

Unit – V

Management of Sales Force

- ▶ Sales territories – characteristics – importance – determinants – factors affecting sales territories – procedure for establishing sales territories

Sales fields or territories

- ▶ Meaning- *A sales territory is defined as a group of present and potential customers assigned to an individual salesperson, a group of salesperson, a branch, a dealer, a distributor, or a marketing organization at a given period of time.*
- ▶ According to Still and Cundiff (2004), a sales territory is a grouping of customers and prospects assigned to an individual salesperson.

What is Sales Territories – Characteristics

- ▶ 1. Sales territory is a geographical area containing a number of present and potential customers.
- ▶ 2. Different groups of customers are formed by a firm through allotment of territories.
- ▶ 3. It is a group of customers or geographical area assigned to a salesman.
- ▶ 4. It is the area that can be effectively and economically served by a single salesman.
- ▶ **Sales Territory Planning and Management:**
 - ▶ 1. Research the geographical area
 - ▶ 2. Divide the area on the basis of population, accessibility, potential etc.
 - ▶ 3. Study the consumer behaviour of the territory
 - ▶ 4. Assess the revenue potential from the respective territories

Characteristics...

- ▶ 5. Analyze the hurdles that may be present in the territories
- ▶ 6. Define the products suitable for the territory
- ▶ 7. Probe further to find out specific needs and wants of the people within the territory
- ▶ 8. Prepare a plan for each territory with quotas and tasks to be accomplished
- ▶ 9. Appoint sales people or sales team for each territory
- ▶ 10. Monitor and track the performance of each territory
- ▶ 11. Review sales people performance for each territory, and
- ▶ 12. Avoid overlapping territory because it causes conflict among the sales people.

Objectives

- ▶ 1. To facilitate effective sales planning.
- ▶ 2. To cover and manage the entire market.
- ▶ 3. To assign salesmen's responsibility for a particular territory.
- ▶ 4. For a better evaluation of performance of the salesmen.
- ▶ 5. To reduce the selling costs.
- ▶ 6. To facilitate coordination in marketing functions.
- ▶ 7. To make the marketing research functions.

Objectives...


- ▶ 8. Development of fair competition among all sales persons.
- ▶ 9. To improve the customer relations.
- ▶ 10. To appoint salesmen matching with the territory and customers.
- ▶ 11. Independent work area for each salesman.
- ▶ 12. To compete effectively with competing institutions.

Factors

- ▶ Factors Affecting the Size of Sales Territory
 - ▶ 1. Nature of the Product
 - ▶ 2. Nature of the Sales Job
 - ▶ 3. Demand for the Product
 - ▶ 4. Market Potentialities
 - ▶ 5. Channel of Distribution
 - ▶ 6. Stage of Market Development
 - ▶ 7. State of Competition
 - ▶ 8. Abilities of Salesman
 - ▶ 9. Managerial Policies
 - ▶ 10. Density of Population
 - ▶ 11. Selling Costs
 - ▶ 12. Promotion System
 - ▶ 13. Government Policies
 - ▶ 14. Economic Conditions Prevailing in the Country
 - ▶ 15. Ethnic Factors
 - ▶ 16. Transport and Communication Facilities



▶ Reasons for Establishing Territories

- ▶ To obtain thorough coverage of the market. ...
 - ▶ To **establish** the salesperson's job and responsibilities. ...
 - ▶ To evaluate **sales** performance. ...
 - ▶ To improve customer relations. ...
 - ▶ To reduce **sales** expenses. ...
 - ▶ To improve control of the **sales** force. ...
 - ▶ To coordinate selling with other marketing functions. ...
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Importance

▶ Benefits and Importance of Establishing Sales Territory

- ▶ 1. Maximizes Sales and Profits
- ▶ 2. Enhances Customer Coverage
- ▶ 3. Matching Selling Efforts and Opportunities
- ▶ 4. Realistic Sales Planning
- ▶ 5. Control of Sales Operations
- ▶ 6. Controlling Selling Expenses
- ▶ 7. Help In Evaluation of Sales Personnel
- ▶ 8. Contributes to High Morale
- ▶ 9. Promotes Productive Salesman
- ▶ 10. Establishing a Salesman's Responsibility
- ▶ 11. Improving Customer Relations
- ▶ 12. Better Matching of Salesman to Customer
- ▶ 13. Help In Routing and Scheduling
- ▶ 14. Coordination of Personal Selling and Advertising
- ▶ 15. To Benefits Salesman and the Company
- ▶ 16. Provides More Equitable Rewards
- ▶ 17. Other Benefits