

Media Selling, 4th Edition

By Charles Warner

Chapter 2 – Selling: Assumptions, Approaches, and Types of Selling

The first sale I ever made was for a television station in South Carolina in 1957. The owner of the station had called up a local florist and suggested to the proprietor, Mr. Parrott, that his shop purchase a spot next to a popular CBS network program. The owner of the television station explained that the Florists Delivery Service (FTD) was a regular sponsor of the highly rated program, “Person To Person,” and that a lot of people would be watching. The flower shop owner could buy a commercial linking him to the prestigious network program and its national sponsor.

The station owner called me into his office and told me to run down the street and sign up Mr. Parrott. I did precisely as I was told. I ran down to the florist shop with a sales contract in my hand and had the following conversation:

“Hi, Mr. Parrott. I’m Charlie Warner. Mr. Brown sent me down here to pick up an order for an adjacency next to “Person to Person.””

“A what?”

“An adjacency—a commercial next to Edward R. Murrow's program ‘Person to Person.’”

“Oh, yes. Well, I told him I’d try it. How much is one?”

“Here’s our rate card. Would you like an ID or a chain-break?”

“A what?”

“A 10-second or a 20-second spot?”

“Oh. Let’s see, the 10-second one is cheaper. I’ll take it.”

“Would you like to buy more than just one?”

“No, not now. I’ll try it this first time out. How much?”

“That will be \$28.44.”

“OK.”

“Great. Let me fill in this contract here for you to sign. Oh, by the way, there’s a charge of \$10 for us to make a slide for you.”

“A what?”

“A slide. You know, a picture to go up on the TV screen.”

“Oh, yes. A picture is extra?”

“Of course. We have to charge for production.”

“Oh, a picture is production?”

“Yes. I’ll have our promotion man design one and get back to you with the artwork.” (Long pause while filling out the contract.)

“Sign here, Mr. Parrott.”

“Well, OK, I guess... I never watch television myself. I hope it works.”

“Thanks. I’ll be back in a few days with your slide.”

A station artist made a 35 mm slide, the client approved it, and the brief, static commercial ran next to “Person to Person” on Friday night. I returned to see the florist the following Monday afternoon and had this conversation:

“Hi, Mr. Parrott. Did you see your spot?”

“No.”

“Oh, er ... well, would you like to buy it on a regular basis? I can give you a discount if you sign up for thirteen weeks.”

“I don't believe so.”

“Why?”

“I didn't get any results. Nobody has called today.”

“Well, that's...”

“No. I can't afford it anyway. TV is too expensive.”

“OK. Well, thanks anyway.”

What went wrong with this sale? If you answered “everything,” you would be correct. First, the owner of the station was concerned with selling his product, not with satisfying his customer's needs; he was product-oriented, not customer-oriented. He apparently did not inquire about what the customer wanted, or if he did, he did not communicate it to me. The instructions were to “get an order,” not to “find out what Mr. Parrott wants and needs.” Second, the owner took a very short-range point of view; he was not interested in creating a repeat customer, or in developing a long-range relationship and partnership, only a one-shot sale.

If the owner was initially at fault, I, as rookie, compounded the errors tenfold. First, I made no attempt to prepare for the call or to consider a strategic approach. Second, I used jargon; I failed to put things in the prospect's language. Next, I did not ask any questions to determine what his advertising goals and problems were; I just handed the florist a price sheet (rate card). I did not control the interview by using probing questions, and the questions I asked were the wrong ones, ones that easily could be answered in the negative. I did not pick up cues about the prospect's expectations (“I'll try it this first time out”) or, most important, try to control his expectations.

Instead of explaining the production charges earlier, I presented them as an add-on after I told him the price. I not only told him to sign a contract for just a small amount but also asked him to wait while I filled it out in front of him. In addition, the client had to ask me what a slide was and I probably made him feel ignorant. Because I was not listening attentively, I did not catch the prospect's doubts (“... I hope it works”). I failed to try to build a relationship by developing rapport or being empathetic. I had no skills in understanding objections and then dealing with them. Finally, I *told* the prospect to sign (“Sign here...”) and I made no attempt to make the customer feel good about his purchase and reinforce his good judgment.

When I eagerly returned the following week, I began by asking the wrong question, got a predictably negative answer (which I did not handle well), and went immediately to a weak close based on a price concession. Finally, I gave up too easily. I realized by that time I had done everything wrong; but even so, I still gave up too easily.

This book is about doing it right, about selling media with an in-depth, customer-oriented, solutions-based, partnering approach. This book is for people who hope to have or who have already begun sales careers in the media.

Assumptions

Three assumptions form the foundation of the media sales theories and methods proposed in this book.

Assumption 1: People Are Complex and Basically Trustworthy. Each person is a unique and complex individual who cannot be described adequately by simple, one-word, personality-type labels. People are enormously complicated and understanding them requires much more than snap judgments based on first, or even second, impressions. Understanding people requires emotional intelligence, which will be covered in Chapter 6. It also requires effective listening skills, caring, fairness, and respect, which will be covered Chapter 7.

The assumption that people are basically trustworthy gives us a workable model for our actions. Think what the world would be like if we made the opposite assumption—that no one could be trusted. We could not tell anyone the truth and we would have no idea if what people told us was true.

In order to have a functioning society we must act on the principle of reciprocity, especially in regards to being straightforward, telling the truth, and trusting people. If we act on the principle that we get from people what we give them and, thus, offer the first gift of trust, the odds are that we will receive a reciprocal gift of trust in return. There will always be an occasional aberration in which someone does not return your trust and tries to deceive you, but that is life—nothing is perfect—and we cannot act as though no one can be trusted.

Assumption 2: Personal Selling Is a Worthy Craft. This statement includes several important concepts. First, personal selling is about dealing with people—the most fascinating, complex, challenging, and fun type of selling there is because people are fascinating, complex, challenging, and fun.

Second, selling is a craft. Selling contains a body of knowledge and techniques that can be learned, but can only be perfected through practical experience, which makes it a craft. The craft of selling is expressed and exercised primarily through understanding people.

Third, selling is an expression of worthy values—freedom and independence. Selling affords people freedom in dealing with the most complex subject, people, and selling allows you the freedom to express yourself. Selling also gives you the independence you need to have control over your own actions and work habits and, therefore, to have an exciting daily challenge. In addition to freedom of movement, action, and independence to work at your own pace and in your own way, selling also gives you the opportunity to earn an excellent living if you are good at it.

Fourth, selling is worthy because you are helping other people – you are helping them get what they want, helping them to be successful. You help advertising agency buyers get what they want for their clients and you help advertisers get results as they define them and sell more goods. In a sense, you are helping fuel the economy.

Fifth, selling fosters optimism, self-confidence, and the belief in the inherent rationality and goodness of people. Selling encourages, virtually forces, people to have a positive view of the future, of themselves, and of others – to have a healthy outlook on life. You cannot face selling day in and day out if you do not believe in your ability to help your customers solve their marketing and advertising problems. There is great personal

satisfaction in helping your customers get results, sell more products, and be successful.

Assumption 3: The Media Are Highly Visible, Important, and Under Attack.

The media, including websites and blogs, are ubiquitous and powerful, and they transmit advertising, political, cultural, social, and moral messages (either intended or unintended) to a mass audience. Also, because radio and broadcast television stations operate on airwaves owned by the public and cable television operates on common-carrier-like technologies, these media are subject to a complicated web of government regulations.

Because of the complex and fuzzy combination of show business and public service, the media will continue to be loved and hated, praised and vilified, regulated and deregulated, and given credit or blamed for everything from keeping our nation free to poisoning the minds of our children. Salespeople in the media must learn to deal with all types of extreme reactions and to accept the fact that they, as representatives of their medium, will have to face these, often highly emotional, reactions on a daily basis.

The good news is that, as a salesperson, you will have easy access to clients. The bad news is that your medium will be blamed for everything from a client's sore back to the nation's economy, and you will have to listen to the reasons for your medium's and all of the media's failures—people tend to lump all the media together as a target for their anger, so it does not matter if you're selling for a website, a television network, or a newspaper, you will probably get comments about how awful the media are. You will have to learn to listen good-naturedly, non-defensively, and to take it.

The media industry is changing at an accelerated rate in terms of both technological advances and the audience's tastes and needs. As America continues its transition from a production-oriented to an information-oriented industrial system, consumers become more particular and selective. This creates a shifting emphasis for salespeople – from that of selling and getting an order toward one of building relationships and solving problems. Meanwhile, there is less time available for preparation, planning, and negotiating as advertising schedules run for shorter and shorter periods of time and buyers wait until the last minute to place schedules.

In the past, the media enjoyed virtually guaranteed profits, but today the media are becoming increasingly fragmented. Too many media chasing smaller and smaller market segments and profits are declining in many of the more traditional media. This means that as the competition for advertising dollars increases, the need for effective salespeople increases, because, to quote an old saw, nothing happens until someone sells something.

The ultimate goal of a business is survival, and profits are critical for a business to survive. Profits are what are left over after subtracting expenses from revenue. There are only so many expenses that accountants and bean counters can cut from a company's budget before cutting through muscle and deep into the bone, thus crippling the business. A more effective way to assure profits is to grow revenue, which requires salespeople, not accountants. Consequently, sales are critical to a company's survival and growth, which is why salespeople are usually the last personnel cuts to be made during a business slowdown.

There have never been so many opportunities for competent salespeople in the media; and yet, selling is more difficult, complex, and competitive than ever before. To succeed, you must be better trained, better prepared, and better motivated than was the case in the past, which is why you are reading this book.

With these assumptions in mind, let's look at several approaches to successful media selling, several types of selling, and define some terms.

Approaches

The AESKOPP Approach

Media Selling presents an approach that will help you organize your personal selling efforts and not only get you off to the right start, but will also, if you follow the approach, keep you on that track to success. The question most asked by beginning salespeople is, "Where do I start?" The answer is: Start with the AESKOPP approach.

AESKOPP is a mnemonic that will help you remember the following elements of successful selling:

Attitude
Emotional Intelligence
Skills
Knowledge
Opportunities
Preparation
Persistence

We will look at each piece of the AESKOPP approach more closely in Chapter 4.

A Relationship, Non-Manipulative, Solutions Approach

A Relationship Approach. Media selling is about establishing relationships and then *getting customers and keeping them*. Getting customers and keeping them involves a process by which salespeople help buyers get the products they want – it does not mean manipulating people to do things they do not want to do. The best way for salespeople to get what they want is to help buyers get what they want by building trusting relationships, guided by *three basic relationship rules*:

1. *Do unto others as they would have others do unto them.* This is a slight twist on the Golden Rule from the Bible, which assumes that everyone likes to be treated the same as you do – not necessarily so. It is better to observe people carefully and discover how they prefer to be treated without making any prior assumptions.
2. *People like and trust people like themselves.* People have an affinity for people similar to themselves – call it tribalism or elitism – but it is a reality that salespeople must learn to contend with.
3. *People don't care how much you know until they know how much you care.* In other words, shut up, listen carefully, and give people signals that you care about them as people, not merely as potential sources of revenue.

A Non-Manipulative Approach. Tony Allesandra introduced the concept of non-manipulative selling in his well-organized and thoughtful book of the same name, *Non-Manipulative Selling*, in 1979. Along with sales experts and trainers such as Larry Wilson, Allesandra taught a new form of selling that did not rely on old-fashioned tricks and manipulation techniques. His approach was that of creating long-term customers and

managing relationships. The next iteration of selling was the consultative selling approach, which was a further customer-oriented refinement of non-manipulative selling. Neil Rackham's excellent book, *Spin Selling*, best articulates the consultative selling approach. However, the latest maturation of the non-manipulative, consultative sales approach is a global trend toward *solution selling*, the ultimate customer-focused, non-manipulative approach, on which this book focuses.

A Solution-Selling Approach. A relationship, non-manipulative, solutions-oriented approach to selling advertising in the media means helping buyers invest in advertising that provides solutions to marketing and advertising problems and that gets results.

Some Definitions

Buyers are divided into three types: *prospects*, *customers*, and *partners*.

Prospects are people who have not bought a product for a variety of reasons, ranging from never having heard of it to disliking it; prospects require *developmental selling*. In the media, prospects might be those people who (1) have never before advertised because they have an established business that they feel does not need advertising; (2) have never advertised because they are starting a new business; (3) advertise but not in your medium; or (4) advertise in your medium but do not use your network, station, website, newspaper, cable system, or magazine.

Customers are people who have either decided to buy a product or who have already bought a product and are going to buy it again. Customers require *outrageous service that will make them "raving fans."*ⁱ

Partners are customers who have joined with a media company to conduct business based on mutual trust and, in a sense, to help each other to be more successful by cooperating in discovering innovative solutions that connect a partner to a medium's audience in a way that delivers partner-defined results and jointly builds the brands of both companies.

Products are either tangible or intangible. *Tangible* products are goods you can see and touch, such as automobiles, personal computers, or cosmetics. *Intangible* products are services that cannot be seen, touched, or tested in advance, such as insurance, banking and financial services, or advertising.

Tangible products can be experienced and they are usually easy to demonstrate – product features and benefits are apparent before a purchase. However, even tangible products have some degree of intangibility, as pointed out by Theodore Levitt: "You can't taste in advance or even see sardines in a can or soap in a box. This is common for frequently purchased moderate- to low-priced consumer goods. To make buyers more comfortable and confident about tangibles that can't be pre-tested, companies go beyond the literal promises of specifications, advertisements, and labels to provide reassurance."ⁱⁱ

Packaging is one common tool used to make the intangible elements of products more tangible in a customer's mind—for example, putting pickles in a glass jar so purchasers can see them. Advertising is another tool used to communicate advance assurances that a product is what it says it is.

It is harder to keep customers satisfied with intangible products than with tangible ones. The biggest problem with intangible services – such as advertising, insurance, or banking services – is that customers are usually not aware of the full range of services they are getting until they no longer get them. Therefore, they rarely appreciate the positives,

and the negatives tend to be blown out of proportion. This situation means that intangibles require more service and greater efforts on the part of salespeople. From now on all products and services will be referred to as *products*, whether they are tangible or intangible.

Interactive advertising has changed the nature of servicing as dramatically as it has the nature of selling. Advertisers can now receive detailed information about their schedules online, without communicating with a salesperson, which changes the servicing role of a salesperson, as will be covered in Chapter 13.

A Systematic Approach: The Six Steps of Selling

One of the many mistakes I made on my first sales call to Parrot's Flowers was that I immediately went into a presentation and close without identifying Mr. Parrott's problems. I didn't follow the *Six Steps of Selling*:

The Six Steps of Selling

1. Prospecting
2. Identifying problems
3. Generating solutions
4. Presenting
5. Negotiating and closing
6. Servicing

We will go over each step in depth in the chapters that follow, but it is important to keep these steps in mind as you read this book and make sales calls, but in the meantime, following are some definitions to start you off on the right foot

Prospecting. Prospecting is finding potential customers—identifying people who have the money to advertise, who pay their bills, and who are logical fit with your medium.

Identifying problems. After you find someone who is a prospect, who have to identify what their advertising problems are, why they might need your medium.

Generating solutions. Once you have identified a prospect's problems, you must do some intelligent digging and research and come up with solutions. Next, you put your solutions into an arresting, believable, and winning proposal that puts them in the best possible light. Finding solutions to customer problems is the most creative and satisfying part of a salesperson's job. Creativity is largely a matter of solving problems and then presenting them in new and different ways, so you must fully understand your customers' marketing and advertising problems *and* have a full understanding of the capabilities of your medium in order to solve a customer's problems and present your solutions creatively.

Presenting. Presenting is presenting your solutions convincingly, persuasively, and dramatically one-on-one or to a group of people. A successful salesperson must be comfortable and expert at presenting to individuals and to large groups.

Negotiating and closing. All media selling is based on negotiation, even Google's AdWords online-auction is an online, automated negotiation. The object of negotiating is to close a deal, to get an order, so negotiating and closing are one step.

Servicing. Selling is getting customers and keeping them. Servicing is the step of selling that keeps them.

All of the Six Steps of Selling will be covered in depth in later chapters, but as you forward in this book, the Six Steps will give you a framework to being thinking about selling in a structured, strategic, organized, and disciplined way.

The road to success in selling starts by taking one step at a time, one after another, and in the proper order.

A Strategic Approach

A strategic sales approach includes a hierarchical set of concepts: Purpose, mission, objectives, strategies, and tactics. Like any military or business organization and their people, a sales department and salespeople must understand these five concepts and follow their precepts in order to have a consistent and meaningful sales approach.

Purpose

The *purpose* of a media sales department or division is to maximize revenue by getting and keeping customers. In many organizations the head of sales has a title of Chief Revenue Officer. That title says it all and clearly states the purpose of a sales organization.

Mission

The *mission* of a media sales department or division must be the same as its parent company's mission, and should be meaningful, uplifting, and present everyone in an organization, including salespeople, a model they can act on daily. Go to www.charleswarner.us/articles/ESPNMSN.html to view ESPN's mission statement, one of the best ever written. Google's corporate mission is a simple and powerful mission statement that guides the company's actions: "To organize the world's information and make it universally accessible and useful."

Objectives

The four *objectives* of a media salesperson in order to fulfill its purpose to maximize revenue and get and keep customers are:

- 1. To get results for customers.** Results must be defined by customers—increased sales, reduced distribution costs, increased profit margins, return-on-investment (ROI), increased awareness, or improved corporate image, for example. Salespeople must *put customers first*—not themselves. Not their company, but customers. If customers do not get results, they will not renew their advertising schedule. Thus, salespeople must take a long-term view and create renewable, replicable business.
- 2. To develop new business.** That is, to turn prospects into customers. Salespeople must continually develop new business not only to replace accounts that are lost each year due to normal account attrition but also to ensure growth. The most important reason for constantly developing new business is to create demand, because it is demand that largely determines the price of media advertising. Salespeople who do not continually seek out new accounts are like sailors who have fallen overboard and are treading water—they get nowhere.
- 3. To retain and increase current business.** Servicing business properly to keep accounts satisfied and getting renewals is vital, yet even more important is to continually pre-sell and provide clients with solid evidence, reasons, and, especially, ideas, for them to

increase their investment in your medium. Advertising is not an expense, it is an investment – an investment in future sales and profits. Your best prospects are your current customers, and continually showing them the benefits of your medium and getting an increased investment from them is vital for growth. On every service call, *always* present customers ideas that will lead to an increased investment and will reinforce the value of their current investment. Remember that advertising is an intangible product that requires more reinforcement, servicing, and reassurance than a tangible product would. Customers require constant attention if you are going to retain and increase current business.

4. To increase customer loyalty. If you are going to put customers first, get results for customers, and get all-important renewals, then you are going to have to keep customers' satisfaction levels high and increase customers' loyalty – make customers partners. Like the ex-Mayor of New York, Ed Koch did, you have to continually ask, "How am I doing?" in order to keep a relationship going, to keep your partners happy and loyal. More and more sales organizations of major companies such as IBM and Hewlett-Packard are evaluating and compensating their salespeople based on levels of customer satisfaction. That means that salespeople must not only make a sale, but also keep partners happy through excellent service after the sale – provide absolutely outrageously good service and not only make them happy, but make them raving fans. Chapter 13 covers the techniques of providing customers excellent service.

Strategies

Strategies are long-term, overall operating concepts and principles that guide actions toward stated objectives. In order to achieve the above sales objectives, salespeople should follow these sales *strategies*:

1. Sell solutions to marketing and advertising problems. Computer manufacturers and retailers learned the hard way that the majority of consumers did not understand or care about hardware (although geeks care) – for example, how many memory chips a computer had or how many bytes were stored on a disk. What the ordinary consumer cares about is what a computer does—what writing or accounting or design problems the software was able to solve – and how easy it is to use. By the same token, potential advertisers do not care about a broadcast station's power or antenna height, a cable system' type of commercial insert equipment, a website's underlying architecture, or a magazine or newspaper's press size or color-separation ability. What prospects care about is how advertising is going to help them solve marketing or advertising problems. Therefore, salespeople must learn to position their offerings in such a way that they always answer prospects' question, "What's in it for me (WIIFM)," as is covered in depth in Chapters 9 and 10.

2. Reinforce the value of advertising and of your medium. The migration of marketing dollars from advertising to promotion after the 1970s hurt the growth rate of advertising. Salespeople who sell advertising must continually reinforce advertising's positive long-term effects and the value of advertising to build brand image and sell products. In Chapter 8 you will learn in more detail what the dangers of promotions and the benefits of advertising are. Salespeople must continually reinforce the benefits of their medium in order to reinforce the value of advertising and try to put the brakes on the migration of advertising dollars to promotion.

3. Create value for your product. A salesperson's most important job is to create a positive perception and image of their product in a prospect's mind. A kids' toothpaste is (1) a toothpaste that is blue and tastes like bubble gum or (2) a revolutionary new product that is a glistening, bright, cool, deep blue color that shimmers with flecks of silver, making it interesting, exciting, and fun for children to push out of a dispenser that is easy for small hands to manipulate. Its foaming action in the mouth is new and different; it is thicker and foamier, as if something important is really working in kids' mouths to fight cavities and to make their breath smell great so their mommies will know they really did brush their teeth. When the kids first taste their very own type of new toothpaste that is *not* for adults, they experience a taste sensation unlike any other. It is not toothpaste; it is *bubble gum!* Kids cannot wait to brush their teeth several times a day. They are likely to say after lunch, "Well, I think I'd better go brush my teeth."

Which of the above two descriptions of the new kids' toothpaste creates more value for the product? Which description is more likely to make the sale? The second description creates value for the product, which is positioned according to its benefits to the kids.

You must also create value for your product so you will not have to lower your price to get an order. You will find a much more thorough discussion of the many ways to create value in Chapter 8, because in order to be successful in selling solutions to advertising problems you must be able to create value effectively for your medium.

4. Become the preferred supplier. Salespeople must establish, maintain, and improve relationships with both a customer and that customer's advertising agency. It is a certainty that clients will eventually change advertising agencies, so salespeople *must* establish relationships at the client level. Advertising agencies will often tell you not to see a client, because they believe the client is *their* client. Well, the client is *your* client—the client's name is on the ad or commercial in your medium, not the agency's name. In order to become the preferred supplier, or partner, salespeople must provide more and better information and service than any other salesperson from any other medium so the customer will think of them first when they need information or want to buy advertising.

5. Innovate. Every medium must continually introduce new ideas: new packages, new promotions and contests, new content, new community affairs projects, new special sections, new functionality, new ways to access information, and new events. New products and opportunities such as those mentioned give salespeople a reason to make another call on a customer or agency, they create excitement, and they provide new ways to solve marketing and advertising problems.

Key Functions

A salesperson has three *key functions* to help them carry out their strategies and every day tactics of selling:

1. To create a differential competitive advantage in a buyer's mind. Salespeople who cannot find ways to create *differential competitive advantages* for their product are merely order takers or clerks who wait on customers and process transactions, and they will not build a long-term career in the highly competitive environment of media selling.

2. To manage relationships. A relationship must be built on mutual trust and respect; salespeople must take the long view. The relationship between a salesperson and a customer does not end when a sale is made; it is just beginning of the relationship from the

customer's point of view. The relationship should intensify over time and help to determine a customer's buying choice the next time around. Thomas J. Peters and Robert H. Waterman, Jr. emphasize in their book, *In Search of Excellence*, that the most important element the companies examined in the book shared was being *close to the customer*.

Managing a relationship means recognizing that your most important task as building and maintaining a long-term relationship by getting and staying close to the customer.

3. To solve problems. Salespeople must be creative in solving advertising problems that get results for clients. The goals of a salesperson begin with getting results for clients and a salesperson's key functions end with solving problems for clients. You cannot get results for clients unless you learn to discover and then solve problems—this is what solutions selling, the basic approach recommended in this book, is.

Related Functions

To obtain and process orders. Not only to solve problems and get orders but also to make sure that the orders enter the operational system so they can be executed properly and on time. Sloppy paperwork will kill customer relationships and, therefore, will bury most salespeople.

To provide customer service. To be certain that each account's advertising schedules are handled properly and that the billing and production details are correct, to communicate new market information to customers, to communicate new benefits and advantages, to increase revenue from accounts, and to work on establishing long-term relationships.

To manage accounts. To set objectives for revenue and service, to plan the execution of management's specific sales strategies as they relate to your accounts, and to become knowledgeable about your accounts' industries, business, marketing goals, and marketing and creative strategies.

To monitor the marketplace. To provide information to your management and other salespeople about competitors in all media—their prices, strategies, content or format changes, management and ownership changes, advertising and promotion strategies, and sales strategies and tactics. Competitive intelligence is vital to your management in determining your company's competitive strategy.

To recommend tactics. To recommend pricing changes, new packages, promotions, and changes in selling approaches to your management as a result of what you learn on the street about what your competitors and other media are doing.

To cooperate. To help other salespeople in your department learn from each one's experiences—successes and failures; to help the sales department meet its strategic selling objectives; to cooperate in completing reports, expense accounts, and contracts accurately and on time; to help with promotions, parties, and events; and to cover for other salespeople who are absent. Departments in which the mode of operating is cooperative are more productive than those in which the operating mode is competitive, according to Alfie Kohn in his book, *No Contest: The Case Against Competition*.

These are the key and related functions of salespeople. Their responsibility is to *demonstrate an intelligent effort* (DIE) in carrying out these functions. In other words, not only must salespeople do what they are supposed to do to carry out these functions, but they must also let their management and their customers know that they are doing it

diligently—that they are carrying out their functions and implementing the strategy and tactics which management has designed to reach the company’s objectives.

Types of Selling

Now that you have a foundation consisting of the assumptions about and approaches to media selling, you need to know how to apply them to several types of selling.

There are two basic types of selling, *missionary selling* and *service selling*.

Successful salespeople must apply a non-manipulative, strategic approach to whichever type of selling they are engaged in. Often salespeople are described as *hunters* or *farmers* depending on the type of selling they do.

Hunters are usually salespeople who have the personality, motivation, experience, and preference to do missionary selling (also referred to as development selling), which involves developing new business – finding new customers to a medium (television, online, e.g.) and to a media outlet (a station or a website, e.g.) – and typically involves calling on customers, including local retailers, not on advertising agencies. This type of selling is commonly referred to as *direct selling*. Some media companies call their top missionary salespeople “evangelists,” an appropriate title for a missionary salesperson. But whatever the title, missionary/development selling typically involves direct selling.

Farmers are salespeople who have the personality, motivation, experience, and preference to do service selling (also referred to as transactional selling), which includes calling on, servicing, and getting increased business from current customers, and typically involves calling on advertising agencies.

Both types of selling require the ability to build relationships with different types of customers.

Two Types of Customers

In their *Harvard Business Review* Article “Make Sure Your Customers Keep Coming Back,” F. Stewart DeBruicker and Gregory Summe identify two types of buyers: inexperienced generalists and experienced specialists. In media selling examples of inexperienced generalists are smaller customers, often retailers and others called on direct (those who do not have an advertising agency), who are new to advertising in a medium. Examples of experienced specialists are advertising agency media buyers. DeBruicker and Summe point out that selling and creating value strategies to these two types of customers must be different.

Inexperienced generalists typically do many jobs in their businesses. For example, a small, owner-run retailer might keep the books, set up displays, and do personal selling as well as place advertising. If this retailer, who we will call Jane, is unfamiliar with radio, for instance, she wants to know how to buy it, how to schedule it, how to write copy, and how to best position her store to appeal to her target customers. Jane is more interested in expert marketing and advertising advice and in results (selling more goods) than in price; therefore, a salesperson must provide expert advice in those areas in which she needs help.

Experienced specialists typically specialize in one activity. For example, an agency media buyer does only one thing, placing media buys, and is an expert in that activity. If this buyer, who we will call John, is making a television buy in a market, he is interested only in price and service – fast, responsive service. John is not interested in marketing or advertising advice or in advice about writing effective copy; he is interested in a different

type of results – ratings, circulation, cost-per-points, cost-per-thousands, reach, and frequency, all of which you’ll learn about in Chapter 14 – but John is mostly interested in price.

As inexperienced direct accounts gain experience, their needs shift from asking for marketing and advertising advice to asking for responsive service and competitive prices. However, one thing direct accounts, especially retailers, will always focus on is sales results, which will always be more important to them than ratings, circulation, or research data. In the following sections of this chapter, you will learn more about strategies for calling on direct accounts and on agencies.

Salespeople who sell the Interactive medium find that the majority of their prospects at both direct accounts and agencies are inexperienced in the medium and need expert advice. Unfortunately, as in other media, after salespeople go to the considerable effort and invest a lot of time in teaching customers about their medium, the clients become experienced and more interested in price. So, the selling strategy must change accordingly.

Missionary Selling

Missionary selling most often involves calling on the principle owner, the CEO, or director of marketing or advertising of an account. Calling directly on an account and not on the account’s advertising agency, if the account has one, is referred to as *direct selling*. Often, direct selling, particularly in local media, entails calling on retail businesses. The information that follows is for calling on retail businesses, but it also applies to most direct selling.

The Retail Business.

Retailers bridge the gap between manufacturers and consumers, and advertising plays an important role because retailers sell their goods and services in a highly competitive environment. Few businesses that start up survive; two out of every three new retail businesses will fail within one year. Changes in the nation’s demographics and life-styles have caused many of the more traditional retailers to rethink their strategies. Single-brand loyalty has declined, and mass-marketing techniques have been developed to accommodate the proliferation of new products. Consumer groups that used to share homogeneous tastes have now splintered into many groups, all demanding different products to meet their different and changing needs.

Retailers have had to change their ways of doing business to satisfy and attract consumers who are generally older, better educated, more cynical of product claims, and more demanding of quality. To entice these consumers, advertising and promotion have become more important than ever before; retailers now use new media technologies such as the Internet and new media combinations such as Interactive, catalogues, and data-based marketing.

Retailers must keep pace not only with the changing demands of their customers but also with the number of products and with the discounts, rebates, and promotions associated with these products. At the same time, they must create an image for their stores and create traffic for the brands that are advertised by manufacturers and are typically available at many other retail outlets. This results in an ambivalent relationship between manufacturers and retailers. Manufacturers, also known as vendors, want

consumers to buy their brands, but they do not care where they buy their products; retailers want consumers to shop in their stores, but they do not care which brand is purchased.

Getting products off a manufacturer's shipping department shelves, off a wholesaler's warehouse shelves, and off a retailer's shelves and onto the consumer's shelves is an enormously complex marketing process of which advertising is only a relatively small part, as you will learn in Chapter 15 - Marketing.

Selling to Retailers

Retail is a broad category for which there is no standard definition; stores (hard goods, soft goods, food), services (insurance, banks, dry cleaning), entertainment (theaters, clubs, VCR rental), and restaurants all normally come under the general classification of retail. In this book, all types of retail establishments and sellers of services are referred to as *stores*. The most appropriate way to differentiate between types of accounts is according to their orientation—results-oriented or numbers-oriented. For example, those that are results-oriented should be designated as retail clients, or retail *accounts*, and have missionary salespeople call on them. A retailer may have an advertising agency that buys according to the dictates of a store owner who cares only about results and who directs the agency to buy in a particular pattern that has proven to be successful in the past. This kind of agency and account should be called on by a retail specialist.

Retailers care about results, not about the size of a medium's audience, so the best way to appeal to them is with a return-on-investment (ROI) analysis, which will be covered in Chapter 8.

A retail salesperson must be patient and not always seek a fast sale, a quick close, a high share of budget, or a high price. These tactics are best suited for a numbers-oriented agency selling situation. It may take much longer to sell to a retailer who is trying to fit advertising into a complex marketing and merchandising mix than to an advertising agency that is merely trying to make an efficient media buy.

Co-Op Advertising

Co-op advertising occurs when a manufacturer, or vendor, underwrites all or part of an ad, commercial, or banner that a local retailer places. See Chapter 19 – Newspapers for a more thorough description of how co-op advertising works.

Caveat

Occasionally a retailer or direct account will ask media salespeople to recommend an advertising agency. The natural tendency for salespeople is to recommend an agency on their account list or a friend on whom they call. Do not do this—always recommend several agencies (a choice of three is best) for two reasons: (1) If other agencies find out a salesperson recommended someone else, they will be justifiably upset and might stiff the salesperson on future buys and (2) if the client does not like an agency the salesperson recommend, the client will blame the salesperson. If you are asked to recommend an agency, say, “Here is a list of three agencies that I think could do a good job for your size and type account. You pick the one you like best.”

On the other side of the coin, sometimes agencies will ask salespeople to send them clients in order to solidify the relationship with the agency. Do not do this because if you

have other agencies on your list and they find out you are favoring one agency over another, you will be in trouble.

Service Selling

Service selling entails calling on existing customers and partners, and most often involves calling on advertising agencies, which, of course, is referred to as *agency selling*.

The Advertising Agency Business

Advertising agencies came into existence in the 1880s when they sprang up as sales representatives for newspapers and magazines. As sales representatives for the media, they kept a 15 percent commission on the amount of money advertisers spent with them in the media they represented. Thus, an advertiser might spend \$1,000 for ads in a magazine and the agencies would keep \$150 and give \$850 to the magazine. As time went on, the agencies got close to their advertisers and began to create advertising for them and to decide in which media to place it. The agencies maintained the practice of keeping 15 percent of the amount the advertisers spent in the media. The structure of the advertiser-agency-media relationship was set and has remained virtually unchanged to the present day.

Agencies also make money by adding a 15 percent commission to the material, services, and production they purchase for a client, a practice that is referred to as *grossing up* a charge. For example, if an agency purchases \$850 worth of photography for a client, it would gross it up 17.65 percent (or multiply \$850 by 1.1765) and charge the client \$1,000. (You may recall from basic high school algebra that you cannot take a 15 percent discount off the price of some product and then multiply the discounted price by 1.15 to get the original number; the two values will not be equal. For example, 15 percent less than 100 is 85, but 1.15 times 85 equals only 97.7.)

Fee Arrangements. Advertising agencies are service businesses and their expenses are mostly for people: copywriters, artists, media buyers, media planners, account management people, and so forth. Advertising agencies have to do virtually the same amount of work to produce an ad in a small newspaper as for one in the *New York Times* or to produce a commercial for a local television station in Nashville as for one on the NBC Television Network. So if a client needs a great deal of work done and is not buying enough media to produce sufficient commissions to compensate the agency adequately for its efforts, the agency might charge the client a fee. The fees are typically based on the following: (1) a monthly retainer fee against which media commissions are credited, (2) an agreed-upon charge per hour for work performed, or (3) a complex formula related to the amount of work the agency performs for a client as a percentage of the agency's total overhead. The fee arrangement is growing in popularity, as both agencies and clients perceive it to be more equitable than the straight 15 percent commission on media purchases and more in line with the actual amount of work done for a client. By the year 2000, almost 70 percent of the advertising agencies in the country worked on some type of fee arrangement, other than a straight 15 percent commission, with their clients. One reason that the fee arrangement is preferred by many advertisers is that they do not want their agency's income to depend on how much money they spend in the media. Advertisers want to make sure the agencies place their money as efficiently as possible and that the most effective, not necessarily the most expensive, media are purchased.

A trend that has developed in recent years is that more agencies are merging with each other or are being bought out by large international agency publicly owned conglomerates. This trend has put pressure on agencies to produce higher profits. As the push for bottom-line performance has increased, some advertisers have become concerned that the more expensive and easily purchased media such as network television might be favored over the less expensive media such as radio and Interactive, which are more time-consuming to purchase.

Agency Structure. Advertising agencies vary in size from large conglomerates with more than 25,000 employees in offices throughout the world and with media billings in the tens of billions of dollars to local, one-person agencies in smaller towns.

Basic Functions The work in the typical agency is broken into three basic functions: *account management*, *creative*, and *media*. These functions are supported in larger agencies by plans groups and by research, production, traffic, and accounting departments.

The account management function is carried out by account executives, account supervisors, and management supervisors, who are the primary contact people between agency and client. The account management team usually solicits the clients and services them once they are signed up.

The creative function is handled by artists, copywriters, and creative directors (or supervisors) who create advertising. Typically, the account executive will present a client's advertising problem to the creative group, normally an art director and a copywriter, who will mull it over and then recommend an overall campaign or a single ad or commercial approach. Ideas are often the result of brainstorming among art directors, copywriters, account people, and media people in the agency. The account executive then will present the idea to the client. If the client accepts the approach, the creative people will proceed to write detailed storyboards (for television) and arrange for the production of the commercials.

The media function is carried out by media planners, media buyers, and media directors (or supervisors) who evaluate and place advertising. Planners recommend what media and how much of each should be used. Media buyers select which networks, stations, newspapers, magazines, or websites to buy; and they are the people on whom media salespeople typically call on. However, in recent years planner have become more important in the evaluation process and salespeople, especially magazine salespeople, have been calling on planners more often.

Media departments are organized in various ways depending on the agency. Some are organized by product, and buyers buy all markets around the country for a certain product or brand. Other agencies organize on a regional basis and have buyers specialize in buying one or more markets for all of the agency's products. Most large agencies have gone to this regional organizational approach because they feel it gives them more in-depth knowledge about the constantly changing rates, ratings, and circulation data in markets; it also gives them better leverage in negotiating, particularly if they buy for a number of products. Furthermore, large agencies usually have buyers who specialize in a particular medium: network television buyers, spot television buyers, radio buyers, print buyers, and Interactive buyers, for example.

Support Functions. *The support functions* in larger agencies are handled by a number of groups.

The plans groups (sometimes called the strategy group) consist of the top account, creative, and media management people who meet to discuss the overall long-term strategic plans the agency will recommend to each client.

The research department keeps up-to-date on economic, population, media, advertising, marketing, and other relevant research information and provides it to the account management, creative, and media departments in an agency.

Production departments produce ads and commercials by overseeing all the myriad details that go into getting advertising in front of viewers, listeners, or readers.

The traffic department in an agency sees to it that the right ads or commercials get to the right newspaper, magazine, or television or radio station at the right time, with instructions on when, where, and how often to run them.

The accounting department bills clients, pays media, does an agency's payroll, and produces financial reports.

To complicate matters further, some agencies' media departments serve as the **agency of record** for large multiple-product advertisers, such as Procter & Gamble (P&G). The giant consumer-products company has dozens of products that each invests millions of dollars in advertising. To keep track of all of its advertising for all of its brands and to make sure that it is taking advantage of all possible media discounts, one agency is designated as the agency of record. This agency gathers and coordinates all the information about all media buys from all of P&G's various advertising agencies.

House Agencies. Some advertisers establish their own in-house advertising agencies. Instead of paying a 15 percent commission or a retainer fee to an outside advertising agency, they want to keep the money within their own company. Such advertisers hire people to fill the creative and media buying functions and produce and place their own advertising, usually under a separate agency name. Often the savings realized from house agencies do not offset the disadvantages of having less than superior advertising execution. Full-service agencies can support top creative and media people with the income from several accounts, whereas house agencies typically do not have the funds or diversity of interests to attract excellent people.

Boutiques. A *boutique* is an agency that sells various agency functions on a piecemeal, or modular, basis. Some boutiques sell only their creative services, some specialize in doing only media planning and buying, and some do only research. Boutiques often can offer advertisers topflight talent they might not otherwise be able to afford. For example, a highly regarded art director and a top copywriter in a large agency may get tired of the bureaucratic environment and decide to set up their own small creative boutique to serve just a few clients. Of course, if the boutiques produce excellent advertising, they soon grow larger.

Many successful large agencies started out as boutiques. Clients of boutique-type agencies usually deal with several agencies, each with a specialty, simultaneously.

Digital Agencies. A *digital agency* is one that specializes in creating and placing advertising in the online media. Large, multi-national, conglomerated agencies, such as WPP, typically have divisions that specialize in online advertising. Often

these divisions consist of people who started a digital agency that was purchased by the large conglomerate. Buying Interactive advertising, including search advertising, is quite complex and requires special, often highly technical, expertise.

Trade Deals and Buying Services.

One of the characteristics of broadcast time is that it is instantly perishable; lost revenue from an unsold spot can never be recovered. Many years ago, enterprising entrepreneurs discovered they could make a profit by bartering goods for unsold time on radio and television stations at a very favorable exchange rate and then reselling the time to advertisers.

Here is how a typical barter arrangement, or *trade deal*, might be made: Entrepreneurs form a barter advertising agency, sometimes referred to as a *barter house*, and contact radio and television stations. They then negotiate to give the stations something of value in return for time. A barter house might send a catalogue of merchandise (television sets, stereos, athletic equipment, or whatever) to a station. The merchandise is offered at full price – at retail cost or above.

The barter house then negotiates with the station for time, often referred to as a *bank* of spots, at a favorable exchange rate – \$2 worth of spots for every \$1 worth of merchandise, for instance (a two-for-one trade deal). Stations willing to make such an arrangement would run the spots contracted for with the barter house only if they have no paid advertising to fill up their time. Thus, the station is able to get something of value in return for the commercial time that would have had no value.

The barter house builds a bank of spots on as many stations in as many markets as possible and then calls on advertisers, offering to sell them advertising at large discounts on the stations with which they have contracts. They might have gotten the spots at a 50 percent discount from the two-for-one trade deal. They then resell the spots to advertisers at a 25 percent discount off the station's rate card, with the understanding that the spots might not run at the best times, namely, only in unsold time periods. The barter house makes a tidy 25 percent profit on this resale. It also makes money on the other end by buying merchandise in volume or otherwise heavily discounted and trading with a station for spots based on the full price of the merchandise.

Several barter houses became successful at convincing advertisers they could place media schedules for them for less, and they persuaded the advertisers to let them handle their media buying. The barter houses soon discovered that by taking tough negotiating stances and by acquiring extensive market and station knowledge, they could often outperform media departments at traditional agencies. In the late 1960s, the general function of these services changed from being primarily barter houses to being boutique-type *buying services* staffed by professional media directors, planners, and buyers who did not handle barter and who performed a straightforward media-buying service. Media-buying services typically operate on a fee basis, with an incentive built into their fee for bringing in a media buy at targeted rating-point levels for less than the allocated budget.

Television Bias.

In most large- and medium-sized agencies, there is a bias in favor of television in general and network television in particular. A typical large national advertising agency might place 40 percent of its total U.S. media dollars in broadcast network television, 25 percent

in spot television, 16 percent in cable, 10 percent in magazines, four percent in radio, two percent in newspapers, two percent in Interactive, and one percent in out of home. The reason advertising agencies try to sell the benefits of letting their agency handle the advertising for large users of network television (both broadcast and cable) is because if clients can afford the networks, they will generate large commissions or fees. The media department likes to buy network television because it can spend and administer huge amounts of money with fewer people. Because the size of each order is so large, two or three people can easily spend and keep track of \$50 million on the television networks. The same amount spent in radio might keep a media department of ten people busy most of the year.

Moreover, creative people do not get higher-paying jobs by producing beautiful newspaper ads or banner ads; they move up the ladder to become high-paid creative directors by developing a reel of award-winning television commercials.

Finally, agencies keep accounts by doing what their clients want, and clients are typically enamored with the traditional national media, especially with network television. Agencies may recommend new creative approaches or nontraditional media, but they normally do not push very hard if their client is not disposed toward what they are recommending.

Selling to Agencies

Advertising agencies are typically ratings-oriented and require a service-oriented salesperson who understands ratings and is experienced in operating in a numbers- and negotiation-oriented selling environment. Most advertising agency buyers do not care much about results – they are experienced specialists who are mostly interested in the type of audience a medium has and price.

Agencies depend on the media for their existence. Their incomes are based to some degree on how much advertising they buy; conversely, the media depend on agency buying decisions for much of their income. As a result, agencies and media continually perform a ritualized, arm's-length waltz: agencies try to buy at the lowest prices possible, and the media try to sell at the highest prices possible. This is a good example of an ambivalent, co-dependent, love-hate relationship.

A further complication is that agencies tend to be defensive because of the tenuousness of agency-client relationships. Although clients and agencies have contracts that normally spell out the financial details of relationships, rarely is a long-term commitment involved. Agencies continue to serve their clients because of an advertiser's trust, faith, and, and too often, whim. Agencies sell a service even more intangible than media advertising – they sell their abilities to create good advertising and place it efficiently and effectively. There are not many ways to measure the creative and buying effectiveness of an agency. For example, did sales go up because the advertising was great or were prices cut? Did sales go down because of a poor ad campaign or was the product awful? It is often easier for a client's product managers to blame an agency for their failures than to blame themselves.

Advertisers might drop an agency for a number of reasons: advertiser personnel changes (a new person at the client wants to make a change); new personnel at the agency (the client does not like an agency's new creative director); agency plunder (agencies target other agencies' clients); or competitive media grumbling (a disgruntled salesperson

from a medium goes to a client and criticizes an agency). Salespeople who call on agencies must learn to deal with the complex needs and behaviors of agency people, particularly of media buyers.

Media buyers are in the bottom echelon of an agency's media department. They are typically overworked, unappreciated, and underpaid. They are the agency's infantry troops slogging through mountains of media research and media proposals. There is little wonder that buyers tend to be defensive, given the pressure under which they work. They are particularly touchy about salespeople calling on their clients.

Calling on Clients. Some media salespeople, especially those from magazines and television networks, frequently make sales calls on both the advertising agency and the agency's clients with the blessing, or at least the grudging cooperation, of an agency. Generally, the larger the agency, the more secure it is with its relationship with clients, or at least so it seems because the loss of one client does not threaten the agency too much. The higher the position of a person in the agency hierarchy, the less that person usually objects to media salespeople calling on the agency's clients because they hope the salesperson can convince the client to increase the client's advertising budget. However, buyers, who are far down on the organizational ladder, normally do not like salespeople calling on their clients, especially if it is to complain about a buy or to make waves of any sort.

If you feel it is necessary to stir things up to get your message across to a client, and a buyer has told you not to call on the client, then sell your way up through the agency's media department (through the associate media director to the media director to the vice president in charge of media). All along the way, tell your medium's story; tell the agency why you want to see its client and exactly what you are going to tell the client. Someone higher up will finally give you permission to see the client because he or she will realize that, in the final analysis, the agency cannot keep you away if the client agrees to see you, plus, you might get the client to invest more in advertising.

The secret of getting agencies' permission to call on their clients is to keep the agencies involved all along the way and to go over your proposals with them so they will be assured you are not going to make them look bad.

Numbers: The Security Blanket. As mentioned previously, agency selling is numbers-oriented selling, as opposed to direct selling, which is usually results-oriented. Since an agency's performance is difficult to measure, anything that has a number associated with it is eagerly grasped as a measurement device. In broadcasting and cable ratings are used as a tool to evaluate an agency's media-buying performance. Online, impressions are currently the quantitative criteria and in magazines and newspapers circulation is generally the quantitative criteria. Evaluating these numbers after a campaign has run is called a *post-buy analysis*.

An agency's television and cable media buyers make decisions based on ratings information that is three months to one year old at the time the buy is made. When the ratings for the time period that the advertisements ran are published, agencies compare the actual audience size and costs to those that they had projected at the time the buy was made. This analysis is usually done on a computer, which also checks all the advertising that actually ran against invoices. This process of *posting* is used, more than any other variable, in evaluating the performance of agency television and radio buyers.

When media outlets fail to reach a projected audience in an original buy (that is, they fail to *post*), agencies may pressure for make-goods. In many cases stations, networks, and websites offer ratings or impressions guarantees and will schedule make-goods to meet their audience guarantees.

If a buyer can bring in a campaign on budget for the desired audience level, the agency and the buyer have a way of quantifying their performance to their clients. The agency and their clients feel secure with the numbers because they are tangible evidence of the fact that the agency performed its service and exercised good buying judgment. Therefore, do not expect agencies and their clients to give up their security blankets. You have to play the game using their rules, and their rules place emphasis on numbers, not on results.

Still, if agencies and their clients take refuge in the security of numbers and make their media buys based on ratings, impressions, and circulation, you might well ask how a salesperson makes a difference and emphasizes quality. It is because numbers are so absolute and finite that salespeople *can* make a difference. In fact, in a numbers-oriented selling situation, salespeople are the only difference, because a 10 rating is a 10 rating is a 10 rating. Buyers continually need reassurance that what they are buying will turn out to be what they hoped for. In their hearts, they know that numbers do not walk through doors and buy products, but that people do. They know that ultimately they will be judged by their clients on the overall effectiveness of their advertising campaigns. If they buy very efficiently in media that have the wrong demographics or to which no one pays attention, then their campaigns will not be successful. So, agency buyers depend on media salespeople to keep them thoroughly informed about the various media: demographics, attentiveness levels, programming and content changes, rate changes, personnel changes, and anything that will help them evaluate the media better and make better buys—to give them excellent, responsive service.

For more information about selling a national medium (network television, non-local websites and portals, and magazines) see Appendix A, “Selling Magazines to Agencies.” Although the title indicates it is about selling magazines, the techniques apply to virtually all national media, but I recommend you read it after you have read Chapters 3 through 24, so you will be more familiar with the terminology, techniques, and tactics included in it.

Sales Department Structures

In order to apply a systematic, strategic selling approach to the different types of selling – missionary and service, direct and agency – media sales organizations use a variety of organizational and management structures. For more details on sales department structures see *Media Sales Management*, Chapter 2, on the *Media Selling* website (www.mediaselling.us/MSM_Chapter2-Structure.pdf). But before we discuss sales department structure, we need to look into what a sales department does.

A media sales department is responsible for the advertising revenue of a medium. The sales department, or often referred to as the advertising sales or just advertising department in magazines and newspapers, is responsible for sales planning, which includes setting policy, establishing procedures, and determining strategies. The sales department is responsible for hiring and training salespeople. It communicates appropriate sales information to other departments and passes on appropriate information about other

departments to its sales staff. It is also responsible for supervising the activities of salespeople, for controlling inventory and sales expenses, and for evaluating the performance of salespeople.

Theorists in organizational structure have an axiom that “structure follows strategy,” which means that a sales department’s structure should reflect its sales strategy, and in most cases, this axiom holds true.

Many media outlets in larger markets (newspapers, radio and television stations, and cable systems) structure their local sales organizations so there are two divisions: agency and retail. National media often divide their sales staffs by category, or *verticals*. Such categories might be: Financial, Consumer Package Goods (CPG), Technology, Communications, Entertainment, Automotive, Music, and Retail. Category sales specialists must have in-depth knowledge of the verticals they call on and they often have both direct selling and agency selling responsibilities.

Management structures of sales departments range from a small-market radio station in which the general manager of the station is also the sales manager to whom three salespeople report, to a large-market newspaper in which there is a director of advertising sales (who reports to the publisher), a national sales manager, a retail sales manager, a classified sales manager, category sales managers, and a sales staff of perhaps 150.

However, no matter what the structure is, the purpose of a sales department is to maximize revenue by organizing its sales staff to carry out systematic and strategic approaches to selling.

Why a Systematic, Strategic Approach Is Necessary

The International Radio and Television Society (IRTS) conducted a *Time Buyer Survey* among important media buyers in New York City several years ago. The buyers were asked to name and rank the characteristics they thought were most important for a salesperson to have. The following list resulted from the study:

1. Communication skills - Clarity and conciseness, not oral skills or flamboyance, were ranked as most important.
2. Empathy - Insight and sensitivity.
3. Knowledge of product, industry, and market.
4. Problem-solving ability - Using imagination in presentations and packaging.
5. Respect
6. Service
7. Personal responsibility for results
8. Not knocking the competition

More recently, a major radio station group commissioned research in seven major markets of advertising time buyers and media executives to find out what they wanted from salespeople. The results were similar to the IRTS study. Here is what buyers wanted from salespeople:

1. Ideas - Especially in the area of added value and how to sell their client’s product better
2. Communication - Clear, concise communication, not long-winded, exaggerated sales pitches
3. Respect for their time

4. Run as ordered
5. Responsiveness - Return calls *fast*, be available at all times, get schedules confirmed quickly and correctly

In 2008, *Advertising Age* reported the results of an Advertising Perceptions study. The author of the article wrote, in part: “In addition to brand knowledge, media buyers and planners are also looking for good communication skills, professionalism and an understanding of marketers' needs and priorities. The least important characteristics in a sales rep identified by marketers were sales presence and entertainment. Only eight percent of respondents said going to dinners, shows and sporting events with sellers was important ... ‘Most people probably aren't going to own up to the fact that they really love being entertained.’”ⁱⁱⁱ

Much of the remainder of this book will be spent helping you develop the attitude, emotional intelligence, skills, knowledge, opportunities, preparation, and persistence necessary to become a salesperson who will make raving fans of agency buyers and customers who want the above qualities from salespeople.

In the classic *Harvard Business Review* article, “What Makes a Good Salesman,” David Mayer and Herbert Greenberg point out that the two essential qualities for a salesperson to have are *empathy and drive*. Empathy is the ability to feel as another does. Being empathetic does not necessarily mean being sympathetic. A salesperson can know what another person feels without agreeing with that feeling; but, as Mayer and Greenberg point out, “...a salesman simply cannot sell well without the invaluable and irreplaceable ability to get a powerful feedback from his client through empathy.”^{iv} This quality or attribute will be covered in more detail in Chapter 5. Drive is a particular type of ego drive “which makes him want and need to make the sale in a personal or ego way, not merely for the money to be gained.”

This book can help you learn the systems, approaches, and techniques to improve your empathy and drive, but it cannot imbue you with these two essential qualities—they must come from within. In essence, this means that to be successful in selling, you must genuinely like people and crave to be successful.

Test Yourself

1. What are the three assumptions that this book makes about selling?
2. What are the elements in the AESKOPP approach to selling?
3. What are the three rules of relationships?
4. What are the three types of buyers and what are the differences among them?
4. What is the difference between tangible and intangible products?
5. What are the six steps of selling?
6. What is the purpose of a sales organization?
7. What are the objectives, strategies, key and related functions of a salesperson?
8. What is the difference between missionary and service selling?
9. What are the two types of customers and what are some of the differences between them?
10. What are some of the differences between direct and agency selling?
10. Explain what a trade deal is.

11. Name two types of sales department organizational structure?

Project

Make an appointment with the person responsible for purchasing advertising at a large advertiser in your market (not at an advertising agency). This person might be the sales manager of a large automobile dealer or the head of marketing at a large hospital.

Interview this person and ask him or her what is expected of salespeople, what attributes he or she would like to see, and what kind of service is preferred. Make a list of these answers and compare them to the answers that professional buyers gave in the two surveys in this chapter. Are there any differences? What are they? What did you learn from this exercise?

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Endnotes

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