

Marketing and Sales Differences



Marketing and sales are often used in the same sentence as though they were synonymous. This happens frequently enough that many organizations structure these functions into the same department and cost centers. Being combined in this manner is not a major issue for most organizations, as long as they understand the true functional differences between the two disciplines. Make no mistake; there is a significant difference between marketing and sales.

In simple terms, marketing is described as the process of stimulating demand for a product or service. A sale is the process of closing a sale, and I would add an important factor that is often overlooked as a part of the sales process. That is the collection of sales proceeds that are booked as revenues for the organization. However, if the organization is non-profit, then sales is the process of closing on the contribution AND collecting the funds. In many organizations, once the salesperson or team arrives back at the office with the signed contract, they consider that sale complete; and, it is then up to accounting to collect the cash from the customer or contributor.

Most sales leadership will say that sales should be selling, not collecting; and, they are correct in most cases. Then again, if the customer or contributor does not follow through by paying the funds as agreed to in the transaction, who then has the best relationship with the customer or contributor? Accounting? Doubtful. No, it is the sales person who closed the transaction initially. They should assist in the collections process if there is a need; after all, the life blood of any organization is cash flow, not signed contracts or donation pledges.

Marketing consists of a number of activities that are required to stimulate demand for a product or service. Those are covered in detail under the marketing process titled The Four Ps of Marketing by Jerome McCarthy.

*Going one step further, Arago Partners LLC has published (available on its web site www.aragopartnersllc.com) an article which expands the description of the activities of marketing to The Five Ps of Marketing. The activities for stimulating demand for a product are the structural aspects of the **product** (design, feature, function, quality, etc.), the **price**, the **placement**, the **promotion**, and the **profitability**. Each of these five Ps of marketing is an activity that must be developed, tested and launched in order for the sales process to most effective. Of course, the sales process can proceed while all activities are being completed; but, they should all be in place to enhance the greatest level of effectiveness for the sales process.*

As stated earlier, the sales process has the overall objective of closing the sale. Closing the sale should mean the customer signs the contract or pledge and commits to the payment of funds to consummate the transaction under the terms of the contract or pledge. So far, the emphasis of this article is to point to the differences between Sales and Marketing, and that primarily means the “closing of the sale”. The close is the final step in the sales process, so let’s discuss the initial steps that lead up to the close.

The sales process is made up of seven stages:

- Leads
- Qualifying the lead
- Contact
- Presentation
- Handling objections
- Closing the sale
- Post-sale service

Leads- *Finding prospective sales clients or customers can represent up to as much as 60% of a sales person's time, depending on the market and types of products or services being offered. Since Marketing has the objective of stimulating demand, if there is an effective marketing program in place, the availability of sales prospects should be adequate. There are several proven techniques for finding prospects: referrals, networking, and lists.*

Referrals are the best form of prospect gathering. They are often from other satisfied customers and come with an endorsement from a satisfied customer, a certain amount of product or service knowledge and a certain level of commitment toward the product or service. Always make sure to show gratitude to the appropriate customer for the referral.

Networking requires the effort to reach out to prospects, to introduce them to the products or services and to let them know where to learn more about the products or services. Networking is most effective within associations, social networking groups, trade shows, publications, and events. Cold calling is usually the least effective and least desirable method; but, depending on the market and product or service, it may be the method of choice. One-on-one contact produces the most effective results but comes at the highest cost. Relationship building on a personal basis will produce the greatest results over time, if the sales process is considered a marathon and not a sprint.

Lists can be purchased or developed; but, in both cases, they will contain a number of prospects who meet a profile that should be conducive to a sale of the product or service. Lists can be developed as a result of doing a mailing, telemarketing, surveys, contests, a give-away, and follow-up from networking at large events. There are several listing organizations that will sell a directory or list of names and contact information based on a desired profile.

A method for determining the effectiveness of a lead generation program is to compare its results to the Rule of 45, which simply states that 45% of all leads should be converted into a sale.

Qualifying the lead- *Converting a lead into a sale implies that the lead needs to be evaluated to see if they truly are a candidate for the product or service, which, in turn, increases the probability of closing the sale. This evaluation process requires a certain amount of information about the prospect to determine if there would be a demand for the product or service.*

Are they in an industry that would have a need for the product or service? Have they shown interest in the product or service in the past, either directly or indirectly? Would their operation need the product or service? Would they have the financial strength to purchase the product or service? Are they similar to other existing or past customers? All these questions are ways to qualify the prospect before taking the next step.

Contact- *Either prospects will initiate contact or the selling organization will initiate contact with the prospect. In either case, it is important to be prepared for this first contact with a plan as to what is to be accomplished. The goal is to move the prospect closer to a decision to purchase the product or service. An effective sales contact establishes a level of interest in the product or service and gains a commitment for a second contact. This can be either a face-to-face appointment or a second call with the potential to send out additional information about the product or service to be used during the second meeting. As long as the prospect's final answer is not an unequivocal NO, then the contact was a success and there is still an opportunity to make the sale.*

Presentation- *This stage provides the opportunity to present the pertinent information about the product or service that is thought to be of most value to the prospect. All the reasons why the prospect should want to purchase the product or service should be explored during the presentation. Highlight the strongest benefits of the product or service as well as the potential cost savings or ability to generate greater sales by the prospect.*

Show how the prospect can better compete in its marketplace due to the benefits of the product or service. If the presentation is a telephone call, try to send materials in advance of the call so that the prospect can follow along with your presentation while on the phone. If possible, tailor the presentation to the culture of the prospect. If they have a casual culture, then do not prepare a long, formal presentation. Just use talking points and brochures/catalogs that can be referenced by the talking points. Make sure to rehearse the presentation, try to anticipate any objections, and be prepared to convert the objections into positives. If the presentation is in person, arrive 10-15 minutes early, dress professionally, know who you are meeting with as well as their direct contact number, and provide handouts of the presentation materials. If applicable, bring a sample product, demonstrate it, and be prepared to make a follow-up appointment before leaving.

Handling objections- *There will be objections during the sales presentation. The handling of these objections in a positive manner can still lead to the sale. It is important to address each objection head-on. Objections often point to a lack of understanding by the prospect, and their objection is a way to show they need more information about your product or service. A few proven techniques for handling objections are as follows:*

Ask the prospect to explain their reasons for not wanting to purchase the product; take notes in order to be prepared to address these issues.

If the prospect is incorrect, carefully show the facts about the product that would refute the prospect's error. Do not say "you're wrong", as that will put the prospect on the defensive and bring the conversation to a quick negative close.

Paraphrase the prospect's objection to make sure you understand their position, soliciting a confirmation from the prospect that you have the correct understanding of their objection.

Closing the sale-*This stage separates marketing from sales. Closing a sale requires a prospect to commit to purchase the product by signing a contract, issuing a purchase order and or making a down payment. Verbal commitments should not be considered closed sales, no matter how strong the relationship with the prospect. Sales should be considered closed once the revenues are booked on the selling firm's accounting system and the prospect begins making payment, either partial or in full, for the product or service. There will be signs during the sales process that indicate the prospect's readiness to purchase the product. Here are a few to look for:*

- They ask about specific price, terms, warranties, availability.
- They ask about options and features, especially if customized to their application.
- They request a sample or trial of product or service. Make this a condition of the sale and make it available once the sale is closed.
- They discuss customer support.
- They ask for references from satisfied customers.

To help the prospect come to the decision to purchase, try the following:

- Incentives can help, whether in price, feature, service or delivery.
- Trials of product or service as a condition of a sale.
- Walk through all the positive reasons the prospect has already mentioned that the product or service is good for their situation. Make sure to keep a list during the sales presentation, so it can be used at this stage.
- Ask them for the sale. "We want your business. You understand the benefits of our product or service to your organization, so let's get your order entered."
- Fight through the objections until either the prospect declares unequivocally that they do not want the product or they move forward and enter an order.

Post-sale service-*The only way to insure future sales to an existing customer base is to make sure they receive the services that they expect. Long-term relationships built upon positive service results increase the potential for additional sales from existing and referred customers. Referral prospects provide a much lower sales cost, because they come already interested in your product or service as a result of the benefits they have seen from the organization referring them. That existing customer has done most of the "heavy lifting" of the sales process and now the closing process is all that is left.*

Post-sale service is most often neglected by organizations and is one of the primary causes for unsatisfied customers and loss of future business. Organizations invest heavily in marketing and public relations to promote their product and organizational image, all for the purpose to increase sales or donations. Yet, if the



post-sales services are not maintained in a positive fashion, then those investments are not likely to produce the desired results.

Marketing and Sales are very much aligned in the purpose of increasing revenues for most organizations, but they clearly are different functions, requiring different skill sets and strategies. Another way to look at it is marketing hooks prospects and sales lands customers.