

ARE SALES PEOPLE STILL NECESSARY?

Within the last few years there has been an alarming number of business leaders who have made the bold declaration that soon sales people will be no longer needed. They contend that because of the internet, the buying process has been transformed to such an extent that in the coming years sales people will not be required.

The idea that sales people are rapidly becoming unnecessary would be easy to dismiss if not for the fact that some well-known sales leaders are also embracing it. For instance, at the March 2011 Sales 2.0 Conference in San Francisco, California, respected CEO of *Selling Power Magazine*, Gerhard Gschwandtner made the following announcement, “Of the 18 million sales jobs that currently exist in the U.S., I believe that only three million of those jobs will be necessary by the year 2020.”¹ Gschwandtner continues by explaining that the reason he made his prediction is because “Sales 2.0 technologies have given rise to ‘Buyer 2.0,’ who learns about products and services online -- well before talking with any sales rep -- and trusts peer endorsements on social media more than a sales pitch.”

Now there is no denying that the internet has radically changed the selling landscape. Buyers are conducting research about a company and the company’s product or service before ever interacting with a sales person. There is also no doubt that technology has augmented a sales person’s activities and further blurred the lines between sales and marketing. However, has technology actually negated the very role of a sales person to such an extent that the number of sales jobs will drastically shrink in the coming years?

This is no small matter because according to the *U.S. Bureau of Labor Statistics* 1 out of every 9 people who is employed in the United States is in the profession of sales.² Yet, is it true that sales jobs are on the decline? Will many sales people be forced to transition into another line of work? The answer is “No.” I do not believe that within the coming years most sales jobs will be eliminated. In fact, the evidence shows the contrary. Jobs in sales are actually expected to increase.

Economists are predicting that jobs for sales managers and sales people will grow by 10% and 12% respectively, over the next 10 years.³ Likewise, the *U.S. Bureau of Labor Statistics* reports that the need for sales positions are growing and that by the year 2020 there will be roughly two million more sales jobs than there are currently.⁴

The notion that because of technology, sales people will no longer be necessary, may sound new and novel, but it is an idea that has been recycled numerous times over the last century. For example, on June 18th, 1916 the *New York Times* published an article which posed the question, “Are salesman necessary?”⁵ The piece asserted that the railroad was turning “farms into cities” and this would negate the need for sales people. In the 1930’s the technology of the telephone was so widespread that many business leaders affirmed that it would render the role of a sales person obsolete. Even the famous 1949 play, *Death of a Salesman* by Arthur Miller, predicts the demise of sales people when the lead character Willy Lowman states, “Selling is dead; there was respect, and courtship, and gratitude in it. Today it’s all cut

and dried.”⁶ In 1962, E.B. Weiss’s book *The Vanishing Salesman* asserted that sales people were costly and ineffective and that marketing would eliminate the need for them.⁷ Even in 2010, Neil Rackham, creator of SPIN Selling asserts that by 2015 the number of sales jobs will be reduced from 18 million to only 10 million. In fact, with almost every new major advancement in technology, sales people have been promised that they will soon no longer be needed. Although, it is apparent that this has never been the case because currently sales is the second largest occupation in the United States.⁸

As vital as technology is, what is apparent, in both our present time and throughout history, is that it does not negate or lessen the need for sales people. The reality is that information alone will rarely persuade a person to act. Within the human decision making process, relational influence is a necessity. There has been an ocean of research in the field of behavioral science that has confirmed that the persuasiveness of an appeal is enhanced when it is done through interpersonal relationships.^{9 10 11 12} Sales people are necessary because they create the interpersonal relationships that inspire prospects to become customers.

Furthermore, sales people are and will continue to be a business imperative because though prospects may form an initial opinion of a company or a product or service from information gleaned online, for larger purchases this information is insufficient to generate a positive buying decision. Prospects will rarely make purchases based solely upon information provided over the internet, unless the product or service is a low priced, low risk item. In higher priced, higher risk purchases, prospects need interaction with a sales person. For example, the *Journal of Business & Industrial Marketing* published the outcome of a survey which asked prospects how the internet has changed their purchasing behaviors. The survey showed that prospects still consider sales people a more significant source of information than the internet.¹³ The *Harvard Business Review* also published the results of surveys which examined the buying behaviors of over 100,000 prospects.¹⁴ These surveys revealed that often a decision to purchase is based not on the features, quality or even price of a product or service, but upon the sales person. Consequently, sales people are indispensable.

In today’s technologically advanced, hyper-competitive marketplace highly skilled sales people are essential. Yet, technology is also something that a sales person cannot ignore. It is where prospects are going to find out information about a company, a product or service and even a sales person. It can also speed up sales cycles, improve lead generation and provide in-depth, relevant information about prospects that will facilitate effective selling. Nevertheless, people still buy from people. The danger with any new technology is that sales people will either blindly ignore it or recklessly embrace it to such an extreme that they neglect the human element in selling. Both options, though widespread, are ultimately unproductive. As Harvard Business School’s Ben Shapiro and John J. Sviokla aptly wrote, “Despite the tremendous contributions of information and communications technology, selling is still largely a function of interpersonal relations, which are guided by the artful ability to recognize motivations, needs, and perceptions.”¹⁵

About the Author

David Hoffeld is CEO of the Hoffeld Group, a research based sales training, coaching and consulting firm that is the leader in the integration of proven science and sales. The Hoffeld Group takes the repeatable and predictable principles, which science has proven to create and enable influence, out of the laboratory and academic journals and apply them to selling. For a deeper look at the Hoffeld Group's groundbreaking research and innovative sales strategies visit HoffeldGroup.com.

Notes

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