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A TRAINING APPROACH FOR LOCAL CABLE NETWORK
ADVERTISING IN A MEDIUM-SIZED MARKET
presented by

Robert Fonoroff

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**A TRAINING APPROACH FOR LOCAL CABLE NETWORK ADVERTISING
SALES IN A MEDIUM-SIZED MARKET**

By

Robert Fonoroff

A THESIS

**Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of**

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ABSTRACT

A TRAINING APPROACH FOR LOCAL CABLE NETWORK ADVERTISING SALES IN A MEDIUM-SIZED MARKET

By

Robert Fonoroff

This thesis is designed to provide a training approach for local cable network advertising in medium and small markets. It concentrates on direct or local cable network advertising sales. The approach concludes that local television advertising in the 1990s will show significant growth for local cable systems and interconnects. Therefore, a redefinition of local cable network advertising sales training is necessary. The approach utilizes benefit-oriented selling techniques that depart from the traditional method of linking advertising facts or features to benefits. It uses a consultant sales approach that utilizes a question-and-answer format to provide solutions to the local advertiser's problems. It helps salespeople work with objections to make successful sales presentations and proposals.

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I wish to thank the following individuals who have advised me on this M.A. thesis.

First, to my committee: Dr. Thomas F. Baldwin, who as the major professor set me on the path toward making this thesis practical and useful for both my graduate studies and career goals. Professor Gary Reid, who kept me up to date in the broadcast field where I have spent the last thirteen years of my career in sales and management. Dr. Thomas A. Muth, who set me on the path back to professional academics when the time was appropriate to do so. He has been a mentor and guide throughout my professional and personal development. This thesis is dedicated to him.

I would also like to thank TCI Cable of Mid Michigan, and its general manager, Mr. John Liskey, without whose support I would not have been able to spend six months during graduate school performing the field study necessary to gain a better understanding of what local cable ad salespeople must face on a daily basis. The fine people at Michigan Cable Ad Sales in Grand Rapids, MI and TCI Cablevision of Madison, WI were instrumental in my gaining insight into the training and administrative procedures of local cable advertising, in TCI's Great Lakes Division.

My thanks also to Suzette Schultz and Dr. Victoria Kingsbury, who did an excellent job of preparing the final manuscript.

Fin

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Finally, I am indebted to all the salespeople I know who formed the basis of my research. It is from their efforts, successes, and failures that I have been able to learn.

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INTRODUCTION

The deregulation of broadcasting in the 1980s, coupled with the media recession of the early 1990s, is creating an opportunity for cable television advertising to expand its role as an advertising vehicle, as media technologies converge towards the year 2000.

The fundamental changes taking place in electronic media advertising sales put cable advertising at a crossroads in its development. Since the inception of advertiser-supported basic cable television networks in 1981, the primary focus of the cable advertising industry and its trade association—The Cabletelevision Advertising Bureau (CAB)—has been to work on realigning national ad dollars away from the four broadcast networks to cable networks. As cable penetration levels continue to grow, from 29% in 1981 to 61% of the 92.1 million television households in the United States in 1993,¹ the distinction between traditional network shows and cable programming is blurring. The increase in national advertising dollars for cable is attributed to cable subscriber growth, the underdelivery of broadcast viewers in cable television households, and the decline in overall broadcast network viewership. Perhaps in many cases, national network advertisers buy advertiser-supported cable networks as a "hedge" against the decline of broadcast network television viewership.

As national cable ad dollars continue to grow significantly, local cable ad sales are beginning to emerge as a viable alternative to local broadcast advertising. There are several reasons for this. Local cable ad insertion systems continue to improve, making

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local cable network advertising more reliable. Local cable ad sales are being incorporated into the corporate structure of Multiple System Operators (MSOs), instead of being managed by a third party. This has put more pressure on the local cable ad sales department to produce revenue and profit. To respond to this pressure and compete successfully in today's advertising sales market, a cohesive training approach for local cable network advertising sales needs to be developed and implemented.

A 1991 study of sales training in America found that training for new employees ranges from zero to twenty days the first year.² Actual sales skill training is minimal, with most of the time being devoted to orienting new hires to company product lines, technology, and corporate policy. Salespeople with more than one year of experience with the same company receive an average of only five days of annual training.³ Once again, skill training is minimal.⁴

Local cable advertising sales training should be viewed as an integral part of a cable company's total managerial strategy. The approach should encourage the sales manager to stimulate and lead the local cable ad sales staff in doing a better job of selling local network cable advertising. This is the crossroad where local cable ad sales stands today. It can either follow in the path of its broadcast competitors, which for the most part cannot invest in long-term sales training and development due to the short-term pressures of highly leveraged station transactions in the 1980s, which left many stations with high debt levels. 90% or more of a broadcast station's revenue comes from ad sales. Or cable ad sales can follow the approach presented here, which is designed to improve the productivity of advertising sales. With local cable ad sales currently making

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up only three and one-half percent of cable industry revenues,⁵ now is the time to develop and implement a long-term approach to local cable ad sales.

The approach presented here is designed for local cable ad sales managers to use as a resource to help local cable ad salespeople understand the "why" and "how" of local cable network advertising, thus leading to increased sales. This approach is designed to find qualified prospective advertisers who can sustain long-term, growth-oriented local cable network advertising programs. The approach makes a subtle, yet fundamental change in the sale of advertising by producing strong benefit-oriented presentations as opposed to the traditional method of linking local cable advertising facts or features to benefits. Learning the approach presented here will give local cable advertising salespeople a significant advantage over their competitors.

This approach is tailored to local direct or "retail" selling situations in medium and small markets. The approach is meant to first be read in its entirety by sales managers and then used as a reference source for ideas that the sales manager can customize into an individualized teaching style to help the sales staff develop their own personal style of selling. The approach is both credible and practical. Using this method, local cable ad sales managers can promote local cable network advertising sales in a professional manner, and accelerate the learning curve of local cable ad salespeople so that they may build the foundation for a successful professional career in local cable ad sales.

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Notes

¹ Cabletelevision Advertising Bureau. *US Cable Penetration Growth 1976–1993* [chart]. (1993). New York: CAB.

² Fresina, Anthony J. *Sales Training in America*. (1991). New York: Executive Knowledgeworks, p. I-8.

³ Fresina, p. I-8.

⁴ Cabletelevision Advertising Bureau. *Cable TV Facts*. (1993). New York: CAB, p. 8. Source: Paul Kagen & Assoc.

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CHAPTER 1

LOCAL CABLE ADVERTISING: A DEFINITION

Market Characteristics

The training approach presented here is intended for medium and small markets. Field study was done in East Lansing, Michigan, with TCI Cable of Mid-Michigan, which has 18,400 subscribers.¹ Ad sales are separate from the Lansing franchisee, Continental Cable, with 59,500 subscribers.² From 1985 to 1990, the metro television market, rank 99,³ was served by a hard interconnect. Field study was also done in Madison, Wisconsin, where TCI cable has a de facto exclusive franchise with 84,000 subscribers.⁴

MSO/Interconnect

Cable advertising is sold either in a stand-alone system within a metro television market, or an interconnect is formed by having commercials play at the same time on each system that serves the market. This is achieved by microwave link to each cable system's headend. The interconnect provides advertisers with more geographic reach and larger potential audience numbers. The sales approach presented here will work in either situation. It is important for the salesperson to sell cable television and the benefits that the system the salesperson represents have to offer to potential advertisers. If

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salespeople find themselves competing with other cable systems within the market, cooperation is important. Salespeople should build alliances with other cable system salespeople to trade leads, build on joint sales opportunities, and avoid a tug-of-war situation between cable systems.

There are benefits to buying single systems within a market, just as there are benefits to buying the entire interconnect. Larger interconnects offer advertisers a choice of regions or zones to use, along with the entire interconnect. Salespeople should know why their market is not connected, because this will enable them to prehandle the objection of lost reach within the market. This questions will come up frequently within the selling process. Everyone involved will benefit if stand-alone cable systems work as a team with other cable systems in the market to provide benefits to those advertisers that need more geographic reach.

Ad Agency Sales

The approach to selling local cable network advertising in a medium-sized market will be different with an ad agency than with a business that does not employ an agency. Selling cable advertising to an ad agency can be difficult. Most ad agencies justify their media buying by using cost-efficiency formulas that are commonplace in network and spot broadcast television buys. The criteria used to determine cost efficiency include audience ratings for a specific demographic age group, and reach and frequency analysis, and is based on a target cost per thousand (CPM) or cost per rating point (CPP). This is known as a closed system of buying.⁵ This system precludes anyone who is not able to deliver the audience buying criteria set forth by the ad agency.

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The cable ad salesperson has to start with the media buyer at the ad agency and collect data on how media is bought. Media selection is the first question. If television is being bought, then an approach towards using cable as a supplement to broadcast should be used. If cable is then rejected due to its inability to deliver an effective buy based on ratings criteria used for broadcast, the cable ad salesperson has to take a different approach. Understanding the way an ad agency buys media gives the cable ad salesperson information on whom in the agency to talk to, and what to talk about. Media buyers execute a plan. If cable is not in the plan, the salesperson needs to talk to the media planner at the agency. Because the media buyer will resent an end run to his/her supervisor, the first discussion should be with the media buyer. At that point, the salesperson should show empathy with the media buyer, whose hands are tied, and should ask if they can both meet with the media planner. If the media buyer does not want to do this, the salesperson has to ask for permission to meet with the media planner. If permission is not granted, a judgment call has to be made. How long has the media buyer been with the agency? How much business does the agency do in the market with broadcast stations? How many businesses do they represent in the market? If the buyer is a fixture in the market, and the agency spends a lot of money, it is suggested that the salesperson continue to correspond with the media buyer. All he/she can do is try to get cable on the buy. It will take time and patience. In this situation, the effectiveness of benefit-oriented selling is limited; instead, basic cable facts are presented. The approach should be to get the ad agency to agree to the fact that the nature of television viewing has changed dramatically in the past ten years: 87% of all television sets in use today have a remote control unit; 70% of all homes have a VCR; 60% have cable.⁶ This

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creates a different viewing environment in the mid-1990s. Then the discussion should include the fact that television viewing habits in cable television households are very different from those in non-cable television households and that traditional broadcast television is underdelivering these desirable cable television viewers. A profile of the major basic cable networks will help in the presentation. The Gulf War and CNN created strong credibility for cable. The salesperson should try to gain rapport with the agency buyer by employing the seeding process: sending the ad agency relevant articles that are favorable to cable, highlighting the key areas of the article, and including the salesperson's business card. This gives the salesperson a reason to follow up, to answer any questions the media buyer may have, and to get an update on upcoming media planning. If the agency has a high turnover of media buyers, move up the ladder to media planners and directors, account executives, vice presidents, and the president or CEO. The salesperson has nothing to lose. The objective is to get on the buy. The first attempts may be difficult because most ad agencies are resistant to change.

When the ad agency does come around to buying cable, the primary issue will be the price. The sales manager and salesperson should try to avoid negotiations based on traditional agency buying methods, even if local cable network ratings are available. Cable will end up getting a very low rate per unit and a very small percentage of the overall buy. Knowledge of broadcast television rates is essential so that when an ad agency does buy local cable network advertising, the cable system or interconnect will get a rate that the market will bear.

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Local Direct Sales

The approach is tailored to selling local direct businesses that do not use outside resources such as an ad agency to make advertising decisions. The salesperson works on three levels within the business: Level one: the owner, CEO, or president; level two: the general manager, store manager, or department head; level three: advertising and marketing support personnel. When making appointments it is recommended that the salesperson start at level one. If the salesperson is referred down to levels two and three, he/she should try to include the level-one decision maker in the first call, along with the managers. The emphasis should be on getting everyone's perspective on current business conditions. In certain situations, such as large corporations, reaching level one decision makers may be impractical. Local direct sales works on an open model of selling methods.⁷ Logic and emotion work together to create the sale. The owner/CEO will make the final decision in most cases, so making initial contact with that person, or that person in tandem with upper management, increases the salesperson's chances of making sales. When every level of decision making is covered, the salesperson retains control.

The salesperson should start at the top, and include all others necessary along the way. The open system of selling provides a forum for an exchange of information. Using a consultant sales approach, which formats specific questions about a business, its competition, profit centers, customer profiles, sales trends, advertising usage, budget figures, and growth projections positions the salesperson/advertiser relationship as being mutually beneficial on a long-term basis. Most businesses feel that advertising expenditures are not accountable and many feel that money spent on advertising is wasted. That is why most limit ad expenditures to a specific, low percentage of annual

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gross revenue. Often the cable ad salesperson will immediately encounter the "no-budget" objection when contacting prospects or ad agencies. In the open system, the salesperson creates selling opportunities by asking for a short period of uninterrupted time to build a case for cable ad sales. The "no-budget" objection raised is dealt with by the statement "all it will cost you at this point is time." Local direct sales creates ad dollars by talking directly to business owners.

Local Ad Sales Support from Cable Networks

The relationship between the local cable ad salesperson and the local ad sales department of each cable network is a resource that can benefit the cable ad salesperson in many ways.

The advertiser-supported cable network understands the importance of local network cable ad sales. Without an understanding of the cable network's programming and how the network positions itself to sell to national advertisers, the local ad sales department may lack sufficient knowledge about the network. It is difficult to sell local cable network advertising without the support of the cable network's local ad sales department. The local cable ad salesperson should obtain specific product knowledge about each network, and interact with the network's local sales department for personalized support.

The cable network sends out printed sales information packages to the cable system/interconnect on a quarterly basis. Often monthly supplements to the quarterly sales kits are sent out due to programming changes. Today the major cable networks are producing more original programs than ever before. The cable network's local ad sales

department keeps local ad salespeople up to date on the specifics of the creative process. Changes in production activity are communicated to the local ad sales department through marketing updates and press releases.⁸

This information gives the local cable ad salesperson the lead time necessary to be able to include specific programs and/or events into a local advertiser's upcoming schedule. Specific programs or background information about a new network that the cable system/interconnect is putting on to the system gives the local cable ad salesperson the lead time necessary to generate probable leads for potential advertisers that fit the network's programming profile.

Since the emphasis at the major cable networks today is on producing more original programming to fill the expanding channel capacity of cable systems and interconnects, the local cable ad salesperson should use the network ad sales support materials to produce sales presentations and for self study.

Another benefit that the cable network provides to the local ad salesperson is personalized support to cable systems and interconnects. This resource tool enables salespeople in local cable systems and interconnects to share ideas for sales presentations and to find out what other cable systems and interconnects are doing to promote local ad sales on the cable network. The cable network's local ad sales department is only a phone call away. It is their job to help local ad salespeople understand the essence of the cable network and the philosophy of the organization, to expand the level of interest in the selling of that network to local advertisers, and to serve as a one-stop source of ideas. The nature of the relationship between the cable network's local ad sales department and the salesperson is determined by the salesperson. It is recommended that

the local cable ad salesperson take the time to talk to the cable network's local ad sales department, to increase his/her own knowledge about the network, and to find actual case studies that show how other cable systems and interconnects are bringing success to local advertisers through the use of local cable network advertising.

Notes

¹ Donnelly Marketing Information Services. (Sept. 1992). *Cable System Profile* [TCI Cable of Mid-Michigan].

² Donnelly Marketing Information Services. (Sept. 1992). *Cable System Profile* [Continental Cablevision of Michigan].

³ Donnelly [TCI].

⁴ Donnelly Marketing Information Services. (Sept. 1992). *Cable System Profile* [TCI Cablevision of Wisconsin].

⁵ Steven Sontag Marketing Seminar. (March 1986). East Lansing, MI.

⁶ Broadcasting and Cable Yearbook. (1991). Washington, DC: Broadcasting Publ., pp. C-1-C-2.

⁷ Steven Sontag Marketing Seminar. (March 1986). East Lansing, MI.

⁸ Tallman, Linda. (Nov. 1, 1993). *Local Cable Ad Sales* [Turner Cable Networks]. Interview. Detroit.

CHAPTER 2

THE PURPOSE OF LOCAL CABLE NETWORK ADVERTISING IN A MEDIUM-SIZED MARKET

Creating New Opportunities for Potential TV Advertisers

Selling local advertising on many basic cable networks in conjunction with production services creates new opportunities for the potential TV advertiser. Cable advertising salespeople need to reposition television from the mass-reach medium of the 1960s to the market segmentation medium of the 1990s. With the exception of major televised events such as the Super Bowl or the Academy Award Ceremonies, TV viewership patterns have changed dramatically. The salesperson should reposition television in the mid-1990s as multichannel cable television, since a majority of television households subscribe to cable. Repositioning television viewership as being synonymous with cable enables the salesperson to prehandle a broadcast versus cable objection. When the salesperson needs to back up this assumption he/she can present the distribution of all viewing shares in cable television households. A detailed breakdown¹ of viewership puts cable in a new perspective: Basic cable network viewership = 35%; Broadcast network affiliates = 31%; Independent television stations (local and distant) = 13%; Broadcast, non-network programming = 15%; Pay cable = 9%; Superstations

(independent broadcast stations delivered via satellite to cable subscribers) = 2%; and
Public TV = 2%.

By offering many advertiser-supported cable television networks for sale, the cable system/interconnect offers numerous opportunities for potential TV advertisers. A specific match-up of cable network programming with a business's product line is a good starting point. The following are some examples:

A&E: Apparel, interior design, luxury automobiles

CNBC: Financial planners, coin stores, banks

Nickelodeon: Children's apparel, toy stores, video stores

Nick at Night: Fast food, convenience stores, restaurants

Lifetime: Women's apparel, carpet stores, healthcare, children's apparel

MTV: CD stores, movie theaters, bicycle stores

TNN: Country music nightclubs, truck dealers, RV dealers

CNN: Homebuilders, kitchen and bath, real estate brokers

ESPN: Sporting goods, motorcycle dealers, fast food

TNT: Dry cleaners, optical goods, new car sales

The Weather Channel: Hotel/motel, tire dealers, automotive service

USA: Automotive, supermarkets, lawn and garden

The cable ad salesperson needs to study the demographic information that is furnished by each cable network's local ad sales department. This gives the salesperson an overview of the cable network's consumer base and its purchasing patterns. The cable

ad salesperson should then look for the categories that match the demographics of each network's audience. It is suggested that the salesperson then go beyond the conventional wisdom to match product categories with those cable networks that may be counter-intuitive. An example of this is to have a luxury automobile dealership advertising on TNN (The Nashville Network) because the network airs a variety of auto racing events. Some of these events may reach an upscale professional audience.

As the salesperson acquires experience in the field, he/she will become familiar with the market and how to sell one or more cable networks to various categories of businesses. Due to the different consumer base each cable network offers potential advertisers, the salesperson will be able to package together ("bundle") several networks for the advertiser to use. This bundling is achieved by matching each network's viewer profiles with the prospect's target audience for the business's different profit centers. An example of packaging or bundling of networks would be to put a large automotive dealer on CNN, A&E, Discovery, CNBC, and Lifetime for new car sales and leasing; MTV, Nick at Nite, TNT, and USA for used car sales; TNN, The Weather Channel, and ESPN for service and body shop work. Each network offers specific benefit areas to help the car dealer reach his goals.

By offering production services, the local cable system/interconnect is able to produce commercials for potential advertisers. Production services can range from putting location tags on a co-op spot from the manufacturer, to producing an entire campaign for an advertiser. The use of storyboards or a spec script will help the salesperson move well into the selling process. Good production will not only generate sales, but can establish long-term advertiser relationships.

In order for potential advertisers to understand the opportunities that local cable network advertising has to offer, salespeople must have a working knowledge about each network's programming and viewer profiles. It is suggested that a videotape highlighting each network be used in certain initial presentations when there is a need to present an overview of cable today. Each network profile should not exceed 60 seconds and general programming networks should be grouped together, as well as niche networks through similar demographic profiles. Business owners may live in a non-wired area, some do not have cable, some may think that cable advertising means local channels only. Showing a video helps make local cable network advertising more tangible. A portable video unit may be needed for presentation purposes, although many businesses have a VCR and monitor on the premises. Each advertiser-supported cable network offers local cable systems/interconnects between one and four minutes per hours to sell commercials to local businesses.²

A Supplement for Traditional Broadcast Advertisers

Local broadcasters have established long-term relationships with large-volume advertisers and many large retailers employ an ad agency to coordinate all of the company's advertising. Various companies of all sizes are now called on regularly by broadcast station salespeople and some occasionally advertise on broadcast stations. In order for the salesperson to position cable as a supplement to traditional broadcast advertising, he/she must know what benefits cable offers that advertisers may be missing in their current media mix. Approaching either ad agencies that are not using cable, or large-volume retailers who are satisfied with the performance of their current broadcast

advertising puts the cable ad salesperson in a situation where he/she must ask the decision maker probing questions regarding areas in which cable has specific benefits to offer. Questions pertaining to reach, lost network viewership, the problem of underdelivery of broadcast audience viewers in homes that subscribe to cable, and the client's buying criteria for broadcast media are important. It is usually just a matter of time before most large retailers will add cable to their advertising media mix. It is relatively easy to get a small percentage of a buy and walk away. Nothing is wrong with this, but for local cable network advertising to grow over the long term, positioning cable as a "me too" medium to broadcast advertisers should be temporary. In the second year of the advertiser/salesperson relationship, every attempt should be made to reposition local cable network advertising as the vibrant, growth medium it is for local advertisers, and the upselling process should begin to secure the advertiser on additional networks with more frequency. When dealing with ad agency media buyers, the salesperson has to wait it out and work within the confines of a closed system of selling. If it is appropriate, the salesperson should attempt to meet with higher levels within the agency, but should not burn any bridges.

Finding traditional broadcast advertisers can be achieved by using a VCR to record local broadcast station's news on different affiliates, as well as regional or local sports telecasts. The salesperson should be sure to alternate channels during the week and should listen to top-rated radio stations while driving to sales appointments. It won't take long for the salesperson to get a feel for the major advertisers in the market. When the cable ad salesperson calls on established broadcast accounts, there is usually no need for the cable system's production services in the beginning, once a buy is made. Calling

on these accounts and the ad agencies that represent them is a good starting point for salespeople. However, the salesperson's long-term growth opportunities are through locating and selling to new advertisers to the medium.

Product Knowledge

The debate rages on about product knowledge. Some believe that salespeople need to know everything about the product,³ while other companies hold product knowledge to a bare minimum.⁴ The training approach for selling local cable network advertising stresses basic working product knowledge regarding cable television as an advertising medium, knowledge of cable network programming, clear and concise viewer profiles, and developing an understanding of how competitive media works for advertisers.

Although product knowledge is important, product knowledge in itself does not make sales.⁵ It is necessary to obtain the proper balance. The salesperson needs to establish a data base of information about the advertiser's business and how advertising decisions are made. Product knowledge is worked into the presentation "backwards," that is, product features or facts about local cable television advertising follow, rather than precede, benefit statements.

What product knowledge is necessary: A brief summary of the evolution of cable from a method of retransmission of local and distant broadcast signals in its inception, to the development of basic cable networks in the early 1980s. Satellite delivery of original programming for cable television subscribers has fueled the growth of cable subscriber penetration from 19% in 1980 to over 61% in 1993.⁶ Most basic cable

networks, including CNN, MTV, USA, and ESPN, sell national advertising. Pay cable services like HBO do not (the subscriber pays a monthly fee). Insertion equipment developed in the mid-1980s has enabled local cable systems to insert a local commercial to play at a designated time on a specific cable network. These systems are also able to provide detailed billing for the advertiser and the technology continues to be refined as cable systems add more cable networks to accommodate advertiser demand.

The cable ad salesperson should understand how the cable signal is delivered from the headend to the subscriber's home but should avoid technical details, since they almost never lead to a sale. Clear, concise phrases about each network's programming and viewership story need to be memorized. For example: CNN; 24-hour news and information; one third of its consumer base has household income exceeding \$50,000 per year.⁷

The salesperson needs to know the geographic reach, penetration, and subscriber numbers for their system or interconnect and should position cable television viewership as the standard for television viewership today. The salesperson should be familiar with the competition, and how they function as advertising media. The distinction between electronic and print advertising media is the first step. The electronic advertising media are cable television and broadcasting (radio and tv). They reach out to people at home, at work, at the beach, and in the car. Through repeated impressions (frequency) over time, advertisers are able to build consumer awareness in order to sell goods and services today, and are also able to position the business for potential future customers. Print advertising vehicles are directories such as the yellow pages, catalogues, and newspapers. People rely on print advertising during an emergency situation (e.g., a leaky roof—the

consumer will use the yellow pages to find a roofer) or in retail buying situations (after the decision to buy a product has already been made and the consumer is looking for a sale price).

It is important for cable ad salesperson to understand that the competition also offers benefit areas for advertisers and to become familiar with what those benefits are. One problem advertisers face today is the overabundance of advertising vehicles available to them and it is too costly to advertise everywhere. The prospective advertiser needs help with finding the correct blend of advertising that will make the company's ad dollars work as hard as possible, by reaching their most likely customer. Without knowledge of how advertising works, the cable ad salesperson is in no position to offer remedies for the advertiser's problem.

The basic product knowledge the cable ad salesperson needs is facts or features pertaining to local network cable advertising and the cable system/interconnect. This is primarily an area for self study. Important as product knowledge is, the salesperson should remember that product knowledge only *implies* advertiser benefits: the cable ad salesperson who only demonstrates superior knowledge about local cable network advertising, and the technical aspects of commercial insertion and program delivery, rarely makes sales.

Notes

¹ Cabletelevision Advertising Bureau. (1993). *Cable TV Facts*. New York: CAB, p. 13. Source: NTI Monthly CSR B/C Year 1990-91.

² Cabletelevision Advertising Bureau. (1990). *Comprehensive Sales Guide to Basic Cable Networks* [Cable Network Profiles]. New York: CAB.

³ Pacelli, W.M. (1988). *Radio Advertising Sales Success*. Lansing, MI: Cambridge House, p. 9.

⁴ Salisbury, Frank S. (1992). *Sales Training: A Guide to Developing Effective Salespeople*. Berkshire, England: McGraw Hill, p. 50.

⁵ Salisbury, p. 48.

⁶ Cabletelevision Advertising Bureau. (1993). *U.S. Cable Penetration Growth, 1976-1993*. New York: CAB.

⁷ TCI Cablevision of Wisconsin, Advertising Sales. (1993). *Cable Network Viewer Profiles* [Media kit]. Madison, WI: Author, p. 3.

CHAPTER 3

FINDING QUALIFIED PROSPECTS

Introduction

"Prospect" can be defined as "to explore or search for a likely customer, candidate, etc.; an apparent chance for success."¹ Locating the customer is the first step in the selling process. This skill area is known as prospecting. Finding customers who are financially qualified to purchase local cable network advertising on an ongoing basis, and making appointments to see them will take up to 50% of a new salesperson's time.² Prospecting involves the highest level of rejection.³ Most salespeople dislike doing it. Training is a must. It takes an average of five prospect calls to obtain one appointment,⁴ so it is necessary for the sales manager to chart the possible sources of prospects for salespeople. Since local cable ad sales is in the developmental stage, time must be spent training sales representatives in the skill areas of prospecting and appointment setting. Due to advertiser attrition rates of up to 50% annually⁵ and changing market conditions, prospecting and appointment setting are a continuous process. The first discovery salespeople make when prospecting is that the response obtained from the total available market is much smaller than first imagined. Understanding the most likely areas to prospect, how to qualify them, and how to establish an appointment will set the selling chain of events in motion.

The first place to start prospecting is in other forms of media advertising, including broadcast television and radio.⁶ Newspapers have plenty of local advertisers, in both the display and classified sections. Since the majority of newspaper readers are adults over 35,⁷ cable ad salespeople can match up specific networks like CNN and CNBC that will attract a similar consumer base. Local yellow page directories sell close to nine billion dollars in advertising annually.⁸ When a new edition is published, display ads that are three-eighths of a page and larger should be identified. The back section should be checked for coupon advertisers, and the salesperson should start at the letter Z and work backwards—everyone else is on A and B. Community and weekly newspapers often publish fluff stories introducing new businesses. Some newspapers list new building permits; the county clerk's office has additional necessary information about new business listings. Outdoor advertising or billboards can also provide leads for potential local advertisers.

Many advertisers have seasonal sales patterns and they need to be contacted three to six months ahead of time.⁹ The salesperson can never be too early. An attempt must be made to set an appointment for their upcoming seasonal advertising needs. Prospecting by business categories works in tandem with seasonal sales patterns. The Cabletelevision Advertising Bureau (CAB) releases this data by category on monthly sales percentages.¹⁰ The salesperson will immediately notice that certain business categories, such as toy stores and jewelers have seasonal patterns, like at Christmas, when a majority of sales are made. Other categories such as automotive sales show a stable sales pattern month to month. What the category index does not tell the salesperson is that the last ten days of the month are when most of the sales activity takes place.

It is not necessary to run all over town prospecting. One geographic area at a time should be worked. If a salesperson is taking over an account list, chances are that most of the accounts were called on infrequently. A billing history will give the salesperson background information about the advertiser. If there is no billing history, the salesperson should start fresh with the prospect.

Salespeople should call on existing customers during the first days in the field. Current advertisers will welcome the cable ad salesperson and provide valuable insights into why they are buying, the competition, and the market. It builds the confidence level in salespeople and they can progress into new business development.¹¹ A salesperson should never tell an inactive account that he/she has just been assigned to work with them. It puts more tension into an already tense situation.

Prospecting should be done in the following order: 1) Advertisers in other media: electronic, print, outdoor; 2) By active account; 3) By inactive accounts; 4) By season, event, theme; 5) By category; 6) By geographic region; and 7) Business, civic, and social organizations.¹²

Referral Advertising

Referral advertising is easy in theory, but difficult in practical terms. If the local cable ad salesperson has no previous experience in the market or is a new hire, getting referrals cannot be approached until he/she gains rapport with the client, which takes time. Since most business leaders are acquainted through business, social, or civic organizations, the salesperson may politely ask if the client knows any other business-people who could benefit from the services he/she is providing. The salesperson should

emphasize that he/she is not asking for a referral to a major competitor, just other advertising decision makers like themselves. The salesperson has nothing to lose, and everything to gain.

If a salesperson is in a market where cable ad salespeople compete with each other, he/she should initiate a bi-weekly breakfast meeting with these other cable salespeople and include a broadcast sales representative as well in order to make sure there are three or four people in the group. The purpose of the meeting is to swap leads. If one of the group members is always taking and not giving, replace that person after 90 days. He/She will know why.

Prospecting Goals

Prospecting contacts to make appointments is a continuous process. The individual must set goals for prospecting. It can be a certain number of prospect calls per day, or making a specific number of contacts during two half-days per week, or devoting entire days to the process. This is up to the individual. However it is done, prospecting must be an ongoing process.

Qualifying Prospects Before the Appointment

The process of qualifying a potential advertiser before making an appointment is a relatively simple process. This front-end qualifying involves looking at the financial health of a local business. If the business advertises in other media, or was once on cable and paid their bill, then they are qualified. Business directories, Dun and Bradstreet estimates of gross revenue, Chamber of Commerce or Better Business Bureau

members should qualify. Single point retailers with gross revenues of less than \$100,000 per year are not qualified. There is not enough profit in this type of business to sustain long-term advertising. However, this does not mean they cannot be approached for short-term packages.

Many single-point retailers in this category will have advertising dollars available for grand openings, seasonal sales events, and when they are going out of business. Many new franchises may receive additional local support dollars from the corporate parent. Usually these additional advertising dollars are placed at the discretion of the local business owner. Often a business may solicit additional advertising dollars from its vendors. The local cable ad salesperson should look at the competitive pressures of the marketplace to discover an approach to unlocking new ad dollars where it may appear, at first, that there are none.

Salespeople often use qualifying as a way to avoid customer contact. The term Transactional Analysis Withdrawal describes this problem.¹³ Salespeople who are not confident absorb themselves in administrative tasks to the exclusion of customer contact.¹⁴ Salespeople do not enjoy customer contact unless the customer initiates it.¹⁵ One of the ways a salesperson makes excuses for not prospecting is by telling the sales manager that the prospect is not qualified.

Notes

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² Salisbury, Frank S. (1992). *Sales Training: A Guide to Developing Effective Salespeople*. Berkshire, England: McGraw Hill, p. 54.

³ Salisbury, p. 54.

⁴ Warner, Charles, & Buckman, Joseph. (1993). *Broadcast and Cable Selling* (2nd ed.). Belmont, CA: Wadsworth, p. 76.

⁵ Stiefel, Dan. (1993). *Bay Area Cable Interconnect Sales Seminar*. San Francisco.

⁶ Warner & Buckman, p. 76.

⁷ *Newspaper Advertising Facts*. (1992). New York: Newspaper Advertising Bureau.

⁸ *Media Revenue Comparison Chart*. (1992). New York: Radio Advertising Bureau.

⁹ Pacelli, W.M. (1988). *Radio Advertising Success: The Game Plan*. Lansing, MI: Cambridge House, p. 24.

¹⁰ *Seasonal Category Sales Index* [Chart]. (1992). New York: Cabletelevision Advertising Bureau.

¹¹ McGlaughlin, Ian E. (1982). *Successful Sales Training: How to Build a Program that Works*. Boston: CBI, p. 62.

¹² Warner & Buckman, p. 76.

¹³ Villere, M.F., & Duet, C.P. (1980). *Successful Selling Through TA*. Englewood Cliffs, NJ: Prentice Hall, p. 45.

¹⁴ Villere, p. 46.

¹⁵ Salisbury, p. 76.

CHAPTER 4

CONTACTING PROSPECTS FOR AN APPOINTMENT

Introduction

Although prospecting plays the most significant role in a salesperson's success it can also lead to a salesperson's failure. Spending an excessive amount of time gathering information about prospects is pointless unless an approach is made. New and inactive accounts are the focus of this skill area. An inactive account is defined as an advertiser who has not been on the cable system for nine months or more.

Experience shows that the market for a new product is often considerably different from the one the innovator had in mind.¹ Cable television was not intended to be an advertising medium. Satellite delivery of programming and computer-based commercial insertion systems have made advertising possible for local cable systems and interconnects. With advertising availability on many separate basic cable networks, cable offers potential advertisers more program diversity than one local broadcast channel. More program diversity means that advertisers have access to additional segments of the market. The wider the range of markets the product fits, the more likely it is to succeed. The sales manager and salesperson should thoroughly explore all potential retail and non-retail business applications for each network and identify new arguments that will encourage potential advertisers to buy cable advertising. Each purpose and benefit the

advertiser receives from local cable network advertising will help cable sales personnel differentiate the market for its product.

The first step in the selling chain of events is to persuade the advertising decision maker to agree to an appointment. The most stressful part of a salesperson's job is the initial contact with the prospect.² Initial contact can be achieved by writing letters, telephoning, and by personal or "cold" calling.

Writing Letters

This is a potentially disastrous area for cable advertising salespeople. The more time spent writing to customers, the higher the chances are of sales failure.³ Producing sales letters should be left to professional writers. It is recommended that the company produce as many standard letters as required and management should leave the salesperson little choice but to use them. Write letters to decision makers only as a final attempt to make contact after telephoning and/or making a personal call. It is recommended that the salesperson include a response page to be returned to the salesperson that offers one of three choices: 1) Yes, I will meet with you on (date) at (time); 2) No, I am not interested at this time; 3) No, I am not interested at this time; please contact me during my next budget review (month or date). The letter should end with a thank you followed by the prospect's name and title.

Be sure to include a self-addressed, stamped envelope, and include a business card. This method makes initial customer contact, and will inform the salesperson of the client's current situation. The salesperson does not waste time trying to continually contact an unwilling prospect.

Telephone Contact

Most effective salespeople are often poor at writing but good at verbal communication.⁴ The telephone offers many benefits. It can be used for appointment setting, obtaining the name of the advertising decision maker, and seeking information about a company or an individual who is important to the sale. The telephone gives the salesperson the ability to contact many potential customers quickly: it is unexpected and will provide the salesperson with an initial contact.⁵ The cable ad salesperson has the advantage of preparing what to say carefully beforehand and the phone call requires a quick decision from the prospect about whether or not to set the appointment. Since the telephone involves auditory skills, it is important to concentrate on what to say and how to say it.⁶ The emphasis should be words and tone. A scripted approach is the most efficient method for obtaining an appointment.⁷ The salesperson should practice giving the words a natural tone. It is essential that the salesperson use the script verbatim. Successful telephone techniques involve considerable preparation in both materials and attitude. Important facets of telephone techniques are the proper environment for making telephone calls, a script, the use of alternatives (e.g., morning or afternoon, Tuesday or Thursday), and practice.

The sales manager should know from experience the most likely problems the salesperson will encounter on the telephone. Potential advertisers rarely have objections to seeing people who can benefit them. One of the decision maker's problems is having to listen to poorly trained and managed salespeople who sound both unprofessional and unprepared to make appointments. The initial response of prospects in such situations

is usually to say no. It is a rejection based on past experience more than on the current request.⁸

The salesperson should understand that the refusals are not a personal rejection, but are based on previous inadequate performance of poorly trained salespeople. By following a script, along with a guide to work out common objections encountered in setting appointments, the salesperson will find greater success in this area.⁹ The sales manager must coach the salesperson to adhere to the format and work with him/her until skill is acquired. Even when using this approach, rejection often occurs, and the natural tendency is to give up.

The salesperson should be mentally prepared to make the initial telephone contact. The request for an appointment should be communicated in a professional manner. This requires a verbal smile in the salesperson's voice on the telephone, speaking clearly and slowly, and not smoking or drinking coffee during the call. The format for a successful telephone sales call seeking an appointment includes the following points.

1. Having all the material needed to make the call within easy sight, and organized to avoid rummaging through documents or paperwork to conclude the call.

2. Understanding that the only purpose of the call is to obtain an appointment. The salesperson should understand that the purpose of the call is to establish when to make an appointment, not whether to make the appointment.

3. Standing up to make telephone calls—the effect is dramatic. Breathing is easier, the standing position is dominant, and continuous telephoning is not problem.

4. Stating clearly and precisely name, company, and the purpose of the call, i.e., to make an appointment.

5. Giving alternative times for the appointment, such as Monday or Friday, morning or afternoon, this week or next.

6. Repeating the arranged time, confirming the address, salesperson's name, company, and telephone number. The salesperson should explain that he/she works on an appointment basis. If the prospect needs to reschedule, the salesperson should request that the prospect call at least 24 hours in advance.¹⁰

A prepared script is an effective way to use the telephone for making appointments. Salespeople may resist using a script and say that it does not sound natural; however, practice makes perfect. The salesperson should try to find out the decision maker's name in advance. If the secretary is reluctant to provide it, the salesperson should call at another time to get the name of the owner or manager, then call back again later. The salesperson should act as if he/she is familiar with the prospect and use the prospect's first name. It will confuse the "gatekeeper."

Additional stumbling blocks that surface when the salesperson is trying to get through to the decision maker are:

1. "He/she is on the phone": "That's great, I'll just hold. I'll be able to catch up on some paperwork while I am holding. Thank you..."¹¹

2. "He/she is away from the desk": "Could you have him/her paged, I'll hold. Thank you..." or "We are both away a great deal, could you suggest when the best time might be to reach him/her?"¹²

3. "May I tell him/her who is calling?": "Oh, I'm sorry, this is (your first name). Thank you..." (Try not to identify your company yet.)¹³ "This is (your full name). I was asked to call; is he/she available?"

At this point, the gatekeeper will ask: "What company do you represent?" The response can be to give the company's name; it is recommended not to use the words "sales" or "advertising." Another favorite question of the gatekeeper is: "What is this regarding?" The salesperson should reply: "It is regarding (prospect's company name)." Or "it is about development work we are doing in (prospect's business category)." Or "it is confidential." Then ask: "Is he/she in?"

Non-decision makers should be given as little information as possible: stating the real purpose of the call should be avoided. The more information given to gatekeepers, the more opportunity is given them to exercise control and decision making.¹⁵ Some well-chosen words and confidence are important. The salesperson should assume the right to be granted the appointment. If the decision maker is not reached on the first attempt, the gatekeeper's name should be obtained and his/her assistance solicited. The gatekeeper should be told how helpful he/she is, and should be thanked often.

Voice mail is being used everywhere. It makes no sense to leave a long message asking for an appointment and a reply from someone who does not know the cable ad salesperson. The salesperson should keep trying until the decision maker picks up the phone. The salesperson may only get one chance to make the appointment. The element of surprise, along with a well-rehearsed script, increases the chances of making the appointment.

The Appointment Script

Important Points

1. Appointments should be made with decision makers only. The decision maker is the owner or chief executive, and the group of individuals (partners, managers, advertising/marketing managers) among whom there must be agreement for the decision to be made.

2. A "fair forum" should always be requested, that is, a minimum of 15 to 20 minutes of uninterrupted time.

3. Although the salesperson may use first names to get through to the decision maker, once on the phone a formal approach should be used.

Sample Script

(Introduction)

"Hello, Mr. Thomas, this is Bob Fonoroff of ABC Cable, how are you today?"

(Why you are NOT calling)

"Mr. Thomas, I am not calling to sell you anything today."

(Why you ARE calling)

"We at ABC Cable have a unique marketing approach that has been highly successful in generating new customer relationships for many business in (your system's coverage area). It would be presumptuous of me to assume that this approach could be applied to your business. I would like the opportunity, however, to meet with you sometime next week to learn more about your business. Based upon our meeting, if we agree that

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it would be profitable to further explore how our approach could work for you, we can make arrangements to do so at that time."

(Offer two alternatives)

"Mr. Thomas, I have next Tuesday at 9 a.m. or Thursday at 3 p.m. open; which of those times would be better for you?"

(Ask for a fair forum)

"Good. Mr. Thomas, in the interest of maximizing the time, can we be assured that we will be reasonably free from interruptions at that time?" (If not, offer other alternative times and/or location.)

(Firm it up)

"Good. Mr. Thomas, I am jotting that down in my appointment book and would appreciate it if you would make note of our appointment on your calendar. That's Bob Fonoroff, ABC Cable, (day), (date), (place), and (time)." (Repeat verbally.)

(Firm it up more)

"Mr. Thomas, I work on an appointment basis and on a fairly tight schedule. I am sure you are very busy as well. If anything should come up that would prevent us from meeting at that time, would you please call me at least one day prior to our appointment? Thank you. I will do the same for you. That's Bob Fonoroff, ABC Cable (phone number). Thank you, Mr. Thomas. I am looking forward to seeing you on (date and time)."

(Objective accomplished; don't oversell)

"Good-bye!" (hang up)¹⁴

Objections to the Appointment and Responses

1. "I am not interested": "Mr. Thomas, I can understand your not being interested in something you haven't had the opportunity to see..."

2. "I'm too busy": "Mr. Thomas, that is just the reason I'm calling..."

3. "Tell me what it is about": "I appreciate your interest in what ABC Cable is doing for area businesses, but I need to see you personally to explain the unique benefits to you..."

4. "Can't you just send it in the mail?": "No, I cannot, but I will be able to leave beneficial information about ABC Cable at the conclusion of our meeting..."

5. "I'm sorry, but I haven't got any money": "I hear what you're saying, Mr. Thomas, but at this stage all it will cost you is time..."

6. "You're wasting your time": "It wouldn't be a waste of time if I could help you understand..."

7. "I don't need any more advertising": "Having not seen our unique marketing approach, I can appreciate..."

"So, would next Tuesday at 9 a.m. or Thursday at 3 p.m. be more convenient for you, Mr. Thomas?"¹⁵

Personal or "Cold" Calling

Personal or cold calling is the quickest way of establishing contact with prospects who will not take the salesperson's telephone call. Some salespeople find this method productive; however, it takes a great deal of confidence and the ability to accept rejection. The salesperson should follow these guidelines:

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1. Try to find out the decision maker's name in advance (if not known, ask for the owner, manager, or boss).

2. Try to get his/her name before introductions are made.

3. Ask when it is a good time to reach the prospect, if he/she is not available (as a general rule, mornings are the best time to contact prospects for appointments and to make sales presentations¹⁶).

4. Never leave a business card with non-decision makers: it only serves as a warning that you will return.

5. Cluster cold calls in between fixed appointments.

6. Do not walk in with a briefcase, because it usually makes prospects nervous (if rapport is established and the prospect agrees to the appointment, the necessary materials can be quickly retrieved from the car).

7. Walk in with an appointment book and a smile. Introduce yourself to the prospect, and tell him/her that the specific reason for the visit is to schedule a meeting for 15 to 20 minutes that will be reasonably free from interruptions.

8. If asked why, explain to the prospect that his/her cable company has been creating new marketing and sales opportunities for other successful businesses in the area and that you would like to see if the unique marketing approach the cable system has to offer other area businesses would be beneficial to the prospect.

9. If the prospect asks for specifics about the approach, explain that the approach is based on each company's specific needs. The purpose of the initial meeting is to determine what those exact requirements are.

10. Every additional non-decision maker talked to while cold calling weakens the chance of making an appointment.

11. Avoid discussing costs when setting an appointment. Say only that the prices are inexpensive, reasonable, or will fit his/her budget.

12. Move on to the alternative days and times.

13. Retain the initiative and be assertive and quick.

14. Having a creative idea often elicits the interest of a potential advertiser, but be sure the promise can be fulfilled.

15. Even if the answer is no, keep going. Tell the prospect that you are taking the time to call on him/her because although there may be strong benefits from advertising on cable networks like CNN, ESPN, The Weather Channel, and CNBC, it would be presumptuous to assume this. That is why 15 to 20 minutes of uninterrupted time is being requested—to find out more about the prospect's business.

Here are some techniques to overcome a "don't see me" objection:

1. Ask why. If the prospect does not offer a reason, get specific sincere objections so you may address them one at a time.

2. Use the compliment technique: In response to the prospect saying, "I'm too busy, and I am sick and tired of ad salespeople trying to sell me something," respond "(Prospect's name), I am really disappointed; you are considered to be one of the leaders in your industry. I have been looking forward to meeting with you to acquire your perspective on several issues. I am only asking for 15 uninterrupted minutes from your schedule next week. It would be very important to me."

3. Use the "assume-you-want-to-see-me-but-are-too-busy-now-approach": "I am sorry. I know how busy you are. When is the best time to catch you for 15 uninterrupted minutes first thing in the morning or right after closing time."¹⁷

If the answer is still no, the salesperson should let the prospect know that he/she is working with other businesses in the area; that he/she is trying to open the lines of communication; and that he/she will stop back in the next week or two. Once the salesperson has initiated face-to-face contact, he/she must continue to visit the prospect until an appointment is granted, unless the prospect requests the salesperson to call at a specific time or on a specific day.

Although persistence is necessary in contacting qualified prospects for an appointment for local cable network advertising, the salesperson should not be a pest. There is no need to make repeated calls on a prospect within the course of a given day or a week, unless the prospect has requested the visit(s). This is the reason why the salesperson should not leave his/her name and company or business card when making initial contact. That way, repeated calls can be made to the business without gatekeepers knowing who the salesperson is. The telephone can be used to find out if the decision maker is in; then if a personal call is necessary, the salesperson is not wasting his/her travel time to make initial contact with the prospect in order to set an appointment.

Notes

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- ³ Salisbury, p. 92.
- ⁴ Salisbury, p. 93.
- ⁵ Lund, p. 60.
- ⁶ Salisbury, p. 93.
- ⁷ Salisbury, p. 96.
- ⁸ Salisbury, p. 93.
- ⁹ Salisbury, p. 97.
- ¹⁰ Salisbury, p. 97.
- ¹¹ Beck, Chris. (1989). *Sales Strategy: The Next Generation of Sales Solutions*. Los Angeles: R&R Books, p. 132.
- ¹² *Sales Strategy*, p. 132.
- ¹³ *Sales Strategy*, p. 132.
- ¹⁴ *Steven Sontag Marketing* [Sales Seminar]. (March 1986). East Lansing, MI.
- ¹⁵ Salisbury, pp. 93–94.
- ¹⁶ Lytle, Chris. (1987). *How to Be Successful at Radio Sales...Sooner*. Madison, WI: The Ad Visory Board, p. 27.
- ¹⁷ Warner, Charles & Buckman, Joseph. (1993). *Broadcast and Cable Selling* (2nd ed.). Belmont, CA: Wadsworth Press, pp. 75, 76.

CHAPTER 5

THE FIRST CALL

The Consultant Sales Approach

The purpose of the first call is to collect data in a sequence of interrelated and logical steps. Using an interview call format will ensure that every point relevant to the negotiation is adequately covered.

The consultant sales approach provides an opportunity for the cable advertising salesperson to make a benefit-oriented sales presentation. A benefit-oriented sales presentation links cable system/interconnect benefit statements, which explains to the prospect what local cable advertising will do for him/her. Then the benefit statement is followed by a feature or fact about cable advertising that supports the benefit statement (see Chapter 6). This can be the dynamic force that will move the prospect toward a decision. The salesperson should initially work within the framework of the consultant sales approach to have the greatest chance of success.

The framework of the consultant sales approach is based on a basic principal of human communication: People prefer talking to listening.¹ The ability of the cable ad salesperson to ask questions is essential. Without questions, the salesperson can never find out what the prospective advertiser wants to buy or may consider buying. Good questions allow the salesperson to retain the initiative in the discussion. The conversation

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is more likely to continue along the topic areas indicated by the questions. By asking questions, the cable advertising salesperson remains in control and appears pleasant and interested. Questions allow the cable advertising salesperson to adapt basic persuasion techniques to the conversation. By matching and mirroring verbal and non-verbal modes of expression, the salesperson can start to build rapport with the prospect during the first call.²

The cable ad salesperson must resist the urge to control the initial stages of the first sales call by talking about product features, technical aspects, and company developments. The first objective in the sales call is to reduce the tension level between the salesperson and the prospect. Without a decrease in the tension level, to an area known as "working tension,"³ the salesperson will have difficulty building rapport with the prospect and communication is lost.⁴

The consultant sales approach uses a question-and-answer format that enables prospective advertisers to clarify their opinions regarding their business and how effectively its current advertising plan is working. This gives the cable ad salesperson the opportunity to ask follow-up questions, and to paraphrase the prospect's response, to ensure that what the prospect is saying is understood. Although thoughtful questions may provide a logical argument for the salesperson's approach to sell local cable network advertising, logic in itself rarely works.⁵ Local cable advertising sales should be defined as a logical process to achieve an emotional objective.

Most people have an opinion about advertising, their likes and dislikes, what works and does not work. Few people will admit to a salesperson that they are wrong. However, many people will accept that there is an alternative possibility.⁶ This is one

instance in which the sale can be determined by emotional rather than logical criteria. Logic is used in presenting the benefits that local cable network television advertising has to offer the potential advertiser. The decision to buy is very much emotionally based.⁷

The consultant sales approach asks the prospect to answer questions about the current advertising status of his/her business, and then to list the criteria he/she feels must be satisfied to achieve the desired results. It is the advertiser's problems that are being discussed and his/her opinions that are being invited. It also puts the questioner psychologically on the side of the respondent.

No matter what form of persuasion is used, the respondent will not make a decision unless the salesperson explicitly demands it. If the respondent does not make a decision it is because he/she has emotionally avoided making one.

Maintaining Control of the Sales Call

Maintaining control of the sales call is a critical skill area in cable ad sales. All too often, prospects raise objections about cost or the lack of a budget for cable advertising. (Remember that the business has been prequalified financially before an appointment was made.) The cable ad salesperson ought to acknowledge the question of cost and show empathy concerning the issue. However, the salesperson needs to request that he/she delay addressing these questions until enough data has been collected to determine what the prospect's specialized needs are. The consultant sales approach enables the cable advertising salesperson to defer the prospect's objections about cable; to separate the sincere objections from the insincere ones; and also to prehandle objections and questions concerning the competition during a later period of the interview

call. If additional objections continue to interrupt the interview call, it is a sign that the cable ad salesperson is communicating ineffectively.

The first call to a prospective advertiser is designed to collect data for analysis. It is not until later in the sales call that the salesperson attempts to prehandle objections. The cable ad salesperson controls the content of the conversation by asking specific questions. It is through these questions that the salesperson can begin to influence the respondent by introducing other factors that are relevant to the decision. In other words, the cable ad salesperson attempts to prioritize the advertiser's needs. Then the opportunity exists for the prospect to agree to an alternative action, such as local cable network advertising, as the solution to the advertising problem.

The point of decision itself is influenced by emotional rather than logical factors. No one likes making decisions. They take away the choice of alternative action, and in business, almost always cost money.⁸

The consultant sales approach raises the emotional content of the dialogue, and prepares the way for other positive, alternative choices for the prospect. The cable ad salesperson can attempt a transition into a formal sales presentation and agreement, or can make an appointment for a follow-up presentation. The salesperson knows in advance what the buying criteria will be and the likely areas of objection that he/she will encounter. At this point, the salesperson is silent. Silence is used to force the prospective advertiser to overcome the emotional reluctance to make a decision.⁹ Then the sales call will reach a logical conclusion. It is recommended that cable ad salespeople follow the format of the interview call work sheet closely to maintain control of the sales call.

Figure 1
Interview Call Work Sheet

Consultant: _____

Date: _____

Day of Week: _____

Name of Firm: _____

Type of Business: _____

Address: _____

Phone: _____

Location: _____

Decision makers: _____

Revenue growth objectives: _____

How long has business been at present location? _____

Former location? _____

How many points? (branches) _____

Other point locations: _____

Section I

Gather information necessary to effectively promote client's business.

Who are the client's major competitors? _____

What are the client's *major strengths* over competitors? (If I were to work into your store after visiting your competitors, why would I buy from you? (Quality, selection, service, convenience, price).

Does the client have any exclusive strengths over competitors? (Do you offer the consumer anything that your competitors cannot offer?)

Are there any weak points in the client's *marketing bridge*? (Explain)

Location: _____

Store visibility: _____

Parking: _____

Image: _____

Other: _____

Prospect Source: (How do prospective customers initially come in contact with the client's business, i.e., visit the store (floor traffic), phone inquiries, mail response):

Customer Profile: (Can you describe the typical customer for the goods and services you sell?)

Age: _____

Sex: _____

Married/Single: _____

If married, who usually makes the purchase decision? _____

Economic status: (Lower, middle, upper) _____

Trade area: (Where do most of your customer's live?) _____

Is there a type of customer that you would like to have in your store that you are currently not getting? (Describe)

Section II

1. What are client's profit centers? (How do you departmentalize your merchandise of services?)
2. What approximate percentage does each profit center contribute to the total gross sales of the business?
3. What are the approximate margins in each profit center?
4. What is an average ticket in each profit center?
5. Are there multiple purchases?

1 Profit Center	2 % of Gross	3 Margin	4 Average Ticket	5 Multiple Purchase

6. Are repeat sales with the same customer household a significant factor? _____
7. Are referral sales a significant factor? _____
8. How many aspects do you have to come in contact with to close one sale?
(closing ratio) _____
9. How many days are you open per week? _____
10. Sales Curve:
- | | | |
|-----------|-----------|-----------|
| Jan _____ | May _____ | Sep _____ |
| Feb _____ | Jun _____ | Oct _____ |
| Mar _____ | Jul _____ | Nov _____ |
| Apr _____ | Aug _____ | Dec _____ |
11. What were you total gross sales for past twelve months? _____
12. Compared to last year, what is your current growth rate?
(Express as a percentage figure) _____
13. What is your average annual advertising expenditure? \$ _____
14. What percentage of your total annual budget do you spend in each of the following media?
- Television _____ Radio _____ Newspaper _____ Cable _____
- Outdoor _____ Direct Mail _____ Yellow Pages _____
15. Criteria for buying advertising (Ask client to list):
- _____
 - _____
 - _____
 - _____
 - _____

Defining Buyer Profiles: The Four Behavioral Styles

The cable ad salesperson needs to be able to identify the behavioral type that describes the prospect. This skill enables the salesperson to modify verbal and non-verbal behavior with each prospect. This helps build rapport and trust. Four general behavioral styles have been identified and used in the sales field.¹⁰

1. ***Dominants (D)***. Behavioral characteristics: Direct, quick, forceful, impatient, self assured, demanding, decisive, and responsible. How to approach: Provide information on the benefits of cable advertising. Be businesslike and well prepared. Offer options to choose from. Talk in terms of results. Sell innovative ideas. Avoid confrontation or telling the prospect what to do.¹¹

2. ***Influencer or Inducer (I)***. Behavioral characteristics: People oriented, optimistic, enthusiastic, self promoting, persuasive, and emotional. Entertaining and draw people towards them. How to approach: Take the time to establish goodwill. Be friendlier than usual; talk about people and their goals. Resist the urge to lay on facts. Share useful ideas that can be put into action. Share mutual expectations. Mention prominent customers. Provide testimonials.¹²

3. ***Steadiness (S)***. Behavioral characteristics: Resistant to change, likes structure, relaxed, passive, deliberate, patient, and self controlled. How to approach: Go slow, give assurances, details, facts and figures. Allow them time to digest the information being presented. Go easy on new and innovative ideas. Discuss family. Use basic product knowledge. Be strong and confident.¹³

4. ***Compliant, Conscientious (C)***. Behavioral characteristics: Precise, accurate, sensitive, a perfectionist with very high standards. Often critical, detail oriented, with

the ability to size up people and situations. How to approach: Go slower than usual, give proof, lots of facts, answer all questions, do not be pushy. Undervalue persuasive skills and personal relationships; avoid stories and analogies. Do not be intimidated by challenges and skepticism.¹⁴

One of these four buyer profiles is predominant in most individuals and is readily detectable most of the time through the cable ad salesperson's interaction on the first sales call.¹⁵ Defining buyer profiles and their behavioral characteristics will help the cable ad salesperson modify his/her own behavior during the sales call. By matching and mirroring verbal and non-verbal activity during the sales call, the salesperson begins to gain rapport for the following reasons.

People view themselves as normal, no matter what their behavioral characteristics might be and people buy from others like themselves, that is, from people they like.¹⁶ Learning face to face how the prospect thinks and makes buying decisions helps the cable ad salesperson make his/her presentation accordingly. Listening to and observing the prospect's characteristics, the salesperson can mirror the prospect's behavior, thus establishing subliminal rapport quickly, which leads to building trust within the salesperson/customer relationship.¹⁷ When the cable ad salesperson is able to match the prospect's speech rate: volume, pitch, tone, timbre, and pacing, along with body language, the prospect enjoys the feeling of being understood and supported.¹⁸ It is said that 38% of the power of what we say is not in its actual content (the what) but in how we say it.¹⁹

Establishing the Criteria for Buying

The final phase of the consultant sales approach is to establish the criteria for buying. This helps the cable ad salesperson clarify what must be done for the sale to occur. It is said that the salesperson never sells, the customer only buys. At this stage of the first call, the cable ad salesperson must persuade the prospect to list all of his/her advertising needs. The salesperson must understand exactly what the prospect says and why he/she is saying it.

Initially the prospect will list four or five advantages he/she wants to gain from his/her advertising. The prospect will express him/herself in benefit terms, i.e., what he/she wants his advertising to do for him/her and what he/she does not want it do for him/her.²⁰ Most advertisers are seeking to retain the better characteristics of their present system. For example, a broadcast television advertiser may want to retain the visual impact of the video medium, but wants to get rid of its faults, e.g., wasted reach into areas of the DMA.

By constructing with the prospect a list of criteria to be satisfied and listing them in order of importance, the cable ad salesperson seeks to establish a particular blend of benefits his/her product offers. Benefit-oriented statements are not presented at this point. As the conversation continues and the advertiser begins to run out of ideas, the cable ad salesperson begins to introduce other needs that the local cable advertising is particularly good at satisfying. At this point the salesperson summarizes the criteria for buying advertising, paraphrasing the customer's reasons for its importance. A final question is asked to make sure that no criteria have been left out: "What other factors have we omitted?" It is vital that all of the customer's buying criteria be established

now. If another requirement appears later in the follow-up sales call, it is likely to sabotage the sales presentation.²¹

In a normal two-way sales conversation, there is no harm in being wrong. It may be a good idea to let the prospect know that he/she is right. Asking for advice will clarify the criteria for buying, and will make the prospect more comfortable with the salesperson.

Prehandling Objections

Objections fall into four categories:

1. Problems of attitude.
2. Requests for further information.
3. Since obstacles to which the prospect feels satisfactory answers must be found before a decision can be made.
4. Insincere obstacles: usually matters of minor importance that the customer will exaggerate, if allowed to bring them up later in order to avoid making a decision.

Objections perform a very valuable function in the selling process. The cable ad salesperson should not take them personally. They show the salesperson that:

1. The way the prospective advertiser is reacting to the form of the presentation, i.e., how the cable ad salesperson is presenting.
2. The way the prospective advertiser is reacting to the information contained in the presentation, i.e., what he is presenting.
3. Areas that need clarification.

4. The obstacles that remain to be overcome before the prospect feels able to commit to a final decision.²²

In every selling situation there are objections that are better prehandled. The time to do this is when the prospective advertiser is establishing the criteria for buying.²³

Prehandling objections is achieved by introducing the objection before the prospect thinks of it, providing the best answer possible, and getting the prospect's agreement that the answer is satisfactory. The exact implication of the potential objection will vary according to the type of buyer the cable ad salesperson is working with and his/her specific requirements.²⁴

The objections that should be prehandled fall into the following categories. Once again, the proper questions or statements keep the cable ad salesperson in control.

1. *Objections based on hesitancy or reluctance to make decision now.*

Salesperson's response: "Presumably you will want to make your decision in time for your next quarterly budget review or well before the Christmas selling season begins."

Rationale: This gives the cable ad salesperson a precise time frame for making a follow-up appointment, and leads into curtailing the presentation. A follow-up question while setting the new appointment reinforces the prospect's criteria for buying. The salesperson needs to confirm that he/she is in fact dealing with the decision maker. If the decision must go before partners or a board of directors, the cable ad salesperson can suggest a joint meeting or can adjust a follow-up presentation to take the order on a provisional basis, subject to board approval.

2. *Objections based on the prospect's opinion that his/her company's advertising and marketing problems are special and defy normal solutions.* This objection is very

common and if not prehandled, a sales discussion that was leading toward negotiation may break away into a dispute.²⁵ Salesperson response: "Of course no two companies, even in the same industry, are alike. But most advertisers seem to agree that their most common problem is making their advertising dollars work as hard as possible to reach their most likely group of customers and in the long run show a return on their advertising investment. This surely must be your problem too?"

3. *Objections based on the availability of a competitive alternative.* The prospective advertiser has four alternative courses of action available: 1) To do nothing; 2) To continue to buy advertising as he/she has in the past; 3) To spend the money on something entirely different than on advertising; or 4) To buy local cable network advertising. Because of a prospect's natural tendency to put off making a decision, the cable ad salesperson must set a follow-up appointment/presentation within ten working days. If the salesperson does not try to bring the first call to a logical conclusion by making a sale or setting up a follow-up appointment/presentation, the prospect has been set up for competition to sell them advertising. Asking for the order lets the cable ad salesperson know if he has taken the shortest route, which is the best route for making a sale. The salesperson can emphasize the importance of the decision, that the decision to commence a local cable network advertising campaign will bring the customer pride and value.

At this point, the cable ad salesperson can concentrate on the specifics of the ad campaign such as production. The cable ad salesperson should tell the prospect that he/she wants to spend 80% of his/her time creating a successful ad campaign for his/her customers, instead of spending this valuable time on just making a one-time sale. The

salesperson should emphasize that his/her goal is to build long-term customer relationships with advertisers. The salesperson should use word pictures that help the prospect visualize what advertiser-supported basic cable networks are doing to change the world of advertising and should use third-party references to other companies that have found that local cable network advertising is a better way to find the results he/she is looking for *over the long term*.

4. *Objections based on price.* While the cable ad salesperson is establishing the customer's criteria for buying, he/she can begin to influence his/her judgment of value.²⁶ In effect, the cable ad salesperson is prehandling a price objection that will have to be faced later. Using assumptive statements or questions, the salesperson is able to transfer some point of value or importance to local cable network advertising. "From what I hear you saying, Mr./Ms. Advertiser, your marketing problems have become so important that it is no longer worthwhile trying to find the cheapest way to solve them."

5. *Objections based on a new set of circumstances the customer will face when he/she buys local cable network advertising.* The cable ad salesperson must confront both the major and minor objections that can arise when the business starts to use local cable advertising. This is not an area for confession, or to introduce unwarranted fears. The important point is that when the salesperson introduces objections into the negotiation, he/she not only gains the customer's respect for his/her candor, but also controls the discussion that will take place about them. This discussion includes explaining the mechanics of getting the commercials on the air, lead time necessary for production, inserting new commercials, the approximate times of the hour the commercials will run, and the times of the day if the customer buys run of schedule

(ROS) Prime Time (8-11 p.m.) or in a specific program (e.g., CNN's "Larry King Live").

Once the cable ad salesperson sells the customer, the competition will be arriving at his/her doorstep like ants at a picnic. The customer should be warned about the competitive media, along with hearsay and rumors about cable television advertising. When selling against the competition, cable ad salespeople need to know everything there is to know about how competitive forms of advertising, print or electronic, work. Only then can the cable ad salesperson understand their advantages and disadvantages. Broadcast stations should never be mentioned specifically: it only gives them free advertising. The subject can be discussed in broad verbal terms such as the "changing world of television," but the competition should never be criticized, even if they are saying nasty things about local cable advertising—this will lead to a lost sale; it never wins sales. The salesperson should continue the discussion with the prospect about the changes the country has seen growing up with television. All that local cable systems and interconnects are doing is providing new and existing advertisers additional benefits for using the video medium to accomplish their advertising and marketing goals. Television viewing today is fast paced and diverse. This is where local cable advertising comes into play.

Summarizing for an Agreement

The purpose of summarizing is to establish agreement between two parties to the negotiation.²⁷ Only when agreement at each step in the selling process is reached is the cable ad salesperson able to proceed to the next step.²⁸ Finally, a question confirms that

the summary has been reached. "Are you happy with that as a summary of this part of our discussion?"

The summary effectively draws a line under the step in the sale that has been summarized.²⁹ The key question areas in the consultant sales approach have been fully explored and agreed upon. The summary confirms mutual understanding and agreement between the two parties.³⁰ Summarizing is vital in the sale to confirm understanding and to establish agreement.³¹

From this point, one of two paths will be taken.

1) Using the consultant sales approach, the cable ad salesperson bridges into a benefit-oriented presentation to give the prospect an overview of the specific benefits of local cable network advertising that match the prospect's needs as stated during the interview call. Then the salesperson should try to reconfirm the prospect's decision criteria as the basis for negotiation, and to commit him/her to a decision based on the satisfaction of this criteria.

This technique will work while dealing with objections to establish the importance and relevance of the objection. Example: "Mr./Ms. Advertiser, if I can satisfy you on this point, would you be willing to start advertising with my cable system?"

2) The cable ad salesperson summarizes for agreement the information received during the first call, reconfirming the criteria for buying, and then arranging the follow-up appointment within ten working days. It is important that the follow-up appointment/presentation be set up at this time; if necessary, alternative dates and times can be offered, but the salesperson should not leave without a firm commitment for another meeting within ten working days. The prospective advertiser should be told that the

entire ad sales team, including management and production, brainstorm on a regular basis, and that the salesperson is looking forward to taking some quality time to analyze and propose thoughtful ideas to help the advertiser achieve the desired results. As mentioned before, the salesperson should request a fair forum, i.e., 20 minutes without interruptions. The salesperson needs to follow up within ten working days, in order to keep the subject matter top in the advertiser's mind and to keep the competition from getting in. If the prospective advertiser is discussing creative ideas for the campaign or is talking about a previous commercial that may have run last year, accelerate the process, because buying signals are being sent out. The cable ad salesperson should try to get a provisional order based on an agreed dollar figure per month, cable networks requested, projected starting dates, etc. If the salesperson starts to perceive hesitancy or a "budget approval stall" from the prospect, he/she should simply reply: "Most of our advertisers are spending an average of \$1,500 per week during the initial 90-day phase of their advertising campaign. Would this average be in line with your quarterly budget?" The customer will either say "yes," or "that figure is too high, make it around a thousand per week." The cable ad salesperson has just positioned him/herself as a long-term strategist. The salesperson should confirm the date and time of the next meeting, ask for a 24-hour cancellation notice, thank the advertiser, and depart promptly. It is now time for the cable ad sales team to get to work.

Notes

¹ Moine, Donald L., & Herd, John H. (1988). *Modern Persuasion Strategies*. Englewood Cliffs, NJ: Prentice Hall, p. 31.

² Johnson, Kerry L. (1988). *Subliminal Selling Skills*. New York: American Management Association, p. 63.

³ Chris Lytle & Associates. (1988). *Radio Sales 101*. Madison, WI: The Advisory Board, p. 6.

⁴ Johnson, p. 75.

⁵ Lund, Phillip R. (1974). *Compelling Selling: A Framework for Persuasion*. London: McGraw Hill, p. 8

⁶ Lund, p. 8.

⁷ Lund, p. 8.

⁸ Lund, p. 68.

⁹ Lund, p. 72.

¹⁰ Moine & Herd, p. 79.

¹¹ Gorby, John C. (1982). *Selling That Most Difficult Buyer*. Youngs, Walter & Co. Organizational Training Seminar.

¹² Gorby, p. 9.

¹³ Gorby, p. 9.

¹⁴ Gorby, p. 9

¹⁵ Moine & Herd, p. 79.

¹⁶ Moine & Herd, p. 31.

¹⁷ Moine & Herd, p. 143.

¹⁸ Johnson, p. 75.

¹⁹ Moine & Herd, p. 152.

²⁰ Lund, p. 93.

²¹ Lund, p. 106.

²² Lund, p. 111.

²³ Lund, p. 114.

²⁴ Lund, p. 115.

²⁵ Lund, p. 118.

²⁶ Lund, p. 126.

²⁷ Lund, p. 131.

²⁷ Lund, p. 132.

²⁹ Lund, p. 132.

³⁰ Lund, p. 132.

³¹ Lund, p. 132.

CHAPTER 6

BENEFIT-ORIENTED SELLING

Introduction

A prospective advertiser will purchase local cable network advertising when he/she is convinced that the cable system/interconnect's selling system presents what the product will do for them rather than what it is.¹ When the initial approach is made to sell local cable advertising, the salesperson knows that he/she is supposed to ask questions during the opening of the first call. But what questions should be asked? In what order? And then, what is the cable ad salesperson supposed to do with the information once it is received? The consultant sales approach, using the interview work sheet, enables the salesperson to gather the necessary data to assemble information regarding the business. The salesperson then needs to analyze the specific data received from the prospect pertaining to his/her advertising buying criteria and to probe further with the prospect how the cable system/interconnect can offer benefits to the advertiser.

Simple analysis of local cable network advertising helps the salesperson answer the question: Does the cable system/interconnect have anything to offer advertisers? Of course it does. A common problem arises when cable ad salespeople are not able to clearly communicate several benefit areas that match the customer's needs, in order to move the process forward toward a sale or a follow-up meeting to make a formal

presentation. The approach to using benefit-oriented selling helps the cable ad salesperson increase his/her sales persuasiveness and builds confidence in making benefit-oriented statements during all levels of the selling process. It shows the salesperson how to state these ideas in the most effective way to persuade clients to take action.²

Why Customers Buy

The terms "features" and "benefits" must be clearly defined and understood by cable ad salespeople. A feature is a fact about the cable system's advertising department.³ Cable system/interconnect features include cable network programming, local origination and access shows, community involvement, franchise or total coverage area for interconnects, and ad rates.

A benefit is the value delivered by the cable system/interconnect's feature. A benefit answers the question: "What is in it for me, the advertiser?"⁴ For example: The cable ad salesperson may be discussing the fact that NFL football is aired exclusively on Sunday nights on cable. TNT broadcasts games during the first half of the season, and ESPN for the remainder, including the Pro Bowl game the week after the Super Bowl. This is feature talk. There is no description of any accrued value to the advertiser. Most cable ad salespeople fall into the trap of mentioning various facts about cable advertising, hoping that the fact just mentioned implies a benefit. However, the skeptical advertiser will likely say: "So what? You carry NFL football on Sunday nights, good for you. Clarify how that helps me, the advertiser."

Cable ad salespeople are in daily contact with their product. Too often the mistake is made that a mere statement of fact (feature talk) assumes that the advertiser understands its meaning as well.

The reason why customers buy is because of the benefits local cable network advertising will bring them, not for what it is. They buy benefits, not features. Features are only important because they deliver the benefits. The key to benefit-oriented selling is to make a clear translation of feature information into advertiser benefits.⁵

Cable advertising salespeople must understand that the difference in communicating in benefit terms as opposed to implying benefits through feature talk is the real essence of product knowledge. The prospect will not understand the benefits of local cable network advertising if the cable ad salesperson falls into "cable talk," an often articulate but unfortunately irrelevant reporting of cable advertising features, accompanied by the significant omission of the interesting motivating benefits they have to offer. The likely result of cable talk is no sale. Benefit-oriented selling breaks salespeople out of feature-based cable talk into dollar-producing sales talk.⁶

First, the cable ad salesperson should make a list of those facts that are commonly discussed with a client during a sales call. The salesperson does not want to stop talking about them. However, the new approach will be to put the cable advertising facts in their proper place, to enable the salesperson to communicate sales-motivating benefits to clients.⁷

The salesperson should take a moment and list at least fifteen features (facts) about local cable network advertising. Then each feature should be translated into a benefit statement. This can be done by stating the product feature and then adding a

phrase such as "which means to you..." or "the benefit to you is..." This is just a transitional phase from implying benefits to stating them.⁸ For example: "CNBC programs financial news from 6 a.m. until 8 p.m. Monday through Friday [the feature], which means to you that we can give you more advertising impact for every dollar you spend [the benefit]." Nothing is more important to an advertiser than feeling that he/she is getting the maximum return on his/her advertising investment. An effective benefit statement often used is: "We can make your advertising dollars work harder." By adding a benefit statement the advertiser understands that cable advertising is maximizing the advertiser's return on investment.

The many different networks sold on cable systems and interconnects offer between one and four minutes per hour for local avails. A great benefit statement is: "We only have two minutes per hour of local advertising to sell on CNN [feature], which means that we can showcase your message, giving each local commercial more persuasive impact [benefit]." At this point the leading statement made by the salesperson is a cable system feature followed by an advertiser benefit. This transition from implying benefits to stating them demonstrates to the advertiser how he/she can get the best return on investment."⁹

Benefits and Features

Benefit statements must be memorized.¹⁰ These statements reflect product knowledge that is relevant to advertisers, therefore reducing the number of objections and follow-up calls the cable ad salesperson has to make.¹¹ Benefit statements enable the salesperson to make a persuasive presentation.¹² Benefit statements answer the question

most prevalent in the advertiser's mind: "What is in it for me?" The advertiser knows why the salesperson is there. Advertisers welcome confident—not arrogant—salespeople who are willing to take the time to become familiar with their business and the criteria for buying advertising when establishing long-term customer relationships. The cable companies and multiple system operators (MSOs) that work with advertisers to build long-term relationships whenever possible will reap the most financial rewards.

Memorizing benefit statements has the added bonus of helping the cable ad salesperson work more effectively with objections. Figure 2 lists twelve local cable network features and advertiser benefits. The salesperson will find that many cable advertising features generate the same benefit. That is as it should be—there are more product features than benefits.¹³ Knowing this alone will give the cable salesperson a significant competitive advantage over other advertising salespeople in the market.

Making persuasive benefit-oriented presentations is not a magic process. It is the ability to understand what the salesperson's cable system/interconnect is in advertiser terms. Being able to diagnose what the cable system really has to sell, and the even more difficult work of memorizing and learning that information verbatim will result in a sale only when the cable ad salesperson knows exactly what the product is, what it does, and how it works. All benefits must be known, but not all are to be used during a sales call or presentation.¹⁴ Short, clear, concise, benefit-oriented statements can be formulated to deliver the right kind of information to the advertiser.¹⁵ In summary, keep the sales discussion focused on the benefits of local cable advertising. Use the features simply to explain and support those benefits. Local cable ad salespeople need to break out of the old habit of linking features (facts) to benefits. The recommended approach

is to lead with benefit statements, using the feature as support to the benefit and then qualify the sequence. This is known as Benefit-Feature-Qualify, or B-F-Q selling.¹⁶

Qualifying Benefits

After the advertiser has listed his/her criteria for buying, the cable ad salesperson summarizes for agreement to ensure that there are no misunderstandings or omissions. Often an attempt will be made to make the sale at this point. Usually this does not succeed, but the attempt to close the sale gives the cable ad salesperson the opportunity to prehandle the likely objections to the decision.¹⁷ The words "you" and "your" should be used prominently in benefit-oriented selling to emphasize what the advantages are for the advertiser to buy.¹⁸ Sometimes the B-F-Q presentation will be made during a cold call, or the B-F-Q presentation may take place at the conclusion of the first call to initiate the sale or to set up a follow-up meeting and presentation. In either case, the cable ad salesperson has uncovered the likely objections and the criteria for buying. The point is that by memorizing and knowing all the benefits for local cable network advertising, the salesperson is able to ask probing questions to re-examine areas in which there are benefits to offer the advertiser. If nothing else, qualifying benefits gives the cable ad salesperson the opportunity to gain a competitive advantage over the competition and the chance to make a sale. A benefit statement that matches an area of need that the advertiser revealed provides a transition from the "summarizing for agreement" into the presentation.¹⁹

The recommended B-F-Q approach reverses the standard sales feature and benefit presentation, with a statement that leads with the benefit. The feature that CNBC

programs fourteen hours of financial news every weekday may imply great benefits to a Certified Financial Planner. Leading with the benefit statement, then supporting it with the feature, makes the approach more persuasive. "Mr./Ms. Advertiser, we can directly target your message to the select group of customers you are seeking by advertising on CNBC. CNBC devotes fourteen hours per day to comprehensive financial news and analysis every weekday." Then the client should be shown a programming profile about CNBC, or shown a video segment that encapsulates the essence of CNBC's financial news programming. The qualifying question "Do you see any benefit in that?" should then be asked. In theory, leading with a feature as opposed to leading with a benefit may seem unimportant, but it is extremely important from a communication standpoint.²⁰ By discussing benefits, the cable ad salesperson and the advertiser are discussing a topic of mutual interest to both parties. It is of interest to the advertiser because the cable ad salesperson is showing that he/she can meet an area of need. It is of interest to the salesperson because the benefit is generated by local cable network advertising and may ultimately lead to a sale. Using this approach gives the salesperson a better opportunity to engage in a meaningful two-way dialogue. When discussing features, the salesperson becomes trapped in a one-way dialogue that excludes the needs of the advertiser. The topic is of interest only to the cable ad salesperson. Mentioning CNBC's financial news programming certainly implies a benefit, but it has not been fully translated into a benefit. Until the benefit translation is made, the dialogue remains one sided and the salesperson continues to offer more talk in the hope that more is better. Engaging in feature talk risks losing the client's interest and attention, whereas leading with a benefit statement increases the odds of getting the advertiser's attention and interest.

The benefit should be mentioned and then examples provided of how a particular feature of cable advertising delivers that benefit. The third step, mentioning the qualifier, proves the existence of the feature.²¹ For example, if the discussion is about the customer profile of the cable system or interconnect, the salesperson can use Donnelley Market Research, which profiles the cable system with demographic and psychographic data. If the discussion is about production capability, a demo tape or a list of awards can support the benefit statement.

The B-F-Q model looks like this:

1. Lead with a benefit statement; i.e, what is in it for the advertiser.
2. Offer the reason why the local cable system/interconnect can deliver this benefit [cable advertising feature].
3. Offer what proof is necessary to document the feature.

Then a qualifying question should be asked after each benefit/feature/support sequence. The qualifying question helps assess the client's interest in the benefit that has been presented. Some examples of qualifying are:

1. "Do you see any benefit in that?"
2. "Would you be interested in achieving that?"
3. "Does that sound interesting to you?"

When the advertiser responds positively to qualifying questions, the cable ad salesperson can make the transition into a specific proposal easily.²² By qualifying each benefit statement the cable ad salesperson retains control of the discussion.²³ If a "no" surfaces, the salesperson asks the advertiser "why" or "why not?", then paraphrases the reason, thus showing acknowledgment of the negative response. By qualifying throughout the

presentation and admittedly risking a "no," the cable ad salesperson has the opportunity to convert that "no" into another benefit area.²⁴

In summary, the two key points to benefit-oriented selling are:

1. To lead with benefit statements before stating cable advertising features. Select those benefits that seem most appropriate from the data collected from the consultant sales approach, which reveal the advertiser's needs, interest, and criteria for buying.
2. Always ask qualifying questions after each benefit/feature sequence. This gives the cable ad salesperson an indication of where the selling chain of events is going.

The "seven plus or minus two" theory should give the salesperson an indication of where the sales process is going.²⁵ There should be no need for more than seven benefit areas and usually three to five B-F-Q statements work well.

Figure 2

Local Cable Network Features and Advertiser Benefits

Listed below are twelve local cable network feature and the translated benefits that accrue to advertisers. They are benefits that motivate advertisers to buy. The features are our proof that we can deliver these motivating reasons to invest. Some or all of these will likely apply to the various cable networks the salesperson is selling.

CABLE NETWORK/ MSO FEATURE	CORRESPONDING ADVERTISER BENEFITS
	"We can..."
1. Network programming	<ul style="list-style-type: none"> target your advertising dollar for greatest impact reach those people with the greatest buying power directly target your message at the group of customers you're seeking
2. Cable system/MSO's community involvement	<ul style="list-style-type: none"> give your message (business) credibility create trust for your business
3. Limited local commercial load	<ul style="list-style-type: none"> showcase your message assure your message won't get lost create greater impact for each advertising dollar
4. System/MSO production capabilities	<ul style="list-style-type: none"> create a professional quality commercial for you help you create advertising that sells create a commercial that grabs the attention of potential customers

CABLE NETWORK/ MSO FEATURE	CORRESPONDING ADVERTISER BENEFITS
5. Creativity (of production staff, continuity department, sales department)	<ul style="list-style-type: none"> • help you create new promotion and marketing ideas • help you create advertising that sells
6. Various basic network programming	<ul style="list-style-type: none"> • give your message (business) credibility • create trust for your business
7. Experienced/trained sales staff	<ul style="list-style-type: none"> • assist you in developing your advertising plans • help create new promotion and marketing ideas • help you create advertising that sells
8. CAB/other outside resources	<ul style="list-style-type: none"> • help you create new promotion and marketing ideas • help you create advertising that sells • create a professional-quality commercial for you • create a commercial that grabs the attention of potential customers
9. Demographics of cable networks	<ul style="list-style-type: none"> • target your advertising dollar for the greatest impact • reach those people with the greatest buying power • directly target your message at the group of customers you're seeking • make your advertising dollar work harder

**CABLE NETWORK/
MSO FEATURE****CORRESPONDING ADVERTISER
BENEFITS**

10. Niche cable network programming (news, sports, weather, music videos, and finance)

- give your message (business) credibility
- create greater impact for your message (because people actively listen)

11. Service/follow-up

- assist you in developing your advertising plans
- help you create advertising that sells

12. 24 hours per day

- reach more potential customers

Notes

- ¹ Lund, Phillip R. (1974). *Compelling Selling: A Framework for Persuasion*. London: MacMillan Press, p. 37.
- ² Lund, p. 142.
- ³ Gorby, John. (1981). *How to Handle the 6 Biggest Objections to Radio Advertising*. Rolling Meadows: IL: Youngs Walker & Company, p. 1.
- ⁴ Gorby, p. 2.
- ⁵ Boyan, Lee, & Enright, Rosiland. (1992). *High-Performance Sales Training*. New York: AMACOM, p. 171.
- ⁶ Lund, p. 145.
- ⁷ Gorby, p. 12.
- ⁸ Gorby, p. 3.
- ⁹ Gorby, p. 4.
- ¹⁰ Gorby, p. 5.
- ¹¹ Gorby, p. 12.
- ¹³ Gorby, p. 13.
- ¹⁴ Lund, p. 146.
- ¹⁵ Salisbury, Frank S. (1992). *Sales Training: A Guide to Developing Effective Salespeople*. Berkshire, England: McGraw Hill, p. 101.
- ¹⁶ Gorby, p. 15.
- ¹⁷ Lund, p. 114.
- ¹⁸ Lund, p. 144.
- ¹⁹ Gorby, p. 12.

²⁰ Gorby, p. 13.

²¹ Gorby, p. 14.

²² Gorby, p. 14.

²³ Gorby, p. 14.

²⁴ Gorby, p. 14.

²⁵ Moine, Donald L., & Herd, John H. (1988). *Modern Persuasion Strategies*.

Englewood Cliffs, NJ: Prentice Hall, p. 45.

CHAPTER 7

WORKING WITH OBJECTIONS

Introduction

It is recommended that the cable ad salesperson try to prehandle certain objections during the first call, because these common objections are likely to surface during the final presentation.¹ The process of prehandling objections enables the cable ad salesperson to refer back to the previous discussion pertaining to the objection and move forward toward making the sale. When prospects or customers offer any type of objection, many salespeople lose control of the situation and find it difficult to get their sales presentations back on track.²

The training approach for local cable network advertising takes a fresh look at what objections are, and what the cable ad salesperson can do to work with common objections that arise during the selling chain of events. A definition of an objection is necessary. A sincere objection is a natural question concerning some aspect of the presentation, product, and/or proposal.³ If the prospect has any interest, he/she is bound to question certain details about local cable network advertising.⁴ He/she is looking for the suitable balance of advantages and disadvantages concerning local cable advertising as an alternative to his/her present situation.⁵ It is perfectly natural that the prospect question his/her understanding of this balance in order to reinforce the decision to buy.⁶

The cable ad salesperson needs to understand the role of objections in his/her presentation, and do the best to turn them to his/her advantage. Terms like "overcoming objections" have no place in a contemporary sales approach.

Although 90% of all cable systems in the United States sell local cable network advertising,⁷ the industry has not established a solid track record. This, coupled with strong competition from other advertising sales organizations, leaves prospects questioning the potential benefits of local cable advertising. They are not looking for their objections to be overcome. Prospects who are asked to buy local cable network advertising most likely have insufficient knowledge to make an informed buying decision.

Modern professional selling is about communications at the highest level: using proper body language, tone of voice, and words.⁸ Since objections are requests for information,⁹ These requests need to be clearly listened to, paraphrased back to the prospect to ensure understanding, and then answered.¹⁰ Selling local cable advertising should always be viewed as a discussion between the salesperson and the potential advertiser. Questions (objections) arise throughout the selling process, from the first attempts at making an appointment to the act of bringing the sale to a successful end. Certain objections seem to be more commonplace, so the approach is to identify some of the most common objections cable ad salespeople hear.

The salesperson should understand that objections are bound to occur and should be prepared to deal with them in a manner that will satisfy the prospect's request for more information and allow the presentation to proceed. All objections should be treated as sincere ones, but it is important to understand that no one buys anything, including local cable network advertising, unless there are compelling reasons (benefits) to buy.¹¹

If the cable ad salesperson truly believe that local cable advertising can help the prospect makes his advertising dollars work as hard as possible, and can convince the prospect of this, the possible objections to initiating a preliminary 90-day plan will be minimal. The salesperson will be more likely to convince the prospect if a benefit-oriented approach to selling is used, in which the salesperson and the prospect have summarized each step of the selling process before moving on.

The Most Common Objections to Local Cable Advertising

1. "I have no money, or my budget is spent."
2. "I am staying with my current advertising plan."
3. "I do not need to advertise."
4. "Your rates are too high."
5. "You do not have the audience I want."
6. "Cable advertising does not work."

Being familiar with the most common objections enables the cable ad salesperson and sales manager the opportunity to look for suitable answers.

There is no secret formula for answering objections. But the first thing to understand is that the most common objections evolve from one of two attitudes: indifference or rejection.¹²

When a client is indifferent, he/she is saying that he/she does not see a reason to change right now; he/she is satisfied with his/her current situation.

The attitude of rejection is different. In this case, the client is rejecting something specific about the proposal.¹³ The prospect may want to make a significant change in

his/her advertising approach. However, he/she does not see a sufficient benefit in the proposal to make the transition to local cable network television advertising. Therefore, the attitude of indifference means that the prospect is somewhat satisfied and happy with his/her current advertising approach. The attitude of rejection means that he/she does not see any, or enough, benefits in the proposal—so why bother?¹⁴

Here is an easy way to classify objections into one of the above categories:

A "no-benefit" objection will almost always be related directly toward cable television advertising, cable networks, or the cable system or interconnect. Typical statements are:

1. "Your rates are too high."
2. "You do not have the audience I want."
3. "Cable advertising does not work."

An assumption is made that there is some aspect of local cable advertising that does not offer the prospect enough benefits to go ahead and buy.¹⁵

When the prospect tells the cable ad salesperson that he/she is staying with his/her current advertising plan, he/she is stating that he/she is satisfied and his/her needs are being sufficiently met. Typical statements are:

1. I am staying where I'm at.
2. My budget is already spent.
3. I do not need to advertise.

After classifying an objection into either the "satisfied" or "no-benefit" category, the salesperson should pause for a few seconds before speaking. This gives the prospect a non-verbal message that his/her objection is actually being listened to. Then the

response should be to paraphrasing the objection according to its category. Two standard responses would be:

1. "It sounds like you're satisfied..."
2. "It sounds like you don't see a benefit..."

Either of these responses should lower the tension level between the cable ad salesperson and the prospect. There is no reason to get into an argument over the objection. By paraphrasing the objection appropriately, the cable ad salesperson allows the client to continue elaborating the objection and provides the salesperson with specific information that is necessary to find out if the objection is sincere.

Another way to approach the objection is to ask why. "Why" is the key word for understanding the meaning and the reason for the objection.¹⁶ Possible questions are: "Why do you feel that way?", "Why is that?", "Could you tell me specifically why you have come to this conclusion?", "What is troubling you?"

The cable ad salesperson may also want to ask the prospect: "Are there any other problems?" A yes is followed up with the question, "What are they and why are they a problem for you?"¹⁷

There is no need to answer one objection only to be followed up by several more. If the cable ad salesperson is receiving a multitude of objections, he/she is doing something wrong. At this point, it might be appropriate to say to the prospect: "You have mentioned a number of things that are on your mind, and I am glad that you have brought them to my attention. Perhaps I need to come back at another time to provide you with the answers you need. But I would like to know what obstructions there are that might prevent you from doing business with my cable company." At this point the

cable ad salesperson can separate the sincere objections from the insincere objections and again classify the objection into one of the two categories: either the client is satisfied with his/her current advertising plan, or the client does not see enough compelling benefits to make the change to cable.

How to Work with Common Objections

Knowing what the common objections are prior to the final presentation gives the cable ad salesperson and sales manager an opportunity to practice possible answers to the objections that will likely surface in the final presentation. The salesperson has classified and paraphrased the objection into the "satisfied" ("I am staying with broadcast television") or the "no-benefit" ("local cable advertising does not work") category. At this point a transition needs to be made from the prospect's objection. Here is a sample dialogue:

Client: "Cable advertising doesn't work in this market."

Salesperson: [Pause] "It sounds to me that you just don't see any benefit to selling your products to our cable system's consumer base. Why do you feel that way?"

Client: "Well, we tried cable in the mid-1980s. We were on CNN for a couple of weeks. Nobody mentioned that they saw our commercial, so we came to the conclusion that cable doesn't work for us."

Salesperson: "I can understand how you feel, Mr./Ms. Advertiser. Many of our early cable clients felt the same way when they "tested" the cable market for a week or two in the 80s. So your perception is certainly legitimate. However, I've found that

today our cable system has more viewers than ever and we also have additional cable networks for local businesses to advertise on. Many advertisers are enjoying the benefits of local cable network advertising by talking to the viewers of CNBC, Discovery, Arts and Entertainment, and CNN. They have found that local cable network advertising is making their ad dollars work as hard as possible by reaching their most likely customers. The successful approach to cable advertising today, like investing, is long term." [Salesperson presents Donnelley Marketing Information about the cable system.] "Mr./Ms. Advertiser, 54% of the TCI East Lansing consumer base has a college degree,¹⁸ and nearly 39% of our cable subscribers have household incomes of over \$50,000 per year.¹⁹ Wouldn't you be interested in an opportunity to talk to them again if it can help you achieve your long-term growth objectives?"

Client: "I guess it is time we took another look at cable. Times have changed."

The transition statement acknowledges the client's wisdom, and then the objection is diffused. Now the cable advertising salesperson is discussing the benefits local cable network advertising has to offer, along with a comprehensive approach for success that is congruent with the client's needs. Presenting benefits puts the salesperson back in control of the discussion, rather than debating the objection.²⁰

Once the salesperson is able to get back to the benefits that local cable network advertising has to offer, the approach discussed in Chapter Six should be applied. A benefit statement should be made that matches the client's needs, it should be supported with a cable system/interconnect fact (feature), and then it should be qualified. The

salesperson will find that the objection has been acknowledged, answered, and minimized. Now the stage has been set for a presentation.

Memorization of benefit statements and how to classify objections is mandatory for cable ad salespeople to succeed. The sad truth is that most do not take the time to prepare and practice. If there were never any objections, there would be no need for salespeople. Objections will continue to arise. By learning to classify objections ("satisfied" and "no-benefit"), memorizing probing questions (why?), along with all benefit statements, the cable ad salesperson will obtain the confidence to work with objections and be more comfortable with the fact that they will always be a part of the selling process.

Price as an Objection

Many advertising salespeople want to work for companies that have the best products at the lowest prices. Finding such companies is as elusive as finding an investment vehicle that produces the highest return without any risk. This does not stop advertising salespeople or investors from searching. Because an objection based on price is a "fence sitter" between satisfied and no-benefit, it needs to be addressed in more detail. No one buys anything simply because it is cheap, so cost can never be a reason for buying. The prospect must want it first.²¹ The potential advertiser will buy what he/she thinks is the best value for the money.²² If the cable ad salesperson becomes overconscious of the price level it will show in his/her presentation. If the salesperson really does think that local cable network advertising is too expensive, he/she will not succeed in selling.

Price must be described in its most glamorous form.²³ A \$12,000 proposal that is to run over 13 weeks should be broken down into a weekly expenditure. Unit pricing for commercial time should be avoided. Some form of media somewhere is selling commercials for less.

When you know that the business's growth objective is to increase gross revenues by 20% next year from \$2 million to \$2.4 million dollars, a \$48,000 advertising expenditure does not seem to be that much. In business it is usually a company's money that is being spent, not an individual's.²⁴ For cable and sales to succeed in the mid- and long-term, it must position itself to those businesses that are financially qualified for a long-term investment that shows a return.

When the price objection arises, the prospect should be asked why it is too expensive. After the salesperson has listened to the prospect's reasoning, he/she has a chance to handle the objection. Sometimes the sale will collapse during price discussions for the simple reason that the prospect does not want to buy.²⁵

If the prospect brings up the issue of price earlier in the selling process, a full answer should be delayed. Otherwise the advertiser will see all cost and no value.²⁶ Terms like "within your budget," "reasonable," or "I do not see cost to be a problem" should be used and tied to the statement that price will be discussed as part of a comprehensive proposal to meet the prospect's advertising needs.

Price is the last (and sometimes lasting) objection. The cable ad salesperson's task is to show that the price is reasonable for the benefits that local cable network advertising offers.

Notes

¹ Lund, Phillip R. (1974). *Compelling Selling: A Framework for Persuasion*. London: MacMillan Press, p. 114.

² McGlauglin, Ian E. (1982). *Successful Sales Training: How to Build a Program that Works*. Boston: CBI, p. 134.

³ Gorby, John. (1981). *The Six Biggest Objections to Radio Advertising*. Rolling Meadows, IL: Youngs Walker, p. 20.

⁴ Gorby, p. 20.

⁵ Gorby, p. 162.

⁶ Gorby, p. 162.

⁷ *Jerrold Television and Cable Factbook*. (1991). Washington, DC: Warren, p. B-3.

⁸ Salisbury, Frank S. (1992). *Sales Training: A Guide to Developing Effective Salespeople*. Berkshire, England: McGraw Hill, p. 54.

⁹ Lund, p. 164.

¹⁰ Gorby, p. 17.

¹¹ Lund, p. 142.

¹² Gorby, p. 19.

¹³ Gorby, p. 20.

¹⁴ Gorby, p. 20.

¹⁵ Gorby, p. 20.

¹⁶ Lund, p. 161.

¹⁷ Lund, p. 162.

¹⁸ *Cable System Subscriber Profile*. (Sept. 1992). East Lansing, MI: Donnelly Marketing Services Corporation, TCI East Lansing.

¹⁹ Cable System Subscriber Profile.

²⁰ Gorby, p. 25.

²¹ Lund, p. 176.

²² Lund, p. 177.

²³ Lund, p. 176.

²⁴ Lund, p. 177.

²⁵ Lund, p. 179.

²⁶ Lund, p. 179.

CHAPTER 8

THE FOLLOW-UP SALES CALL: THE PRESENTATION

Introduction

The appointment requesting a follow-up sales call and presentation is designed to introduce a specific proposal based on the ability of the local cable ad salesperson to present an effective local cable advertising campaign that meets the prospect's needs. Successful local cable network advertising sales should not be intended to be one-time event, but rather to build a mutually beneficial framework for a long-term working relationship between the cable ad salesperson and the potential advertiser. The cable ad salesperson needs to prepare a plan that satisfies the prospect's criteria for buying advertising, and to elicit a positive emotional response toward investing advertising dollars into cable.¹ The objective is to have qualified prospects agree upon the need for a preliminary 90-day plan of local cable network advertising.

If the cable ad salesperson has prepared and practiced the presentation and is able to address the likely questions and objections that will be raised during the sales discussion, the cable ad salesperson has increased the odds for success. The ultimate test for the long-term viability of local cable network advertising will be in creating new opportunities for potential advertisers. The cable ad salesperson must be able to deliver

enough compelling benefits that match the prospect's criteria for buying advertising. The specific plan must make sense to both the buyer and the seller.

Where to Start

The logical starting point for the presentation is a thorough review of the first-call interview work sheet used in the consultant sales approach. The data collected need to be analyzed. The first stage of analysis is matching the prospect's criteria for advertising with the benefit areas of the local cable system/interconnect. With many separate advertiser-supported cable networks available to the potential advertiser, there should be several cable networks that complement the prospect's target audience needs. The diversity of cable network programming can provide the correct balance of programming to reach both primary and secondary target audiences.

If the prospect can realize a substantial increase in a company's biggest profit centers, this additional revenue and profit will justify a higher advertising expenditure. There are three ways a business can increase revenue from its existing business: increase size of the average dollar sale per customer, increase the number of customers, or increase the number of repeat purchases that the customer will make during an extended time frame, such as the next twelve months. The following examples point out how revenue can be increased in different types of businesses. A furniture store that has an average sale of \$200 needs only a few more new customers per day in order to generate a substantial increase in gross revenue. If the store is generating \$2 million in gross revenues, with an average sale of \$200 and is open six days a week, 288 business days per year, it needs to generate less than 3.5 new customer sales per day to obtain an

additional \$200,000 in annual income. The formula is: Growth objective (\$200,000) divided by average sale (\$200) divided by the number of business days per year ($24 \times 12 = 288$) = number of new customers (3.47).

A service business such as a dry cleaner can show substantial annual growth through a strong repeat purchase pattern within the same household. For example: The average dollar sale is \$15, but if the customer is a heavy user of dry cleaning services, taking three garments (at \$5 each) every other week to the same dry cleaner, over the course of the year that one customer relationship is actually worth \$390 to the dry cleaner ($26 \text{ visits per year} \times \15 average sale).

Such analysis of the prospect's revenue stream helps the cable ad salesperson determine how the business can increase its revenue over time.² This can position a long-term local cable network advertising program as a reasonable alternative to the prospect's current advertising plan. Business categories that rely on a medium to high average sale, such as the furniture store, or the business that can develop a high repeat purchase pattern over the course of time, such as dry cleaner, are best suited for a long-term large dollar comprehensive local cable advertising plan.

How to Prepare

The cable ad salesperson must analyze the data collected from the first call and then match the benefit areas that both the local cable system/interconnect and the advertiser-supported cable networks offer the prospect, and meet the criteria for buying advertising. The following example shows how this works.

An independent supermarket, with two locations within the cable system's service area, wants to achieve a ten-percent increase in annual revenues in the upcoming twelve-month period. The prospect has supplied the local cable ad salesperson with the following data about the business and the criteria for buying advertising:

Primary target demographics: Women 25–54.

Secondary target demographics: Adults 18–24. (Students)

Location: One location across from a major university, another in a middle/upper-income residential area.

Economic status of current customers: Middle/upper.

Type of customer the prospect would like to have shop at the store: More working professionals, with middle and upper incomes.

Trade area (where the customers come from): Between one and five miles.

Profit centers: Video rentals, floral department, deli, beer and wine.

Busiest days: Thursday, Friday, and Saturday.

Busiest months: January through June, September through December.

Criteria for buying advertising:

1. Build store traffic, sell product today.
2. Generate new customer relationships, increase repeat and referral customers.
3. Obtain vendor support for a long-term ad campaign.
4. Increase sales in video and floral departments.

Current gross revenues: 20 million dollars

After having analyzed the prospect's responses, the cable ad salesperson can determine which advertiser-supported cable networks will reach the prospect's most likely customers. For example:

Reach the primary demographic target age group (women 25–54): USA, Lifetime, AE&, The Weather Channel, TNT.

Reach the secondary demographic target age group (adults 18–24 [students]): MTV.

Increase sales in profit centers (video and floral departments): Lifetime, TNT.

Prospect is planning to have a local production company produce four thirty-second commercials.

The networks chosen show the highest percentage of female viewership in the 25–54 age cell and MTV's primary target audience is the 12–24 demographic group.³

The cable ad salesperson must now list and later memorize the corresponding advertising benefits that will satisfy the criteria for buying. Benefit-Feature-Qualify sequencing (B-F-Q; see Chapter 6) helps the local cable ad salesperson match specific local cable network benefits with the prospect's specific needs and criteria for buying advertising. Following are sample statements demonstrating the B-F-Q method.

1. "Mr./Ms. Advertiser, we can target your advertising dollars for the greatest impact because of our cable network programming." [Show programming profiles of the networks to be used and explain how they match the demographic and lifestyle criteria the advertiser has presented.] "Do you see any benefit in that?"

2. "Mr./Ms. Advertiser, we can create trust for your business because of TCI cable's ongoing commitment to community service in our area." [Qualify by documenting charitable activities of the cable system, such as the coats-for-kids campaign and the national recognition the cable system received for sponsoring the 1992 presidential debate at Michigan State University.] "Does that sound interesting to you?"

3. "Mr./Ms. Advertiser, we can reach the customers you are looking for. Seventy percent of the residents in the East Lansing/Meridian Township are cable subscribers and they live within the Country Market's trade area of one to five miles. According to the 1992 Donnelly Market Information about our cable system, the average household income of the TCI cable consumer base is \$39,901.⁴ Would you be interested in talking to them?"

4. "Mr./Ms. Advertiser, you can also directly target your audience at the students you are trying to reach, because TCI has installed cable service in 9,500 dormitory rooms on campus." [Qualify by showing a list of dormitories with cable service.] "Would these people buy your (product)?"

The cable ad salesperson needs to meet with the local Pepsi marketing manager to secure vendor support for the campaign. This is done with the prior approval of the prospect, who had indicated that Pepsi wanted to help out. In exchange for a \$1,500 per month commitment from Pepsi for one year, the bottler has requested the following:

1. Pepsi logo must appear in all commercials.
2. Pepsi products will be featured in price and item specials once a month.
3. No competitor's products will be advertised during the campaign.

To meet the buying criteria of highlighting the floral and video departments, the cable ad salesperson should suggest to the prospect that the independent video production company dedicate ten seconds to both departments in two of the four commercials that will be produced.

The Proposal

The proposal should utilize local cable advertising to give the potential advertiser enough daily repetition (frequency) to make each day of advertising as productive as possible. There is no magic number, but a frequency of less than four commercials per day, per network, would be suspect. Since the prospect indicated that Thursday, Friday, and Saturday were the busiest days for sales, the approach will try to build traffic on the slower days of the week, Sunday through Wednesday. Two alternative plans are to be presented to the prospect.

Plan A

Network	Su	M	Tu	W
USA	4	4	4	4
TNT	4	4	4	4
Lifetime	4	4	4	4
MTV	4	4	4	4
TWC*	10	10	10	10

***Local forecast crawl**

All 30-second announcements to run 6 a.m. to midnight on designated days of week.

Recommended schedule: January 3–December 29, 1993

Cost per week: \$550.

Country Markett and Michigan Cable Ad Sales will review the campaign at week 26.

Advertiser has the option of suspending campaign at that time. Pepsi has indicated commitment of \$375 per week toward the campaign

Total investment: \$28,600

Pepsi support: \$18,000

Net investment by Country Markett: \$10,600. That is just \$204 per week!

Plan B

Network	Su	M	Tu	W
USA	4	4	4	4
TNT	4	4	4	4
Lifetime	4	4	4	4
MTV	4	4	4	4
TWC*	10	10	10	10

***Local forecast crawl**

All 30-second announcements to run 6 a.m. to midnight on designated days of week.

Recommended schedule: January 3–July 7, 1993

Cost per week: \$700.

Country Markett and Michigan Cable Ad Sales will review the campaign at week 13.

Advertiser has the option of suspending campaign at that time. Pepsi has indicated commitment of \$375 per week toward the campaign.

Total investment: \$18,200

Pepsi support: \$9,000

Net investment by Country Markett: \$9,200. That is just \$353 per week!

The Strategy of the Proposal

The local cable ad salesperson has matched specific cable networks with the prospect's criteria for buying. Networks such as TNT for their video department, MTV for students, Lifetime for the floral department, USA for female shoppers, and The

Weather Channel (local forecast crawl) provides price and item frequency throughout the day and evening. The proposal targets both primary and secondary demographics.

Offering two proposals gives the prospect a choice of plans: a 52-week program, with a review at the 26-week midpoint, or a 26-week campaign with a review at 13 weeks. Unless the local cable ad salesperson gets an outright no, which is always possible, the approach has resulted in a minimum of 13-week order from a new customer. It should also be noted that Plan A includes a lower weekly cost, which reflects a traditional pricing structure in local cable ad sales.

The Most Likely Objections

Objection #1: "It is too much money."

Answer: "The objective of presenting a comprehensive long-term advertising plan utilizing local cable network advertising is to help the business accomplish a 10% annual growth objective, which translates into approximately \$2 million. Either plan presented matches your buying criteria for advertising. We want to position local cable network ad sales as a long-term investment in the growth of The Country Market."

Objection #2: "I just want to try it for a month and test the results."

Answer: "Whether you choose Plan A or Plan B, you are taking the first critical steps that any advertiser needs to succeed. The process of weekly advertising on the local cable networks will help build traffic and sell products today. The long-term effects of a consistent advertising program will increase your ability to reach your most likely customers, whom we have identified together over time, to entice them to shop at

your beautiful stores. Store loyalty takes time to develop; we need the element of time to accommodate consideration cycles. I do not see a way to add an additional \$2 million to your revenue by going on a month-long program, do you?"

Objection #3: "How will I know that cable is delivering a return on my advertising investment?"

Answer: "By utilizing a price and item 'cable special' that you consider to be an outstanding value to the target audience(s). An example would be a gallon of milk for 99 cents. This special would air only on cable for the initial 90-day campaign. We can then track the sales activity by the week, and compare it to year ago sales figures. You can also rotate different price and item cable specials by the week or the month, using year ago same week sales figures to track the sales activity of that product or products you are advertising exclusively on cable. In these efforts it is important that the 'test' be fair to the cable advertising medium, e.g., consumers have sufficient exposure to the advertising; any special is sufficiently compelling to attract consumer interest."

Objection #4: "I can buy local broadcast news and reach more people than I can by advertising on local cable."

Salesperson: "Could you please be more specific?"

Prospect: "Well, I have a package from Channel Six that will give me one early evening news during the week, one on the weekend, and one late news for \$600 per week."

Salesperson: "Mr./Ms. Advertiser, many local businesses advertise on local newscasts and seem pleased with the results. But when we reviewed your advertising and marketing plan, you indicated that your current clientele and the customers you want to shop at your stores on a regular basis come from a one- to five-mile radius of each store. Based on that information alone, don't you feel that you would be directly targeting your message at the group of customers you are seeking by putting more focus into your advertising, by talking to the TCI East Lansing/Meridian Township consumer base, without the waste factor of a broadcast station with a signal range of over sixty miles?"

A Summary for Preparation of the Proposal

1. Review and analyze the data obtained in the first call. Look for where the cable system/interconnect offers benefits to the prospect.

2. To make a long-term, large-dollar sale, look at how the revenue stream is built within the business. The best scenarios for substantial revenue growth are in medium-to-large average ticket sales, or in a strong repeat sale pattern from within the same customer household. The prospect must want to obtain a minimum of a ten percent annual growth. The more profit centers and the higher the profit margins are in those areas, the more overall profit and ad dollars for local cable can be created.

3. Review the criteria for buying, make sure there are no omissions, and then summarize for agreement.

4. Review purchase patterns and approximate consideration cycles. This is especially important with a cyclical business such as an automobile dealership.

5. The cable ad salesperson has to feel that the stated growth objective is reasonable and obtainable over a twelve-month period, as described in the first sales call.

6. Is the business financially qualified to pay for a long-term local cable network advertising program?

7. Match the advertiser-supported cable networks and/or specific cable programs to the demographic targets.

8. List the most likely objections that will be expressed during the presentation. Work on satisfactory responses.

9. Practice, practice, and practice again!

10. Use a written presentation format, with visuals.

11. The proposal should include either two or three alternatives for the prospect to consider.

12. Ask for the order!

The Presentation

A routine presentation results in a routine reception by the prospect. When the local cable advertising salesperson shows confidence and enthusiasm, knowing the proposed plan of action is well researched, rehearsed, and that the presentation is focused on the needs of the prospect's business, there is a greater chance of making a sale.

The sales presentation is the act of communication between the cable ad salesperson and the prospect.⁵ The objective of the presentation is to get the prospect to take the action requested by the cable ad salesperson, which is to buy local cable

network advertising. Although presenting is done verbally,⁶ having a written version of the presentation is necessary for the following reasons.

1. It helps the cable ad salesperson prepare mentally. This helps him/her practice all interrelated steps before the actual presentation.

2. A written presentation makes the process of local cable network advertising sales more tangible. It communicates respect for the prospect.

3. Most prospects respond more favorably to a written presentation than to a verbal one. It demonstrates the cable ad salesperson's investment of time and effort.

4. A written presentation makes it harder for the cable ad salesperson to get brushed off by the prospect.

5. A written presentation provides a record of what was offered and discussed by the local cable ad salesperson.

6. A written presentation allows the cable ad salesperson to build a library of presentations for a variety of selling situations and categories of accounts.⁷

At least two copies of the presentation/proposal should be taken to the sales call, so that all participants have one. This gives the prospect a point of focus and commands attention. The written proposal helps the salesperson create a businesslike impression and can help reduce nervousness.

The first thirty seconds are critical to get the prospect's mental attention. Depending on the buyer type, social pleasantries or ice breakers about the weather, sports, or a compliment about the prospect's place of business may be appropriate. Other buyer types dislike small talk. The buyer type should be evident from the behavior of the prospect on the first call. Then the salesperson must take the initiative to secure

the prospect's mental attention to the presentation/proposal. Facial expressions, clothing, grooming, and posture will influence the initial impression the cable ad salesperson is making.⁸

The cable ad salesperson should not assume that the relevant points made during the first sales call were remembered. It is suggested that the cable ad salesperson briefly review the previous sales call, along with a summary of the issues discussed, how the first sales call was concluded, along with the specific reason for the follow-up sales call and presentation.

The Strategic Steps of the Presentation

Write a Statement of Purpose

The statement of purpose is a single sentence that clearly states the exact purpose of the presentation, for example: How Continental Cable and MTV can reach more potential customers of electric guitars, amplifiers, keyboards, and drum sets.

Prepare an Overview of the Prospect's Problem

Example: Mass merchandisers and discount stores sell so-called musical instruments such as portable electronic keyboards, which by industry standards are nothing more than toys. Continental Cable has a plan to show how Marshall Music not only sells the finest portable keyboards—real musical instruments—but they help you enjoy your new purchase, with lessons, sheet music, and service after the sale.

State the Problem and Re-Establish the Criteria for Buying Advertising

Present the problem clearly in the prospect's language and match the criteria for buying with the specific networks and/or specific programs with the corresponding benefits.

The Proposal

Use either an alternative choice method, or give the prospect three choices that reflect a high, medium, and low dollar amount.

Summarize and Conclude

The summary is similar to the introduction, but the proposal is revealed as the solution to the problem. Ask for the order! Statements such as "Let's do it," or "I look forward to working with you on this project" work well.

Do not exaggerate claims. Double check and qualify all facts. Do not write too informally or in slang. Try to have another person check the presentation for typing, spelling, and grammar errors.

A written version of the presentation is necessary to reinforce and clarify the points that the cable ad salesperson makes in face-to-face sales calls, and can be left with the prospect as a record.⁹ A good way to control the pace of the sales call is to present each page one at a time to the prospect. This keeps the cable ad salesperson in control of the pace of the presentation. It is suggested that the cable ad salesperson have an extra bound copy to leave behind for the decision maker(s).¹⁰ A bound, page-numbered copy of the presentation can be given to the decision maker(s) at the beginning of the

presentation, but chances are that the prospect will reach the end of the material before the cable ad salesperson does, and will start to interject comments, questions, and objections about the proposal.

Visual Aids

The presentation should include straightforward visuals that correspond to the advertiser's needs. Example: An occasional broadcast television advertiser who has indicated concern about the effectiveness of broadcast television advertising viewership in cable households should be shown a pie chart or bar graph using CAB statistics documenting the underdelivery of broadcast television audiences in cable households. It is recommended that the visuals be kept simple. The "seven plus or minus two theory," which suggests that humans retain no more than 5 to 9 units of information at any given time, will help the cable ad salesperson present the proper balance of information necessary.¹¹

Using Benefit-Feature-Qualifying Statements

During the course of the presentation as the cable ad salesperson is presenting strong Benefit-Feature-Qualifying (B-F-Q) statements that match the prospect's needs, it is important that the cable ad salesperson observes non-verbal buying signals as listed in Figure 3. This will help the salesperson assess the prospect's subliminal reaction to the presentation. Knowing basic non-verbal buying signals will enable the cable ad salesperson to make adjustments during the presentation. Positive buying signals will tell the cable ad salesperson to accelerate the process, moving the presentation to its logical

conclusion, which is making the sale. Negative non-verbal buying signals will tell the cable ad salesperson to be sure to summarize every point relevant to the presentation for agreement, to make sure that all the criteria for buying have been correctly stated and summarized for understanding, that there are no omissions, and that qualifying questions such as "Do you see any benefit in that?" are used continuously to ensure understanding and agreement between both parties.

Figure 3**Recognizing Nonverbal Buying Signals¹²****Nonverbal Behavior****Buying Signal*****Body Posture***

Sits upright or leans toward you
Leans back

positive
negative

Face

Avoids eye contact
Looks past you
Shuffles papers on desk
Makes frequent eye contact
Smiles
Allows lips to be relaxed and open
Rests chin on hands

negative
negative
negative
positive
positive
positive
positive

Arms and Hands

Folds hands
Presses fingertips together
Makes fists
Holds arms relaxed and open
Holds palms of hands toward you
Rubs hands together
Handles or studies your order forms or other materials
Puts finger on lip
Makes calculations
Reaches for the order blank

defensive
lecturing you
defensive, angry
positive
positive
positive
positive
thinking it over carefully
positive
positive

Legs

Up on desk
Uncrossed
Crossed facing you

arrogance, in charge
positive
positive

Problem/Solution Selling Through Local Network Cable Advertising

If the presentation and proposal does not address a problem-solving system through the use of local cable network advertising, the cable ad salesperson will have difficulty generating long-term advertising sales.¹³ The presentation/proposal is intended to build the foundation of a long-term cable advertiser/salesperson relationship. An integrated selling system approach suggest the benefits of a comprehensive program that the cable advertising department has to offer to potential advertisers.¹⁴ From commercial production to accurate and timely schedule confirmation and billing to responsive management, the local cable system/interconnect should present itself as an integrated sales team that works to create and maintain successful long-term advertising campaigns. the local cable ad sales department should strive to be a complete cable advertising consulting service, not just another number in a long line of advertising vendors.

The Salesperson's Attitude Toward Cable Advertising

To make a successful presentation that produces a framework for any type of sale, the cable ad salesperson must believe that local cable network advertising is inexpensive in relationship to the benefit it provides.¹⁴ The salesperson must furthermore feel that there is no reason why the prospect should not buy. The cable ad salesperson should feel confident that local cable network advertising will help the prospect's company reach annual revenue growth objectives over time. When the cable ad salesperson uses the methods described here to work with the prospect over the long term to reach his/her goals, the stage has been set for long-term growth and less frustration during the course of daily sales activity. If the cable ad salesperson has any doubts about the product, the

prospect will also perceive these doubts. Solid, compelling benefits should be presented to the prospect. Exaggerated claims, false statements, or promises that the cable ad salesperson cannot meet will produce resentment and an unfavorable word-of-mouth reference to other potential advertisers.¹⁶

Completing the Sale (the Close)

The close, simply put, is asking for the order. It should be viewed as nothing more than a logical conclusion to the selling chain of events.¹⁷ In the area of sales training, more has been written on the subject of closing techniques than on any other phase of selling. Research has uncovered 31 different closing techniques. The act of closing a sale has been made to appear more complex and difficult than it should be.¹⁸ Closing a sale is asking the customer to buy. To complete the selling process, three separate sales must actually be made. The first is to make the appointment with a qualified prospect. The second is to get agreement for a follow-up appointment, and the third is to secure the decision to buy.¹⁹ It is up to the cable ad salesperson to take the initiative to ask the prospect to buy. The cable ad salesperson should never hesitate to ask for an advertising commitment out of the fear of hearing a negative response. All too often the act of closing the sales is never planned in advance,²⁰ resulting in lost sales.

When a cable ad salesperson is confident that the prospect will benefit from the plan of action presented, the cable ad salesperson would be doing the prospect a disservice by not motivating his/her decision to buy. The approach presented here looks at closing in a different perspective. The cable ad salesperson wants to help potential advertisers accomplish their goals. Effective use of local cable network advertising is

just one way. The term "closing" itself is awkward. Potential advertisers do not want to be "closed." They are looking for advertising solutions in an advertising marketplace filled with too many advertising vehicles to choose from. This approach looks at ways to complete the sale to the satisfaction of both parties as opposed to the variety of traditional closing techniques found in any book written about sales.

The selling chain of events should be completed as quickly as possible. Although there is no magic number of calls required to complete the sale, because the variables discussed will alter the time frame, somewhere between one and five sales calls with at least one presentation should produce a sale. Each subsequent call diminishes the chances for success.²¹

When the presentation has been completed and the alternative advertising plans have been discussed, the cable ad salesperson should ask for the order and then be silent. Silence puts pressure on the prospect. Pressure is necessary if the cable ad salesperson is to overcome the prospect's natural reluctance to make a decision. Decisions are difficult for anyone and the prospect will resist. The first one who speaks loses.²²

Certain phrases should be used when completing the sale, others should be avoided. Avoid the terms "Buy," "Order," and "Sign the contract."²³ Try to use the terms "Let's do it," "Isn't that fair enough?," "I am looking forward to working with you," and "Let's work together on this one."

Certain options in the presentation of an advertising schedule make the completion of the sale easier. Offering the prospect two or three alternatives for a local cable network advertising campaign increases the odds of the prospect saying "yes."²⁴ In contrast, offering only one choice leaves the cable ad salesperson vulnerable to a "yes"

or "no" response. The B-F-Q sequence of summarizing the local cable advertising program, step by step, confirming understanding and agreement along the way, and emphasizing the benefits that the prospect is looking for from advertising that the cable system/interconnect can offer, generates a series of positive "yes" responses. At this point the cable ad salesperson makes the statement, "Let's go ahead and implement this plan of action."

The successful completion of the sale is the cable ad salesperson's payoff for careful preparation, persistence, and practice. The salesperson has successfully analyzed and used the prospect's behavioral patterns and identified basic non-verbal communications during the presentation to adjust the presentation accordingly. The salesperson's ability to demonstrate that local cable network advertising can provide long-term solutions to long-term problems is rewarded with the making of the sale.

Notes

¹ Lund, Phillip R. (1974). *Compelling Selling: A Framework for Persuasion*. London: MacMillan Press, p. 37.

² *Steven Sontag Marketing Seminar*. (March 1986). East Lansing, MI.

³ Bay Cable Advertising. (1992). *Cable Network Viewer Profiles*. San Francisco: Author, 1992.

⁴ *Cable System Subscriber Profile*. (Sept. 1992). East Lansing, MI: Donnelly Marketing Services Corporation, TCI East Lansing.

⁵ McGlauglin, Ian E. (1982). *Successful Sales Training: How to Build a Program that Works*. Boston: CBI, p. 122.

⁶ McGlaughlin, p. 122.

⁷ Warner, Charles & Buckman, Joseph. (1993). *Broadcast and Cable Selling* (2nd ed.). Belmont, CA: Wadsworth Press, pp. 91-92.

⁸ McGlaughlin, p. 122.

⁹ Warner & Buckman, p. 96.

¹⁰ Warner & Buckman, p. 96.

¹¹ Moine, Donald L., & Herd, John H. (1988). *Modern Persuasion Strategies*. Englewood Cliffs, NJ: Prentice Hall, p. 48.

¹² Boyan, Lee. (1992). *High Performance Sales Training*. New York: AMACOM, p. 318.

¹³ Warner & Buckman, p. 108.

¹⁴ Beveridge, D.W. (1982). *The Yes Syndrome*. Barrington, IL: D.W. Beveridge, p. 97.

¹⁵ Lund, p. 104.

¹⁶ *Ted Price Sales Seminar*. (1992). Lansing, MI.

¹⁷ Salisbury, Frank S. (1992). *Sales Training: A Guide to Developing Effective Salespeople*. Berkshire, England: McGraw Hill, p. 62.

¹⁸ Boyan, p. 310.

¹⁹ Boyan, p. 313.

²⁰ Boyan, p. 313.

²¹ Lund, p. 186.

²² Lund, p. 190.

²³ Lund, p. 190.

²⁴ Warner & Buckman, p. 127.

CHAPTER 9

SERVICING THE CUSTOMER

Introduction

Once the decision has been made to advertise on local cable, a new sequence of sales activities begins. Servicing the client means that the salesperson must exceed the advertiser's expectations. The cable ad salesperson must perform accurate internal and external administrative functions to ensure that the advertiser's commercials are scheduled correctly, that they run on the designated cable networks at the correct times, and that the billing reflects an accurate accounting of the days and times that the commercials ran. The dollar amounts must also correspond to the contract agreement. The cable ad salesperson has worked hard to get the advertiser to utilize local cable network advertising, and should avoid the possibility of the advertiser/salesperson relationship unravelling due to poor internal communications between the traffic, billing, and production departments. Poor internal or external communications between the cable system/interconnect and the advertiser leads to dissatisfied customers. Ninety percent of dissatisfied advertisers do not come back, and each dissatisfied advertiser will tell their story to at least nine other people.¹ The cable advertising salesperson should explain the various internal administrative steps with the client after the sales is made, so that there is a complete understanding about the procedures necessary for loading the commercial

into the local ad insertion system. The cable ad salesperson's ability to provide superior service is what builds and maintains long-lasting advertising relationships.

Where to Start

The administrative service function in local cable ad sales begins as soon as the prospect agrees to buy advertising. Once the agreement has been made, the cable ad salesperson needs to move through a series of administrative functions quickly. First, congratulations to the new client are in order. Then the cable ad salesperson should have all necessary forms close at hand so the client can "approve the paperwork." Contract terminology and legalese should be kept to a minimum.² The advertiser should sign the order, which should reflect the client's choice of the plans the cable ad salesperson presented. The cable ad salesperson should review the schedule with the client, explaining the specific cable networks, times of the day the commercials will run, days of the week, and the time frame of the campaign. Since all of this information was just presented, it should not take long, but no short cuts should be taken. The client should know what the total investment will be, and be informed that a confirmation of the paperwork will be sent in accordance with company policy.

The next step is to explain the cable system/interconnect's billing cycle. Bills will be sent at the end of the calendar month or at the end of what is known as the broadcast billing month, which runs through the last Sunday of each month. If co-op advertising is involved in the purchase of local cable network advertising, the billing process should be explained. A notarized script will be included along with the monthly bill. A notarized affidavit stating the exact times the commercial(s) ran will also be included.

Then advertiser should forward the paperwork to the regional manufacturer's representative, or to the Advertising Checking Bureau (ACB) for verification. It is recommended that the cable ad salesperson hand-deliver the co-op advertising bills to the client. This not only demonstrates to the advertiser that the cable ad salesperson is fulfilling what was promised, but it also reminds the billing department to get the co-op bills out in a timely fashion. Due to the extra paperwork and notarization involved, co-op advertising bills are usually done last. Hand-delivering the co-op advertising bill also provides a valid reason for the cable ad salesperson to call on the client and further cement the relationship.

Payment Terms

In co-op advertising, although the manufacturer is reimbursing the advertiser for a portion of the advertising expenditure because of product purchases, the cable ad salesperson must make the terms of payment clear to all new advertisers at the time of the sale. The cable system/interconnect's service of providing notarized scripts and affidavits is a service that the cable system is happy to provide. However, payment is the sole responsibility of the advertiser. Payment terms for advertisers with established credit is usually 30 days net. All new advertisers should fill out and sign a credit application. This gives the cable system/interconnect permission to verify the credit worthiness of the advertiser. The credit check should list advertising and bank references. When the terms for payment are explained and agreed upon at the time of the sale, there will be no surprises thirty days later. A new business with no credit record, event advertisers, or businesses with a history of poor payment should pay either

in advance or by the week. If the client responds negatively to this request, the cable ad salesperson should politely inform the client that this is the policy for all advertisers. If the prospect wants to advertise on the local cable system/interconnect, the prospect will work out an arrangement. Because a large portion of the cable ad salesperson's compensation is based on the collection of advertising revenue, it does not make sense to give credit to businesses that are not worthy of it. Most qualified potential advertisers pay their bills promptly. They are the customers with whom the cable ad salesperson wants to develop long-term relationships. Stating company policies at the time of the sale ensures cooperation between both parties. Use of the phrase "please approve the paperwork" makes this administrative procedure relatively painless. The salesperson should always be honest, sincere, and upfront when servicing the advertiser, because such attributes will strengthen the relationship.

Production Procedures

The production department plays a critical role in the sales process. If a complete commercial is necessary, the production director must coordinate the entire creative process. The cable ad salesperson needs to spend time with the production team to provide background information on the advertiser, and to discuss the client's specific production needs. For example: Will there be an "on-location" shoot, or will still photos be used for part of the production? The overall creative approach will vary in its complexity and therefore in its cost. If there is to be an on-location shoot, the cable ad salesperson should be on hand to make the appropriate introductions. The cable ad salesperson should keep the client informed regarding the various stages of the production

process. This is the showbiz side of cable ad sales, so the salesperson should make it fun and exciting for the client.

If the advertiser has existing production available from another cable system, broadcast television station, or a video production company, the cable ad salesperson should make the necessary arrangements to secure a copy of the commercial on video tape as far in advance as possible. Most broadcast stations use one-inch video tapes, while the cable standard is 3/4 inch.³ The salesperson should make sure that the video tape copy (also known as the dub) is produced in the correct format for cable. The cable ad salesperson should personally review the video tape to make sure that the correct commercial(s) are actually on the tape and should make sure that a commercial that has old prices, promotions, or giveaways does not get into the cable ad insertion system. The number of commercials on the dub should be also checked. The salesperson should double-check the incoming tapes before they go into the insertion system to avoid potential problems.

Traffic and Insertion Procedures

The signed contract should state the specific cable networks, the number of times per day the commercial is to run, and at which times of the day the commercial is scheduled to run. Local commercials are scheduled either by daypart, such as Prime Time (8–11 p.m.), Run of Schedule (6 a.m.–12 midnight), or in a fixed position such as during "Larry King Live" on CNN (9:29 p.m.). The contract also serves as the commercial placement guidelines for the insertion of the commercial(s) on each specific cable network. The traffic department generates a daily insertion log, which is entered

into a computer system that programs the ad insertion system to run each commercial as it is logged by the traffic department. The full random-access insertion system is currently used by most cable systems and interconnects. The cable network sends an audio tone via the satellite feed down to the cable systems headend. At the headend, two master video tape reels that hold up to one hundred commercial units each are used. The tapes are encoded with the name of the advertiser, the name of the commercial, a traffic code to ensure product separation (so that two similar business categories do not run next to one another), and the advertiser's client number.⁴ Commercial insertion is updated on Monday, Wednesday, and Friday. The lead time necessary for the traffic department to insert the new commercials requires them to be submitted before five p.m. on Tuesday and Thursday. This system gives advertisers more flexibility to update commercials and replace old ones. Problems still occur in cable ad insertion systems, because video tape recorders (VTRs) often break down due to their constant use. The remedies are to replace the VTR decks as soon as possible and to have production personnel manually run the cable ad insertion system at the headend.

The random-access insertion system verifies correct ad insertion procedures in two ways. The commercial insertion logs are generated by the traffic department daily for the upcoming 24-hour period. As each encoded tape plays throughout the day, a computer printout verifies the performance of each commercial. Even when the system is manually run due to a VTR breakdown, the encoding process of verification continues to perform, ensuring the accuracy of the times that the commercials ran. Monthly billing statements enable advertisers to receive an affidavit stating that the commercials ran at the specific times indicated on the bill, on each specific cable network. Cable ad

insertion systems continue to improve, as equipment manufacturers such as Texscan work to develop a CD-ROM cable ad insertion system that will be compatible with digital video and audio signals.⁵

Customer Service in Local Cable Network Advertising

The local cable ad salesperson should view customer service from the advertiser's point of view. The key to success for local cable ad sales is the ability to sell long-term advertising programs that cultivate ongoing advertiser relationships. The objective of local cable ad sales is to sell advertising solutions for the marketing problems encountered by businesses.

Due to the competitive nature of advertising sales today and the wide range of choices available to potential advertisers, the first rule of customer service is that nothing happens until a sale is made. Once the cable ad salesperson does make a sale, he/she must exceed the perceived expectations of the advertiser.⁶ This means doing whatever it takes; for example, meeting with clients early in the morning or on a Saturday afternoon if necessary. Creating the impression of going beyond the client's expectations means that when the cable ad salesperson makes a service call it is for a specific reason, such as presenting new copy ideas, sharing success stories from other cable advertisers, or getting store employees emotionally involved in the company's current local cable ad campaign by holding a short sales meeting to show them the commercials that are running on the local cable system/interconnect. The salesperson can gain even more credibility by taking the time to find out new trends and development in the client's industry. This information is obtained by reading the client's trade magazines. The

salesperson should always use a personalized approach to traditional service functions, such as handwritten thank-you notes for meetings, orders, holidays, and business anniversaries. When the cable ad salesperson is positioned as a problem solver, a resource, or a consultant, it increases the chances of repeat and referral sales. There is a 40% chance of selling to a qualified referral, but only a 10% chance of selling advertising to an unqualified prospect.⁷ Keeping in touch with specific ideas and reviewing the progress of the current local cable ad campaign will help build long-term relationships. Since they can take years to develop, it is necessary to take time to cultivate them. People buy from others whom they perceive are like them. Personality alone will not ensure success, but a friendly, knowledgeable approach to local cable network advertising with the emphasis on long-term solutions to marketing problems will generate more repeat sales. This gives the cable ad salesperson more time to develop new business opportunities. This is where cable ad salespeople can make substantial incomes. When a trust relationship is developed between a cable ad salesperson and an advertiser, the cable ad salesperson builds upon it. It is not to be taken advantage of. Contemporary cable ad sales in the mid-1990s means taking the time to complete all the tasks—large and small—that are necessary to cultivate and manage the advertiser/salesperson relationship. When mistakes occur in scheduling, billing, or production, the cable ad salesperson must take full responsibility for the mistake and rectify it to the client's satisfaction. As far as the client is concerned, the cable ad salesperson is the company. Mistakes of all kinds will happen sooner or later, but the salesperson should be upfront, accept responsibility for them, fix them, and move on.

The Golden Rules of Servicing

The following are the golden rules of servicing.⁸

Explain the procedures for payment and ad insertion at the time of the sale.

Always say "thank you."

Always imply that there is enjoyment in working with the advertise and his/her problems.

Service all clients, whether large or small. Sometimes seasonal or semi-inactive accounts feel abandoned by cable salespeople when they are not buying. A service call during the off-season can mean a bigger budget for the next event.

Always use the seeding process of sharing ideas and asking about new trends and developments in the client's business. Be prepared to discuss the same about the cable industry when asked.

Pre-sell clients with new creative approaches and advertising schedule improvements.

Handle complaints immediately and honestly.

Expect just about any unfavorable situation to occur when dealing with the production, billing, and traffic departments, but be as accommodating as possible to these co-workers.

Reassure the client while the advertising program is running.

Do not wait until the last week of the campaign to get a renewal.

Remember—good customer service will be rewarded with sales.

Notes

¹ Boyan, Lee. (1992). *High Performance Sales Training*. New York: AMACOM, p. 310.

² Lund, Phillip R. (1974). *Compelling Selling: A Framework for Persuasion*. London: McGraw Hill, pp. 202-203.

³ Bay Cable Advertising. (1993). *A Guide to Commercial Production*. San Francisco: Author, p. 3.

⁴ TCI Cablevision of Wisconsin. (June 22, 1993). *Local Cable Advertising Insertion Systems, Procedures, and Protocol* [Interview with Ms. Brenda Stiegman, Production and Traffic Supervisor]. Madison, WI: Author.

⁵ Stiegman interview.

⁶ Boyan, p. 373.

⁷ Boyan, p. 393.

⁸ Warner, Charles & Buckman, Joseph. (1993). *Broadcast and Cable Selling* (2nd ed.). Belmont, CA: Wadsworth Press, pp. 131-133.

CHAPTER 10

SUMMARY AND CONCLUSION

Introduction

The local cable ad sales industry is in a unique position to implement a comprehensive sales training program that utilizes a contemporary approach to local cable network advertising sales. Electronic advertising sales has experienced a fundamental change in the way it performs business in the past ten years. The deregulation of broadcasting has produced an oversupply of radio and television signals in nearly every size market. This oversupply of broadcast stations has created downward pressure on local air time rates. Today the local advertiser is faced with more advertising options than ever before. Local cable network advertising will continue to increase the number of advertising options as cable systems rebuild, using fiber optic cable, coupled with digital compression techniques, thus producing greater channel capacity for cable systems. This additional channel capacity will enable the development of more advertiser-supported cable networks, which will further complicate the decision-making process for potential advertisers.

Long-Term Solutions

There are many individuals involved in the planning and buying of advertising today. As more people become involved, advertising decisions are taking place over a longer period of time. Sales cycles are longer today, and require more of the cable ad salesperson's time, which necessitates additional preparation and practice of selling skills. Potential advertisers are demanding "custom-made" advertising solutions instead of generic advertising packages. Clients are buying solutions to their problems; they are looking for strategic partners instead of traditional order-takers. The successful cable ad salesperson of today needs to focus on the long-term development of mutually beneficial customer relationships by adopting the role of a consultant. The training approach presented here is designed to accommodate the needs of today's advertising marketplace.

Focus of this Approach

The focus of the approach is to accelerate the local direct sales process in medium and small markets. It is designed to work in stand-alone cable systems or separate cable systems, entire hard-cable interconnect systems, or specific zones within the interconnect. The approach is designed for use with traditional broadcast advertisers, as well as for creating new business opportunities for potential television advertisers.

Understanding the Medium

The approach stresses the need for the local cable ad salesperson to understand local cable television as an advertising medium. The salesperson must know how local cable network advertising works in order to produce positive results for potential

advertisers. The cable ad salesperson must also understand how print, outdoor, and broadcast media function from an advertising viewpoint. The cable ad salesperson must recognize what his/her competitors' strengths and weaknesses are. This enables the local cable ad salesperson to emphasize the exclusive benefits of cable advertising. The cable ad salesperson needs to demonstrate, through the use of benefit-oriented statements, how cable advertising is a more effective way to make a potential advertiser's dollars work harder. The cable ad salesperson should never knock the competition and should avoid mentioning a competitor by name.

Resources

Advertiser-supported cable networks have a local ad sales department that the local cable ad salesperson is encouraged to use as a resource for increasing product knowledge regarding the network, and for obtaining successful ad campaign ideas from other cable systems and interconnects around the country. The Cabletelevision Advertising Bureau (CAB) is another excellent resource for the local cable ad salesperson.

Three Separate Sales

The selling process requires the successful completion of three separate tasks to produce a sale. The first task is to find qualified prospects and make an appointment with the decision maker(s). The first sales call must come to a successful conclusion, which is to establish the opportunity to make a follow-up sales call and presentation. Finally, the follow-up sales call should contain a presentation and a proposal that offers

the prospect enough compelling benefits to elicit a favorable response, based on the logic of the proposal and presentation.

Prospecting Grid

The approach has developed a "prospecting grid" that helps cable ad salespeople locate qualified prospects with whom to make face-to-face appointments. This grid consists of prospects that advertise in other media, by business category, by seasonal sales patterns, by event, and by annual gross revenues.

Telephone Contact

The approach recommends telephone contact as the most effective way to make an appointment with the decision maker. The cable ad salesperson has the advantage of preparing what needs to be said in advance. The emphasis is on words and tone. A prepared script that is well rehearsed prior to the actual telephone call, along with a list of possible answers to potential objections pertaining to the appointment request is most effective. This requires practice so that the script does not sound canned.

As the cable ad salesperson gains additional experience, he/she should be encouraged to incorporate all methods into their own selling style. However, a foundation is necessary to begin the cable ad sales training process. Without one, the local cable ad salesperson is in the potentially disastrous situation of being totally unprepared. During the first sales call the salesperson asks for a "fair forum" of fifteen to twenty minutes of uninterrupted time. Although this request may not always be granted, the cable ad salesperson needs to make the request. This gives both parties a

chance to focus on the purpose of the first call, which utilizes the consultant sales approach. It is designed to assist the local cable ad salesperson with collecting relevant data in a sequence of interrelated and logical steps. The interview call work sheet uses a question-and-answer format that enables prospective advertisers to state opinions on their business conditions and advertising. The consultant sales approach provides the framework for discussion, as the cable ad salesperson actively listens to what the prospect has to say, then paraphrases the response to ensure understanding and then summarizes the buying criteria for agreement. The approach is designed to keep the cable ad salesperson in control of the sales discussion by controlling the content of the questions.

Two Successful Sales Scenarios

The approach for selling local network cable advertising is designed to accomplish two successful sales scenarios.

Sales Scenario Number One

This scenario is designed to generate a long-term, minimum 90-day, large-dollar sale. The approach is to present cable advertising on several similar networks as an investment in generating new customer relationships over the course of time. For the approach to work, the revenue stream of the business must be analyzed to see if it matches the criteria for such a program. The best candidates for this type of sale are businesses that have a medium-to-high average dollar sale, such as a furniture store or a service-oriented business such as a dry cleaner, which relies on high repeat-customer

usage within the same household. Such a business can generate a substantial value with each new customer relationship that is established over the course of time. The approach positions this local cable network advertising program as an investment to generate a relatively low number of new customer relationships per day, which over the course of a 12-month period will create a substantial increase in gross revenues. The long-term approach is designed to produce not only the "today" buyer, but to also accommodate lengthy consideration periods that accompany a major product purchase. Local cable network advertising is an appropriate choice for this approach, because the majority of television households today subscribe to cable, and broadcast television is underdelivering these desirable consumer groups. By bundling four compatible cable networks that match the potential advertiser's target audience(s), along with providing the opportunity to buy additional frequency on local cable networks, local cable network advertising can make the prospect's ad dollars work harder by reaching the prospect's most likely customer.

Sales Scenario Number Two

This scenario is applicable in all selling situations and involves the process of learning Benefit-Feature-Qualify (B-F-Q) selling. This is a subtle process of producing strong benefit-oriented presentations as opposed to the traditional method of linking local cable advertising facts or features to benefits. Learning this approach will give local cable ad salespeople a significant advantage over other advertising salespeople in the market. Making persuasive benefit-oriented presentations requires the local cable ad salesperson to understand what the local cable system/interconnect means in advertising terms. The process of B-F-Q selling begins by leading with a benefit statement, follows

with a "reason why" the benefit can be delivered, which is a feature or fact pertaining to the local cable network that supports the benefit, and then whatever proof is necessary to document the feature is offered. Then a qualifying question is added after the sequence, such as "do you see any benefit in that?" B-F-Q sequencing creates meaningful two-way dialogue that is of interest to both the buyer and the seller. This approach is one of the most effective procedures for helping cable ad salespeople accelerate the learning curve. It enables them to make more fluent presentations, therefore minimizing objections. One reason this is effective is that the cable ad salesperson is now able to determine what the cable system/interconnect really has to sell. People buy benefits, so it only makes sense to employ an approach that stresses benefits first rather than implying them through "cable talk." The B-F-Q approach requires the cable ad salesperson to know how the product of local cable network advertising works in advertising terms, and by what means the B-F-Q approach can be applied to match local cable benefit areas with the prospect's criteria for buying.

Handling Objections

Objections are bound to surface during any phase of the selling process. However, if it is possible to prehandle objections during the first call, the cable ad salesperson is encouraged to do so. The approach helps the local cable ad salesperson identify and prepare answers to the six most common objections to cable advertising. There is no secret formula to answer objections, but being prepared allows the local cable ad salesperson to deal with them more effectively. Any objection related directly to the medium of local cable advertising is a "no-benefit" objection, including comments

about rates, audience, and the viability of cable advertising. Any objection that states that the prospect is using another advertising medium, does not need to advertise, or tells the cable ad salesperson that there is no budget is a "satisfied" objection. Classifying these common objections into one of these two categories enables the cable ad salesperson to neutralize the objection and return to a benefit-oriented presentation. The most common objection in local cable advertising is price. The cable ad salesperson should expect to hear it often.

The most effective approach to handling a price objection is to present local cable network advertising as an investment that over time will produce a return for the advertiser. The B-F-Q selling approach is focused on helping the client's advertising dollars work as hard as possible.

The Presentation

The cable advertising presentation is always made in person with an accompanying written presentation. A written presentation that demonstrates a customized advertising program will help the cable ad salesperson differentiate him/herself from competitors. The use of visual aids, including a videotape of demo commercials, makes the presentation more tangible and positions the local cable ad salesperson as a professional. Once again, the B-F-Q process is used during the presentation. Alternative choices for the proposal should always be used. The presentation and proposal take a great deal of time, effort, and preparation, which is why it is recommended that the local cable network advertising proposal be made for 13, 26 or 52 weeks. If the prospect is

not financially qualified or has given the cable ad salesperson specific buying instructions, stay within the criteria the client has established.

Time management is one of the few areas a cable ad salesperson can control. If a potential advertiser is serious about finding solutions to his/her marketing and advertising problems, it only makes sense that local cable ad sales be given the time to do the job correctly. Unfortunately, this is easy in theoretical terms, but difficult in practice. People do not like to make buying decisions, and the natural tendency is to delay them.

The approach for either of the two sales scenarios presented above is to present the benefits of local cable network advertising as a way to solve the potential advertiser's problems. It takes time and effort. The old style of the one-shot sale with a heavy emphasis on closing techniques, along with exaggerated claims and false statements, has no place in today's cable advertising sales environment.

The Close

The close of the sale involves simply asking for the order. The cable ad salesperson must plan on asking for the order to receive it. When the approach is used correctly from the onset, completing the sale is easier because the entire approach is based on establishing the needs of potential advertisers and helping them meet their stated criteria for buying advertising. Reaching the target audience, having the right selling idea, good-quality production, and the proper level of spending support behind the campaign will ensure long-term success for local cable advertisers.

Servicing the Customer

The golden rule of servicing is to exceed the customer's expectation. Once the sale has been made, the terms of payment and production protocol must be explained in full. The local cable ad salesperson should always say "thank you" and express enjoyment in working with the client's problems. All clients, whether large or small, should be serviced. Complaints should be handled immediately and honestly. The cable ad salesperson should expect just about any unfavorable situation to occur when dealing with the production, traffic, and billing departments and should take full responsibility for mistakes, because as far as the client is concerned, the cable ad salesperson *is* the company. Although good service means exceeding the customer's expectations, the cable ad salesperson should remember that the service function never happens until after the sale is made. The most important function of any local cable ad salesperson is to represent the cable system's/interconnect's image, products, and services.

Salesperson Personality and Training Progress

Each cable ad salesperson has different personality traits. The approach presented here accelerates the learning curve to get the cable ad salesperson to a satisfactory level of performance. The approach is also designed to make a good cable ad salesperson even better. It takes time for a cable ad salesperson to find his/her own identity. A solid training approach builds a foundation of practical successful selling skills. Once these skill areas are mastered, the cable ad salesperson can incorporate the skills into his/her own selling style. There is no such thing as a natural-born salesperson. The cable ad

salesperson needs to receive sales training to help them overcome the rejection involved in prospecting and appointment setting.

Each cable ad salesperson must be encouraged to learn about him/herself. Then the salesperson can be taught to adopt a flexible selling approach, because no two selling situations are alike. Ongoing local cable ad sales training can create an environment that builds confidence in the salesperson. The training approach can utilize outside sales trainers, but the primary function of any cable ad sales manager is to coach the cable ad sales team. The sales manager should not only know how to sell local cable network advertising, but should be able to demonstrate to the cable ad salesperson how to approach particular functions of the job. Sales trainers play an important part in motivating cable ad salespeople to learn, but the outside sales trainer's influence is restricted to the training event itself. Any lasting motivation will come from the cable ad sales manager. The ideal cable ad sales training environment is one in which learning is continuous and the cable sales team understands that their personal growth can never end. Sales training in local cable advertising needs to be an ongoing process. The cable ad salesperson must be allowed, and sometimes forced, to practice and study regularly.

Conclusion

Consistent sales training for local cable network advertising salespeople will provide a tremendous return on the MSO's capital investment. Each MSO must take the time to develop its own unique sales training program. Cable advertising sales account for 13.7% of total cable revenues, whereas *local* cable advertising sales account for only 3.5%.¹ As the cable industry enters a new era of subscriber rate regulation, it is turning

to profit centers such as local ad sales to maintain revenue growth. The investment in a contemporary sales training approach such as the one presented here could not come forward at a better time.

Note

¹ Cabletelevision Advertising Bureau. *Cable TV Facts*. (1993). New York: CAB, p. 8. (Source: Paul Kagen & Assoc.)

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