year 6 girls. What a terrific learning environment you could create.' As he watched the woman's face, he added quietly, 'That scene would make a great photo for the front cover of your College magazine.'

Just then the others joined them. 'You can't be thinking of here', said Frank aggressively. 'I've already got this site picked out for the swimming pool.'

Matt couldn't quite keep the laugh from his voice. Frank must be joking: 'A pool, here? Have a look at the number of gum leaves on the ground', said Matt. 'Someone is going to be busy getting them out of the pool every day, not to mention the way they stain any hard surface they lie on.' Frank would not make eye contact, so Matt turned to Angela and Mrs Appleby, his eyebrows raised. The two women followed his gaze to the leaves, then nodded thoughtfully.

'How much would a course like the one you're proposing cost?' asked Angela as she examined the sketch Matt was still holding.

'That depends on the fine details, but around \$100 000 to \$120 000', Matt told her.

'Ha, exactly', snorted Frank, 'way more than the others'.

‘Well, Frank’, replied Matt, ‘we never claim to be the cheapest, but you know what they say, “you get what you pay for”. Anyway, let’s get inside out of the cold, and we can go through some of the details.’

Once the group was inside one of the cabins, Matt began by giving some background on VII, including passing around to the others a collection of photographs of some of the ropes courses it had built.

‘I should let you know’, said Angela, looking at one of the photos, ‘that AAA has proposed a ropes course with no poles but actually built in the trees themselves, just like the one in this photo of yours. They say it’s less obtrusive and, of course, quite a bit cheaper.’

‘I’m glad you raised that issue, Angela’, Matt said. ‘We used to build ropes courses in trees in the past. In fact, the old-fashioned courses were all in trees. Times change though. And remember, trees are living things, they grow, they lose branches, they fall down. We had a case a month ago where a very large branch came off a tree and fell right on the spot where, less than an hour before, a group of students had been on the course. And apart from the safety aspect, the ongoing maintenance for courses built in trees is a lot more. What our customers have found is that the extra initial cost of a freestanding course is more than offset by the lower annual maintenance costs. I have a table here showing the comparison over the full life of a ropes course. You’ll see I’ve listed at the bottom of the page the names of several other camps that have been through the same exercise. I’m sure they’d be happy to have a chat about it if you give them a call.’

Matt then proceeded to outline the ropes course he was proposing for the camp, including technical specifications, materials to be used and the range of activities that could be programmed on the course.

‘These activities have some excellent applications for your Physical Education and Personal Development curriculum, particularly for developing the students’ self-esteem and confidence and for building cooperation and team spirit.’

As he made this comment, Angela showed some real interest in his presentation for the first time. ‘Do you have some specific activities in mind for those areas?’ she inquired.

Before Matt could reply, Mrs Appleby interrupted, ‘Maybe you could discuss this with Matt another time, Angela. We’re on a fairly tight schedule today, and we still have some things to go through with the council officer.’

Matt was disappointed. It seemed like the deal might still slip away before he had been given a chance. Nevertheless, he simply smiled at the small group as he said, ‘Well, if you’re pushed for time, I’ll finish there. If any of you have any questions about our firm or the proposal we’ve made feel free to give me a call. My business card is in the folder. Thank you for giving us the opportunity to offer our services. I’ll look forward to hearing from you.’

## QUESTIONS

1. How would you evaluate Matt’s performance in winning the right to make a sales presentation to Ravensholme? What did he do well and how could he have improved?

Aspects he handled well

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Aspects he could have managed better

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2. What type of social buyer characteristics did Mrs Appleby exhibit? Did Matt respond appropriately to her personality type? Give examples in each instance.

Mrs Appleby's buyer characteristics

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Matt's responses to Mrs Appleby's buying style

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3. List each of the objections or problems Matt faced before and during the sales call and evaluate his response in each instance.

Objections received	Matt's handling of the objections
1.	

Objections received	Matt's handling of the objections
2.	
3.	
4.	
5.	
6.	

4. How could Matt have concluded the appointment more effectively?

# CASE STUDY 5

## All wrapped up

**This case deals with the issues involved in winning internal company support for a sales proposal.**

‘Make a better mouse trap and the world will beat a path to your door.’ So goes the old saying, but in the words of another old saying, ‘There’s many a slip ’twixt the cup and the lip.’

Take, for example, the experience of Pascal Barbreau. Pascal was from a wealthy French family that had settled in New Caledonia and made most of its initial money from growing crops. Later, this wealth had been applied with great success to the operation of hotels in the booming tourist sector of the island. Pascal had come to Australia in his thirties, armed with a great deal of capital and seeking to make a name in business on his own account, rather than through the connections available to him as a member of a well-to-do former colonial aristocracy.

In looking around for an opportunity, he had come into contact with a group of French doctors who had been working on something new. Not a drug or a new medicine, which was mostly what doctors worked on, but an alternative to the crepe and elastic bandages that were used in hospitals, clinics, surgeries and homes all around the world. The product had been given the tentative name of Sanifix.

The bandage they had developed had a number of unique qualities. Firstly, it could be stretched to 150 per cent of its original length if required, which meant it could be used for bandaging large areas. Secondly, it stuck to itself without the need for the safety pin or clip supplied with other types of bandages and nearly always lost by the wearer. And, thirdly, it was made from a brand new material based on a chemical polymer, which gave it a unique point of difference in appearance and fibre from anything else on the market. Rather than being made of cotton and coloured white or cream, as most bandages were, it was almost transparent and appeared rather like foam to the touch. Finally, it could be priced competitively with alternative bandage materials.

## How to market the idea

The problem for Pascal was what to do with it. He had the necessary money but did not have the contacts in the medical area in Australia or the marketing skills to launch the product successfully. So it occurred to him that he might be best to work through an organisation that was well known in the medical industry and had the skills and contacts he lacked. And thus he came into contact with Kimberly-Clark.

Kimberly-Clark (or ‘the Kleenex Company’ as it is more commonly known) is a large multinational organisation, best known for its consumer brands such as Kleenex tissues and Kimbies disposable nappies. The company also has a large Hospital Division. Since Sanifix had applications in both the consumer and hospital markets, the company was the ideal choice for Pascal.

Ideal, that is, if the company could be persuaded to get involved in the project. What Kimberly-Clark had in common with most other multinational companies was a very tight control by Head Office (based in Wisconsin, USA) over new product developments. The reason for this control was to ensure worldwide standards could be maintained. (And perhaps also because of what is known as the ‘not invented here’ syndrome—any product or project that does not originate in Head Office could not possibly be any good!)

Pascal made contact with Doug Taylor, Business Group Manager in the Kimberly-Clark (Aust.) Hospital Division. Doug was always on the lookout for something new as a

means of growing the business of his division and thought he could see some potential in the product Pascal was describing. It seemed to be innovative enough, assuming that it actually worked as claimed. However, before he proceeded any further he wanted to discuss the concept with his direct superior, Group Marketing Director Hu Davids.

‘On the surface of it, Hu, this seems like it might be a good product initiative for us. I haven’t seen it yet but, if it performs in the way Pascal says, it would be a logical addition to our product range. Even better, it would give us a bandage product that we have never had up until now. And the bandage would be different to the crepe items marketed by Smith & Nephew and Johnson & Johnson.’

‘Sounds good’, responded Hu, ‘but right now we have an awful lot of work on. And Head Office in Wisconsin is going to want to be involved in this exercise. So before you spend too much time on the idea, see whether you can get a sample from Mr Barbreau and take it round to a couple of hospitals.’

Following a request from Doug, Pascal sent in a box of twenty rolls of the product to the Kimberly-Clark office at Milson’s Point. It arrived without literature or instructions of any kind but the method of using them was not difficult to work out. Brief inspections at three major Sydney hospitals produced good feedback. The questions remaining revolved around whether the bandages would degrade with time and what could be done about the problem of the uneven edges created when the bandage was cut.

Based on this admittedly brief piece of market research, and after another consultation with Hu, Doug decided to invite Pascal to make a presentation of his product. On Hu’s suggestion, this presentation was to be made to the company’s Management Committee. It would have to see Sanifix and approve the idea anyway if it were to be accepted by the organisation. So, Doug reasoned, let’s go straight to the top.

‘If the presentation goes well’, he thought as he dialled Pascal’s number to arrange a suitable time, ‘we can get started right away on negotiating a suitable arrangement between the entrepreneur and the company. And what about Head Office? That’s going to raise a whole set of issues too’, Doug thought. ‘I’ll be expected to be the “champion of the cause” — I wonder how my credibility rates over there?’

## QUESTIONS

**1. Prepare an outline of Pascal’s presentation to the Kimberly-Clark Management Committee.**

(a) Time and place?	
(b) What prior information should Pascal gather?	
(c) Select some key words and phrases for Pascal to use.	

(d) What visual aids might add impact to the presentation?	
(e) Obviously, a demonstration will be required. How could Pascal maximise the impact of this?	

2. Assuming Pascal's presentation is well received, what issues do Pascal and Kimberly-Clark need to formally negotiate?

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3. If Doug is to be the 'champion' of the Sanifix project with Kimberly-Clark Head Office, what problems might he encounter and how should he deal with them? What previous actions by Doug might have helped his cause with Head Office?

Problems that might arise

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How could Doug have helped his cause?

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# ACTIVITY 1

## Selling in the industrial B2B market

This activity provides practice in organising sales approaches in an industrial segment of the B2B market. It is suitable as a group activity for in-classroom or out-of-classroom use.

### Smart Sensor Services

Smart Sensor Services (SSS) specialises in the design, installation and servicing of 'smart' controls for various industrial processes. SSS occupies a rented 2000 square metre workshop and showroom in an industrial estate in the inner suburbs of an Australian capital city. It has been there only about six months but it is already running short of office and storage space. It must be going well!

What exactly does SSS do? Well, let's say you have a factory that makes processed food products, or paints, or beer, or any of a hundred different products. Your process involves combining various ingredients with others, perhaps applying heat or pressure, perhaps mixing for a certain length of time. SSS can offer you a system that automatically controls your process. A typical installation would receive information from a number of electronic sensors and sensor data would then be analysed by a decision-making unit and compared with pre-set standards. Then the decision-making unit would operate various controls so that the industrial process remained within the specified limits. The system can be used to blend mixtures in the right order and quantities, to control heat, or to make machinery start or stop, speed up or slow down. In short, an SSS system can largely remove human error from your process.

SSS systems rely on sensors; for example, load-bearing cells to check weights, temperature probes, optical sensors and tasters to check the chemical composition of a mixture. SSS buys its sensors, controls and decision-making units from other Australian and overseas suppliers and assembles and installs them in order to solve its clients' particular problems in the most cost-effective, hassle-free manner. What's more, modern computer technology and miniature programmable chips have cut the cost of these systems to be within the reach of small- to medium-sized operations.

### An easy market

So, a very attractive market. And, in the early days, the partners in SSS felt they were bound to succeed. Unfortunately, success has been hard to achieve.

The partners' problems are typical of many firms in the industrial B2B market. Firstly, when new, cheaper sensor equipment hit the market a lot of inexperienced firms began importing units and these were eagerly snapped up by Australian industry. Unfortunately, many companies got stuck with 'orphan' systems: their inexperienced suppliers were unable to supply parts, service, programs or advice. A lot of the early systems were expensive flops for their disillusioned owners. And for the suppliers, servicing these cheap systems became a real headache; it's much more profitable to sell systems than service them.

Charley, one of the principals of SSS, had an inside view of the evolution of this market. After completing courses in industrial electronics and microprocessor technology, Charley got a job as a serviceman with one of the mushrooming importers. He had an enormous workload and had to do a lot of overtime to keep all the clients' systems up and running. He quickly had to become an expert on just about every brand of equipment on the market because most clients ran patchwork systems using components from many different manufacturers.

Another principal, Fred, was working as a computer serviceman and had just started importing a line of computer printer supplies, memory sticks and hard drives from an old pal in Hamburg, Germany. Two weeks later Fred's home workshop was stacked with \$40 000 worth of computer supplies. Charley and Fred decided to combine their experiences and expertise, and this was the beginning of SSS.

But it was tough going. Fred and Charley found it very difficult to get in to see purchasing officers at the large organisations they'd selected as their initial targets. When they did get in they found that the purchasing officers weren't interested in switching to a new and unknown supplier. Three weeks of solid effort resulted in no sales.

Then Fred wrote an article for *Computing Weekly* explaining how to solve a simple but very common service problem on one of the leading brands of printer. In the article he mentioned that readers could get a free booklet explaining how to correct common faults in the printers and memory units that his German consumables would fit. Fred and Charley printed 1000 copies of an eight-page brochure and prepared themselves for the flood of orders they thought they were bound to get from a sure-fire marketing technique. The article pulled just five inquiries and resulted in the sale of one lone ink jet cartridge! What a disappointment.

## Advertising is the key

After another series of fruitless sales calls they decided to try telephone and mail order sales. They placed a quarter-page display ad in a new magazine, *Home and Business Computing*. In the ad, Charley listed the reasons why the imported German products gave one-third more service than the leading competitors' brands and offered a 100 per cent satisfaction or money-back guarantee. Sales began to flow; the ad more than paid for itself so the partners started advertising in other magazines. Within three months they were using every Australian computer magazine they could find. They weren't going to be overnight millionaires but profits seemed to be increasing every month. Charley felt that his superb ad copy was the reason for their sales. Fred thought it was more likely their low prices and fast delivery.

Fred and Charley decided to take on some service work until the mail order operation started going well. They phoned all the people they'd done service work for at their old jobs and let them know that they were available for fast, reliable repair and service work. Many of their old contacts had moved to different jobs but enough of the old faces were still around to form the nucleus of accounts needed for a steady volume of repair work.

Then they started advertising in *Factory and Equipment News* (FEN). The FEN sales rep offered them editorial space in the journal as an inducement to advertise, so it was used to outline Charley's background in industrial control systems repair and servicing. FEN readers were also informed that the new firm could put together economical, hassle-free, new installations for clients based on the best components available on the market. This resulted in their doing an installation for a large snack foods manufacturer after an endless series of meetings with all the client's key production people. They started getting more jobs as Charley's old contacts began recommending him to their organisations as a new equipment consultant. It looked like they were about to break into the big time.

A year later, SSS was in its new premises in the inner suburbs. Simon, a recently retired industrial machinery sales rep, had joined the SSS team three months previously. He and Charley had developed into a top notch, professional sales team. Simon was excellent at the top management liaison work required to get clients to realise that they had problems in industrial control. Charley provided the technical side of the SSS sales approach. Their leads came mainly from the SSS servicemen during their contacts with clients. When a serviceman heard that clients were unhappy with their existing industrial control system or were thinking of expanding, he'd try to get as much detail from his contacts as possible. Simon could then use the information when making contact with appropriate engineering, production and management people in the target firm. Stories in the industrial press were clipped each day

by the new staff member, June, who ran the four-person mail order operation. Her tip-offs had already provided six good leads that had resulted in a good contract for the firm.

By this stage, Fred was up to his eyeballs in the service side of the operation. SSS emergency repair services were advertised in the *Yellow Pages* and in *Industrial Controller*, an eight-page newsletter mailed to a list of 600 people whose jobs included direct responsibility for the operation and maintenance of smart industrial controls. Fred was trying to hire two new servicemen to do routine repairs on printers, etc. so that the more experienced workers could spend more time on the intricate industrial-control work.

SSS's German supplier is not satisfied with the Australian sales of its products and has threatened to set up other distribution arrangements. It has discovered that other brands are getting to the SOHO market (small office/home office) by using computer retailers and electronics shops. On the other hand, most supplies to large organisations are obtained from the suppliers who sold the computer installations in the first place. The German organisation wants a larger share of both these segments of the Australian market.

In his most recent phone call, the Export Manager said: 'Our Hamburg-based home office could have sold these products in Australia by direct mail using the services of specialists to provide order processing and warehousing. We gave you an exclusive distributorship so you'd put a real effort into gaining market penetration. Unless you can significantly increase sales of our products over the next 18 months we'll find a more competent firm that wants to work with the most advanced, durable, economical products available in Europe.'

In summary, SSS now has three product lines: design and installation of process control systems, servicing of industrial electronics systems, and supply of computer consumables.

The following tasks are ideal for groups of three to six people. Each group should keep comprehensive notes of its analysis and conclusions. Groups may be required to present their findings.

### TASK 1

Construct a table showing the successive buy phases. Indicate which of these phases each of the three different types of products that SSS offers would be likely to go through in a typical purchase situation. In cases where SSS is not the current or 'in' supplier, suggest when and how it could offer to help the customer with appropriate information. How should it manage the buy phases in situations where it is the 'in' supplier?

Buy phase	Process control systems	Electronics systems servicing	Computer consumables
1.			
2.			
3.			



Buy phase	Process control systems	Electronics systems servicing	Computer consumables
4.			
5.			
6.			
7.			

## TASK 2

Prepare a grid showing the three main buy classes—straight rebuy, modified rebuy and new task—and outline situations in which these might typically apply to each of the products SSS offers. For each buy class, assess the chances of SSS winning a trial sale and suggest how it might go about achieving this aim.

Straight rebuy	Modified rebuy	New task

**TASK 3**

Prepare a chart showing the two main alternatives of selling through wholesalers or direct to retailers (large and small). Outline the problems or conflicts SSS might face as it pursues these two sales approaches.

**TASK 4**

How might each of the recent trends in organisational buying affect SSS’s sales efforts? Prepare an outline of a plan to respond to these trends.

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# ACTIVITY 2

## Ethical and legal aspects of selling

This activity is a series of eleven practical questions relating to common legal and ethical issues. These can be undertaken under exam or open-book conditions, or allocated to individuals or small groups as in-class exercises.

1. Consumers and governments are becoming increasingly concerned about environmental issues. In some states, consumers buying 'Waterwise' rated items are able to claim a government cash rebate. Your company has applied for a 'Waterwise' rating for your newest washing machines but it may be several months until the rating is formally approved, and until this happens you could lose sales to competing brands.

**Should you advise dealers to tell customers that the machines are 'Waterwise' rated anyway? Justify your answer.**

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2. The Prince Clothing Company manufactures and markets men's silk ties. Retail prices for ties can vary from as low as five dollars to several hundred dollars. Prince has worked hard to achieve a prestige image for its Prince Roderick brand: ads in up-market magazines reinforce the idea that for the mature, discerning man who wants to be seen as fashionable, a Prince Roderick tie is worth more than the \$80 recommended retail price. Recently, one of Prince's sales reps had been horrified to discover that Al's Style Centre has been displaying Prince Roderick ties on a rack with a sign saying '\$25 or two for \$39!' The rep immediately told Al that his supply would be cut off if he did not sell the ties at the recommended retail price.

**Should the rep have told the dealer this? Justify your answer.**

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3. Monstro International Music produces, promotes, markets and distributes Top 40 music CDs and DVDs in many countries. It has about twenty per cent of the Australian market. Recently, Snappy Sales, a new competitor, has started buying some Monstro Music CDs and DVDs in Europe and the USA and importing them into Australia in direct competition with Monstro's own Australian distribution set-up.

**Can Monstro tell music retailers that it will no longer supply any store that does business with Snappy Sales? Explain.**

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4. Yummy Foods Pty Ltd markets Dancing Cow New Zealand Cheese in a variety of flavours. A very successful sales and marketing effort has resulted in Dancing Cow becoming one of the most popular brands in the market, yielding big profits for retailers. Yummy Foods' Green Parrot Yoghurt, on the other hand, has never sold well and the company is considering dropping the product.

One Yummy Foods rep has suggested telling retailers that their supplies of Dancing Cow Cheese will be 'reviewed' unless they agree to stock Green Parrot Yoghurt. 'We wouldn't actually refuse to sell them the Dancing Cow cheese', he said at a weekly sales meeting, 'we'd just make sure they understand that they can't expect us to support them unless they support us. We'd tell them that the two lines really go together.'

**How would you assess this sales strategy?**

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5. You have been attempting to renew a lucrative maintenance and cleaning contract with a financial services firm that has many offices. The firm's financial services officer has told you he is considering propositions from two other suppliers and has hinted that your firm may lose the account.

A colleague has told you how he recently took one of his customers out for a lavish dinner and show and, after a few drinks, managed to get the customer to sign-off on an important deal. 'Buyers use all sorts of tactics to get the better of salespeople', your friend argued, 'so why shouldn't we do a bit of the same?'<sup>1</sup>

<sup>1</sup> Adapted from material by the National Association of Sales Professionals (USA), 'Ethics Study Guide', at [www.nasps.com/SiteFiles/Membership/ethics.html](http://www.nasps.com/SiteFiles/Membership/ethics.html) viewed 10/5/05.

**Does your colleague have a valid point?**

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6. One of your dealers is ready to place a large order to replenish stocks in her shop. There will be a special 20 per cent off price promotion in two weeks that hasn't been announced yet. Your customer will be very upset with you if she buys at the regular price and then finds that she could have saved a lot of money by waiting a while.

**Should you tell her about the promotion?<sup>2</sup>**

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7. Your sales management is running a special promotion to try to stimulate sales of one of the product lines you handle. The company is offering an additional bonus for sales made by the end of this month. You have been doing business with Sally Trinh for many years and she respects your judgment.

If you suggest she place a very large order this month, perhaps hinting there may be stock shortages ahead, you will be able to shift some of the sales from next month forward to this month. This will mean a very small order next month but will result in a higher bonus for you.

In the long run it won't matter to Mrs Trinh whether she gets the stock this month or next, except she'll be a bit short of storage space for a while. And, of course, she'll have to pay for the extra stock a month earlier. But you know she has a very profitable business. Besides, you're sure some of your colleagues will be using this tactic.

**Should you go for the bonus?**

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<sup>2</sup> Ibid.

8. When you called on a new prospect you found out they have been very happy with your main competitor's product. In fact, though, you discover that when your competitor has compared your product with his, he has told the customer some untruths, exaggerating the performance of his product and unfairly criticising yours.

**You want to correct the prospect's perceptions, but how far should you go?**

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9. A National Food Imports' rep called on a firm making frozen pizzas with a sample of mozzarella cheese that she said was imported from Italy. After checking the sample the customer placed a big order. When the cheese was delivered, the customer discovered the cheese was made in Tasmania, not Italy.

**Is the buyer entitled to reject the cheese? Would your answer be any different if the salesperson claimed (and the customer agreed) that the Tasmanian cheese was just as good as the original sample provided?**

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10. Walid is a door-to-door salesperson for Cherish Homewares. Yesterday he wrote an order for a \$300 set of Firenze dishes to be delivered to Mrs Ziino within the next ten days. Today, Mrs Ziino phoned to cancel the order.

**Is Walid legally entitled to enforce the contract?**

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11. Pat decided to close his small furniture factory to take up another business opportunity. He ran an auction sale to dispose of his stock, office furniture, shop fittings and woodworking equipment. Three days later the person who bought a five-year-old used power saw demanded his money back because he claimed the saw did not work very well.

**Does Pat have to give a refund for the used saw?**

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# ACTIVITY 3

## Role-play: Greased lightning flash memory

This role-play encourages consideration of how different people make purchase decisions and how salespeople should respond.

### Background

In recent years the PC and laptop market has seen the emergence of technologies that allow users to store more and more data on smaller and smaller devices. Floppy discs have been replaced by CDs, DVDs and then flash memory sticks and cards.

Flash memory sticks, for example, are about half the size of a person's thumb, can be plugged into the USB ports on most computers and are light and portable. Memory sticks offer the convenience of a hard-disk drive that fits in your pocket.

Another application is in digital photography. When your digital camera files are full, you can simply plug in a new memory stick and you're ready to take more pictures without having to stop and download them from the camera.

Many brands of flash memory card products for all sorts of applications are available from manufacturers in Eastern Europe, China, Taiwan, Korea and Malaysia.

Prices vary according to a number of factors:

- storage capacity (for example, 512 MB);
- the standards they use and the devices they can be connected to;
- reliability;
- brand reputation;
- whether they come with cables, adapters and software drivers.

Prices have fallen rapidly over the past few years.

### The role-play

This role-play involves two separate types of customers and, of course, salespeople.

### SALESPEOPLE

You work for Greased Lightning, a firm that imports the new Pravda brand of Russian-made memory sticks. The sticks sell for about 20 per cent less than equivalent capacity sticks of other better-known brands. Pravda brand devices have not been seen before in Australia, but they seem to offer the same features as their competitors at a significant discount.

### CUSTOMER TYPE 1

You are the Purchasing Officer for Happy Phones Pty Ltd, a new entrant into the mobile phone market. You are preparing to launch your next generation of mobile phone products: the 'Personal companion' series. You are keen to have your new line include everything that state-of-the-art competitors' products offer: a high-resolution colour screen, a medium-resolution digital camera, the ability to take short digital movies, the ability to access Internet pages, games, and the ability to store and download a variety of ring tones and screen skins, etc. The company is looking at incorporating an MP3 player, personal organiser and even personal television reception and movie playback.

'Personal companion' users will be able to load their phone with different movies, music, ring tones, personal directories, etc. by changing memory sticks.



Your engineering and marketing people are in the process of setting the design specifications for the new product line and have asked you to start gathering information about flash memory technology for them. It will be your job to acquire proposals from a variety of suppliers and act as a link between the people inside the firm and potential suppliers.

### CUSTOMER TYPE 2

You are tertiary students. You use computers at home, work and college for Web browsing, e-mailing, word processing, spreadsheeting, desktop publishing and developing electronic presentations. As your usage grows you need better portable storage. Floppy disks, CDs and zip disks are simply not sufficient any longer.

Last week you met a student who works for Greased Lightning. She showed you the Pravda memory stick that will plug right into your home computer, laptop, and the computers at college. She will sell them to fellow students for 25 per cent less than the best retailers' price for similar units.

### TASK 1

'Customers' should spend five minutes agreeing how they will react to the salespeople. You should consider the following:

- motivation—What are the needs you wish to satisfy, the problems you have to solve and the benefits you are seeking?
- influencers (buying centre)—Who will influence your buying decision? Are there others you have to talk to?
- duration of relationship—Do you wish to enter into a long-term relationship with the firm selling the product? Why?
- possible suppliers—How many possible suppliers will you consider? What factors will determine your decision about which suppliers to consider?
- decision-making process—Think about how you will actually make the buying decision. What factors will you consider and how will you evaluate them?
- supplier evaluation—How will you decide who is a good supplier worth doing business with and who you would rather not buy from?

Motivation
Influencers
Relationship
Suppliers

Decision process

Supplier evaluation

## TASK 2

'Salespeople' should develop sales strategies for both types of customers. (Alternatively, salespeople can also be divided into two groups, one for each customer type.) You should consider the following:

- product—What are the features and benefits of your product, brand and firm?
- competitors—What are the relative strengths and weaknesses of your competitors and their brands?
- needs—What specific needs will this customer want from a memory stick?
- knowledge—What level of knowledge will this customer have about memory sticks? How familiar will he or she be with the language attached to the technology?
- influences—Where might this customer obtain information about this product (people, publications, your competitors, retailers, friends)?
- decision-making—What processes will this customer go through to arrive at a decision? How long might it take? How can you participate in the process?
- objections—What problems or resistances might you encounter in selling to this customer? How will you deal with these?

Write down your thoughts and decisions on these issues. This will help you to be consistent during the role-play and can provide a basis for useful feedback discussion at its completion.

Product

Competitors

Needs

Knowledge

Influences

Decision-making

Objections

### TASK 3

Role-play an exchange between a salesperson and a customer. This can be undertaken one-to-one, with a chosen 'salesperson' and 'customer' representing their teams, or teams can be lined up opposite each other and various members can play the respective roles in turn. (This can be very exciting, as people have to 'think on their feet' as well as respond to questions or statements made by others!)

In either case, time-limits should be set (3–5 minutes is usually sufficient for each exchange or issue).

### Observers' notes

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Following the role-play, conduct a debriefing discussion using the initial notes made by the various teams and those taken by the observers.

[illegible]

# ACTIVITY 4

## Selling-in Beryl's Biscuits

This activity can develop an appreciation of the differences in selling to organisations of varying sizes and types. The activity requires marker pens and display paper or a computer with PowerPoint software.

### Background

Beryl's Biscuits are manufactured by a bakery in a small country town in your state. The bakery was established by a consortium of local businesspeople wanting to provide employment opportunities for young people in the district. So far, the bakery has sold its biscuits and cakes to outlets in the town. The managers believe the business is ready for its next expansion phase. They have hired you to help them gain wider retail distribution for their line of biscuits.

Your job is to recruit and train a team of salespeople who will be responsible for approaching retail shops, cafés and canteens to stock the brand. You have identified more than one hundred and fifty possible outlets in the district. Some of these are small, family-owned, independent cafés, milk bars and delicatessens. Then there are several factory cafeterias within major manufacturing plants serving hundreds of people each day. Supermarket chain stores such as Woolworths and Coles are also on your list.

You have decided to divide your sales area into geographic territories. This means that each salesperson will be calling on all the possible outlets in his or her area. You know from experience that the salespeople will need to develop very different approaches for their various prospects. You decide to run a sales training session on this aspect of the sales role.

### TASK

Your task is to put together appropriate training posters or PowerPoint slides to support your training session. These should simply and clearly outline the differences in buying processes and motivations between *different types* of buyers and between *large and small* organisations. To add impact to your presentation aids you may want to illustrate each point on the poster with a small diagram or drawing. Some of the following questions may be useful as discussion starters. You may be able to think of others:

- Will the people the reps talk to be able to make an *immediate* buying decision?
- Will the people have to *talk to others* before a decision is made?
- Will the people make more money *themselves* if the new brand is successful in their outlet?
- Will the prospects consider *their* competitors' likely response to your new products?
- Is it likely the prospects will try to negotiate a *better deal* from you—discounts and allowances, trading terms, rebates, etc.?
- Will the prospects be more interested in the *products* themselves (ingredients, flavour etc.) or in their ability to generate *sales and profit*?
- What factors and criteria will the prospects use to evaluate your offer:
  - the likely sales volume and profit margin;
  - return on investment on stock and shelf space;
  - the amount of working capital (money) the product will 'tie up';
  - your products' innovation and point of difference or just the necessity of 'fitting in' another brand;

- the extent of promotional support you intend to give your products—advertising, point-of-sale materials, samplings and demonstrations etc.;
- whether you are a local, national or multinational supplier;
- the long-term reliability of your supply and backup service;
- whether your firm has Australian Quality Accredited procedures?

**Prepare slides / poster outlines here.**

# ACTIVITY 5

## Prospecting using online sources and directories

This activity provides hands-on experience in locating leads using online and other sources. The eight separate tasks can be undertaken either individually or in small groups, completed together or allocated with a requirement to present findings to the whole group.

### Background

There are many prospecting methods and sources. Modern salespeople increasingly use lists and directories to identify leads. The activities below will help you to develop familiarity with many of these.

This activity could be used as an extension of the 'Greased Lightning' or 'Beryl's Biscuits' scenarios or you could apply them to an industry or product nominated by your instructor. Alternatively, you could use an industry of your own choice, perhaps one you would like to work in.

### Online sources: list brokers

Find out about mailing lists and where to get them by visiting the Australian Direct Marketing Association's Frequently Asked Questions web page at [www.adma.com.au/asp/index.asp?pgid=1982](http://www.adma.com.au/asp/index.asp?pgid=1982).

A number of list brokers have posted information on the Internet. List brokers can provide lists of firms and contacts in a wide variety of industries. Be aware that some lists are more useful sources of leads than others.

Locate sources of lists by conducting a search under 'list broker in Australia' through a search engine such as Google ([www.google.com.au](http://www.google.com.au)).

Some of the better known list brokers are:

- The List Bank ([www.listbank.com.au](http://www.listbank.com.au));
- Action Direct Marketing ([www.aml.com.au/](http://www.aml.com.au/));
- Impact Lists ([www.impactlists.com.au/](http://www.impactlists.com.au/));
- Accountable List Brokers ([www.listbroker.com.au](http://www.listbroker.com.au)).

### TASK 1

Scan the lists available from several different list brokers. Check the descriptions and costs of, say, four lists from two list brokers. Assess which lists might represent a cost-effective source of leads for your chosen market.

#### Nominated market

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List broker	List name or code	Description	Cost	Assessment as a lead source
1.	1. 2. 3. 4.			
2.	1. 2. 3. 4.			

## Stock exchange

All public companies listed on the stock exchange can be accessed through the Australian Stock Exchange (ASX) Company Information page at [www.asx.com.au/asx/research/CompanyInfoSearch.jsp](http://www.asx.com.au/asx/research/CompanyInfoSearch.jsp).

### TASK 2

Enter the codes for four relevant firms such as BHP and CSR into the ASX code search box. List the different types of information you can access that might be useful to a salesperson.

Company 1	Company 2	Company 3	Company 4

## Directories

There are many different directories that can provide excellent sources of leads. Some of these are general, others are specific to a particular occupation, industry or marketplace.



### TASK 3

Conduct a search for business directories in Australia using an online search engine such as Google ([www.google.com.au](http://www.google.com.au)) or Yahoo! (<http://au.yahoo.com/>).

Find six directories. Which of these would be useful for your company?

#### Directories and their usefulness as a source of leads

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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4. \_\_\_\_\_  
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5. \_\_\_\_\_  
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6. \_\_\_\_\_  
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### TASK 4

Visit the online *Yellow Pages* at [www.yellowpages.com.au/](http://www.yellowpages.com.au/). Establish how many supermarkets and delicatessens there are in your area. Examine the individual listings.

- Are all of these the same type of store?
- Which ones are most likely to be managed by the owner?
- Identify the geographic scope of searches by *Yellow Pages* online.

**Number of supermarkets and delicatessens**

Store types	Managed by owner: Yes / No
1. _____	_____
2. _____	_____
3. _____	_____

**Geographic scope**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**TASK 5**

Visit the aussie.com.au online business directory site at [www.aussie.com.au/](http://www.aussie.com.au/). Scroll to the bottom of the page and click on 'Browse all categories'. Click on 'Healthcare and Community Services' then 'Retirement Communities/Homes'.

- How many pages of listings are there for Australia?
- Examine a typical listing. Are all the fields for the listing page filled out?

**Listings for retirement communities and homes**

\_\_\_\_\_

**Gaps in the listings**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Other government and commercial sources**

Federal, state and local governments can also be sources of leads, although for privacy and confidentiality reasons some information is not available in a form useful to salespeople. Other commercial organisations also provide listings in various forms. Both government and commercial sources of these types usually charge fees for access to their information.

One of the best known providers of commercial information is Dun & Bradstreet. Its DUNS file includes company name, Standard Industry Classification codes, number of employees, turnover, chief executive's name, phone number, address and postcode for each location, whether the firm imports or exports, year and state of incorporation and credit data. Data is derived from information supplied to Corporate Affairs, annual reports and credit data.

Dun & Bradstreet also publishes *Who's Who in Business* and *Who's Who in Government* in hard copy and CD-ROM format.

## TASK 6

Visit the Australian Bureau of Statistics website ([www.abs.gov.au](http://www.abs.gov.au)). Access the Register of Business Data to see the breakdown of industry by Statistical Local Area (SLA) (very similar to local government areas in coverage) and Australian Standard Industry Classification Code. Note the cost of obtaining four-digit breakdown data (set-up fee plus a charge for every SLA).

### Data cost

## TASK 7

Contact your local council to establish the types of data it makes available.

- Can you obtain details of development applications for new swimming pools?
- Can you obtain details of all childcare centres and preschools?

**Data available for swimming pool development applications?**

Yes / No

**Data available for childcare centres and preschools?**

Yes / No

## TASK 8

Visit the Dun & Bradstreet website ([www.dnb.com.au](http://www.dnb.com.au)):

- How many businesses are on the database in your state? (For example, there are approximately 28–30 000 records on the database for Victoria.)
- List the scope of data you can specify for the records you require.
- Establish the Dun & Bradstreet pricing for the information you might want to extract.

**Number of businesses in \_\_\_\_\_ (state): \_\_\_\_\_**

### Data available

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Data required

Cost
