

Chapter 9

Marketing in SMEs: The Sales Process of SMEs on the Food and Drink Industry

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ABSTRACT

There would appear to be varied approaches to the sales process practiced by SMEs in how they go about locating target customers, interfacing with prospects and new customers, presenting the benefits and features of their products and services, closing sales deals and building relationships, and an understanding of what the buyers needs are in the seller-buyer process. Recent research has revealed that while entrepreneurs and small business owners rely upon networking as an important source of sales, they lack marketing competencies, including personal selling skills and knowledge of what is involved in the sales process to close sales deals and build relationships. Small companies and start-ups with innovative products and services often find it difficult to persuade potential buyers of the merits of their offerings because, while the products and services may be excellent, they have not sufficiently well-developed selling skills necessary to persuade their target customers.

INTRODUCTION

There is growing recognition of the importance of personal selling skills and sales process knowledge in small, medium-sized businesses (SMEs) (Rutterford, 2011; McCourt 2011). Researchers

focus upon large organisations and highlight the importance of the steps in the sales process used to professionally engage in B2B/ trade selling activities (Dubinsky, 1980/81; Saxe and Weitz, 1982; Marshall *et al.*, 1999; Moncrief and Marshall, 2005; Moncrief *et al.*, 2006; Ingram *et al.*,

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2010). They claim that sales process knowledge will assist firms in the delivery of strategic sales objectives. In SMEs, Carson (1985), Carson *et al.*, (1995) and Hill (2001) have explored the importance of networking as a sales tool and aspects of entrepreneurial marketing used in the early stage of sales development. Burns (2007) posits that sales knowledge will help ensure that SMEs survive and thrive. But there appears to be little or limited literature concerning specifically SMEs and the sales process they adopt, specifically. Therefore it follows that entrepreneurs/ small businesses would benefit from possessing personal selling skills, together with a sound knowledge of the seller-buyer interface, to assist them in the delivery of their strategic sales objectives, to help ensure their businesses survive and thrive. Key areas to support these desired outcomes is knowledge of the sales process and the sales process adopted. The research is looking to investigate the way SMEs sell (in marketing theory speak the 'what is' or positive 'approach') and then to look at what might be the correct way for SMEs to sell (the 'normative (what should be) approach'). The 'purpose' statement or aim of the study is to set foundations for a future proposal or model that could be used to help SMEs in their approach to selling and the sales process.

The main *objectives* of this chapter is to critically appraises the available literature that relates to the area of research study and discusses/ appraises where the literature from the various disciplines intersect. The academic disciplines include, marketing in small businesses and personal selling and sales management. Literature deemed to be within and outwith the scope of the study is clarified together with explanations for both what is included and what is excluded. Two substantive literature reviews are undertaken covering the areas of personal selling and the sales process (from the sales discipline) and marketing in small firms (drawn from the relatively new area called 'entrepreneurial marketing').

BACKGROUND

There are a number of key areas that are currently being debated and researched within the selling and sales management discipline: - the sales and marketing interface Rouzies (2005) selecting and developing sales personnel (Cron *et al.*, 2005); leadership; motivation, compensation and control (Brown *et al.*, 2005); technology and customer relationship management (CRM) (Tanner *et al.*, 2005); and key accounts and team selling (Jones *et al.*, 2005). The tracking and updating of research in this discipline together with the inherent complexities are reviewed regularly in the Journal of Personal Selling and Sales Management (Gordon and Howell 1959; Pierson 1959; Swan *et al.*, 1991; Moncrief *et al.*, 2000; Marshall and Michaels, 2001; Weitz *et al.*, 2005). The state of selling and sales management research is documented as being healthy, vibrant, and evolving. It is important to note, that the majority of the current literature is USA-based though over the last ten years there has been a considerable increase in non-US authored articles (Richards *et al.*, 2010).

In the UK, research into personal selling and sales-related topics is very scarce and limited to a few academics. For many the focus is general selling and sales management textbooks (Jobber and Lancaster, 2009; Donaldson, 2007; Blythe, 2005). A number of articles have been published over the last 15-20 years on selective aspects e.g. the role of selling in marketing strategy, the selling and marketing interface; relations between marketing and selling and sales and marketing integration (Lysus *et al.*, 2011), integrative selling devices (Jobber and Dewsnap, 2009), key account management and trade fairs (Blythe, 1996; 1999; 2002; 2010), sales operations, CRM and sales force automation (Donaldson, 2007; 2004; 2008). The focus is primarily on larger organisations and not SMEs/ small businesses.

Generally available, are a myriad of paperbacks on every conceivable selling topic, but with little or

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