

China Asia-Pacific Research: White Paper 6

How Companies Can Use Market Research To
Improve Sales Team Effectiveness in China



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China Asia-Pacific Research Ltd specialises in market research and marketing consultancy in China and Asia-Pacific. We understand that clients today want more than just research data – they want informed interpretations of research findings plus strategic insights and recommendations. Research must deliver “actionable” results that enable clients to improve business performance, in terms of revenue, margins and profitability. This is particularly true when research is conducted in emerging markets such as China, Korea, Taiwan, Vietnam, Indonesia etc. With offices in China, Hong Kong and Singapore we are ideally placed to meet your research needs in Asia-Pacific.

How Companies Can Use Market Research To Improve Sales Team Effectiveness in China

Synopsis

Many companies in China fail because their sales teams do not possess the necessary skills and experience to effectively sell to the Chinese customer. The country is changing rapidly and customers now expect sales people to be trained, professional sales consultants rather than old fashioned “order-takers”. This is where research and consultancy can play a key role. Surveys are conducted among existing and potential customers to identify what customers want from a sales executive in terms of product knowledge, technical advice, pricing, post sales support etc. Research identifies the “best-in-class” sales executives and detailed information is presented on how these sales people are so effective. We highlight the sales messages and approaches that customers see as most effective – and those which should be avoided. We provide recommendations on how the whole company can be customer-focussed to support the sales team.

This Case History shows how a Chinese pharmaceutical company with over 1500 sales staff used research consultancy to dramatically improve the effectiveness of its sales team.

Selling in China

For many companies, China is a difficult sales environment, but an absolutely critical one. Many companies fail because their sales staff do not possess the necessary skills and experience to effectively sell to the Chinese customer. This is true of the major multinationals as well as smaller companies. The country is changing rapidly and customers now expect sales people to be trained, professional sales consultants rather than old fashioned “order-takers”. The Chinese government is also encouraging sales staff to move away from “under the table” and other informal approaches.

The problem is there is a huge shortage of capable sales staff in China. Existing sales teams rarely possess the necessary skills and knowledge that make for the modern sales executive. As Chinese industries mature and the customer grows in sophistication, sales reps must become much more adept at creating and cultivating customer relationships, anticipating customer needs, selling and cross-selling products and differentiating their company from the competition. They must also avoid “grey” practices.

This set of skills was scarcely necessary in China a mere decade ago. As a result, sales training departments in China must significantly raise the scope and quality of their programs, and be on the cutting edge of creative and motivational learning modalities. And they must be more nimble than ever to keep up with the pace of change in the market and to directly address the skill gaps among new hires.

It is particularly challenging to find and train individuals who are suitable in temperament, background and professionalism for multinational sales jobs. Because of this gap between personnel supply and demand, it is also extremely difficult to hold on to talent once a company has procured it.

Companies in China therefore have to invest in training and development of their executives to achieve a modern, effective sales force. Multinationals in China need to fast track sales management training—often a five-year process in the West—into as little as 18 months.

This is where our research and consultancy can play a key role. We conduct surveys among existing and potential customers to produce the following information.

1. We identify in detail what customers want from a sales executive in terms of ...
 - product, service and industry knowledge
 - technical advice and consulting
 - post sales support
 - pricing and commercial information
 - type and frequency of contact
 - type of relationship
 - sales & marketing materials
 - sales technologies
 - support from senior management/technicians
 - knowledge and understanding of Government and industry regulations
 - dress, appearance and social skills
2. Research identifies the “best-in-class” sales executives and detailed information is presented on how these sales people are so effective.
3. We highlight the sales messages and approaches that customers see as most effective – and those which should be avoided
4. We provide recommendations on how the whole company can be customer-focussed to support the sales team

The information generated is used to produce training courses and manuals. Senior researchers who undertake the survey and who have had face-to-face sessions with customers are directly involved in this process.

A major advantage of this approach is that sales training is not “generalised”, it is industry specific and is tailor-made to suit the client company. This results in the development of a modern, effective, professional salesforce that enables clients to achieve real and sustained competitive advantage.

Case History

Background

The client is a local Chinese Pharmaceutical company, with 2010 sales of around US\$ 300 million. It employs 1500 salesmen who call on doctors throughout China. Traditionally doctors tend to prescribe one brand, the prescription practices of doctors depending to a large extent on “investment” by salesman. It is an industry where sales decline seriously if a representative stops calling

The company had enjoyed very rapid growth over past 3 years but faced problems. It was concerned that 80% of sales came from 25% of doctor targets. Sales methods had remained unchanged in 10 years while competitors were investing heavily in developing modern sales approaches. The company was also aware that many sales were based on “grey” practices by salesman at a time when the Chinese Government is determined to stamp out such practices

A New Approach to Selling

Management in early 2011 decided to establish a truly “professional” sales team. A 5-year plan was introduced to build up a capable sales team that would possess both Chinese-style relationships and modern, “Western” sales professionalism

To assist in re-training a US \$2 million market research programme was launched to fully understand the needs and attitudes of doctors towards pharmaceutical salesmen. A major objective was to identify how sales reps could replace traditional practices with more acceptable and professional practices without detriment to sales revenue and customer satisfaction.

The research methodology comprised Focus Groups and personal interviews with over 500 doctors throughout China. The survey confirmed that sales staff needed major improvements in both product knowledge and how they communicate with customers. A clear message was that doctors need sales executives who can provide technical information to help them become better doctors.

Research results were used to develop an intensive – and continuous – training programme for salesmen. Survey findings also helped in deciding which salesmen could, and could not, be re-trained, and in recruiting the correct personnel going forward.

Survey findings included:-

The Ideal Personal Attributes from a Salesperson

1. Hard working hard and love the job
2. Easy-going and polite
3. Professional and well dressed and clean

Top 3 Sales Requirements From A Salesperson

1. Can explain products clearly and briefly
2. Have basic medical understanding
3. Good at communication especially presentation

The client was delighted with our findings and recommendations. **“We had to improve our effectiveness and professionalism of our sales force, not only because the Government is pushing us to end “under the table” incentives, but more importantly because we have to maintain our competitive edge. Our rivals are also improving their sales teams and doctors now are far more demanding. By using market research to understand doctor’s needs and attitudes we were able to devise a highly-focused training programme that was of immediate benefit to our company”**

For more information on achieving sales success in China please contact

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