

for stocking, displaying, and actively selling a product that has not been presold by heavy consumer advertising. (See GLOSSARY entry C.6 on **channel cooperation** and entry C.11 on **discount structure determination**.)

**Distribution Choices.** The push versus pull decision gives guidance in the **retailer selection** decision (see GLOSSARY entry C.33). A decision to use pull suggests the use of self-service retail outlets. Because pull products are presold, consumers need little retail sales assistance. Self-service outlets are accustomed to working on the narrow margins and high turnover available under a pull program. By contrast, push programs to be successful require active sales help at the retail level. This leads to use of retail outlets such as department and specialty stores. The availability of higher margins under a push program is consistent with use of these retailers.

The push versus pull decision will also influence the **wholesaler selection** decision (see GLOSSARY entry C.42). Push programs require full service wholesalers who can carry more of the burden of implementing the marketing mix for the product. As an alternate, many push programs rely on direct distribution, using the firm's own sales force. (See GLOSSARY entry C.10 on **direct versus indirect distribution**.)

The decision on push or pull can also provide guidance to the **distribution intensity** decision (see GLOSSARY entry C.12). Push programs are more likely to offer selective or exclusive distribution as an incentive to

channel members to cooperate. Pull programs, by contrast are more likely to use intensive distribution, the incentive being provided by the demand created for the product.

**Product Design.** The decision to use push or pull suggests some of the elements of product design (see GLOSSARY entry C.25). For a pull approach, the package must be designed to maximize display value since the product will probably be sold through self-service outlets. Packages for push products should be designed to assist the retail salesperson in demonstrating the product. **Branding of product** is more important to pull products than to push products. (See GLOSSARY entry C.5.) Under pull, buyers need brands to identify as they shop.

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## C.31 Recruiting and Selecting Sales Personnel

### CRITERIA FOR SELECTING SALESPERSONS

Finding and hiring people with the aptitude for personal selling are essential for a successful sales program. Failure means that

programs for **training of salespeople** (GLOSSARY entry C.39) and **motivation of salespeople** (see GLOSSARY entry C.8) that follow salesperson selection will be largely wasted. Despite the importance of this decision, lit-

tle is known with certainty about what personal characteristics lead to success in selling.

Managers engaged in sales force recruitment and selection, however, must have criteria to use in choosing candidates for a sales position. Three possible approaches are (1) basing the selection on generalized personal characteristics, (2) matching salesperson characteristics to customer characteristics, and (3) matching salesperson characteristics to job characteristics.

**Selection Based on Generalized Personal Characteristics.** One approach to sales force selection is to determine the characteristics of successful salespeople and use these as criteria for selecting new sales force members. The problem with this approach is that neither experienced sales managers nor researchers have been able to verify more than a few characteristics that appear to lead to sales success.

The characteristics that have typically been tested include demographic variables (such as age, sex, race, and education), level of experience, and psychological variables (such as intelligence, sociability, empathy, and motivation). Greenberg and Greenberg in a study of 360,000 salespeople in 14 industries found no relationship between selling success and age, sex, race, experience, or education.<sup>1</sup> However, in a related earlier study, two psychological characteristics were positively related to successful selling. They were empathy, a sensitivity to the feelings of others, and ego drive, the need for personal success.<sup>2</sup> Churchill, Ford, and Walker, summarizing the results of 21 studies relating personal characteristics and selling success, found similar results. For the characteristics of age, education experiences, intelligence, and sociability, they found more studies

showing no relationship or a negative relationship to sales success than they did positive. For the characteristics of ego drive and empathy, they found more studies showing a positive relationship to sales success than they did a negative or no relationship.<sup>3</sup>

Despite the conflicting evidence, sales managers continue to use personal characteristics as criteria for screening sales position applicants. Lamont and Lundstrom, based on their research and experience in the field, developed a profile of successful salespeople that may be helpful. They found that successful salespeople tend to (1) be physically impressive, (2) be persistent and hard working, (3) seek recognition, (4) have broad interests, (5) not be highly educated, (6) be emotional, (7) not be overly sensitive, (8) and view selling as a career.<sup>4</sup>

One reason why there has been little agreement on a set of personal characteristics that lead to sales success may be that there is some third factor that mediates the effect of personal characteristics. Two possibilities are the characteristics of the customer and the nature of the selling task. These variables are examined next.

**Selection Based on the Salesperson-Customer Dyad.** An alternative to seeking salespeople with a defined set of personal characteristics is to seek salespeople whose personal characteristics are the same as those of their customers. It is reasoned that since we tend to be attracted to and understand people like ourselves, this makes it easier to communicate with them. Since personal selling is a communications process, it should be more productive when buyer and seller are alike. Evans first suggested and studied this idea and his research indicated that buyer-seller dyads that were alike did tend to like each

<sup>1</sup>Herbert M. Greenberg and Jeanne Greenberg, "Job Matching for Better Sales Performance," *Harvard Business Review* (September-October 1980), pp. 128-33.

<sup>2</sup>David Mayer and Herbert M. Greenberg, "What Makes a Good Salesman," *Harvard Business Review* (July-August 1964), pp. 119-25.

<sup>3</sup>Gilbert A. Churchill, Jr., Neil M. Ford, and Orville C. Walker, Jr., *Sales Force Management*, 2d ed. (Homewood, Ill.: Richard D. Irwin, Inc., 1985), pp. 341-44.

<sup>4</sup>Lawrence M. Lamont and William J. Lundstrom, "Identifying Successful Industrial Salesmen by Personality and Personal Characteristics," *Journal of Marketing Research* 14 (November 1977), pp. 517-29.

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other better and that more sales resulted than for dissimilar dyads.<sup>5</sup>

What does this suggest as criteria for salesperson selection? If the characteristics of customers are known, then salespersons with similar characteristics can be selected. A problem that naturally arises is that there are usually many customers and they may have different characteristics. However, there may be some general characteristic tendencies that give guidance. For example, if customers tend to hold senior positions, have experience, and be older, selecting a young, inexperienced, junior salesperson to call on them would seem unwise. Likewise, a technically trained customer will likely communicate better with a salesperson trained in the same discipline.

**Selection Based on Task Requirements.** This third approach to selecting salespeople suggests that the characteristics of the salesperson should be matched to the requirements of the job. There is great variation in types of sales jobs and in the tasks that salespeople are required to perform (see GLOSSARY entry C.38). For example, some jobs require cold calling on new prospects while others are primarily concerned with servicing established customers. Some sales jobs require providing technical advice and others call for providing marketing and merchandising assistance.

Selection based on sales task requirements requires that job responsibilities first be defined and then the characteristics required for that particular job be specified.<sup>6</sup> Requirements might include the ability to close, organize one's time, handle details, and to possess technical expertise and conceptual ability. With these job requirements defined, the characteristics needed in order

to perform well in this job should be defined. How much ego drive does the job require? How much empathy? How much forcefulness? How much technical skill? These characteristics then become the criteria for selecting the salesperson. Research by Greenberg and Greenberg reports that where job matching is practiced as a means of selecting salespeople, sales performance is markedly higher and turnover substantially lower.<sup>7</sup>

### THE SALES FORCE RECRUITMENT PROCESS

Sales force recruitment is usually a responsibility of the sales manager that is undertaken in implementing the selling program of the firm. The sales force recruitment process provides a set of steps for carrying out the recruitment task. The process also provides a guide to analysis of problems in the recruitment process.

**The Need for Sales Force Recruitment.** The need to recruit salespeople arises from two sources, turnover and growth. An industry rule of thumb is that average sales force turnover is 8 percent a year, including those who leave voluntarily and those who are terminated. Recruitment must fill these vacancies. The need for recruitment also arises as the firm grows and new sales positions are created.

In all but the smallest firms, sales force recruitment should be a continuous process rather than a one-time act. It takes time to develop sources of candidates and once established, they should be maintained through continuous use. An inventory of applicants should be maintained and kept updated so that when an opening occurs, candidates can be quickly screened and the position filled promptly.

**The Sales Force Recruitment Process.** The process for recruiting salespeople pre-

<sup>5</sup>Franklin Evans, "Selling as a Dyadic Relationship—A New Approach," *American Behavioral Scientist* 6 (May 1963), pp. 74–79. See also Harry L. Davis and Alvin J. Silk, "Interaction and Influence Processes in Personal Selling," *Sloan Management Review* (Winter 1972), pp. 59–76.

<sup>6</sup>See Greenberg and Greenberg, "Job Matching," pp. 131–33.

<sup>7</sup>*Ibid.*

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sented here and summarized in Figure C.31-1 has four steps.

■ *Step 1: Forecast Recruitment Needs.* An effective recruitment program recruits in advance of needs so that when vacancies occur they can be promptly filled. This requires that sales personnel needs be forecast. **Sales force size** is normally projected as part of the selling program by estimating growth requirements and projecting turnover (see GLOSSARY entry C.35). To be usable as a recruitment objective, the forecast of additional sales force members needed must project specific positions to be filled.

■ *Step 2: Define Job Qualifications.* With recruitment needs determined, job qualifications must be defined for each position to be filled. This task begins with preparation of a position description if one does not already exist for the position to be filled. A position description is a written statement containing the job title, the reporting relationship, the customers to be called upon, and, most important, the tasks and responsibilities.

Using the position description for guidance, the next step is to define the qualifications that a candidate must have in order to fulfill the position description. In writing the job qualifications, three issues should be considered: (1) What qualifications are necessary if the candidate is to carry out the tasks and responsibilities of the position? (2) What characteristics should the candidate have in order to be compatible with customers? (3) What characteristics have successful salespersons in this position possessed? The qualifications defined should include demographic requirements such as age, education, and sex, the amount of experience that would be desirable,

and the desired psychological or personality traits. The result should be a profile of the ideal candidate for this position.

It is contrary to federal and some state and local laws to include any qualification that results in discrimination against persons because of their age, color, race, religion, nationality, or sex unless it can be demonstrated that the qualification is essential to the job.

■ *Step 3: Establish Candidate Sources.* Once qualifications for the position have been established, the next step is to establish a flow of applicants for the position. For firms that engage in a continuous recruiting process, recruitment sources will already be established and a number of applicants may be available for immediate screening.

Many recruitment sources are possible, the choice being dependent upon the type of candidate sought. Advertising in newspapers and trade and professional journals is often used to attract candidates for sales positions. A well-known firm will usually attract a substantial number of applicants through advertising, including some with experience, but the responses tend to vary greatly in quality. Recruiting at educational institutions can yield high quality although inexperienced candidates. To be effective, recruiting at schools must be continuous to build a relationship between the company and the institution so that the better students are referred. Employment agencies can be a source of candidates and the better ones will screen candidate qualifications before referral. Often the best candidates come from within the firm, either as candidates themselves or by recommending prospects. Inside candidates have the advantage of knowledge of the company and its operations. Personal contacts by marketing managers or other field salespersons are often a source of high quality applicants. And, frequently a company will receive unsolicited applications from persons who have taken the initiative to approach the company. Multiple sources of candidates should normally be used to assure that there are a number of qualified candidates from which a selection can be made. For both legal and ethical reasons, care should be taken that the recruiting sources do not result in exclusion of minority groups. Firms with affirmative action programs must often make special recruiting efforts to ensure a flow of candidates from minority groups.

■ *Step 4: Screen and Select Candidates.* Candidate se-

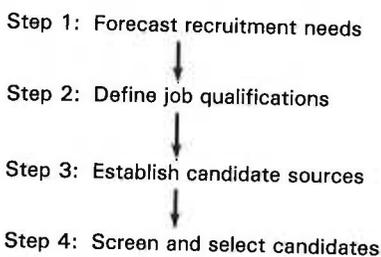


FIGURE C.31-1

The Sales Force Recruitment Process

lection is usually a sequential process of narrowing the list of applicants to a small number of the most qualified from which a final choice is made. Each step in the process consists of comparing the characteristics of the candidate with the job qualifications. The tools used to determine candidate qualifications include application forms, personal interviews, references, psychological tests, and physical exams.

Applications are generally used for the initial screening to eliminate those clearly not meeting the job qualifications. The next step in the process, using the application form as background, is to conduct personal interviews with the most promising candidates. The personal interview, which requires considerable skill, enables the interviewer to go beyond the application and probe mental, personality, and communications characteristics as well as follow up on questions raised by the application form. Frequently each candidate will have multiple interviews with different managers, permitting them to compare impressions after the interviews. Reference checks should be made after the personal interviews for those that have passed that screening. Reference checks can be used to verify application and interview facts and to gain insight into the candidate's performance in prior positions. Reference checks will be more revealing if made in person or by telephone rather than by letter.

The use of psychological tests to evaluate

candidate intelligence, personality, interests, and aptitude is controversial. The validity of some tests is questionable and some are subject to cheating. Tests may also drive away some candidates. Nonetheless, if the job qualifications contain psychological dimensions, some managers feel that testing yields useful information. Many firms also require physical exams for candidates, although not usually until the end of the selection process.

Each of the selection steps results in progressive narrowing of the list of candidates. Final selection should be made considering all the information gathered in the process to find the candidate best meeting the job qualifications.

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- GREENBERG, HERBERT M., and JEANNE GREENBERG. "Job Matching for Better Sales Performance." *Harvard Business Review* (September-October 1980), pp. 128-33.
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C.32

## C.32 Response to Competitive Price Changes

### THE NATURE OF COMPETITIVE PRICE CHANGES

Price policies provide marketers with guidelines for making decisions in recurring pricing situations and avoid the need for complete reanalysis each time the problem arises. One recurring problem for which a price policy is frequently needed is deciding on a response to competitive price changes.

*The Need for a Price Response Policy.* Making a policy means that a decision or, at least the basis for making a decision, is established before the problem occurs. In the case of a competitive price response policy, advanced planning is needed. When a competitor makes a pricing change, it is frequently necessary to respond quickly, before there is a damaging loss in market share, a decline in customer good will, or competitor aggress-

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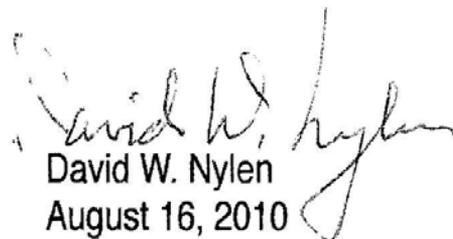
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