Who's Buying What You're Selling?
An Adaptive Sales Case

Charla Brown, Ph.D.
Troy University

Zachary Moore, Ph.D.
University of Louisiana at Monroe

ABSTRACT

Companies acknowledge that the key to long-term success is keeping a steady stream of products, in various stages of the product life cycle, in their sales portfolio. In light of this, salespeople often have multiple products that are able to meet the needs of their customers. The Product Life Cycle (PLC) gives companies and salespeople an analytical tool to identify common characteristics of target markets for products in various stages of their life. The Diffusion of Innovation Model (DIM) provides a tool to analyze how a product or service moves through stages of adoption across target markets and social groups. This case uses the complementary models of PLC and DIM to help sales students classify individual customers' behavioral tendencies and estimate their likelihood of product or service adoption. Used in tandem, these models can help students craft and execute effective, personalized presentations of value in personal selling situations and prioritize which product to promote in their sales encounter.

Keywords: Sales, Marketing, Product Life Cycle, Diffusion of Innovation, Adaptive Selling, Portfolio Selling

INTRODUCTION

Students in professional selling classes are frequently exposed to the tenets of adaptive selling. Creating and delivering customized sales presentations that meet the needs of, and provide solutions for customers is a critical, foundational selling skill. The use of role-play and sales scenarios are quintessential components of sales classes designed to build students' confidence and place them in reality-based situations. Along with preparation of conversations with customers, these role-play examples can teach students how to sell multiple products in one selling encounter. Selling from a complete portfolio and not simply a singular product is a fundamental yet indispensable sales skill to cultivate.

The Product Life Cycle (PLC) and the Diffusion of Innovation Models (DIM) are two analytical tools business and sales students are taught throughout their education. These models work in tandem to analyze products in a sales portfolio and match those products with specific groups of customers. Since professional salespeople frequently sell products with similar value propositions, it is very important for them to learn early on who will be most likely to buy each product in their portfolio. To prepare for their presentations, students will utilize DIM adoption types to predict the adoption readiness of potential customers.

This case uses the familiar and complementary tools of PLC and DIM to help students as they craft their sales presentations. Through this exercise, students learn to match products in a product portfolio to a particular adopter style and tailor presentations of value to match the psycho-social needs of a customer. This information can be used to prepare effective, customized presentations based on the customer's adoption type. Beyond valuable practice, a sales representative must become fluent in determining which innovation adoption category their customer fits into and selling them the product that best meets their needs. Providing customer solutions through portfolio selling is at the heart of an adaptive, consultative sales representative's mission.

The Product Life Cycle

Leading companies have long acknowledged that a key to lasting firm performance is Product Life Cycle Management (Cao and Folan, 2012; Rink and Swan, 1979). One of the central tenets for Product Life Cycle Management holds that companies need to have various products at different stages in their lives to maintain lasting success. This leads companies to use the cash flows from the sales of mature products to make key investments in developing and marketing products that are in earlier stages of their lives (Hambrick, McMillian, and Day, 1982). This common strategy was championed by the Boston Consulting Group in the 1960s and 1970s, and is commonly referred to as the Growth Share Matrix. The Growth Share Matrix is a simple heuristic classification tool for managers to use to see where their products are along the product life cycle curve to manage their product portfolios and develop appropriate marketing strategies for their products based on their life cycle position.

The Product Life Cycle (PLC) is often depicted with the PLC curve demonstrating the relationship between the time a product is launched and the dollar volume of sales of the product. The figure below (Appendix I) shows the PLC Curve as first published by Cox (1967).

Cox's PLC curve demonstrates a parabolic relationship between time on market and sales and divides the curve into four stages, with each stage marked by a change in the slope of the curve. The PLC stages are part of the core marketing curriculum and are the basis for measuring a product's growth and market viability. It helps explain the phase of market activity for a

product over its existence. It helps demonstrate a product's progression as it passes beyond the mature stage and reaches a state of decline.

In the first three stages of the cycle, there is an opportunity for promotion and potential financial growth that may offset its decline and eventual removal from the market. Companies are tasked to match their promotional efforts according to these stages and measured against the product's revenue earned, market acceptance, and market share potential. Advertising and sales efforts at the introduction stage are different than the growth stage and different than the mature stage. Keeping a product relevant, growing, and gaining market share depends on its rate of market acceptance. As such, strategies and tactics differ for each stage of the PLC, including promotional and sales messaging.

The Diffusion of Innovation

Behaviorists and the business world alike have a keen interest in the journey new products or services can take as they move through customer groups. From an aggregate view rooted in the Diffusion of Innovation (DOI) theory, Rogers introduces groups based on traits and characteristics that may indicate the likelihood of an individual from that group adopting an innovation. In his (1962) seminal work on the response to innovations, Rogers introduces the Adoption and Diffusion of Innovation Model (DIM). He proposes this model as an instrument to analyze how a product or service moves through stages of adoption by ways of communication and the predictive behavioral similarities of social groups (MacVaugh and Schiavone; Rogers, 2003). Divided by percentages depicting each group, they are named adopters, early adopters, the early majority, the late majority, and laggards. These groups are depicted on the distribution curve in Figure 2 (Appendix II) below.

Recent empirical research using a typology for innovation adoption has found that there are empirically distinguishable psycho-social characteristics of adopters (Vasseur, 2012). The models of PLC and DIM are synergistic in that PLC theory explains the relationship between time on the market and sales, and DIM provides a psychological profile of predominant buyers of products based on their time on the market.

These two analytical tools are typically presented together and are commonly taught in tandem in introductory marketing classes, and there is a balance and an overlap between them. The promotional efforts for an introductory product would likely appeal to innovators and early adopters. Messaging and acceptance of late-stage growth and mature products in the PLC coincide with the preferences of the early and late majority in the Diffusion of Innovation Model (DIM). Similarly, products in decline in their life cycle are proportionally matched with laggards in their innovation placement.

Adaptive Selling

One of the most fundamental sales skills that introductory students are exposed to is adaptive selling. Adaptive Selling describes the process of adapting sales presentations to meet the styles, needs, and desires of customers (Franke and Park, 2006; Spiro and Weitz, 1990). Most adaptive selling exercises focus on customizing sales pitches to the communications style and emotional needs of individual customers (McFarland, 2019). However, there are myriad distinct person-specific characteristics salespeople can use to adapt their sales pitches to better connect with their customers (McFarland, 2019). The use of adaptive sales techniques helps salespeople

focus on the value propositions that are most likely to resonate with their customers and maximize their limited time during a customer interaction. Through this process, a salesperson can offer a personalized sales solution tailored to their customer rather than a one-size-fits-all approach.

THE LEARNING ACTIVITY

Activity Preparation

The instructor should begin with a dialog about the need for salespeople to be able to quickly adapt sales presentations to meet their customers' needs and the role that adaptive selling techniques plays in this process. Additionally, it is important to reiterate the reality that most sales calls involve selling several products from their portfolio. Salespeople must be willing and able to adapt their messages to where the customer is on the product adoption curve. This information will help the salesperson prioritize which product this particular customer would be most inclined to choose.

Remembering that students will be applying both the PLC and the DIM to specific customers; instructors should encourage them to determine the life cycle stage of each product within the salesperson's product portfolio. In tandem with the discussion of the PLC, students must consider which innovation adopter traits most closely match that of their targeted customer. Students may view these category traits as guidance to which product(s) the salesperson should lead with, remind the customer of, or avoid. For example, if the student knows their customer falls under the early majority category, heavily promoting a launch product will not likely match that customer's needs. In this case, the salesperson would be better suited to align their call content with portfolio products in the growth and maturity stages.

Activity Learning Objectives

After completing this exercise, the learner will be able to:

- Apply strategies for selling a product from different stages of the PLC.
- Identify the probable the adopter category of a customer.
- Adjust a presentation in alignment with a customer's position on the innovation adoption curve.

The Student Handout

Students should be provided with a handout with explanatory information about the PLC and DIM along with a case scenario and questions. For clarity, the student hand out is presented below. A standalone copy of the student handout can be found in Appendix IV. Students should be directed to refer to the handout to complete the case questions.

The instructor should review PLC and DIM information with the students. Once the review is complete, students should be directed to work individually or in groups, at the instructor's discretion, to complete the case questions.

THE ACTIVITY

Discussion of the PLC and DIM

The instructor should lead a brief guided discussion of the PLC highlighting the differences of between each stage. Students will have an individual copy including these discussion points for their reference in the student handout.

Stages of the Product Life Cycle (PLC)

1.   Introduction Stage: Products that are launched but new to the market. Introduction stage products are marked by rapid growth. An example of a product in the introduction stage is a self-driving car. Self-driving cars are still at the testing stage, but firms hope to be able to sell to early adopters relatively soon (USA Today, 2022). In fact, some firms sell cars with technology that allows drivers to take a more passive role in operating their automobiles.
2.   Growth Stage: Products that are experiencing growth in sales and profits. Growth stage products have not yet seen their sales plateau. For example, the Tesla Model S is in its growth phase. Electric cars still need to convince people that they will work and be practical. As there are more electric charging points and more people adopt them, it becomes easier to sell to those who are more skeptical of new technology like electric cars.
Most products are unprofitable in the introduction and growth stages due to the large investments in marketing required to raise awareness for the product and educate buyers about its features.
3.   Maturity Stage: Products that are well-established and have wide brand recognition. These products have reached market saturation, and it is difficult for mature products to grow market share. Mature product's sales are steady and not yet declining. The Chevy Tahoe is one of the first you think of when you think of a full-size SUV. It has a good brand reputation and continues to be at the peak level of market penetration. It would be difficult to gain a significantly greater market share. So, how has Chevy maintained the Tahoe brand's incredible success? The product life cycle of the Chevy Tahoe has been extended by constant upgrades and redesigns to keep this SUV on top of the market.
4.   Declining Stage: Products that are losing their place of prominence in the marketplace. Declining products experience a decline in units sold and dollar volume of sales. Diesel cars are falling out of favor both in the United States and in Europe. Environmental concerns regarding fuel emissions and declining customer demand has automakers from Ford to Mercedes-Benz phasing out these cars from their lineup (Car and Driver, 2021).

Adopter Descriptions in the Diffusion of Innovation Model (DIM)

After leading the students in a review of the PLC, the instructor should then have a directed review of the DIM. Special attention should be paid to the description and key traits of each adopter type. A description and listing of generalized yet distinguishable characteristics of each group of product adopters follows in the table below (Appendix III).

After reviewing PLC and DIM, the instructor should then direct the students to read the following sales scenario and complete the associated questions.

THE SALES SCENARIO

Justin is a sales representative for Syngenta, a global manufacturer of agricultural chemicals based in a coastal southern state. One of his major product categories is fungicides. Fungicides are vital chemicals in soybean production as they inhibit the growth of parasitic fungi that infect and kill plants. Syngenta has an extensive portfolio of fungicides designed to manage fungal pests in specific areas. In Justin's sales territory, Syngenta has three products that work well on the endemic fungi.

Syngenta's Fungicide Line

Quadris is the oldest chemical in Justin's portfolio. The chemical has been used regionally since 1998. Quadris is a good seller for Justin, and many farmers in his area depend on it to protect their soybean crops. Quadris has a single mode of action, and while it is effective at the moment, Syngenta's crop scientists have noticed that some fungi have begun to develop mild resistance to the chemical.

Quilt is a well-established and popular chemical in Syngenta's portfolio. Quilt is a formulation of two different chemicals that work to prevent fungal growth in plants. Quilt was approved for use in 2005. The two-chemical formulation used in Quilt has proven to be very effective at preventing fungal infections in plants. The climate in Justin's sales territory is hot and humid, which promotes fungal growth and disease in plants. Many farmers have started to switch to Quilt due to its combination of compounds with two differing modes of action that kill fungi and prevent their growth.

Miravis is the newest product in Justin's fungicide portfolio. Miravis is a brand-new chemical; it was released to the market in the 2021 growing season. The product shows excellent promise. Early scientific field trials show that the active ingredient in Miravis has as good, if not better, control of fungi in soybeans than other Syngenta products on the market. However, the product has not seen wide adoption, and there is little feedback from farmers about its efficacy.

Meeting a New Customer

Justin is on his way to a sales call with Charles. Charles is a new farmer. While Justin and Charles have met in social situations, they do not know each other well. Justin knows that Charles likes antique cars, and they both graduated from the same regional university. Justin also knows that with the very high start-up costs to begin farming, prices will likely be a big concern for Charles.

Case Questions

1. Classify each product in Justin's portfolio by its stage in the PLC.
2. Based on Justin's limited information about Charles, what is Charles's most likely Innovation Adoption style?
3. Which product is likely to be the best fit for Charles? Why?
4. How should Justin use this information to prepare for his sales call with Charles?
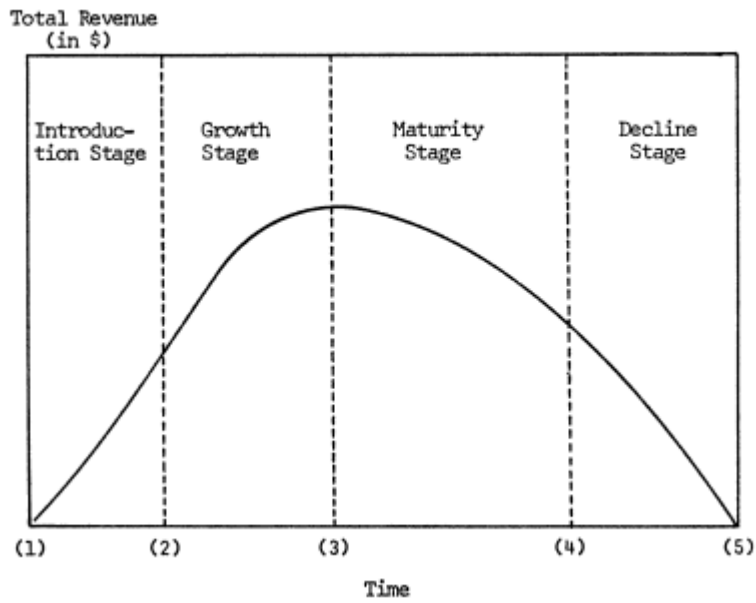
Potential Responses to Case Questions

1. Classify each product in Justin's portfolio by its stage in the PLC.
   - Quadris is in the declining stage of the PLC. This can be determined by the product's declining sales and its loss of efficacy.
   - Quilt is in the growth stage of the PLC. This is noted by the increase in farmers switching to the product.
   - Miravis is in the introduction stage of the PLC. It was recently launched and released for sale. There is some uncertainty about the product's performance at scale.
2. Based on Justin's limited information about Charles, what is Charles's most likely Innovation Adoption style?
   - Students should find that Charles is either a Late Majority Adopter or Laggard.
   - Charles is price-sensitive, and his choice of cars shows that he is not necessarily impressed by new innovations. These pieces of information should eliminate the earlier adoption styles from consideration.
   - Students will likely find that they do not have complete information to make a final complete assessment of Charles's style. The instructor should use this observation as a conversation starter about the considerable ambiguity salespeople face in their day-to-day practice.
3. Which product is likely to be the best fit for Charles? Why?
   - Students should realize that Quadris or Quilt would be the best fit for Charles. It is apparent that Charles is not a good fit for a new product.
4. How should Justin use this information to prepare for his sales call with Charles?
   - Based on Charles's Innovation Adoption Style he will likely be least interested in Miravis.
   - Justin should focus on the two older, better-understood products as he starts his presentation.
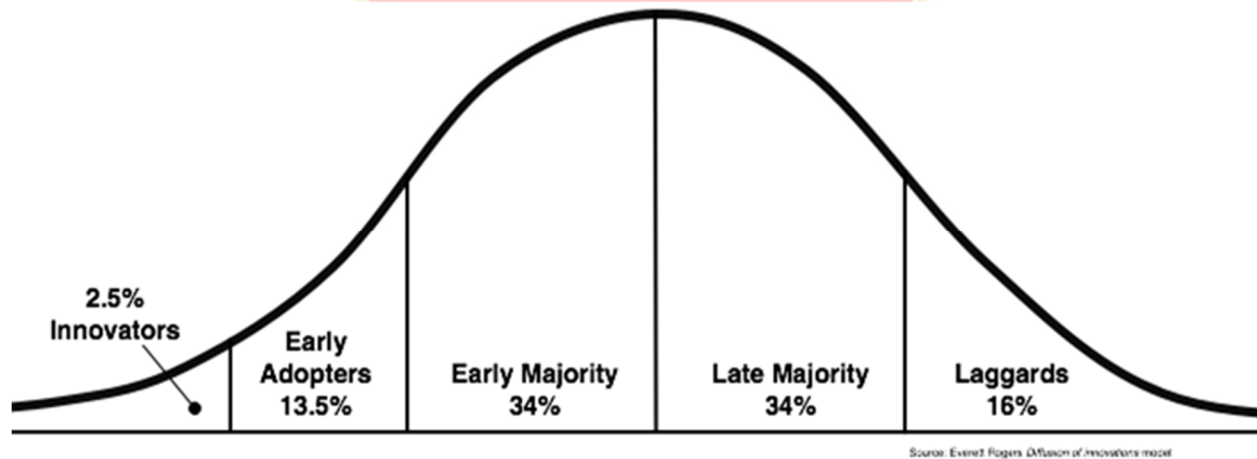
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Appendix I: The Product Life Cycle Curve

Appendix II: The Diffusion of Innovation Model

Appendix III: Adoption Styles and Traits

Adopter Type	Adopter Description	Key Traits
Innovators	The first group of adopters to try or purchase a product when it goes to market.	Open to New Ideas Notable Risk Taker Novelty Seeking High Access to Resources
Early Adopters	Willing to try a new product after it has been tested on the market for a brief time, but before it gains wide popularity.	Willing to Make Quick Decisions Routine Risk Taker Trendy Status Seeking Image Conscious
Early Majority Adopters	Willing to try a new product after a number of people have used a new product with success.	Analytical Marginally Risk Averse Patient Avoids Complications
Late Majority Adopters	Willing to adopt new products in response to social, economic, or environmental pressure.	Emulators Risk Averse Slow to Change Information Seeking
Laggards	The last group of adopters to purchase a product. Wait until products are well established or going out of fashion before buying.	Content with Current Status Highly Risk Averse Price Sensitive Closed to New Ideas

Appendix IX: The Student Handout

Introduction

Learning to quickly analyze customers and adapt sales messages to fit their needs is an important selling skill. This exercise provides an interesting framework to match consumers with the products that they are most likely to desire in a salesperson's product portfolio. This case uses the Product Life Cycle (PLC) and Diffusion of Innovations Model (DIM) to segment customers and adapt a sales presentation to fit their needs.

This handout provides you with an explanation of the PLC and DIM. After reviewing these concepts, complete the case scenario on the last page.

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