The Bengaluru Angels

Sales and Marketing

Dynamos of Revenue

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Sales

A sale is a transaction between two or more parties in which the buyer receives tangible or intangible goods, services, or assets in exchange for money. In some cases, other assets are paid to a seller. In the financial markets, a sale can also refer to an agreement that a buyer and seller make regarding the price of a security.

Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

3. Fundamental Difference between Sales and Marketing

Sales and marketing are two business functions within an organization -- they both impact lead generation and revenue. The term, sales, refers to all activities that lead to the selling of goods and services. And marketing is the process of getting people interested in the goods and services being sold.

Sales is a term used to describe the activities that lead to the selling of goods or services. Salespeople are responsible for managing relationships with potential clients (prospects) and providing a solution for prospects that eventually leads to a sale.

Marketing encompasses all activities that help spark interest in your business. Marketers use market research and analysis to understand the interests of potential customers. Marketing departments are responsible for running campaigns to attract people to the business' brand, product, or service.

Sales

1. Sales are about one-to-one.
2. Sales is where our business becomes real for the client. It is where the stories and brand come to life.
3. Sales develops relationships and is relationship-driven.
4. Sales looks after individuals.
5. Sales deals with the ambiguities and the details of each person. It cannot be averaged.

Marketing

1. Marketing is one-to-many.
2. Marketing tells the stories (of the company, product, etc.) to many people.
3. Marketing looks after the brand's reputation
4. Marketing needs to keep the stories circulating and resonating with the target markets using the company's plumb line as its central reference.
5. Marketing analyses the big data. Marketing brings you the average result not the specifics.

4. Elements of Sales and Marketing Strategy

Components of Successful Sales Strategy -

4.1 Target Markets and Customer Segmentation - A first course of action is to identify those groups of customers that are of the most value to the business. These are the groups that predictably buy more and at better prices (higher margins).

4.2 Buying Personas and Influences - We know the type of company we want to target but now we need to identify the decision maker within that company. Start by identifying those individuals that make the purchase decision or are likely to influence a purchase decision by function within the organization.

4.3 Channel Strategy -A company must determine the sales channels that can reach its target markets and customers most effectively. Some of the factors to weigh:
Direct versus indirect versus digital sales team
Hunter versus farmer sales team
Inside versus outside sales team
Complex solution versus transactional sales environment
Salary heavy versus incentive heavy compensation plans
Customized versus packaged products/services

4.4 Sales/Customer Buying Process - In simple terms, a sales process is a systematic approach (a repeatable process) involving a series of steps that enables a sales force to close well and boost revenues.

4.5 Sales Message and Your Value Proposition - Your sales message is the unique value statement that your sales force delivers to target customers. This message is what sets your company apart from your competition.

4.6 5 x 5 Revenue Growth Strategies - Like any good investment portfolio, a business needs to diversify its sales growth investments. The five ways that any business can increase its revenues and gross profits are to:
increase the number of sales leads coming into the business;
improve the lead-to-close conversion rate;
increase the number of annual customer transactions;
increase the average dollar sale per transaction; and,
Improve gross profit margins.

4.7 Performance Metrics - Performance metrics are the quantitative and qualitative measurements a business uses to measure the success or failure of its sales operations. These metrics should include both results- and activity-based measurements.

4.8 Sales Compensation - Proper sales compensation ensures that a business can recruit and retain the most qualified sales talent as well as drive the desired sales behavior expected from members of the sales team. Five methods should be considered when a business decides how it will financially compensate the members of the sales team for their role in generating sales:
Salary only

- Commission only
- Salary plus commission
- Salary plus bonus
- Spiffs

Components of Successful Marketing Strategy -

Market research. Research is the backbone of the marketing plan. Your local library is a great place to start, offering reports like Standard & Poors or IBISWorld. Some library cards even allow access to online services from home. Identify consumer buying habits in the industry, market size, market growth or decline, and any current trends.

Target market. A well-designed target market description identifies your most likely buyers. In addition, you should discuss at least two or three levels of segmentation. A language tutoring business might target both students and foreign-born employees who want to improve their English.

Positioning. What is the perception of your brand in the marketplace? For example, if your restaurant sells burgers, do customers see you as the place to go for gluten-free or healthy options or the place to go if you've got an appetite for a double cheeseburger? The difference in how the target market sees you is your positioning. Develop compelling branding and marketing messages that clearly communicate how you want to be perceive

Competitive analysis. You need to know who your competitors are and how your products and services are different. What is the price point at which your competitors are selling, and what segment of the market are they aiming to reach? Knowing the ins and outs of your competitors will help you better position your business and stand out from the competition.

Budget. Develop a month-by-month schedule of what you plan to spend on marketing. Also include a "red light" decision point. For each activity, establish a metric that tells you to stop if it's not generating sufficient return on investment (ROI).

Market strategy. Your marketing strategy is your path to sales goals. Ask yourself "How will I find and attract my most likely buyers?" This is the core of what the strategy should explain. It should look at the entire marketplace and then break down specific tactics including such as events, direct mail, email, social media, content strategy, street teams, couponing, webinars, seminars, partnerships, and other activities that will help you gain access to customers.

Metrics. Track your marketing success with Google Analytics for website conversions and a simple Excel sheet to compare your budget against the actual ROI. Test programs over the course of a 30- to 60-day period, and evaluate the results. Repeat any programs that are delivering sales or sign-ups to your email list, and get rid of anything that's not.

5. Plan vs. Strategy

Plan - A plan is usually a list of steps taken to accomplish a goal. A plan tackles questions like how, when, where, who, and what? A plan is a good thing to have. In fact, it is vital to the success of almost any effort. However developing a plan should not be the first step in addressing a task.

Strategy - A strategy is bigger than a plan. Strategy tackles the question of why? It has a large scope and looks at the end result as well as the many paths to the desired outcome. A strategy looks at every possible influencing factor, both seen and unforeseen and comes to terms with the whole situation, not just one end result.

6. Customer Acquisition cost

Customer acquisition cost is the best approximation of the total cost of acquiring a new customer. It should generally include things like: advertising costs, the salary of your marketers, the costs of your salespeople, etc., divided by the number of customers acquired.

It's a really useful number to help you calibrate your investment and make sure that you're making the right decisions for your growth.

Why does it matter? Put simply, if your customer acquisition cost is greater than your revenue for a long enough period of time, you'll go out of business. Kind of a big deal, huh?

7. Profitability vs. Growth

Profitability

A company's net profit is the revenue after all the expenses related to the manufacture, production, and selling of products are deducted. Profit is "money in the bank." It goes directly to the owners of a company or shareholders, or it is reinvested in the company. Profit, for any company, is the primary goal, and with a company that does not initially have investors or financing, profit may be the corporation's only capital. Without sufficient capital or the financial resources used to sustain and run a company, business failure is imminent. No business can survive for a significant amount of time without making a profit, though measuring a company's profitability, both current and future, is critical in evaluating the company.

Growth

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Growth for a business is essentially an expansion, making the company bigger, increasing its market and ultimately making it more profitable. Measuring growth is possible by looking at some pertinent statistics, such as overall sales, number of staff, market share, and turnover.

8. Sales Maximization vs. Profit Maximization

8.1 Sales maximization is a business strategy that a company implements when it wants to focus on generating as much revenue as possible. Profit maximization is the objective of generating as much profit as possible over time.

8.2 Sales maximization is an activity, while profits are a byproduct.

8.3 Profit maximization has a lower limit of risk. Sales maximization leaves the company at risk.

8.4 Sales maximization typically involves businesses charging lower prices for their products contrasted with profit maximization.

8.5 While profit maximization is always the long-term goal for any for-profit business, sales maximization is a short-term strategy that businesses implement periodically.

9. Cost centers and Profit centers

Cost Center is that department within the organization which is responsible for identifying and maintaining the cost of the organization as low as possible by analyzing the processes and making necessary changes in the company whereas a **Profit Center** focuses on generating and maximizing revenue streams for the organization by identifying and improving activities such as sales it is much more complex and has a wide area of scope.

10. Significance of Social Media Marketing and Advertising towards business

10.1 Social media is one of the most stress-free and profitable digital marketing platforms that can be used to increase your business visibility.

10.2 For an advertising strategy, social media marketing is possibly the most cost-effective way. Creating an account and signing up is free for almost all social networking platforms.

10.3 Social media is a good way for engaging and interacting customers. The more you communicate with the audience, the more chances you have of conversion. Set up a two-way communication with your target audience so that their wishes are known and their interest is catered with ease.

10.4 When you have a social media presence, you make it easier for your customers to find you and connect with you. By connecting with your customers through social media, you are more probable to upsurge customer retention and customer loyalty. Since developing a loyal customer base is one of the main goals of almost any business.

10.5 Social media plays a vital role in networking and communication platform. With the help of these platforms, creating a voice for your company is important in improving the overall brand image.

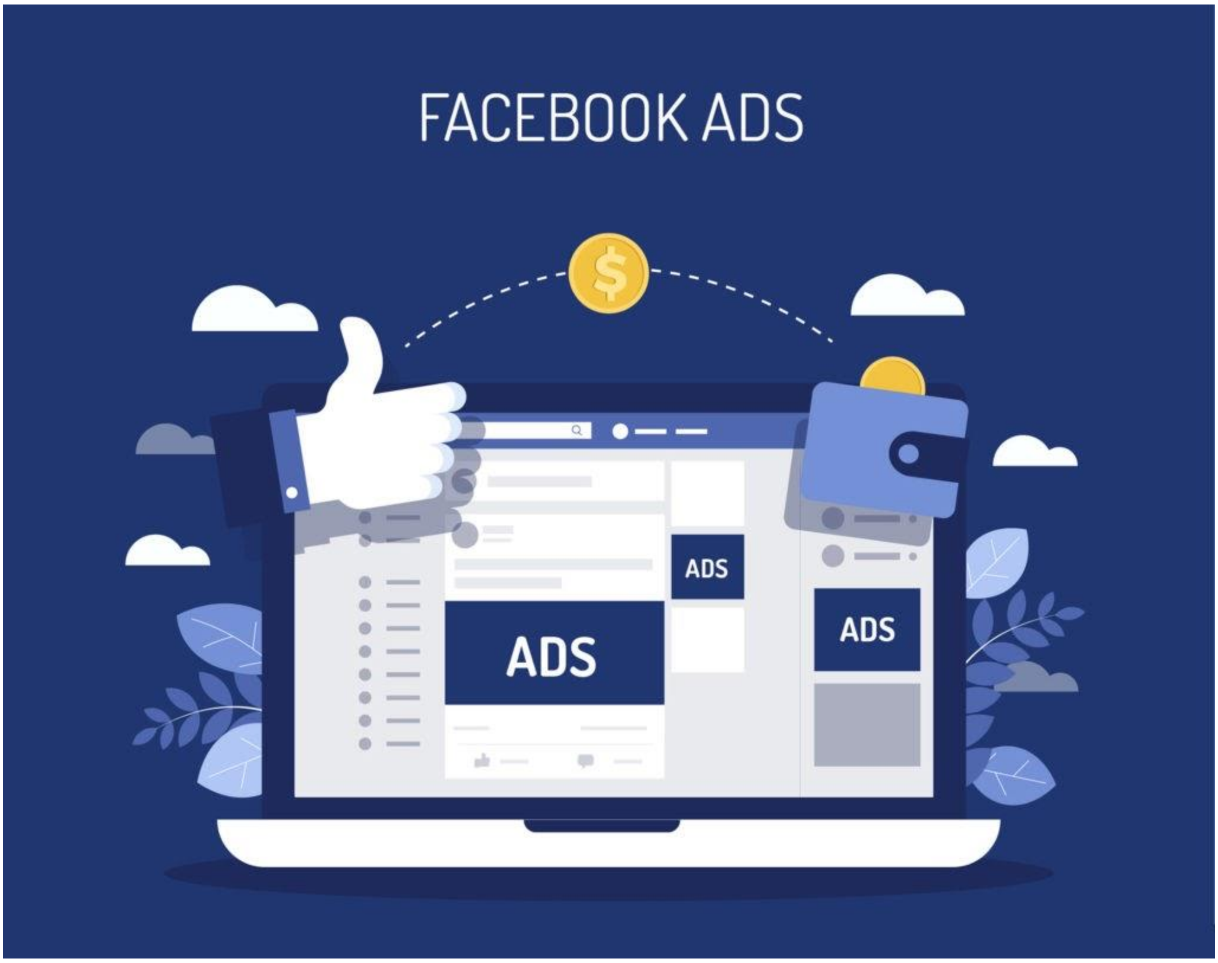
10.6 One of the best ways to find the needs and wants of your customers instead of directly communicating with them is Marketplace awareness. It is also considered as the most valuable advantage of social media.

10.7 For making your business more powerful, brand loyalty and customer satisfaction both play a major role, but it all comes down to communication. When customers see your company posting on social media, especially replying to their queries and posting original content, it helps them build a positive image in their minds.

10.9 One of the other benefits of Social Media is that it also helps increase your website traffic. By sharing your content on social media, you are giving users a reason to click-through to your website. On your social account, the more quality content you share, the more inbound traffic you will generate while making conversion opportunities.

11. Key ingredients for Successful facebook marketing campaign

- **Well defined goals -** As a business grows, advertising goals change. In the start, a company may find it necessary to create awareness and acquire new followers through advertising. Later, goals may change when the business wants people to purchase or sign up for an event. You need to be very clear about what you want to achieve through Facebook advertising and what metrics you should be tracking.
- **Targeting the right audience -** It is important to know who your audiences are before you even think of running an ad campaign. The clearer you are about your audience, the more relevant and effective your campaign would likely be. You can define your audience or customer persona by writing down the age, gender, income, interests, pain points, values, etc. of people you want to target.
- **Appropriate and high-quality images -** Images play a crucial role whether you are building a website or an advertising campaign. Stats show that Facebook posts with relevant high-quality images produce more engagement. It can be tricky to find or design appropriate images for your campaign.



- **Strong headlines -** A weak or generic headline can make people scroll past your ad and move on to something else. Creating strong headlines is essential as tech-savvy consumers have very short attention spans. The best approach is to define in a captivating way how your products and services can solve a problem or a set of problems.

- **Call-to-action -** What actions do you want your ad visitors to take: to sign up, to purchase, to download something? People take out the time to read an ad when they are genuinely interested in what that ad has to offer. Create a sense of urgency and guide your audience through CTAs.

- **Testing and tracking -** Tracking conversions is a way to measure the efficiency and ROI of your advertising campaigns. You should track your Facebook ads' performance the same way you track other ad campaigns that generate real sales. By so doing you would be able to quantify results and determine whether the ads you run on Facebook are worth your marketing dollars (when you compare the performance).
- **Persuasive landing page -** Creating a successful ad is only the beginning of your advertising journey. Once a prospect clicks on your ad, they should be taken to a landing page designed specifically around your campaign objectives. This step will determine whether you're able to move your prospect further down the marketing funnel. Sending prospects to your homepage instead of a page relevant to your ad campaign is not a good idea as the homepage can have distracting information and CTAs that are not closely related to your campaign ads.

12. E-Commerce

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business. The terms e-commerce and e-business are often used interchangeably. The term e-tail is also sometimes used in reference to the transactional processes for online shopping

In the last decade, widespread use of e-commerce platforms such as Amazon and eBay has contributed to substantial growth in online retail. In 2007, e-commerce accounted for 5.1% of total retail sales; in 2019, e-commerce made up 16.0%.

Types of E-Commerce

- **Business-to-business (B2B)** e-commerce refers to the electronic exchange of products, services or information between businesses rather than between businesses and consumers. Examples include online directories and product and supply exchange websites that allow businesses to search for products, services and information and to initiate transactions through e-procurement interfaces.

- **Business-to-consumer (B2C)** is the retail part of e-commerce on the internet. It is when businesses sell products, services or information directly to consumers. The term was popular during the dot-com boom of the late 1990s, when online retailers and sellers of goods were a novelty.
  Consumer-to-consumer (C2C) is a type of e-commerce in which consumers trade products, services and information with each other online. These transactions are generally conducted through a third party that provides an online platform on which the transactions are carried out.
- **Consumer-to-business (C2B)** is a type of e-commerce in which consumers make their products and services available online for companies to bid on and purchase. This is the opposite of the traditional commerce model of B2C.

- **Business-to-administration (B2A)** refers to transactions conducted online between companies and public administration or government bodies. Many branches of government are dependent on e-services or products in one way or another, especially when it comes to legal documents, registers, social security, fiscals and employment. Businesses can supply these electronically. B2A services have grown considerably in recent years as investments have been made in e-government capabilities.

- **Consumer-to-administration (C2A)** refers to transactions conducted online between individual consumers and public administration or government bodies.

13. Wholesale vs. Retail

Wholesale sales involve sale of goods in bulk quantities from wholesalers to retailers. In the case of a manufacturing entity – wholesale sales connect the manufacturer to the distributor/wholesaler and furthermore the wholesaler/distributor to the retailer.

Wholesalers procure goods in bulk quantities and at bulk prices from manufacturers. Wholesalers then bifurcate the goods into smaller yet bulk lots, add their margins and make further wholesale sales onwards to various retailers. Wholesale sales take place at prices considerably below the list price of the goods.

It is difficult for manufacturers to engage directly with end consumers. Wholesale sale is thus employed so that they can engage multiple wholesalers or distributors through whom they can distribute their products. Wholesalers then make wholesale sales to retailers who ultimately sell the goods to end consumers.

Wholesalers generally operate at considerably large scales as they require to purchase and stock goods in large quantities. They may purchase from one or more manufacturers and sell further to multiple retailers mostly across several locations.

Example – A wholesaler of surgical disposables procures goods of different brands from different manufacturers and sells the same in bulk quantities to various retailers such as hospitals and pharmacies

Retail sales involve sale of goods in small/individual quantities from retailers to end consumers. Retail sales connect manufacturers/wholesalers to the end consumer through retailers.

Retailers procure goods in bulk quantities i.e., in wholesale from wholesalers and then sell the goods individually to several end consumers. Retail sales typically take place through a brick and mortar shop. In recent times though considerable retail sale also take place through e-commerce channels.

Retail sale generally takes place at list prices. Retailers however operate in a competitive environment and thus some retailers may offer discount on list prices to attract customers

Continuing the above example – Once procured from a wholesaler, retailers namely hospitals and pharmacies make retail sale of surgical disposables in individual quantities to end consumers in the form of patients or over the counter customers.

14. Distribution Channel

A distribution channel is a path by which all goods and services must travel to arrive at the intended consumer. Conversely, it also describes the pathway payments make from the end consumer to the original vendor. Distribution channels can be short or long, and depend on the number of intermediaries required to deliver a product or service.

Goods and services sometimes make their way to consumers through multiple channels—a combination of short and long. Increasing the number of ways a consumer is able to find a good can increase sales. But it can also create a complex system that sometimes makes distribution management difficult. Longer distribution channels can also mean less profit each intermediary charges a manufacturer for its service.

15. Customer Satisfaction And Brand Loyalty

Customer satisfaction is defined as a measurement that determines how happy customers are with a company’s products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

An organization’s main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, nonprofit organizations, and every subgroup within an organization.

Organizations should not assume they know what the customer wants. Instead, it is important to understand the voice of the customer, using tools such as customer surveys, focus groups, and polling. Using these tools, organizations can gain detailed insights as to what their customers want and better tailor their services or products to meet or exceed customer expectations.

Customer satisfaction plays an important role within your business. Not only is it the leading indicator to measure customer loyalty, identify unhappy customers, reduce churn and increase revenue; it is also a key point of differentiation that helps you to attract new customers in competitive business environments.

Brand loyalty is the tendency of consumers to continuously purchase one brand's products over another. Consumer behavior patterns demonstrate that consumers will continue to buy products from a company that has fostered a trusting relationship.

Loyalty is extremely beneficial to businesses as it leads to repeat purchases by consumers, higher revenues, and customer referrals.

Having a loyal customer base can help a business push past its competitors and give it the competitive advantage it needs to succeed in the marketplace.

Companies with strong brand loyalty will see its customers repeatedly buy its products or services, regardless of changes in price or convenience. Frequent purchasers of one company's product are less likely to be swayed by the marketing messages of competitors, thus increasing the chances that those customers will continue to conduct business with the that company.

16. Building Brand

Building your own brand essentially boils down to 7 steps:

1. Research your target audience and your competitors.
2. Pick your focus and personality.
3. Choose your business name.
4. Write your slogan.
5. Choose the look of your brand (colors and font).
6. Design your logo.
7. Apply your branding across your business and evolve it as you grow

17. Generic Sales

A good that is sold using the name for the type of good that it is, rather than a brand name. A generic product is typically not heavily marketed and competes with other brand name products largely on a price basis. Packaged food and drugs are commonly offered to shoppers as generic products.

18. Conclusion

Sales and marketing are often thought about as two separate entities – but they don't have to be. The two notoriously don't have the strongest working relationships, both using each other as a scapegoat for missed targets and poor conversion. Although their daily operations differ, good things can come of the two working closely together.