

ABC'S of Relationship Selling Through Service

SEVENTH CANADIAN EDITION

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ABC'S OF RELATIONSHIP SELLING THROUGH SERVICE
Seventh Canadian Edition

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About the Authors

Dr. Charles M. Futrell The late Dr. Charles M. Futrell was a professor of marketing in the Mays Business School at Texas A&M University in College Station, Texas. Dr. Futrell held a BBA, MBA, and PhD in marketing. Professor Futrell's books, research, and teaching were based on his extensive work with sales organizations of all types and sizes. He was a former salesperson turned professor. Before beginning his academic career, Professor Futrell worked in sales and marketing capacities for eight years with the Colgate Company, The Upjohn Company, and Ayerst Laboratories. This broad and rich background has resulted in numerous invitations to serve as a speaker, researcher, and consultant to industry.

Dr. Futrell's research in personal selling, sales management, research methodology, and marketing management appeared in numerous national and international journals. An article in the summer 1991 issue of the *Journal of Personal Selling & Sales Management* ranked Charles as one of the top three sales researchers in America. He was also recognized in *Marketing Education*, Summer 1997, as one of the top 100 best researchers in the marketing discipline. Professor Futrell served as the American Marketing Association's chair of the Sales and Sales Management Special Interest Group (SIG) for the 1996–97 academic year. He was the first person elected to this position.

Charles received a number of awards as a testament to his work. In 2005, the AMA Sales and Sales Management Special Interest Group (SIG) presented Charles with its Lifetime Achievement Award for commitment to excellence and service in the area of sales. Charles was the recipient of Sales & Marketing Executives International's (SMEI) Educator of the Year in 2007; and the American Marketing Association's Sales Management Special Interest Group awarded Charles the Lifetime Excellence in Teaching Award in 2012.

Dr. Futrell wrote or co-wrote eight successful books for the college and professional audience. Two of the most popular books were *Fundamentals of Selling: Customers for Life through Service*, and this book, *ABC's of Relationship Selling through Service*, now in its thirteenth edition, both published by McGraw-Hill/Irwin. Over 300,000 students worldwide learned from Professor Futrell's books.

Dr. Raj Agnihotri is the dean's fellow in marketing and the director of sales initiative at Ivy College of Business, Iowa State University. Previously, Raj held the first John Merrill Endowed Professorship in Consultative Sales at the University of Texas at Arlington and Robert H. Freeman Professor of Sales Leadership and marketing chair at Ohio University. Before entering academia, Raj held a number of sales and marketing positions with start-up ventures to major global corporations. He currently serves on the advisory boards of several technology startups based in the US and Europe. Raj is also involved in executive education and has given sales seminars to industry professionals from North America, Brazil, Europe, and India. He served on the faculty of Samson Global Leadership Program at Cleveland Clinic from 2014 to 2017 and taught health administrators from across the world.

Raj has published over 35 articles in leading scholarly journals and has presented papers at over 50 national and international conferences. He serves on the editorial review board of *Industrial Marketing Management*, *Journal of Business Research*, and *Marketing Management Journal*. A recipient of the prestigious 2011 James M. Comer Award for the best contribution to selling and sales management theory, Raj's dissertation on salesperson competitive intelligence won the 2010 Best Dissertation Award from American Marketing Association. Raj has also received the 2017 Citation of Excellence Award from Emerald, the 2012 Bright Idea Award from NJPRO Foundation, the 2012 Stanley Hollander Award from Academy of the 2017 Doctoral Students' Mentor of the Year award from College of Business at UT Arlington, the 2012 Advisor of the Year Award from William Paterson University, the 2010 McGraw-Hill/Steven J. Shaw Award from Society for Marketing Advances, and the 2008 Next Gen Award from AMA Sales SIG and University of Houston.

Raj is a passionate teacher, and he was awarded the 2014 Hormel Excellence in Teaching Award for his innovative teaching practices. He has also received Golden M Teaching Award in marketing at Kent State University. A firm believer in experiential learning, Raj launched Maverick Sales Club at UT-Arlington, Consumer Research Center at Ohio University, Professional Sales Club at William Paterson University of New Jersey, among other initiatives.

Raj lives with his beautiful wife, Manusmriti, and their two lovely daughters, Sia and Aarna, in Ames, Iowa. Raj's family is his biggest source for strength, comfort, and inspiration. Raj remains grateful to his parents for teaching him the importance of hard work and kindness.

Mike Krush (University of Nebraska–Lincoln) serves on the College of Business Administration faculty at Kansas State University and is associated with its National Strategic Selling Institute (NSSI).

Dr. Krush has taught sales and a range of marketing classes at the undergraduate and graduate level at multiple universities including North Dakota State University, St. Cloud State University, and the University of Nebraska–Lincoln.

In terms of sales education, Dr. Krush championed and initiated the Center for Professional Selling Sales Technology at North Dakota State University—the only academic center dedicated to developing the sales skills of college students within the North Dakota University System. The Sales Education Foundation consistently recognized NDSU on its list of top universities for sales education. When serving as its director, Dr. Krush championed the application of the Center for Professional Selling and Sales Technology for full membership within the University Sales Center Alliance, a consortium of sales centers dedicated to advancing the sales profession via teaching, research, and outreach.

Prior to his academic career, Dr. Krush served as a brand manager at the Kimberly-Clark Corporation, one of America's largest publicly held corporations. His responsibilities included areas of strategic marketing for a \$600 million brand. In addition, he has conducted marketing and sales operations in the financial services domain, consulted with start-up and existing firms, and written a book on career preparation.

From a research perspective, Dr. Krush was one of three national award winners of the Institute for the Study of Business Market's Doctoral Support Award for his dissertation in business-to-business marketing. Dr. Agnihotri, Dr. Krush, and their colleagues were also recognized by Industrial Marketing Management in 2016 for the Best Article Award.

Dr. Krush's research has been published in a variety of journals, including the *Journal of the Academy of Marketing Science*, the *Journal of Business Research*, the *Journal of Personal Selling and Sales Management*, the *European Journal of Marketing*, *Industrial Marketing Management*, *The Journal of Business Ethics*, and the *Journal of Business and Industrial Marketing*. Mike is blessed with an amazing wife, Joan, and two fantastic kids.

Mark Valvasori is a professor in the Business Management program at Mohawk College of Applied Arts and Technology in Hamilton, Ontario. He holds a degree in business administration with a major in marketing from Saint Francis Xavier University in Antigonish, Nova Scotia. Professor Valvasori began his business career with the T. Eaton Company of Canada and spent three years self-employed in franchise development and sales for a national outdoors-adventure game.

Professor Valvasori's academic career spans 30 years as an educator. In addition to being a full-time professor at Mohawk College, he has developed and facilitated many seminars, workshops, and training programs in the areas of marketing, sales, and customer service.

When Professor Valvasori isn't teaching or writing, he is very active in his community. He is an elected trustee on the Hamilton-Wentworth Catholic District School Board and also volunteers with many community-based organizations.

Nicole Rourke is a professor in the Business Administration Marketing program at the Zekelman School of Business and IT at St. Clair College in Windsor, Ontario. She graduated from the University of Windsor with an Honours Bachelor of Commerce degree and while working in the marketing field, completed her Masters of Business Administration degree from Wayne State University in Detroit, Michigan. Professor Rourke worked in brand management and various marketing roles at Hiram Walker and Sons in both the United States and Canada, working on brands such as Kahlúa, Canadian Club, Malibu Coconut Rum, Cutty Sark Scotch, and many others. Her marketing experience allowed her to work closely with the U.S. and global sales divisions, and she continues to use those examples in her teaching at the college.

Professor Rourke has been teaching in the post-secondary field for 14 years and enjoys coaching students in marketing competitions, including the Ontario Colleges Marketing Competition and the Vanier Business Case Competition. Recently, she was honoured to be the recipient of the Award of Excellence at the OCMC in 2019. She has been teaching the Multi-Media Sales Presentations course for 12 years and loves using *ABC's of Relationship Selling through Service* in the classroom. Professor Rourke feels that sales is one of the most rewarding courses to teach to college students, as it provides them with invaluable lessons in business acumen and confidence that are unique to the selling class.

Professor Rourke is thrilled to be a part of the writing team for this seventh edition of *ABC's of Relationship Selling through Service*!

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Preface

Welcome to the Seventh Canadian Edition of *ABC's of Relationship Selling through Service*!

With great excitement, we are presenting the Seventh Canadian edition of *ABC's of Relationship Selling through Service*. As selling continues to grow as a profession, the importance of sales education continues to increase in its acceptance and expansion within academia. Increasing sales and profits is up to the sales personnel—the people who represent their employers through interacting with present or prospective customers. Sales professionals today must strive to create a long-term business relationship, which implies that they form close relationships with clients. Prospective customers want to buy from someone who cares about their needs. People do business with the people they trust, and they trust the people they know.

This and previous editions of *ABC's of Relationship Selling through Service* were driven by the advice of sales experts and professional reviewers. The revisions to this text are guided by our conversations with sales students, practitioners, and sales educators. This has resulted in several changes to the book over the last few editions, including changes in objectives as well as many welcome topic additions. Believing, as many do, that ethical behaviour is becoming paramount in modern business practices, the topic of sales ethics appears frequently throughout the text. It has a prominent place in the chapter sequencing, and students are provided with many opportunities to consider their own sales ethics through the many ethical dilemmas presented throughout the text. The new edition also includes an enhanced focus on sales professionalism, improvements in sales technology such as CRM systems, social media tools, and recent trends in sales, including emotional intelligence, artificial intelligence, and predictive analysis.

The structure of this book lends itself to the practical aspects of selling and delivers them in a process-oriented fashion. You will find practical selling tips and many opportunities to reflect on the various issues facing today's salespeople. Student success profiles have been updated to reflect how many graduates end up working in sales and consider a variety of career pathways for sales

students. Articles authored by seasoned sales professionals provide words of wisdom from the real world. In addition, you will find an updated and expanded discussion of the technology available to salespeople to help them look after their customers more effectively and efficiently. Also included in this edition is enhanced coverage of the use of social media in the world of professional selling. Most students are familiar with social media such as Instagram, Twitter, Facebook, and LinkedIn, among others; in the text, you will learn how they are used by professional salespeople today.

One of the goals of this Seventh Canadian Edition is to give students the up-to-date information they need to compete in today's fast-paced, competitive, demanding, and increasingly electronic marketplace. *ABC's of Relationship Selling through Service* is written by salespeople turned teachers. The authors have many years of experience applying the concepts discussed in this book. Over the years, they have taught the concepts of selling to many thousands of college students, businesspeople, and industry sales personnel, continually developing and using the strategies, practices, and techniques presented in this textbook. Every day, they spend time interacting with professional salespeople and sharing insights with colleagues and students. This book is the result of these experiences.

The Philosophy behind This Book

The title should help you understand the philosophy of this book. A student of sales should understand the fundamentals—the basics—of personal selling. *All of them*. We do not advocate one way of selling as the best route to success. There are many roads to reaching one's goals!

We *do* believe that a salesperson should have an assortment of selling skills and should be very knowledgeable, even an expert, in the field. Based on the situation, the salesperson determines the appropriate actions to take for a particular prospect or customer. No matter what the situation, however, the basic fundamentals of selling can be applied. It can be said that this is a process-driven sales textbook. Understanding the basic sales process will enable readers to tackle a variety of sales positions.

There is little room any longer for high-pressure, manipulative selling. The salesperson is a problem solver, a helper, a solution provider, a service provider, a relationship builder, and an adviser to the customer. If the customer has no need, the salesperson should accept that and move on to help another person or firm. If the customer has a need, however, the salesperson should and must go for the sale. All successful salespeople we know believe that once they determine the customer is going to buy someone's product—and that their product will satisfy that customer's needs—it is their job to muster all their energy, skill, and know-how to make that sale. That is what it's all about!

It is the authors' hope that after studying this text, the reader will say, "There's a lot more to selling than I ever imagined." It is hoped that this material will help many people to earn a living through selling as a rewarding occupation and career. Finally, the communication skills that will be acquired by reading this text can be used in all aspects of life. Once learned, selling skills will help a person be a better communicator throughout life.

Basic Organization of the Book

We have worked hard to ensure that this edition of *ABC's of Relationship Selling through Service* will provide students with the basic foundation for understanding all of the major components of selling. The chapters are divided into four parts:

- ***Selling as a Profession.*** Emphasizes the history, careers, rewards, and duties of professional salespeople and illustrates the importance of the sales function to the organization's success. It also examines the social, ethical, and legal issues in selling.
- ***Preparation for Relationship Selling.*** Presents the background information salespeople use to develop their sales presentations.
- ***The Relationship Selling Process.*** At the heart of the book, this part covers the entire selling process from prospecting to follow-up. State-of-the-art selling strategies, practices, and techniques are presented in a "how-to" fashion.
- ***Keys to a Successful Selling Career.*** Explores the importance of the proper use and management of time and sales territory, along with an examination of different types of sales jobs.

What's New in This Edition?

The Seventh Canadian Edition of *ABC's of Relationship Selling through Service* emphasizes the importance of ethical behaviour in sales and a sales philosophy of unselfishly treating others as you would like to be treated without expecting reciprocity. In addition, the popular Sales Success Stories—twelve of which are new to this edition—spotlight recent graduates, tracing their career pathways and offering their advice as a feature at the beginning of each chapter.

Other changes to the Seventh Canadian Edition include:

Chapter 1:

- Updated sales salary data
- Streamlined exploration of various careers in selling and a new chart with salaries and years of experience (Exhibit 1.2)
- New survey *Do You Have What it Takes?*, a personal reflection survey for students
- Added social media platforms as an example of what a sales professional does
- Updated importance of selling for small businesses

Chapter 2:

- Updated ethical, legal, and discretionary examples
- New content explaining moral development (Exhibits 2.3 and 2.4)
- New *Making the Sale* box on **PIPEDA**
- New *Social Media Insights* involving ethical concerns for salespeople using social media
- New *Selling Tip* box looking at **Values and Ethics Code for the Public Sector**
- New *Making the Sale* box examines tied selling by banks in Canada

Chapter 3:

- New content explaining **why people buy a product** (Exhibit 3.3)
- Expanded comparison between consumer and organizational buying contexts (Exhibit 3.4)
- Added content on how salespeople help buyers understand a better situation is available (Exhibit 3.5)
- New *Selling Tips* box on **discovering needs in organizational buying**
- New *Ethical Dilemma* on what would you do in a particular sales situation

Chapter 4:

- New *Selling Tips* box about communicating with **Indigenous People in Canada**
- New content on professional communication (Exhibit 4.9)
- Updated **social media use statistics**
- Updated examples on appropriate length of handshakes
- New *Social Media Insights* box
- Added content on **Snapchat** and **Instagram**

Chapter 5:

- Added content on questions salespeople should ask to better understand their customers (Exhibit 5.1)
- Added content under "Know Your Channels of Distribution" and "Know Your Product's Pricing and Discount Policies"
- New content providing examples of prices and discounts that salespeople discuss (Exhibit 5.3)
- Added content on **CRM technology**
- Added content on **the Cloud**

Chapter 6:

- New content on prospecting guidelines and prospecting using social media
- New content on **how to apply CRM technology to prospecting**
- New *Facing a Sales Challenge* box with an **entrepreneurial approach**
- New content examining prospecting methods that work (Exhibit 6.4)
- New *Selling Tips* box on why qualifying a lead is important
- New *Ethical Dilemma* on the ethics of using confidential information to make a sale
- New terms and content on **social selling** and **social listening**

Chapter 7:

- New content on how to build trust (Exhibit 7.1)
- New *Selling Tip* box discussing what is a solution
- New content on **The Customer Relationship Model** (Exhibit 7.3)
- New content on topics to consider in planning (Exhibit 7.7)
- New *Selling Experiential Exercise*

Chapter 8:

- Added sales presentations methods
- New content on training usage phases over time (Exhibit 8.15)
- New content on *Group Presentations*
- New *Selling Tips* box outlining a checklist for group presentations
- New *Selling Tips* box on negotiation

Chapter 9:

- Added checklist for visuals
- New content on *The Sales Presentation Goal Model* (Exhibit 9.15)
- New *Selling Tips* box on developing trust
- New content on **presentations** (Exhibits 9.10 and 9.11)
- New *Selling Tips* on using videoconferencing technology

Chapter 10:

- New type of objection added (**hidden objections**) (Exhibit 10.6)
- New content on techniques for meeting objections
- New content about what to do after the meeting
- New content on preparing for objections (Exhibit 10.2)
- New content on handling objections (Exhibit 10.3) and examples of objections (Exhibit 10.5)

- Added *Ethical Dilemma* box examining how to deal with a customer setting a condition for a sale
- New content outlining a method to overcome objections (Exhibit 10.9)
- New content describing how to rephrase objections as questions (Exhibit 10.10)

Chapter 11:

- New content on the probability close
- Revised content to include an **entrepreneur** example (Exhibit 11.11)
- Added information on cross-selling

Chapter 12:

- Revised objective for updated content on customer satisfaction, retention, and engagement
- New content on technology and sales service (Exhibit 12.2)
- Added content on **words of sales wisdom and sales proverbs** (Exhibit 12.8)

Chapter 13:

- Expanded content on self-management (Exhibit 13.10)
- New discussion on **emotional intelligence (EI)** and its importance in today's workplace
- Added content on why salespeople need to segment their accounts by size, including the 80/20 principle
- Expanded content on return on time invested
- New trends in sales, including **artificial intelligence** and **predictive analysis**
- New *Ethical Dilemma* box on how to deal with a decline in productivity

Chapter 14:

- Updated retail sales data
- Added content on **crowdfunding** and **crowdsourcing**
- New crowdfunding questions for sales application and further exploring the sales world

This edition of the *ABC's* contains current information from the Canadian Professional Sales Association (CPSA), including its Code of Ethics. This organization is leading the way for Canadian salespeople, offering many benefits and educational opportunities for its members. As well, this edition includes up-to-date descriptions and salary information for different kinds of sales professionals in Canada.

Text and Chapter Pedagogy

Many reality-based features are included in this Seventh Canadian Edition to stimulate learning. One major goal of this book is to offer better ways to convey sales knowledge to the reader. To do this, the text includes numerous special features:

Sales Success Stories. Each chapter opens with a success story of a Canadian college or university graduate who has gone on to succeed in professional selling. This will show readers that there is indeed a light at the end of the tunnel.

LEARNING OBJECTIVES

Successful salespeople are knowledgeable individuals. Many salespeople are experts in their field. After studying this chapter, you should be able to:

- LO1** Explain the importance of knowledge to sales professionals and determine various sources of sales knowledge.
- LO2** Discuss the general areas of knowledge needed for increased sales success.
- LO3** Understand the importance of features, advantages, and benefits.
- LO4** Develop a FAB worksheet.
- LO5** Develop and use a unique selling proposition.
- LO6** Explain the purpose of planogram software for many types of salespeople.
- LO7** Explain the main technologies used by salespeople.



Selena Uji
St. Clair College,
Zekelman School of
Business and IT,
Windsor, Ontario.
Source: Courtesy of Selena Uji

A Sales Success Story

Selena Uji graduated from the Business Marketing program at St. Clair College, Zekelman School of Business and IT, in 2018. The program has helped her get to where she is in her career: Security Adviser and Investment Representative for London Life and Quadrus. Even in her early twenties, Selena knew building relationships would be essential to her success.

Selena did not initially consider the financial investment field after graduation, but a recruiter introduced her to it after contacting her on LinkedIn. After hearing about the position and the kind of work she would be doing, Selena was intrigued. She investigated further and spoke to her mother's adviser, a representative of Freedom 55 Financial, a branch of London Life. Her mother's adviser discussed all the pros and cons of the job with Selena. The rest is history, and Selena now works in a field that she loves and that challenges her on a daily basis.

Chapter Topics and Objectives. Each chapter begins with a clear statement of learning objectives and an outline of major chapter topics. These devices provide an overview of what is to come and can also be used by students to see whether they understand and have retained important points.

Sales Challenge/Solution. The text portion of each chapter begins with a real-life challenge that sales professionals face. The challenge pertains to the topic of the chapter and will heighten students' interest in chapter concepts. The challenge is resolved at the end of the chapter, where chapter concepts guiding the salesperson's actions are highlighted.

FACING A SALES CHALLENGE

You are proud of the products you sell and tell everyone they are the top-line of the industry, the best on the market, light years ahead of the competition. Of course you have worked for the company for only two weeks. But the sales training course you took last week clearly convinced you that your products are much better than any others. During one presentation on a new detergent for washing machines, you

concentrated on discussing the quality of the product: how well it cleans, its environmental safety, how much users like its pleasant scent. The grocery store buyer said, "I couldn't care less about the quality of your products."

Why did the buyer respond in a negative way? What is the buyer interested in?

(Continued at end of chapter)

MAKING THE SALE

DO YOU HAVE ANY OF THESE LISTENING HABITS?

No one is perfect. We all have some bad listening habits that we get away with when we talk to our family and friends. In a business context, however, leave these bad habits behind and practise active listening. To gain insight into your listening habits, read through this list of common irritating listening habits and be honest with yourself; notice what you are guilty of and use this awareness to begin eliminating them.

- You do all the talking.
- You interrupt when people talk.
- You never look at the person talking or indicate that you are listening.
- You start to argue before the other person has a chance to finish.

- You constantly feel obligated to digress with a story, since everything that is said reminds you of an experience you've had.
- You finish sentences for people if they pause too long.
- You wait impatiently for people to finish so that you can interject something.
- You work too hard at maintaining eye contact and make people uncomfortable.
- You look as if you are appraising the person talking to you, looking him or her up and down.
- You overdo the feedback you give—too many nods of your head and "uh-huhs."

Selling Tips. These boxes offer the reader additional selling tips for use in developing their role-plays.

SELLING TIPS

NEGOTIATION

- When you give up something, try to gain something in return. When you give something for nothing, there is a tendency for people to want more. In all fairness to you and your prospect, balance what you give and receive. For example, "I'll lower the price if you pay in full within 30 days," or "I'll give you 10 percent off, but you will be charged for additional services such as training."
- Look for items other than price to negotiate. For example, gain some flexibility by offering better terms, payment plans, return policies, and delivery schedules; lower deposits or cancellation fees; or implementation and training programs. Often these

items are provided for less than your company would lose if you lowered the price.

- Do not attack your prospect's demand; look for the motive behind it. Never tell a prospect their demand is ridiculous or unreasonable. Remain calm and ask for the reason behind the desire.
- Do not defend your position; ask for feedback and advice from the prospect. If you meet resistance to an offer, don't be defensive. Say something like, "This is my thinking. What would you do if you were in my position?"

Ethical Dilemma. These challenging exercises provide students an opportunity to experience ethical dilemmas faced in the selling job. Students should review the definition and explanation of ethical behaviour in Chapter 2 before discussing the ethical dilemmas.

ETHICAL DILEMMA

I APPRECIATE YOUR BUSINESS

People buy from you for many reasons, but primarily because of your excellent products and the service you and your company provide to customers. You follow the Golden Rule: "Do unto others as you would have them do unto you." You feel that customers put the food on your table. They are responsible for the good income you earn. You appreciate that and always try to show your gratitude for their trust and business.

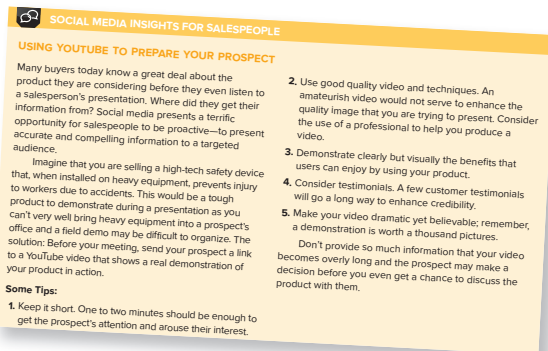
You have occasionally been taking one of your customers, whom you like personally, out to lunch. Recently, this customer's purchases have increased from \$50,000 to \$650,000 a year. You want to show your appreciation by buying your customer two season tickets for the local Canadian Football League team. The buyer and his spouse are avid

football fans. However, if your other clients and co-workers found out, they might view the gift as unprofessional.

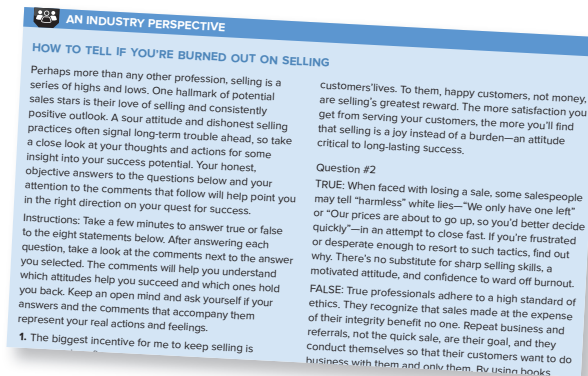
What would be the most ethical action to take?

1. Get a season ticket for yourself and for your client. That way, you can always justify it as a "business meeting" if people ask.
2. Buy your client and his spouse the season tickets. You are just trying to show your appreciation for his business.
3. Do not buy the season tickets. It is unprofessional to mix work and social ties. Instead, write your client a nice thank-you letter stating that you appreciate his continued business.

Do you have any other suggestions?

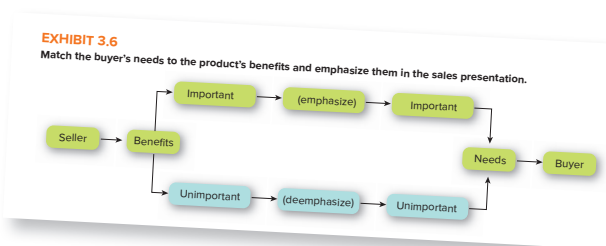


Selling Globally. These boxed items take the idea of sales one step further and allow readers to see what happens or should happen when selling outside Canada.



Key Terms for Selling/Glossary. Learning the selling vocabulary is essential to understanding today's sales world. This is facilitated in three ways. First, key terms are boldfaced and completely defined where they first appear in the text. Second, each key term is listed at the end of each chapter. Third, a glossary summarizing all key terms and definitions appears at the end of the book for handy reference.

Chapter Summary. Each chapter closes with a summary of key issue designed to help students distinguish between main and supporting ideas.



Social Media Insights for Salespeople. These boxes explore the potential uses of social media to benefit the salesperson.



Industry Perspectives. Included in every chapter, these are articles written by seasoned, professional sales experts. They offer a real-life perspective and many practical tips for aspiring or professional salespeople.

Key Terms for Selling

career path	nonfinancial rewards	relationship selling
CPSA	order getter	sales process
80/20 principle	order taker	social media
empathy	partnering	territory manager
financial rewards	personal selling	transactional selling
incentive	relationship marketing	

Exhibits. Many aspects of selling tend to be confusing at first. "What should I do?" and "How should I do it?" are two questions frequently asked by students in developing their role-plays. To enhance students' awareness and understanding, many exhibits have been included throughout the book. These exhibits consolidate key points, indicate relationships, and illustrate selling techniques.

Sales Online Exercise. Challenging students to look outside the classroom, the sales online exercises provide access and insight into the most current sales techniques and practices available.

Sales Application Learning Exercises (SALES). At the end of appropriate chapters, this multi-part, sequential exercise guides students through the process of preparing an effective sales presentation.

Sales Online Exercise

1. Can You Improve Your Presentation?

The most challenging, rewarding, and enjoyable aspect of the sales job is the sales presentation. An effective presentation completely and clearly explains all aspects of a salesperson's proposition as it relates to a buyer's needs. To learn more about effective presentations, use your favourite search engine to search for sites to improve your presentation skills. Share your tips with the class.

2. Researching Prospects

The more information you have about a potential customer, the better. If your prospect is a large, internationally recognized organization, you can retrieve information from many sources, including the following:

Google: www.google.com

The *Globe and Mail* Report on Business: www.globeandmail.com/business

The *Financial Post*: www.nationalpost.com/financialpost

Bloomberg Businessweek: www.businessweek.com

LinkedIn: www.linkedin.com

Facebook: www.facebook.com

Twitter: www.twitter.com

CASE 4-1

SKAGGS MANUFACTURING

John Alvez arrived promptly for his 10:00 a.m. meeting with Martha Gillespie, the buyer for Skaggs Manufacturing. At 10:15, when she hadn't arrived, John asked her secretary if she was out of the office for the morning. The secretary smiled and said, "She'll probably be a few minutes late." John resented this delay and was convinced that Martha had forgotten the appointment.

Finally, at 10:20, Martha entered her office, walked over to John, said hello, and promptly excused herself to talk to the secretary about a tennis game scheduled for that afternoon. Ten minutes later, Martha led John into her office. At the same time, a competing salesperson entered the office for a 10:30 appointment. With the door open, Martha asked John, "What's new today?" As John began to talk, Martha began reading letters on her desk and signing them. Shortly after that, the telephone began to ring, whereupon Martha talked to her husband for 10 minutes.

As she hung up, Martha looked at John and suddenly realized his frustration. She promptly buzzed

her secretary and said, "Hold all calls." She got up and shut the door. John again began his presentation when Martha leaned backward in her chair, pulled her golf shoes out of a desk drawer, and began to brush them.

About that time, the secretary entered the office and said, "Martha, your 10:30 appointment is about to leave. What should I tell him?" Martha replied, "Tell him to wait; I need to see him." Then she said, "John, I wish we had more time. Look, I think I have enough of your product to last until your next visit. I'll see you then. Thanks for coming by."

John quickly rose to his feet, did not shake hands, said "OK," and left.

QUESTIONS

1. What nonverbal cues did the salesperson, John Alvez, experience when contacting Martha Gillespie?
2. If you were John Alvez, how would you have handled the situation?

Cases for Analysis. Each chapter ends with brief but substantive cases for student analysis and class discussion. These cases provide an opportunity for students to apply concepts to real events and to sharpen their diagnostic skills for sales problem solving.

Playing the Role. At the end of each chapter, students are presented with a real-life sales problem. They are then asked to assume a particular role and dramatize their solution to the problem.

Sales Application Questions. The sales application questions are a complementary learning tool that enables students to check their understanding of key issues, think beyond basic concepts, and determine areas that require further study.

Further Exploring the Sales World. These projects ask students to go beyond the textbook and classroom to explore what's happening in the real world. Projects can be altered or adapted to the instructor's school location and learning objectives for the class.

Award-Winning Technology



McGraw-Hill Connect® is an award-winning digital teaching and learning solution that empowers students to achieve better outcomes and enables instructors to improve efficiency with course management. Within Connect, students have access to SmartBook®, McGraw-Hill's adaptive learning and reading resource. SmartBook prompts students with questions based on the material they are studying. By assessing individual answers, SmartBook learns what each student knows and identifies which topics they need to practise, giving each student a personalized learning experience and path to success.

Connect's key features also include analytics and reporting, simple assignment management, smart grading, the opportunity to post your own resources, and the Connect Instructor Library, a repository for additional resources to improve student engagement in and out of the classroom.

Instructor Resources for *ABC's of Relationship Selling through Service*, Seventh Canadian Edition:

- Instructor's Manual
- Test Bank
- Microsoft® PowerPoint® Presentations

Application-Based Activities

The Connect Application-Based Activities are highly interactive and automatically graded application- and analysis-based exercises wherein students immerse themselves in a marketing environment, analyze the situation, and apply their knowledge of marketing strategies. Students progress from understanding basic concepts to assessing and solving complex real-world scenarios.



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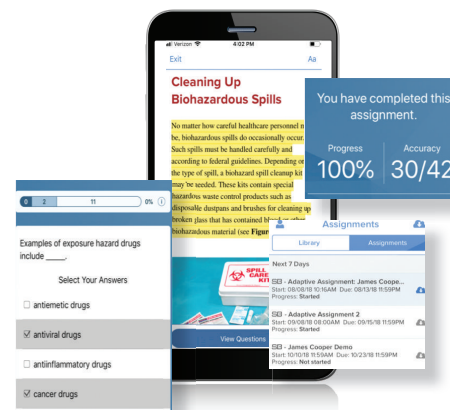
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Acknowledgements

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I want to give a special acknowledgement to my family, especially my husband Bernie, and my children, Maddie and Charlie, who supported my writing endeavours and continue to encourage me daily. Your support is truly appreciated. I also want to thank my parents, Paul and Carole Predhomme, who left us far too soon, but who continue to guide me by having established early-on the importance of ethical and professional behaviours, which is at the forefront of many selling topics in this textbook.

In this edition of *ABC's*, I wanted to include some current events and topics such as Indigenous corporate training and crowdfunding, along with others. Unfortunately, new corporate unethical events continue to arise, some of which were included in this text, which emphasizes the continued importance of ethical behaviour in selling. Students need to understand the impact of their behaviours in the corporate world and strive to achieve a strong moral code in business leadership positions.

We reached out to college-students-turned-sales-professionals from across Canada and had them provide their insights into the real world of professional selling. It is amazing to hear about the sales successes across the country and learn about the diversity of sales stories that relate back

to the ABC's textbook. A recurring theme among these professionals was the importance of service in the success of salespeople. To these sales professionals, I say thank you for the inspiration!

A special thank-you must go to the thousands of students I've taught in my 14 years at St. Clair College who always inspire me and keep me learning. Many have encouraged me to write over the past years, so I am thrilled to acknowledge them in this book. I love hearing about their successes and look forward to continuing to keep in touch with them and writing about their successes in sales and marketing in future editions.

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PART ONE

Selling as a Profession

The first part of *ABC's of Relationship Selling through Service* is written to give readers an overview of the sales profession. Many students, in various business programs, will hesitate if asked whether they want to pursue a career in sales upon graduation. The reasons for this vary greatly, but upon examination it always seems to be that there is a common misconception about the profession itself. This is largely due to the fact that many

college students have had limited exposure to the profession other than perhaps part-time sales clerk jobs in retail stores.

Part 1 explores the sales profession itself, identifying the many types of selling careers available as well as the different rewards that a sales career offers. Readers will also learn how and where ethics and ethical behaviour tie in with a sales career.

This part includes:

Chapter 1 **The Life, Times, and Career of the Professional Salesperson**

Chapter 2 **Ethics First . . . Then Customer Relationships**



Source: © Shutterstock/Monkey Business Images

CHAPTER 1

The Life, Times, and Career of the Professional Salesperson



Ryan Eddy
St. Clair College, Zekelman
School of Business and IT,
Windsor, Ontario.

Source: Courtesy of Ryan Eddy.

A Sales Success Story

Ryan Eddy worked in the automotive industry building seats at an assembly plant for seven years, but soon realized he wanted more of a career than “working on the production line.” He decided to head to college and enrolled in the Business Administration Marketing program at St. Clair College, Zekelman School of Business.

Upon graduating in 2012, Ryan accepted a sales position at Provincial Chrysler in Windsor, Ontario, using the sales skills he learned in college as well as his experience from building seats for cars to establish credibility in the automotive industry. After six years in this position, Ryan is the top selling car salesperson at the company and keeps exceeding his personal goals for sales.

As Ryan states, “Success in my sales career has come from being self-driven, self-motivated, and extremely competitive. I am also constantly working at my craft to get better.” He compares salespeople to professional athletes. “Just like

professional baseball players who practise their swing and defence on a daily basis in order to get better, professional salespeople should practise their craft as well. Learning a new close or a new way to handle an objection will help you become better. And if you are not getting better, you are getting worse.”

Ryan also emphasizes that “Sales is a career, not a job. A job is something you have to do to earn money, whereas a career is something you wish to do and you are passionate about. Because sales is a career, you have to think long term with every deal you are involved in. Long-term thinking and a focus on learning have allowed me to have success to this point. My advice to anyone looking to get into a sales position would be to do the same. Find something you like or enjoy doing and it will make it much easier to sell. When you have a passion for your product or service, your customers will sense that and you will reap the benefits.”

MAIN TOPICS

What Is Selling?

Why Choose a Sales Career?

Is a Sales Career Right for You?

Success in Selling—What Does It Take?

Relationship Selling

Do You Have What it Takes?

Sales Jobs Are Different

What Does a Professional Salesperson Do?

Relationship Marketing

Building Relationships through the Sales Process

LEARNING OBJECTIVES

This chapter introduces you to the rewarding career of professional selling. After studying this chapter, you should be able to:

- LO1** Define and explain the term *selling*.
- LO2** Explain why everyone sells, even you.
- LO3** Discuss the reasons that people might choose a sales career.
- LO4** Identify the many different types of sales jobs and discuss their responsibilities.
- LO5** Discuss the rewards inherent in a sales career.
- LO6** Define the characteristics that are needed for success in building relationships with customers.
- LO7** List and explain the 10 steps in the sales process.

FACING A SALES CHALLENGE

Chin Lee graduated from Conestoga College with a degree in computer technology. After graduation, Chin was hired by a major technology-oriented company in eastern Canada as a computer technician. After three years in this position, he decided that it was time for a

change; he requested and was given a transfer to the sales department.

“My first love was computers. I went to school to become an expert in technology but this became a bit boring after a few years. When I moved to sales, I was

very frightened at first as I didn't have a lot of practice dealing with people and their problems, but I soon learned that my technical knowledge allowed me to become very proficient at solving customer problems. The more I worked with people, the more I enjoyed it. It was exciting and very rewarding."

Chin never looked back. Before long, he had become one of the leading producers in the sales department. With that came many financial and personal rewards, as well as job offers from some of his client companies. However, Chin felt he had the perfect job and decided to stay put.
(Continued at end of chapter.)

David Ogilvy, one of the fathers of modern advertising, said it best: "We sell or else." His implication was that nothing happens in business until someone sells something and an exchange takes place. The efforts of salespeople have an impact on virtually every field of business. Selling is an honourable, challenging, and rewarding career.

Chapter 1 examines the reasons why people choose sales careers, and provides information about factors critical for success in sales.

LO1 What Is Selling?

personal selling:

The personal communication of information to persuade a prospective customer to buy something that satisfies that individual's needs.

Many people consider *selling* and *marketing* synonymous. However, selling is actually only one of many marketing components. In business, **personal selling** refers to the personal communication of information to persuade a prospective customer to buy something—a good, service, idea, or something else—that satisfies the individual's needs on a personal level, or on a business level when an individual is purchasing for a company.

This definition of selling involves one person communicating with an individual or a group to make a sale. The salesperson often works with prospects or customers to examine their needs, provide information, suggest a product to meet their needs, and provide after-sale service to ensure long-term satisfaction.

LO2 Everybody Sells!

If you think about it, everyone is involved with selling. Children develop communication skills early in life to get what they want. When you want something or want someone to do something, you use your natural selling skills. When you attempt to get a date, ask for a pay raise, urge your professor to raise your mark, provide cost-effective solutions to buyers, or deal with customer service representatives in large companies, you are using personal selling skills. Perhaps after completing this



MAKING THE SALE

SOCIAL MEDIA

Brett Legein, a senior sales representative for an electrical supply manufacturer, sells electrical supplies to major accounts across Canada. Brett loves the job as he is a very sociable individual and he gets to meet and interact with a variety of customers on a daily basis.

In recent years Brett has found that his sales have been levelling off and he has been losing ground to some of his competitors. As a relative old-timer, with a vast amount of product knowledge, he was a little perplexed as to why this was happening. At a company party, Brett was speaking with some of his younger colleagues who had often come to him in the past for product advice so he

decided to pick their brains about some of the techniques that they were using to grow their own sales accounts.

Eva Spencer, one of the newer and most productive reps in the company, had some good advice for Brett. Her suggestion was that Brett should take the plunge and start using social media to cultivate more sales. He was initially reluctant but agreed to give it a try. Brett first signed up for Twitter and LinkedIn, two giants in the social media realm. Before long, he became proficient at both and had established a real online social presence. He tweeted regularly about product developments and 'Linked up' with hundreds of people in his industry. He

was also able to 'listen in' on what was happening in the industry with some of his competitors.

Brett found his sales numbers growing again. Because of his new online presence, he found that prospects started to reach out to him and he was also able to find and nurture prospects that he hadn't been able to before. He had recently received a call from a customer who said to him, "I had just stumbled upon one of your postings where you were discussing the

benefits of the new electrical service panels your company was producing and I would like to meet with you to discuss a possible purchase."

Brett realized that these new techniques were not cutting into his "socializing," the part of his job that he enjoyed so much. He found that he was just socializing in a slightly different way. The next time he ran into Eva, he thanked her for her wonderful advice. She simply said, "Welcome to the modern sales world."

textbook you will become more effective in each of the above situations. Your ability to communicate effectively is crucial to your success in life.

Sales courses are full of people who not only want to improve their professional selling skills for increased success in their business lives, but also want to enhance their personal communication skills. Learning how to communicate to others how your ideas or products can satisfy their needs will be invaluable throughout your life.

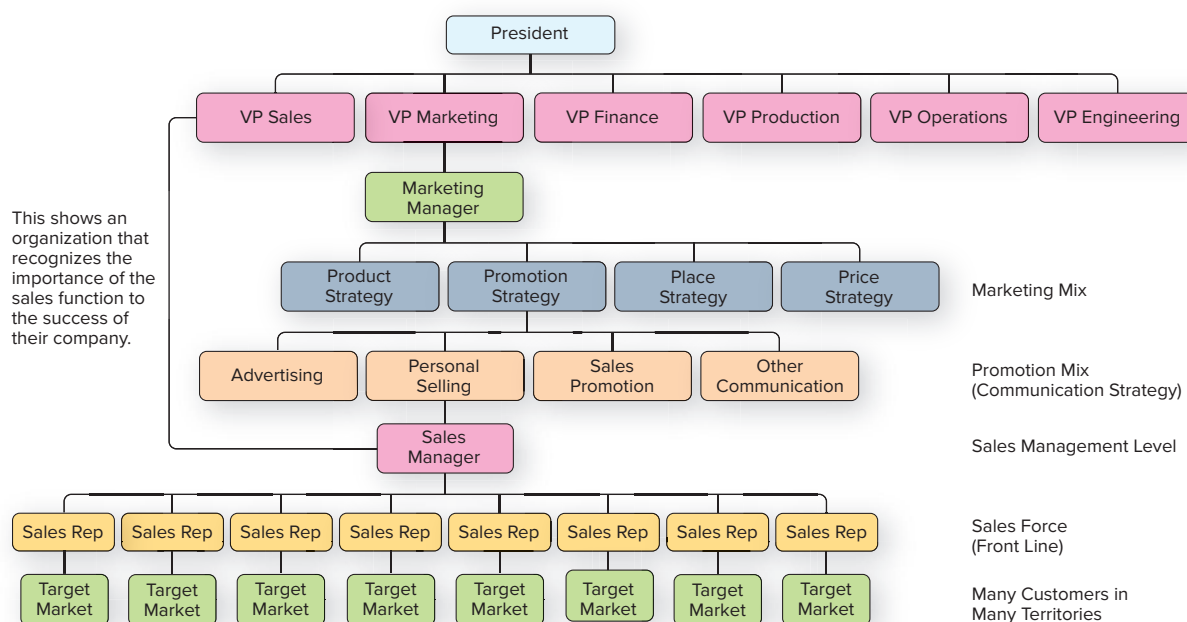
Many may be trained as professional purchasing agents or buyers, but they also see the value of learning effective sales skills. Some might believe that they are simply trying to learn the "tricks" of the trade to arm themselves for the onslaught of sales representatives. Most simply want to enhance their performance by gaining an understanding of the salesperson's perspective, which leads to more effective purchasing, negotiation, and selling. The skills and knowledge gained from a selling course can be used by a student who plans to go into virtually any field, such as law, financial services, medicine, or journalism, or by those who start their own business.

In today's competitive environment, where good interpersonal skills are so valued, people are at a disadvantage when they lack selling capability. As you read this book and progress through the course, think about how you can use the material both personally and in business.

Exhibit 1.1 shows a simplified organizational chart for a marketing-oriented organization. Although research departments can study markets to determine

EXHIBIT 1.1

Where selling fits in.



their buying habits and needs, it is the sales force that acts as front-line representatives for companies. Part of the selling job entails learning about market needs, relaying that information to company strategists, and communicating to the market how the company's products can satisfy their needs. Although personal selling is only one part of the promotional element, which in turn is only one part of the marketing mix, today's companies understand the importance of using well trained and effective salespeople—and the contribution that they make to the bottom line.

LO3 Why Choose a Sales Career?

The major reasons for choosing a sales career include:

1. The wide variety of sales jobs available – Check out www.indeed.ca and review various sales jobs available to college graduates in your area. Selling is one of the largest employment categories in Canada.
2. The excitement and freedom of working independently.
3. The challenge of selling – At the beginning of this chapter, Ryan Eddy referred to his sense of competitiveness. Many athletes go into sales because they seek out competitive environments.
4. The opportunity for advancement in a company – Many presidents and vice-presidents in large corporations worked in sales at some point in their career.
5. The financial and other rewards of a sales career.
6. Service to others – Selling allows you the opportunity to help customers solve problems or challenges in their world.
7. The tremendous sense of accomplishment – Achieving your sales goals can lead to financial gain as well as a personal sense of esteem and achievement.

The Sales Force of the Future

Historically, due to the attitudes and philosophies of business owners, salespeople have developed a reputation for being fast talking, aggressive, and slick. Salespeople were expected to “hustle” business and “push” their products on people. It's no wonder that the sales profession has developed such a bad reputation.

What does it take to be an effective salesperson in the twenty-first century?

- **Good selling skills** – Selling is both an art and a science. It is important for salespeople to learn and practise the skills necessary to function in a demanding profession.
- **Conceptual skills** – This involves the salesperson seeing the selling process as a whole. They must see the relationship between their product offering and a prospect's needs and then develop a selling strategy to bring the two together.
- **Human skills** – Salespeople cannot replace human skills with technology. Salespeople with good human skills like other people and are liked by them as well. This is the key to effective relationship selling.
- **Technical skills** – These skills include the mastery of the methods, techniques, and equipment used to carry out the selling process. These things are quickly and constantly evolving. It will be imperative for successful salespeople to maintain their current skills and master new ones.

Does technology threaten the existence of salespeople? Some observers predict that salespeople will become obsolete as e-commerce soars. However, we believe that

salespeople will always be needed, although their role may change slightly; salespeople will evolve into “business success coaches.” For example, prospective customers may have access via the Internet to information about your products and those of your competitors. However, they will still need your personal contact and expertise to help them diagnose their specific needs and to communicate the best solution to satisfy them. Sales professionals will still be needed to establish and cultivate relationships with their customers.



MAKING THE SALE

A CAREER IN SALES

IF YOU WANT:	IDEAL CAREER	REASON
Flexibility	Sales	Can often set your own agenda and schedule
High income potential	Sales	Salaries, commissions, bonuses, etc.
Pride and accomplishment	Sales	You make it happen; you get to help others
Excitement and variety	Sales	Meeting different people, travel, conventions, etc.
To be your own boss	Sales	You run your territory like it's your business
Challenge	Sales	Quotas, bonuses, constant desire to improve

Social Media in Selling

In addition to the smart phones and other modern communication methods, salespeople are increasingly making use of social media to enhance their selling power. **Social media** refers to technology that allows social interaction and communication over the Internet. Social media such as Facebook, LinkedIn, Instagram, and Twitter are being used more and more by salespeople to prospect for new customers, communicate with potential and existing customers, and provide customer service to their ongoing client base. Later in the text, we will examine ways in which salespeople can use these social media to build and maintain their business.

social media:

Technology that allows social interaction and communication over the World Wide Web (for example, Facebook, LinkedIn, and Twitter).

Types of Sales Employment

Sales positions vary by customer focus, educational and experience requirements, duties and responsibilities, and position in a company's hierarchy. In retail selling, salespeople focus on selling directly to the consumer of a product either from a traditional retail store, or through door-to-door selling, home demonstrations, and so on. In most types of selling, salespeople are selling in a business-to-business setting. These positions can involve selling products to an intermediary for resale or further processing or selling products to companies that will then use them to run their business.

You will note that as the type of sales job becomes more complex and better paying, the education requirements become higher. Many higher-paying sales positions today are filled by people who combine formal educational background with some product-related education.

LO4

Careers in Selling

The following sales positions are representative of the sales profession in Canada. Brief job descriptions originate from Monster.ca, a leading online global careers network.¹ The salary figures listed below are from www.salaryexpert.com, and look at data from the Toronto, Ontario area.

Sales clerks typically sell merchandise in a retail store, assisting customers with sales, returns, exchanges, and product knowledge. This type of sales job requires a high school diploma and up to two years of related experience. A sales clerk should possess knowledge of common practices and procedures relating to a particular product field. Sales clerks average approximately \$33,000 annually, depending on location, type of company, and experience.

Order desk clerks are often referred to as inside sales reps in that they process and review orders received by mail, by telephone, or online. This position requires a high school diploma and up to two years of related experience. Strict guidelines are followed and clerks should have a working knowledge of the products and procedures of their company. Annual salaries in this field average approximately \$41,000.

Customer service representatives are responsible for processing orders, preparing correspondence, and ensuring customer satisfaction in a variety of businesses. A bachelor's degree or college diploma is typically required, along with a general understanding of the tasks necessary to achieve sales and customer service goals. In this position salespeople have some latitude to attain their goals. Customer service reps (CSRs) average approximately \$50,000 annually.



Source: © Image Source/Getty Images RF

Merchandisers are not your typical salesperson. They are often referred to as support salespeople and are responsible for setting up displays and providing product literature in a customer's premises. Merchandisers usually have good knowledge of the field in which they are working and often have a college diploma or associated degree. Merchandisers earn approximately \$58,000 annually. Many merchandisers work flexible hours, including part-time, and this is a great entry level place for college graduates to start their selling career.

Sales representatives are responsible for developing new business and interacting with existing customers to increase sales of an organization's products and/or services. Sales reps typically have several years of experience in a particular field. Sales reps are more independent and are expected to use their own judgment and experience to plan and achieve sales goals. Sales reps earn approximately \$70,000 annually.

Senior sales representatives have duties similar to a sales representative's, with the difference being that they are required to perform more complicated tasks and are often expected to lead and direct others. A great degree of latitude and creativity is expected here, and senior reps typically report to a manager. The higher complexity of the job allows them to earn from \$70,000 to \$110,000 per year.

Business solutions (development) specialists collaborate with customers and use their education and experience to develop product enhancements or alterations necessary for a sale. These reps normally have extensive experience and must understand and perform a variety of tasks related to their field. They often must direct the work of others, and for these skills they earn approximately \$77,000 annually.

Technical sales representatives (Senior) average approximately \$102,000 per year depending on their level of expertise and the nature of the products they deal with. These sales reps typically have at least a college diploma and possibly an undergraduate or graduate degree. Technical sales reps are typically responsible for increasing sales to accounts by interacting with customers and providing them with technical knowledge and solutions.

Key account representatives oversee the customer relationships within a designated territory. These reps identify key accounts and develop ongoing relationships with them to increase sales. This popular job requires a college diploma or university

degree and, in most cases, several years of experience in the field. These reps require good judgment and creativity to help them establish and achieve goals. These account reps earn from approximately \$87,000 to more than \$150,000 annually.

Top sales executives can earn salaries from \$207,000 to over \$394,000 per year. Reporting to top management, these sales executives plan and direct all aspects of an organization's sales policies, objectives, and initiatives. This position typically requires a bachelor's degree and several years of experience.

Many sales jobs show significant salary increases with years of experience. The graph below comes from www.salestalentagency.com. They surveyed almost 5,000 sales professionals in Canada to understand the average base salary by years of experience. Exhibit 1.2 shows the average base salary for salespeople by years of experience.



EXHIBIT 1.2

Average base salary by years of experience.

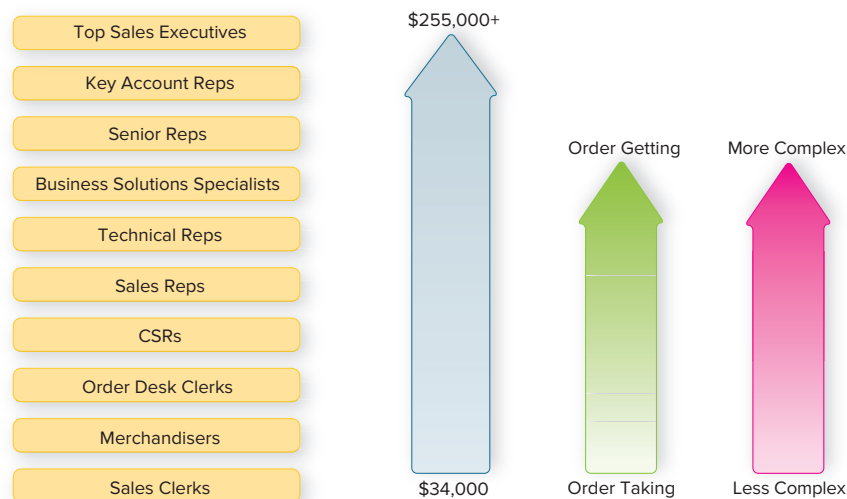
Source: Used with the permission of Jamie Scarborough.

Order Takers versus Order Getters

Order takers may ask what the customer wants or even wait for the customer to order. They do not have a sales strategy and do not use creative sales presentations. Order takers seldom attempt to close a sale. Although they do perform many useful services, few truly *create* sales.

Order getters, on the other hand, are responsible for generating new business through many different means. Companies strive to employ the most effective order getters as these people drive the success of the company through creative sales strategies and effective sales presentations. Order getters face an infinitely more difficult task; therefore, they usually earn much more than the order taker.

Exhibit 1.3 shows a continuum of sales jobs and compares their complexity and salaries.



order taker:

An individual who asks what the customer wants or waits for the customer to order.

order getter:

An individual who gets new and repeat business using a creative sales strategy and a well-executed sales presentation.

EXHIBIT 1.3

A continuum of sales jobs, comparing complexity and salary.



EXHIBIT 1.4

Selling services offers excellent career opportunities; banks, hotels, airlines, and travel agencies are industries that need professional salespeople.

Source: © Rob Daly/age fotostock

career path:

The upward sequence of job movements during a sales career.

Freedom of Action: You're on Your Own

A second reason that people choose a sales career is the freedom it offers. A sales job provides possibly the greatest relative freedom of any career. Experienced employees in outside sales usually receive little direct supervision and may go for days, even weeks, without seeing their bosses. The term *outside sales* refers to selling activities external to the employer's premises. These contracts involve person-to-person contact between the sales representative and customer or prospective customer. By contrast, *inside sales* occur on the premises, as in retail selling or telemarketing.

Although duties and sales goals are explained by a boss, salespeople are expected to carry out their job duties and achieve goals with minimum guidance. They usually leave home to contact customers around the corner or around the world. As long as you perform your assigned duties, are reliable and, of course, meet your quotas, you likely won't have someone breathing down your neck expecting you to be at work at 7:00 a.m. every morning.

Job Challenge Is Always There

Working alone with the responsibility of a territory capable of generating thousands (sometimes millions) of dollars in revenue for a company is a personal challenge. Salespeople often deal with hundreds of different people and firms. It is much like operating your own business, without the burdens of true ownership.

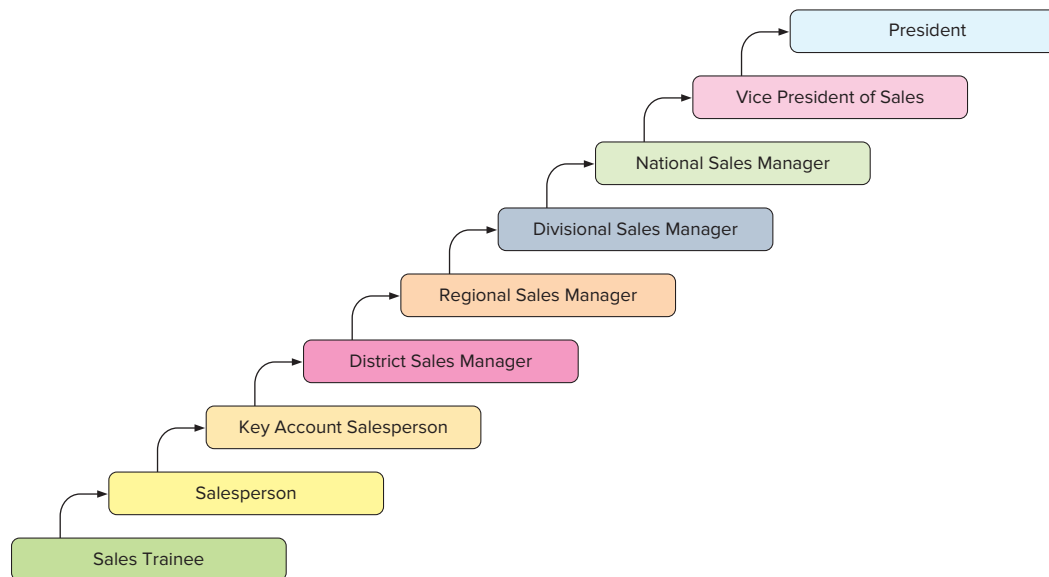
Opportunities for Advancement Are Great

Successful salespeople have many opportunities to move into top management positions, and, in many instances, this advancement comes quickly (see Exhibit 1.4). For example, General Mills and Quaker Oats may promote successful salespeople to managerial positions, such as district sales managers, after they have been with the company for only two years.

A sales personnel **career path**, as shown in Exhibit 1.5, is the upward sequence of job movements during a sales career. Occasionally people without previous sales experience are promoted to sales management positions. However, usually a career in sales management begins with an entry-level sales position.

Most companies have two or three successive levels of sales positions, beginning at the junior or trainee level. Beginning as a salesperson allows a person to do the following:

- Learn about the attitudes and activities of the company's salespeople.
- Become familiar with customer attitudes toward the company, its products, and its salespeople.
- Gain first-hand knowledge of products and their applications, which is most important in technical sales.
- Become seasoned in the business world.

EXHIBIT 1.5**A sales personnel career path.**

Sales managers frequently mention that this position represents their first major step toward the top; they are on the management team. Instead of being responsible for \$1 million in sales as a salesperson, the manager is responsible for \$10 million.

Success opens many jobs throughout the sales force and in the corporate marketing department. These jobs can include sales training, sales analysis, advertising, and product management.

Two Career Paths Don't let Exhibit 1.5 mislead you—many salespeople prefer selling to managing people. They want to take care of themselves rather than others. In some companies, a salesperson may even earn more money than the manager.

Many companies have recognized the value of keeping some salespeople in the field for their entire sales career. They do a good job, know their customers, and love what they are doing—so why promote them if they do not want to move up within the organization?

Rewards: The Sky's the Limit

As a salesperson, you can look forward to two types of rewards: *nonfinancial* and *financial*.

Nonfinancial Rewards

Sometimes called psychological income or intrinsic rewards, **nonfinancial rewards** are generated by the individual, not given by the company. Successfully meeting the challenges of the job produces a feeling of self-worth: You realize that your job is important. Everyone wants to feel good about a job, and a selling career allows you to experience these good feelings and intrinsic rewards daily. Salespeople often report that the nonfinancial rewards of their jobs are just as important to them as the financial rewards.

For example, some companies offer their top performers foreign postings in exotic locations. In other companies, management attempts to motivate salespeople by providing recognition in the form of public advertising and internal promotion of top performers. How often in a company do you see the top administrators recognized? For the sales department, this is a common practice, whereby salespeople are given the recognition they deserve. After all, if it weren't for them, the company probably wouldn't be in operation.

LO5

nonfinancial rewards:

Rewards that are generated by the individual, not given by the company; also called psychological income or intrinsic rewards.

financial rewards:

Rewards given or compensation given by a company.

incentive:

A reward that serves to motivate someone.

Financial Rewards

Success also brings **financial rewards**. Both corporate and field sales managers typically receive higher salaries than others (such as production, advertising, product, or personnel managers) at the same organizational level. Besides salary, many firms offer their sales personnel other remuneration or perks. For example, recognizing the need for a certain level of customer entertainment, many companies offer club memberships for business use as well as personal memberships for health clubs. Group medical plans, including dental, extended health, disability, and life insurance, are common. Most companies now offer mobile phones for sales representatives, and many offer laptop computers for use from home. Other offerings can range from pension plans and stock purchases to personal financial planning and low-interest personal loans. Many companies embrace the concept of life-long learning and provide educational reimbursement programs for employees seeking to further their education.

Cash **incentives** include performance bonuses based on achievement of sale targets. Other bonuses based on overall company performance in sales or profitability are also common. All-expense-paid vacations, gifts of electronic goods, and gift vouchers can be used as rewards for sales.

Although there is some variation by region, one of the enduring aspects of professional selling is some form of compensation for travel. Many companies provide company cars for use by their sales representatives. In the remaining companies, either a monthly allowance, a per-kilometre allowance, or a combination of the two is provided.

The Canadian sales force is very diversified (see Exhibit 1.6). Many people are attracted to selling because, in a sales career, financial rewards are usually based solely on performance.

EXHIBIT 1.6

The Canadian sales force is very diversified. There is room for everyone in a sales career.

Source: © Phil Date/Dreamstime.com/GetStock.com



You can use the Internet to compare sales jobs. Several websites listed at the end of this chapter have tools for researching sales salaries. The websites www.monster.ca, www.indeed.ca, www.salestalentagency.com, www.salaryexpert.com, and www.payscale.com have very useful tools that allow you to determine salary levels for various jobs requiring different levels of experience and education, and located in different areas of Canada.

Is a Sales Career Right for You?

It may be too early in life to determine whether you really want to be a salesperson. The balance of this book will aid you in investigating sales as a career. Your search for any career begins with *you*. In considering a sales career, be honest and realistic. Ask yourself questions such as:

- What are my past accomplishments?
- What are my future goals?
- Do I want the responsibility of a sales job?
- Do I mind travel? How much travel is acceptable?
- How much freedom do I want in the job?
- Do I have the personality characteristics for the job?
- Am I willing to transfer to another city? Another province?

Your answers to these questions can help you analyze the various types of sales jobs and establish criteria for evaluating job openings. Determine the industries, types of products or services, and specific companies in which you have an interest.

College placement offices, libraries, and business periodicals offer plenty of information on companies as well as sales positions in them. Conversations with friends and acquaintances who are involved in selling or have been in sales can give you realistic insight into what challenges, rewards, and disadvantages the sales vocation offers. Ask yourself: Do I have any relatives who are in sales? Have I ever personally seen a sales rep in action? Experience with salespeople will give you a better understanding of the sales job. To better prepare yourself to obtain a sales job, you must understand what companies look for in salespeople.



SELLING GLOBALLY

CULTURAL SENSITIVITY

Andrew Stevens and his sales team travelled to Japan to begin negotiations with a major Japanese electronics firm in hopes of becoming the sole supplier of a revolutionary new building technology recently developed in Canada. Mr. Stevens recognized that Japan could become a major market for this technology so these negotiations were critical.

Things started out well. The sales team was invited to a formal company reception with senior company executives and government officials in attendance. During a speech by one of the dignitaries, Mr. Stevens leaned over to his Japanese counterpart and made an offhand remark about the Japanese Royal Family. Several minutes later, his counterpart left

the room momentarily. For the rest of the evening, it appeared that the hosts were distancing themselves from the Canadian sales team. Over the next few days, despite a congenial front, negotiations turned sour and Stevens's team wasn't able to gain a commitment for anything.

Over the next few weeks, Stevens met with more rejection. The sales team was getting nowhere. Finally, they gave up and returned to Canada. Something had happened and they just couldn't figure out what it was. Upon returning home, they called a postmortem meeting to discuss their failed business trip.

What happened? Can you offer any advice to salespeople who sell internationally?

A Sales Manager's View of the Recruit

The following discussion of what sales managers consider when hiring a salesperson is based on a summary of a talk given by a sales manager to a sales class.

We look for outstanding applicants who are mature and intelligent. They should be able to handle themselves well in the interview, demonstrating good interpersonal skills. They should have a well-thought-out career plan and be able to discuss it rationally. They should have a friendly, pleasing personality. A clean, neat appearance is a must. They should have a positive attitude, be willing to work hard, be ambitious, and demonstrate a good degree of interest in the employer's business field. They should have good grades and other personal, school, and business accomplishments. Finally, they should have clear goals and objectives in life. The more common characteristics on which applicants for our company are judged are (1) appearance, (2) self-expression, (3) maturity, (4) personality, (5) experience, (6) enthusiasm, and (7) interest in the job.

A sales job has not only high rewards but also many important responsibilities. Let us review the characteristics of a successful salesperson.

LO6 Success in Selling—What Does it Take?

Throughout this book you will read comments from salespeople about their jobs. Over the years, we have asked thousands of salespeople the question, "What makes a salesperson successful?" The nine most frequently mentioned characteristics are:

1. Love of their job
2. Willingness to work hard
3. Need to achieve success
4. Optimistic outlook
5. Knowledge of their job
6. Careful use of selling time
7. Ability to ask questions and listen to customers
8. Customer service
9. Being physically and mentally prepared for life and the job

Some of these characteristics are described more fully below.

Love of Selling

The successful salesperson is an individual who loves selling, finds it exciting, and is strongly convinced that the product being sold offers something of great value. Salespeople quoted throughout this book comment about how their enthusiasm for their work helps them to be successful. They possess an eagerness to do the job well, which causes them to work hard at selling.

Willingness to Work Hard

A positive attitude toward work works wonders! Successful people are often described as lucky. However, they spell luck W-O-R-K. The harder they work, the luckier they get.

Need to Achieve Success

Successful salespeople say that even though they enjoy it, selling requires long hours of hard work, day in and day out, to reach personal goals. A 10- to 12-hour workday

is common—including many Saturdays and Sundays. It is their love of work and their need for success that motivate the top sellers. The need to achieve also involves persistence.



MAKING THE SALE

DON'T QUIT

When things go wrong, as they sometimes will,
When the road you're trudging seems all uphill,
When the funds are low and the debts are high,
And you want to smile, but you have to sigh,
When care is pressing you down a bit—
Rest if you must, but don't you quit.

Life is queer with its twists and turns,
As every one of us sometimes learns,
And many a failure turns about
When he might have won had he stuck it out.
Don't give up though the pace seems slow—
You may succeed with another blow.

Often the goal is nearer than,
It seems to a faint and faltering man,
Often the struggler has given up
When he might have captured the victor's cup;
And he learned too late when the night slipped down,
How close he was to the golden crown.

Success is failure turned inside out—
The silver tint of the clouds of doubt
And you never can tell how close you are,
It may be near when it seems so far,
So stick to the fight when you're hardest hit—
It's when things seem worst that you mustn't quit.

AUTHOR UNKNOWN

Have an Optimistic Outlook

Salespeople credit a positive attitude toward their companies, products, customers, themselves, and life as major reasons for their success. Successful salespeople are enthusiastic, confident, and consider themselves successful. Sure, salespeople have times when things do not go as they want, yet their positive attitude helps them through. They continually look for methods to improve their attitude.

Successful salespeople say that their greatest enemy is procrastination. They know that the early bird gets the worm. They are do-it-now people. They pick up the phone, mail a letter, or make a sales call today. In no other career is the need to think positively more important. Make sure you have a positive, enthusiastic attitude toward yourself, your work, and your customers. This involves:

- Believing in yourself
- Thinking of yourself as a success
- Being positive in your outlook on life and the job

Be Knowledgeable

Successful salespeople place great emphasis on being thoroughly knowledgeable in all aspects of their business (see Exhibit 1.7). This helps them to project a professional image and build customer confidence.

Knowledge also includes awareness of the most up-to-date ideas concerning selling skills. Successful salespeople are expert at developing and presenting talks that sell their products. They constantly educate themselves on methods to better determine customers' needs and to effectively communicate the benefits of their products to satisfy those needs.

EXHIBIT 1.7

Salespeople work hard to become experts on their products and those of their competitors. Only then can they effectively use selling skills to provide information that helps customers.

Source: Leaf/Dreamstime.com/GetStock.com





SOCIAL MEDIA INSIGHTS FOR SALESPeOPLE

Salespeople can embrace social media to support their day-to-day selling activities in three ways:

1. **Listen** – Stay on top of activities in your industry by setting up Google Alerts. Use search phrases related to your company, product, and competition and those phrases that your customers might use to find out information about your company. Use Twitter and LinkedIn to monitor activities in your industry so you can learn and evolve into a subject matter expert.
2. **Network** – Social media was made for networking. LinkedIn is excellent for identifying and connecting with key contacts. Build quality relationships based on trust and value. Don't just add contacts, connect with them and participate regularly in discussions.
3. **Participate** – Become a subject matter expert and share your wisdom. Bring value to the online communities while developing your personal brand.

Source: Excerpt from cpsa.com/knowledgecentre/SRCArticleRead.aspx?articleID=446. Canadian Professional Sales Association (CPSA). Used with permission.

Salespeople read books and magazine articles on selling, and attend sales training courses to learn how to sell their products better. This knowledge is incorporated into sales presentations that are rehearsed until they sound like a natural conversation between seller and buyer.

Be Ruthless about Time

The most successful people are ruthless about guarding their time. In daily activities, they instinctively understand the powerful secret to success called the Pareto principle.

The Pareto principle is named after nineteenth-century economist Vilfredo Pareto, who found that in any human activity, the biggest results usually arise from a small number of factors. For example, studies have shown that most people spend 80 percent of their time on the least important 20 percent of their jobs, and only 20 percent doing the work that yields 80 percent of their bottom-line results.

Successful salespeople define the specific results that practically guarantee success. Then they ruthlessly arrange daily priorities to invest 80 percent of their time into the 20 percent of work with the greatest results payout. Since there is only so much time in the day for contacting customers, and there are so many demands on their time, successful salespeople value time and use it wisely by carefully planning their day's activities. Which customer will be called on, what product will be presented, and how to present it must be planned carefully.

CPSA:

Canadian Professional Sales Association.



SELLING TIPS

THE CANADIAN PROFESSIONAL SALES ASSOCIATION

The Canadian Professional Sales Association (**CPSA**) is a national association comprising more than 30,000 sales and marketing professionals located in communities of all sizes in every part of Canada.

The CPSA was founded in 1874; today, CPSA members represent the full spectrum of the sales profession, including senior managers, entrepreneurs, sales managers, and sales representatives.

Providing sales professionals with the tools and resources to succeed has remained CPSA's mandate.

CPSA members enjoy special rates on travel and hotels, car leasing and rentals, insurance, and financial services. CPSA has an outstanding professional development program that includes an extensive library of sales and marketing materials, national seminar and conference sessions, and sales training courses. This program enhances CPSA's commitment to sales professionals across Canada.

Visit the CPSA website to learn more at www.cpsa.com.

Source: Canadian Professional Sales Association (CPSA). Used with permission.

Ask Questions and Then Listen to Uncover Customer Needs

Joe Gandolfo, who sold more than *\$1 billion* of life insurance in a single year, has a sign on his office wall that reads, “God gave you two ears and one mouth, and He meant for you to do twice as much listening as talking.”

Good salespeople are good listeners. They ask questions to uncover prospects’ needs and then listen as prospects answer the questions and state their needs. Then they show how their products will fulfill these needs. The ability to identify and meet customer needs separates the successful salesperson from the average salesperson.

Empathy is the ability to put yourself in someone else’s shoes. In subsequent chapters, you will learn the importance of determining customers’ needs and determining the many factors that can influence your prospects in their purchase decision making. Developing your empathy will allow you to feel what your prospect is feeling and be affected by what is affecting your prospect. Empathetic salespeople can be much more effective at satisfying customer needs and hence will become much more successful than those who don’t care.

empathy:

The ability to identify and understand another person’s feelings, ideas, and circumstances.

Serve Your Customer

The most important characteristic for establishing a lasting sales relationship with a customer is willingness to provide service. Customers must believe that you care about them and their welfare. Successful salespeople respect their customers, treat them fairly, like them, and develop a good working relationship with them that is like a partnership.



MAKING THE SALE

WHAT IS YOUR VALUE?

Top-performing salespeople are always striving to be the best they can be. Each of us has control of our destiny. We will be what we want to be. Consider, for example, a plain bar of iron that is worth about \$5. Made into a horseshoe, it’s worth about \$11; made into

screwdrivers, it’s worth about \$15; made into needles, it’s worth about \$3,500. The same is true for another kind of material—YOU! Your value is determined by what you decide to make of yourself.

Be Physically and Mentally Prepared

With physical preparedness comes mental strength. Knowing that you are in shape, mentally and physically, to deal with today and tomorrow is important to your success. Ten minutes of aerobic exercise per day will improve cardiovascular fitness if you can’t wedge 30- to 60-minute exercise periods into your schedule three to five times per week.

In addition, what we choose to eat and drink and whether we smoke directly influences our physical and mental processes. Learn about the dietary and physical aspects of your body, and commit to sustaining your mental and physical fitness.

Relationship Selling

Salespeople are no longer adversaries who manipulate people for personal gain. They want to be consultants, partners, and problem solvers for customers. Their goal is to build a long-term relationship with clients through **relationship selling**. Salespeople seek to benefit their employer, themselves, and customers.

relationship selling:

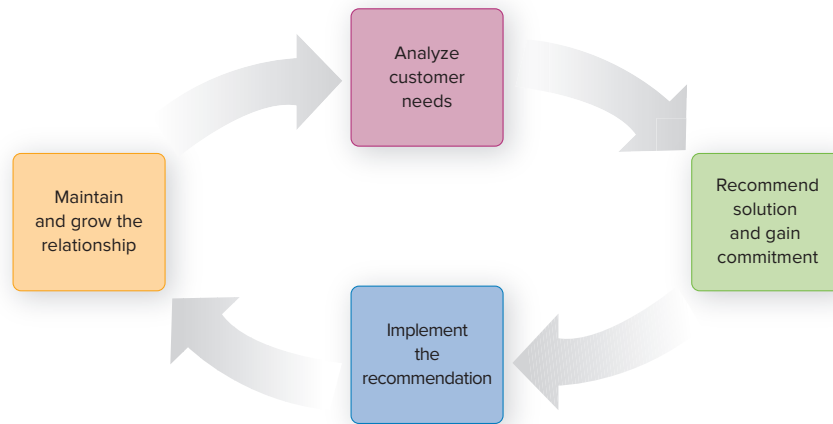
Salespeople build a long-term relationship with clients by acting as consultants, partners, and problem solvers.

In recent years, the distinction between a salesperson and a professional has blurred because the salesperson of today is a pro. Many salespeople know more about their field and product than the buyer does. This expertise enables the seller to become the buyer's partner, a counsellor on how to solve problems. Today's salesperson provides information that helps customers make intelligent choices to achieve their short- and long-term objectives. Service and follow-up are then provided to ensure satisfaction with the purchase. This sequence builds *customer loyalty*—a relationship.

Exhibit 1.8 shows the four main elements in the customer relationship process used by salespeople to build relationships. They analyze customers' needs, recommend a solution and gain commitment for the purchase, implement the recommendation, and maintain and grow the relationship.

EXHIBIT 1.8

Main elements in the customer relationship process. This exhibit shows the strategic process that salespeople would use to develop and maintain customer relationships. Refer to Exhibit 1.11 to see the tactical steps that need to be executed by salespeople to make the process work.



Do You Have What It Takes?

For each of the following statements, rank your agreement level from 1 to 5 with 1 being disagreeable to 5 being most agreeable. Write your score in the right hand column and total this column at the bottom (on the next page).

		1	2	3	4	5
1.	Income is my main priority in my intended profession.					
2.	Job flexibility is very important to me.					
3.	I see myself as an entrepreneur and would like my career to relate to this skill.					
4.	I enjoy being recognized for a job well done.					
5.	I thrive on and am motivated by challenge.					
6.	I am an ambitious person, motivated to advance my career.					
7.	I like to have control over my own time.					
8.	Job security is important to me.					
9.	I enjoy hard work and being rewarded for it.					
10.	I consider myself resilient—able to shrug off failures easily.					

		1	2	3	4	5
11.	I consider myself a creative problem solver and enjoy solving other people's problems.					
12.	I love meeting new people and developing personal and professional relationships.					
13.	I enjoy learning and would be open to continuous personal development.					
14.	I am empathetic and a very good listener.					
15.	I enjoy travel and experiencing new things.					
16.	I consider myself to be an excellent communicator.					
17.	I have the physical stamina to put in a hard day's work.					
18.	I am adept with social media and able to learn new platforms quickly.					
19.	I am ruthless about managing my time.					
20.	I love selling.					
	TOTAL					

Results – If you scored:

85 or above – Sales might be a rewarding profession for you, both financially and personally.

70 to 84 – You would probably make a very good salesperson and enjoy the profession, especially if you scored high on statements 1, 3, 11, 12, and 20.

55 to 69 – Sales is not out of the question but try to find the type of sales position that suits your character.

Below 55 – You might not be cut out to be an effective salesperson who loves their job.

Note: This is not a scientific aptitude test but a simple guideline to help you consider whether a selling career may be right for you or not.

Sales Jobs Are Different

As you can see, sales jobs are different from other jobs in several ways. Here are some major differences:

- Salespeople represent their companies to the outside world. Consequently, opinions of a company and its products are often formed from impressions left by the sales force. The public ordinarily does not judge a firm by its office or factory workers.
- Other employees usually work under close supervisory control, whereas the outside salesperson typically operates with little or no direct supervision. Moreover, to be successful, salespeople must often be creative, be persistent, and show great initiative—all of which require a high degree of motivation.
- Salespeople probably need more tact, diplomacy, and social poise than other employees in an organization. Many sales jobs require the salesperson to display considerable emotional and social intelligence in dealing with buyers.
- Salespeople are among the few employees authorized to spend company funds. They spend this money for entertainment, transportation, and other business expenses.
- Sales jobs frequently require considerable travel and time spent away from home and family. At times, salespeople deal with customers who seem determined not to buy the sellers' products. These challenges, coupled with the physical demands of long hours and travelling, require mental toughness and physical stamina rarely demanded in other types of jobs.

Selling is hard work! It requires intelligence, the desire to achieve, and the ability to overcome difficulties.

What Does a Professional Salesperson Do?

The salesperson's roles or activities can vary from company to company, depending on the firm's market characteristics, the location of customers, and whether sales involve goods or services. For example, a salesperson selling Avon products performs similar, but somewhat different, job activities from the industrial salesperson making sales calls for General Electric.

territory manager:

A person who plans, organizes, and executes activities that increase sales and profits in a given territory.

Most people believe that a salesperson only makes sales presentations, but there is much more to the job than person-to-person selling. The salesperson functions as a **territory manager**—planning, organizing, and executing activities that increase sales and profits in a given territory. A sales territory comprises a group of customers assigned within a geographical area. Exhibit 1.9 indicates a few typical activities of a salesperson.

EXHIBIT 1.9

A professional salesperson . . .



. . . helps meet the needs and solve the problems of the customer.

Source: © Joshua Hodge Photography/iStockphoto



. . . makes presentations to new and current customers.

Source: Monty Rakusen/Getty Images



. . . sells to wholesalers and distributors.

Source: © David Schaffer/age fotostock



. . . handles customer complaints.

Source: © Ocean/Corbis

As salespeople essentially manage a territory, they perform the following ten functions:

1. **Create new customers** – To increase sales and replace customers that will be lost over time, many types of sales jobs require a salesperson to prospect. Prospecting is the lifeblood of sales because it identifies potential customers. Salespeople need the ability to *close*, or make the sale.
2. **Sell more to present customers** – Tomorrow's sales come from selling to new customers and selling to present customers again, and again, and again.
3. **Build long-term relationships with customers** – Earning the opportunity to sell more product to current customers means salespeople must have positive, professional business relationships with people and organizations that trust them and the products purchased.
4. **Actively use and manage social media platforms** – The Internet has provided many opportunities for salespeople to interact with potential customers and clients using one or more of the many social media platforms. This is becoming an important duty for salespeople to perform. Sales professionals with knowledge and skills in social media have a huge advantage over ones who don't.
5. **Provide solutions to customers' problems** – Customers have needs that can be met and problems that can be solved by purchasing goods or services. Salespeople seek to uncover potential or existing needs or problems, and show how the use of their products or services can satisfy needs or solve problems.
6. **Provide service to customers** – Salespeople provide a wide range of services, including handling complaints, returning damaged merchandise, providing samples, suggesting business opportunities, and developing recommendations on how the customer can promote products purchased from the salesperson. If necessary, salespeople may occasionally work at the customer's business. For example, a salesperson selling fishing tackle may arrange an in-store demonstration of a manufacturer's products and offer to repair fishing reels as a service to the retailer's customers.
7. **Help customers resell products to their customers** – A major part of many sales jobs is helping wholesalers and retailers resell the products that they have purchased. Salespeople help wholesale customers sell products to retail customers and help retail customers sell products to consumers. Consider a Quaker Oats salesperson selling a product to grocery wholesalers. Not only must they contact the wholesaler, they also must call on grocery retailers, make sales, and write up orders and send them to the wholesaler. In turn, the wholesaler sells and delivers the products to the retailers. The Quaker Oats salesperson also develops promotional programs to help the retailer sell the firm's products. These programs involve supplying advertising materials, conducting store demonstrations, and setting up product displays.
8. **Help customers use products after purchase** – The job is not over after the sale is made. Often, customers must be shown how to obtain full benefit from the product. For example, after a customer buys an IBM computer system, technical specialists help the buyer learn how to operate the equipment.
9. **Build goodwill with customers** – A selling job is people-oriented, entailing face-to-face contact with customers. Many sales are based, to some extent, on friendship and trust. Salespeople need to develop personal, friendly, businesslike relationships with everyone who may



Source: © Marcus Clackson/iStockphoto

influence a buying decision. This ongoing part of the job requires integrity, high ethical standards, and a sincere interest in satisfying customers' needs.

10. **Provide the company with market information** – Salespeople provide information to their companies on such topics as competitors' activities, customers' reactions to new products, complaints about products or policies, market opportunities, and their job activities. This information is so important for many companies that their salespeople are required to send in weekly or monthly reports on activities of the firm's competition in their territory. Salespeople are a vital part of their employers' information retrieval system.



MAKING THE SALE

WHAT IS A CUSTOMER?

- Customers are the most important people in any business. Customers are not dependent on us. We are dependent on them.
- Customers are not an interruption of our work. They are the purpose of it.
- Customers do us a favour in doing business with us. We aren't doing customers a favour by waiting on them.
- Customers are part of our business—not outsiders. Customers are not just money in the cash register.
- Customers are human beings with feelings, and they deserve to be treated with respect.
- Customers are people who come to us with needs and wants. It is our job to fill them.
- Customers deserve the most courteous attention we can give them.
- Customers are the lifeblood of this and every business.
- Customers pay your salary. Without customers we would have to close our doors.
- Don't ever forget it!

Reflect Back

Review the 10 functions shown in Exhibit 1.10 to see whether you could do any or all of them. Carefully think about the second and third functions. To be successful, a salesperson must close sales and build relationships with the same person or organization in order to sell more. To do both is challenging to any person. It requires salespeople to solve problems, provide service, help resell, teach how to use the product, build goodwill, and keep their employer up-to-date on customers' needs and feelings toward the product and service.

EXHIBIT 1.10

What does a professional salesperson do?

1. Creates new customers
2. Sells more to present customers
3. Builds long-term relationships with customers
4. Actively uses and manages social media platforms
5. Provides solutions to customers' problems
6. Provides service to customers
7. Helps customers resell products to their customers
8. Helps customers use products after purchase
9. Builds goodwill with customers
10. Provides the company with market information

This book is about these 10 functions and much more. When combined and properly implemented, these 10 job activities produce increased sales for the organization and more rewards for the salesperson. See the Making the Sale box, “A Typical Job Description for a Professional Salesperson,” for an example of how a salesperson integrates these activities.



MAKING THE SALE

A TYPICAL JOB DESCRIPTION FOR A PROFESSIONAL SALESPERSON

Do you/will you have what it takes?

Summary: Within an assigned territory, salespeople are expected to achieve maximum sales profitability and growth.

Functions:

- Promote and secure orders from existing and prospective clients using a relationship based approach.
- Present products and services to both potential and existing clients and ensure that client needs are being satisfied by providing them with the best solution.

Specific Functions:

- Analyze market potential and determine the value of existing and prospective customers to the company.
- Plan personal sales strategy.
- Practise efficient time management in performing the sales function.
- Establish and maintain business relationships with new and current client base.
- Use variety of prospecting tools to grow the customer base.
- Develop effective and accurate written proposals for current and prospective clients.
- Maintain excellent customer relationships by expediting the resolution of client concerns.

- Supply management with effective written and oral reports.
- Promote product and company by participating in trade shows and conventions.
- Keep current with industry trends, product applications, customer trends, and competitive activities.
- Practise excellent ethical decision making in all dealings with clients and the organization.
- Attend yearly professional development activity as determined in consultation with supervisor.

Reporting Structure:

- Salespeople will report directly to the director of sales.

Qualifications:

- Must possess a valid driver's licence
- Minimum of two years' experience in the industry or equivalent. (product knowledge)
- Post-secondary diploma or degree in applicable discipline
- Proficiency in Microsoft Office applications
- Working knowledge of sales force automation and/or CRM software
- Demonstrated aptitude for problem solving
- Both written and oral communication skills
- Ability to work in a team environment and be a team player

Relationship Marketing

Organizations target new and present customers, to ensure that they'll have customers today and tomorrow. **Relationship marketing** creates customer loyalty by paying continuous attention to important customers. Organizations use combinations of products, prices, distribution, promotions, and service to achieve this goal.

An organization using relationship marketing is not seeking a simple sale or transaction. It has targeted a major customer that it would like to sell to now and in the future. The company wants to demonstrate to the customer that it can serve the account's needs in a superior way, particularly if a committed relationship can be

relationship marketing:

The combination of products, prices, distributions, promotions, and service that organizations use to create customer loyalty.

formed. The type of selling needed to establish a long-term collaborative relationship is complex. General Motors, for example, prefers suppliers that can sell and deliver a coordinated set of goods and services to many locations, quickly solve problems that arise in their different locations, and work closely with GM to improve products and processes.

Most companies, unfortunately, are not set up to meet these requirements. Many organizations still sell customers and then forget them. More progressive organizations, though, develop a close relationship—even a partnership—with their customers.

Levels of Relationship Marketing

What types of relationships should an organization have with its customers? Is keeping a relationship worth the cost? To answer these questions, let's define the three general levels of selling relationships with customers:

- **Transactional selling** – Customers are sold to and not contacted again.
- **Relationship selling** – The seller contacts customers after the purchase to determine whether they are satisfied and have future needs.
- **Partnering** – The seller works continually to improve the customers' operations, sales, and profits.

Most organizations focus solely on the single transaction with each customer. When you go to McDonald's and buy a hamburger, that's it; you never hear from the company again unless you return for another purchase. The same thing happens when you go to a theatre, subscribe to a streaming service, open a bank account, visit a grocery store, or have your clothes cleaned. Each example involves low-priced, low-profit products, and a large number of customers who are geographically dispersed, making it very difficult and quite costly to contact them. The business is forced to use **transactional selling**.

Relationship selling focuses on the transaction—making the sale—along with follow-up and service after the sale. The seller contacts the customer to ensure satisfaction with the purchase. The Cadillac Division of General Motors contacts each buyer of a new Cadillac to determine the customer's satisfaction with the car. If that person is not satisfied, General Motors works with the retailer who sold the car to make sure the customer is happy.

Partnering is a phenomenon of the 1990s and the twenty-first century. Businesses' growing concerns over the competition not only in Canada but also internationally revitalized their need to work closely with important customers. The familiar **80/20 principle** states that 80 percent of sales often come from 20 percent of a company's customers. Organizations now realize the need to identify their most important customers and designate them for their partnering programs. The organization's best salespeople are assigned to sell and service these customers.

transactional selling:

The first level of selling where customers are sold a product or service and not contacted again.

partnering:

The third level of selling where the seller works continually to improve the customer's operations, sales, and profits.

80/20 principle:

80 percent of sales often come from 20 percent of a company's customers.

LO7 Building Relationships through the Sales Process

sales process:

A sequence of actions by the salesperson that leads toward the prospect taking a desired action and ends with a follow-up to ensure purchase satisfaction.

Much of your course will revolve around the sales process. The **sales process** refers to a sequence of actions by the salesperson that leads toward the customer taking a desired action and ends with a follow-up to ensure purchase satisfaction. This desired action by a prospect is usually buying, which is the most important action. Such desired actions can also include advertising, displaying, or reducing the price of the product.

In the course of a normal workweek, many salespeople have to play the role of detective, researcher, listener, educator, entertainer, persuader, negotiator, problem solver and supporter. The many activities that make up a salesperson's day or week may appear haphazard to the casual observer, but they are actually part of a step-by-step process.

The sales process is a logical series of 10 steps that increase the chances of not only making a sale but also creating a customer. These steps are listed in Exhibit 1.11 and are discussed in detail in the following chapters.

1. Prospecting – Locating and qualifying prospects
2. Pre-approach – Obtaining an interview; determining sales call objectives; developing customer profiles, customer benefit programs, and sales presentation strategies
3. Approach – Meeting prospects and beginning a customized sales presentation
4. Presentation – Further uncovering needs; relating product benefits to needs using demonstration, dramatization, visuals, and evidence statements
5. Trial close – Asking the prospect's opinions during and after the presentation
6. Objections – Uncovering objections
7. Meet objections – Satisfactorily answering objections
8. Trial close – Asking the prospect's opinion after overcoming each objection and immediately before the close
9. Close – Bringing the prospect to the logical conclusion to buy
10. Follow-up and service – Serving customers after the sale

EXHIBIT 1.11

Ten important tactical steps in the customer relationship selling process. Refer back to Exhibit 1.8 to see how they relate to relationship selling.

Selling Is for Large and Small Organizations

Many textbook examples are from big business, typically because readers recognize the Ford Motor Company or McDonald's. Even though Canada's large organizations are easily recognizable and extremely important to our prosperity, it is easy to overestimate the importance of big business because of its greater visibility. Small businesses seem dwarfed by corporate giants. Yet small firms, even though less conspicuous, are a vital component of our economy.

Small business contributes significantly to our economy. The Canadian Federation of Independent Business represents approximately 110,000 small and medium-sized enterprises (SMEs) across Canada. Recent statistics indicate that this sector is creating the majority of job growth in Canada. In fact, 9 out of 10 Canadians in the private sector work for small to medium-sized businesses and 70 percent of all Canadian employment is provided by small and medium-sized businesses (companies with fewer than 500 employees).² Further, small to medium-sized businesses contribute to 41 percent of the Canadian Gross Domestic Product (GDP). This sector has shown the most employment growth in our economy.

Small enterprises run the gamut from a corner news vendor to a developer of optical fibres. Small-business owners sell gasoline, flowers, and coffee. They publish magazines, haul freight, teach languages, and program computers. They make wines, motion pictures, and high-fashion clothes. They build new homes and restore old ones. They repair plumbing, fix appliances, recycle metals, and sell used cars. They drive taxicabs, run cranes, and fly helicopters. They drill for oil, quarry sand and gravel, and mine exotic ores. They forge, cast, weld, photoengrave, electroplate, and anodize. They also invent antipollution devices, quality control mechanisms, energy-saving techniques, microelectronic systems—the list goes on.

Often, small-business entrepreneurs cannot compete head to head with giant firms. However, most large firms started small and then prospered by using many of the concepts, ideas, and practices discussed in this textbook. Due to this fact, we use many small-business examples throughout the textbook as well.

Summary of Major Selling Issues

Personal selling is an old and honourable profession. It has helped improve much of the world's standard of living and provided benefits to individual buyers through the purchase of products. Millions of people have chosen a sales career because of the availability of sales jobs, the personal freedom sales provides, its challenge, the multitude of opportunities for success, and its nonfinancial and financial rewards. The introduction of new technologies and social media have moved the sales profession forward in a big way in recent years.



ETHICAL DILEMMA

I PROBABLY WON'T SEE HER AGAIN ANYWAY

As you are making your presentation to Julie, you realize that her company is moving in a direction that will probably make her unlikely to buy your product in the future. Her company is moving to a different manufacturing method that will require her to buy smaller, more efficient machinery than what you currently offer. Your company is considering moving in that direction but no decision has been made yet.

Being that she is new in her position, you know that you could convince her to give you the order but

you also know that she will have to replace your equipment prematurely to be consistent with her company's strategy. At this point, you doubt that you'll be calling on her much in the future so you are thinking, "Do I just get the order and get out—after all, I do have a family to feed," or do you just bow out and leave without the order?

How do you handle this situation based on what you've learned in this chapter?

A person can become a successful salesperson through company and personal training and by developing skills and abilities that benefit customers. Also important are a belief in the product or service being sold, working hard, wanting to succeed, and maintaining a positive outlook toward both selling and oneself. In addition, a successful salesperson should be knowledgeable, able to plan, and able to use selling time wisely.

En route to success, salespeople develop a range of skills through study and practice, enhancing their ability to think strategically, relate to others, and understand the technical aspects of their business. The remainder of this book expands on these topics to provide you with the background either to improve your present selling ability or to help you decide whether a sales career is right for you.



MEETING A SALES CHALLENGE

In reviewing the example at the start of the chapter, let's compare your advice with Chin Lee's career decision.

Without any formal training in sales and after a very shaky start as a computer technician, Chin was given a transfer to the sales department.

After making the transfer, he said, "I quickly learned that training is essential for success—especially in sales. In retrospect, I wish I had had

the opportunity to take a sales course as part of my computer technology studies."

Chin has become one of the top salespeople at his company. His advice: "If you don't have it, get training. Your confidence increases, and when it does, your performance improves. Moving into a sales career is the best move I have made. I highly recommend a career in sales."



PLAYING THE ROLE

Role A: Recently hired salesperson of Canadian Paper Supply, a mid-size paper supply company located in the middle of a major metropolitan city in Alberta. You are unhappy with your job. You are stressed out as you had expected that you would be making a lot more money

after three months on the job so you are meeting with your sales manager. Aside from the money and stress, think of three other work-related factors that may be causing your unhappiness. Be prepared to discuss these at your meeting.

Role B: Sales manager of the company in the situation above. You are preparing to meet with a disgruntled employee who was hired just three months ago. You understand that she has some concerns regarding her job. Be prepared to handle

any concerns that she may have. Can you motivate her to improve her performance? Should you just ask for her resignation?

Prepare your role for an in-class dramatization of this meeting between salesperson and sales manager.

Key Terms for Selling

career path

CPSA

80/20 principle

empathy

financial rewards

incentive

nonfinancial rewards

order getter

order taker

partnering

personal selling

relationship marketing

relationship selling

sales process

social media

territory manager

transactional selling

Sales Application Questions

1. The term *salesperson* refers to many types of sales jobs. What are the major types of sales jobs available?
2. *a.* If you were the sales manager for a fast-growing mobile phone company and were asked by your boss to hire 15 new salespeople as soon as possible, what would you look for on applicants' resumés to help you develop a short list of those you would like to interview?
b. What type of compensation and incentive plan would you offer new recruits?
3. People choose a particular career for many reasons. What are some reasons someone might give for choosing a sales career?
4. "A career in sales is a career in dishonesty and crookedness." Formulate a constructive argument against this position, citing information from the chapter.
5. Those new to a sales job often experience some feelings of anxiety and fear. What advice would you give to a sales rookie to help him or her develop a confident attitude?
6. Refer back to the Making the Sale box, "A Typical Job Description for a Professional Salesperson." What steps can you take in the next couple of years to better qualify for this type of sales position?
7. Think of an experience you had with a salesperson who displayed a poor sales image. How did the salesperson's attitude affect your purchase decision?

Sales Online Exercise

Find Out About a Career in Sales!

Are you looking for a job? Would you consider a sales job? Do you want to find out more about a sales career? Here are some examples of useful websites.

www.salestalentagency.com

www.careerbeacon.com

www.careerbuilder.com

www.careers.org

www.cpsa.com

www.hrsdc.gc.ca

www.monster.ca

www.linkedin.com

www.salesexcellence.com

www.indeed.ca

www.salesjobs.com

www.salesrep.ca

www.shsinc.com

www.workopolis.com

In addition, look at your school's home page. Many schools refer you to career opportunities. Also go to the website of a specific company. Many companies have hyperlinks from their home page to their job openings.

Further Exploring the Sales World

1. Interview one or more salespeople and write a brief report on what they like and dislike about their jobs, why they chose a sales career, what activities they perform, and what they believe it takes to succeed at selling their products.
2. Contact your school's placement office and report on what staff there believes firms recruiting people for sales positions look for in applicants.
3. Visit the Canadian Professional Sales Association website (www.cpsa.com). Describe the steps that one would need to take to become certified; that is, to receive the CSP designation.

Selling Experiential Exercise

Are You a Global Traveller?

Our global environment requires that Canadian sales personnel learn to deal effectively with people in other countries. The assumption that foreign business leaders behave and negotiate in the same manner as Canadians is false. How well prepared are you to live with globalization? Consider the following items, writing the numbers reflecting your views on another sheet of paper.

Are you guilty of	Definitely No				Definitely Yes
1. Being impatient? Do you think "Time is money" or "Let's get straight to the point"?	1	2	3	4	5
2. Having a short attention span or bad listening habits, or being uncomfortable with silence?	1	2	3	4	5
3. Being somewhat argumentative, sometimes to the point of belligerence?	1	2	3	4	5
4. Being ignorant about the world beyond your borders?	1	2	3	4	5
5. Having a weakness in foreign languages?	1	2	3	4	5
6. Placing emphasis on short-term success?	1	2	3	4	5
7. Believing that advance preparations are less important than negotiations themselves?	1	2	3	4	5
8. Being legalistic and believing a deal is a deal, regardless of changing circumstances?	1	2	3	4	5
9. Having little interest in seminars on the subject of globalization, failing to browse through international topics in libraries or magazines, or not interacting with foreign students or employees?	1	2	3	4	5
		Total Score _____			

Results – If you scored:

Less than 27 – Congratulations! You have the temperament and interest to do well in a global company.

More than 27 – It's time to consider a change.

Regardless of your score, go back over each item and make a plan of action to correct deficiencies indicated by answers of 4 or 5 to any question.

CASE 1-1

IS A CAREER IN SALES RIGHT FOR YOU?

Janice Jones graduated from a Canadian community college with a diploma in marketing management. At 22, she was an engaging person, an active community volunteer, and heavily involved in extracurricular activities at her college. She played on the varsity basketball team and served in a leadership capacity in her school's student government. While doing this, she maintained high enough grades to remain on the Dean's Honour list throughout her college career. Janice always loved selling. She excelled at it in any of her part-time retail jobs and loved meeting people. She was a true "people person." Janice's short-term goal upon graduation was to make a lot of money so she could settle down and be comfortable before she was 30 years old.

Ishmar Patel was a recruiter for the Canadian division of a major business machine manufacturer. The company's expansion plans created a need for 10 new salespeople so Ishmar was on the recruiting trail at colleges and universities across Canada. When he arrived on campus, he was given a pile of resumés to review in hopes of finding a few candidates to whom he would offer an interview. After a day of reviewing there were a few that caught his eye but in particular, he liked the resumé of Janice Jones. To him, she seemed to have all of the qualities that often lead to success in sales, so he offered her an interview.

During the interview, Janice was outstanding. She presented herself well and was confident in her abilities. Ishmar informed Janice of the responsibilities of the job and the tremendous earnings potential. In fact, he informed her that some of the current salespeople were earning in excess of \$200,000 per year. Janice's eyes lit up as she visualized herself being able to reach her short-term financial goals. Ishmar was so impressed by her interview that he offered her the job and, not being known to shy away from challenges, Janice accepted.

Janice immediately purchased a new car and a new wardrobe as her new position would require her to have reliable transportation and always appear professional.

She was proud of her new position but over the course of the first few months, she felt overwhelmed. She had a tough time getting appointments and was beginning to take the rejection personally. Her stress levels were increasing each week. She found that even after getting appointments with prospective buyers, only half were actually giving her the order.

If she kept up her current level of sales, she determined that she would earn approximately \$60,000 in her first year of sales. She was disappointed with this. After hearing in the interview that many of her colleagues were earning six-figure salaries, she had thought that she could easily reach these figures, if not exceed them. After all, she had always succeeded in anything she put her mind to.

Near the end of the third business quarter, Janice had a particularly poor week of sales. Combined with the fact that she had just received notice of a rent increase, she wondered if she was in the wrong line of work. Janice set up a meeting with her sales manager for the following Monday morning. She spent the weekend depressed about the meeting; she was contemplating quitting her job and moving on to something different. She hated thinking this way as she had always enjoyed selling and had planned a career in it.

QUESTIONS

1. What should Janice do to properly prepare for her meeting?
2. How should Janice's sales manager handle the meeting?
3. Should Janice consider switching careers? Why or why not?
4. What qualities did Janice have that would make her an attractive sales recruit?
5. Were Janice's expectations too high as she entered a sales career?
6. What can professors do to better prepare students for a sales career?



Source: © Hero Images/ Getty Images

CHAPTER 2

Ethics First . . . then Customer Relationships



Meghan Clark
Niagara College, Niagara Falls,
Ontario

Source: Courtesy of Meghan Clark

A Sales Success Story

Meghan Julianne Clark graduated from Niagara College in 2002 with a Business Administration: Marketing diploma. Since then, she has worked in a number of sales-related careers and is now a Senior Regional Sales Manager, Higher Education, with McGraw-Hill Ryerson.

There are rarely two days that look the same, Meghan says. “I could be having a conversation about developments in education technology during part of my day, and then learning about physics the next. I never stop learning. As a sales manager, my selling skills continue to grow through coaching and developing talent. Supporting my team with reaching their achievements is a truly valuable experience. Although my day-to-day responsibilities have changed slightly, one important element of the job remains the same: The voice of the customer shapes everything we do. A customer-centric approach is not only the key to success, it also helps make a natural evolution from selling to consulting.”

Her least-favourite part of the sales job? Not winning. She adds, “Sales professionals are winners, it’s who we are.” There have been times that despite great effort, business was lost or not won. Meghan’s satisfaction in these cases has come from “being confident that I’ve done the very best I can do,” and ensuring that her customers “know how grateful I am for their time and consideration.”

Meghan uses social media extensively. She states, “From my experience, the most successful use of social media is to create a platform that encourages customers to share positive experiences with potential customers, whether on a blog or via social media. Furthermore, sites like LinkedIn can also be a great way to research your customer/company and prove you’ve prepared yourself for an upcoming call, while also respecting your customer’s time by getting to valuable objectives faster.”

And for aspiring salespeople, Meghan says, “Knowing who you are is critical. You must have the ability to successfully manage your time, juggle conflicting priorities, and be very adaptive to change. Be genuine and positive with all of your business relationships and show dedication through hard work.”

MAIN TOPICS

Management’s Social Responsibilities

What Influences Ethical Behaviour?

Management’s Ethical Responsibilities

Ethics in Dealing with Salespeople

Salespeople’s Ethics in Dealing with Their Employers

Ethics in Dealing with Customers

Managing Sales Ethics

LEARNING OBJECTIVES

This chapter is one of the most important in this text. Social, ethical, and legal issues for sales professionals are often personal and technical in nature, yet they are essential for understanding how to be an outstanding professional. Recent events have stressed the importance of sales personnel keeping up to date on current regulations in their industry. After studying this chapter, you should be able to:

- LO1** Describe management’s social responsibilities.
- LO2** List the principles set forth in the CPSA Code of Ethics.
- LO3** Explain how to demonstrate social responsibility.
- LO4** Explain what influences ethical behaviour.
- LO5** Describe management’s role in addressing ethical responsibilities.
- LO6** Discuss ethical dealings among salespeople, employers, and customers.

FACING A SALES CHALLENGE

As the sales manager of a printing company, you are about to invest in a car leasing program that involves 18 company cars for your sales staff. Together with your comptroller, you have examined several leasing programs. You have narrowed down your selection to two

leasing companies that offer very similar terms. You are meeting with the president of Equilease, a company with which you have never done business before. You know from your own prospect files that one of your sales representatives has tried to call on the purchasing

manager of Equilease before to get some of their printing business; however, he could not sell the account.

As you meet with the president for lunch, you gently steer the conversation in the direction of printing services. Since he is very knowledgeable about printing services and prices, you ask him about ballpark prices charged by his existing supplier. You believe you could provide his company with higher-quality service at a better price.

Since the president of Equilease is in a good mood, you think about setting up a win–win situation. You are considering making this offer: Let's make this a double win. I'll give you 100 percent of our leasing business if you'll consider giving us 50 percent of your printing business. Fair enough?

Is there an ethical conflict in this situation? Would it be ethical to propose such a deal?

(Continued at end of chapter.)

Sales personnel are constantly involved with social, ethical, and legal issues. Actually, everyone is—including you. If you found a bag full of \$100 bills lying on the side of the road, would you keep it? Would you ever say you were sick to get extra time off work or to get out of a test you weren't prepared for? Would you use the company car to run a personal errand? Have you ever exceeded the speed limit? Have you ever gone home with one of your employer's pens in your pocket?

The Internet, newspapers, radio, and television frequently present news stories of individuals and organizations involved in both good and bad practices. This chapter addresses many of the important social, ethical, and legal issues in selling. It begins by discussing management's social responsibilities. Then it examines ethical behaviour and the ethical issues involved in dealing with salespeople, employers, and consumers. The chapter ends by presenting ways an organization can help its sales personnel follow ethical selling practices.

LO1 Management's Social Responsibilities

social responsibility:

A business's obligation to maximize its positive impact and minimize its negative impact on society.

In one sense, the concept of corporate social responsibility is easy to understand; it means distinguishing right from wrong and doing right. It means being a good corporate citizen. **Social responsibility** is a business's obligation to maximize its positive impact and minimize its negative impact on society.

As straightforward as this definition seems, social responsibility can be a difficult concept to grasp, because different people have different opinions as to which actions improve society's welfare. To complicate matters, social responsibility covers a range of issues, many of which have ambiguous boundaries or grey areas between right and wrong.

Organizational Stakeholders

To understand social responsibility, managers determine to whom they are responsible. Enlightened organizations view the internal and external environment as a variety of stakeholders. A **stakeholder** is any individual or group within or outside the organization that has a stake in the organization's performance. Each stakeholder has a different interest in the organization.

Exhibit 2.1 illustrates eight important stakeholders. These are represented by the acronym **CCC GOMES**. The first *C* refers to customers and the last *S* refers to suppliers. Owners', creditors', and suppliers' interests are served by managerial efficiency—that is, the use of resources to achieve profits. Managers and salespeople expect work satisfaction, pay, and good supervision. Customers are concerned with decisions about the quality and availability of goods and services.

Other important stakeholders are the government and the community. Most corporations exist under the proper charter and licences, and operate within the

stakeholder:

Any group within or outside the organization that has a stake in the organization's performance.

CCC GOMES:

A stakeholder acronym: customers, creditors, community, government, owners, managers, employees, and suppliers.

limits of the laws and regulations imposed by the government, including safety laws and environmental protection requirements. The community includes local government, the natural and physical environments, and the quality of life provided for residents. If your school were to look at all of the stakeholders impacted by their decision to double enrolment, who would those stakeholders be? Students, professors, employees, employers, the local hospital, the local Tim Hortons, and Starbucks? There are many stakeholders affected by the decisions of public institutions, and the expectations by the community are for them to be socially responsible. Socially responsible organizations pay attention to all stakeholders.

EXHIBIT 2.1

Major stakeholders in the organization's performance.



An Organization's Main Responsibilities

Once a company is aware of its stakeholders, it has four main types of responsibilities: (1) economic, (2) legal, (3) ethical, and (4) discretionary (see Exhibit 2.2).

Economic Responsibilities

The business institution is, above all, the basic economic unit of society. Its responsibility is to produce the goods and services that society wants and to maximize profits for its owners and shareholders.

Often, corporations are said to operate solely to maximize profits. Certainly, profits are important to a firm, just as an academic average is important to a student. Profit provides the capital to stay in business, expand, and compensate for the risks of conducting business. There is a responsibility to make a profit to serve society. Imagine what would happen to our society if large corporations (e.g., McCain Foods, Postmedia, Telus Mobility) did not make a profit and went out of business. Thousands of people and the Canadian economy would be affected.

Legal Responsibilities

All modern societies lay down ground rules, laws, and regulations that organizations are expected to follow. Legal requirements are imposed by municipal councils and provincial legislators, and define what society deems important with respect to appropriate corporate behaviour. Organizations are expected to fulfill their economic goals within the legal framework.

In Canada, hundreds of sales professionals in the telecommunications industry have complained about intense pressure to mislead and even lie to customers in order to hit unrealistically high sales goals with some employees citing that they targeted mostly older customers in order to get away with the unlawful tactics.¹

In the financial service industry, salespeople must meet many compliance requirements. These requirements were established to protect buyers from potentially unethical sales practices by financial service sales agents; however, even some of the biggest banks in Canada have been accused of misrepresentation by employees who have suggested they have deceived customers in an attempt to achieve higher sales targets. Although Canadian banks have tried to avoid the consumer scandals that have plagued their American counterparts, some recent whistleblowers in the Canadian banking industry have alluded to similar practices when feeling pressure to achieve their sales quotas, particularly by not advising customers of additional fees.²

EXHIBIT 2.2

An organization's main responsibilities.



LO2 Ethical Responsibilities

Ethical responsibility includes behaviours that are not necessarily codified into law and may not serve the corporation's direct economic interests. To be ethical, organizational decision makers should act with equity, fairness, and impartiality; respect the rights of individuals; and provide different treatment of individuals only when relevant to the organization's goals and tasks. Unethical behaviour occurs when decisions enable an individual or company to gain at the expense of society.

In 2018, after a video went viral showing a Starbucks employee mistreating two Black men and kicking them out of the store, Starbucks took the incident so seriously that they shut down all of their stores in the United States to hold a four-hour ethical training exercise with all of their employees. The company also apologized to the victims of the racial discrimination and offered to pay for them to go to college.³ This incident shows how seriously companies are taking ethical responsibilities.



SELLING TIPS

THE CANADIAN PROFESSIONAL SALES ASSOCIATION'S CODE OF ETHICS

The CPSA Sales Institute Code of Ethics is the set of principles and standards that a certified sales professional will strive to adhere to with customers, organizations, competitors, communities, and colleagues.

The Certified Sales Professional pledges and commits to uphold these standards in all activities.

I will:

1. Maintain honesty and integrity in all relationships with customers, prospective customers, and colleagues and continually work to earn their trust and respect.
2. Accurately represent my products or services to the best of my ability in a manner that places my customer or prospective customer and my company in a position that benefits both.
3. Respect and protect the proprietary and confidential information entrusted to me by my company and my customers and not engage in activities that may conflict with the best interest of my customers or my company.
4. Continually upgrade my knowledge of my products/services, skills and my industry.

5. Use the time and resources available to me only for legitimate business purposes. I will only participate in activities that are ethical and legal, and when in doubt, I will seek counsel.

6. Respect my competitors and their products and services by representing them in a manner which is honest, truthful and based on accurate information that has been substantiated.

7. Endeavour to engage in business and selling practices which contribute to a positive relationship with the community.

8. Assist and counsel my fellow sales professionals where possible in the performance of their duties.

9. Abide by and encourage others to adhere to this Code of Ethics.

As a certified sales professional, I understand that the reputation and professionalism of all salespeople depends on me as well as others engaged in the sales profession, and I will adhere to these standards to strengthen the reputation and integrity for which we will strive. I understand that failure to consistently act according to this Code of Ethics may result in the loss of the privilege of using my professional sales designation.

Source: Reprinted with permission of the Canadian Professional Sales Association, 2008. For more information, see the Sales Professional Competency Framework at <https://www.cpsa.com/professional-certification/competency-framework>.

discretionary responsibility:

Behaviours that are purely voluntary and guided by the desire to make social contributions not mandated by economics, law, or ethics.

Discretionary Responsibilities

Discretionary responsibility is purely voluntary and guided by a company's desire to make social contributions not mandated by economics, law, or ethics. Discretionary activities include generous philanthropic contributions that offer no monetary return to the company and are not expected. We know of companies that have needed to reduce the size of their sales forces because of difficult economic circumstances.

Instead of firing people, they stopped hiring, offered early retirements, and let normal turnover decrease sales force size. In addition, in situations where there has been an acquisition of a company, contractual obligations have been placed on the buyer by the seller to give first right of refusal in hiring the selling company's staff, who might otherwise be forgotten in the acquisition process.

For example, Tim Hortons often partners with non-profit charities in their local communities. In September 2018, Tim Hortons in the Windsor-Essex region in South-western Ontario had Smile Cookies week where over \$100,000 was raised and donated to the John McGivney Children's Centre to help pay for an accessible playground for children and families. In addition, a portion of the proceeds was given to the Maryvale Adolescent and Family Services. Tim Hortons' actions contributed to the community's welfare and exceeded societal expectations. Discretionary responsibility is the highest criterion of social responsibility because it goes beyond societal expectations to contribute to the community's welfare.

Remember however, that although organizations have much of the responsibility for managing ethical behaviour, it is ultimately the salesperson's responsibility to conduct their own day-to-day activities in an ethical manner.



SELLING TIPS

ETHICS CENTRE CA—CANADIAN CENTRE FOR ETHICS AND CORPORATE POLICY

EthicsCentre CA is a registered charity governed by volunteers and supported by organizations and individuals who share a commitment to ethical values.

Founded in 1988, they are a uniquely Canadian, independent ethics centre dedicated to promoting and maintaining an ethical orientation and culture in Canadian organizations.

Their mission is to champion the application of ethical values in the decision-making process of business and other organizations.

They operate in a non-judgmental and inclusive way to explore and promote the positive role of ethical decision making, serving as a forum and catalyst for constructive discussion and debate.

Visit this site to access articles and other resources on a variety of topics dealing with ethical business practices: www.ethicscentre.ca/EN/index.cfm

How to Demonstrate Social Responsibility

LO3

A corporation can demonstrate social responsibility in numerous ways. Actions that can be taken by all organizations include:

1. Taking corrective action before it is required
2. Working with affected constituents to resolve mutual problems
3. Working to establish industry-wide standards and self-regulation
4. Publicly admitting mistakes
5. Getting involved in appropriate social programs
6. Helping to correct environmental problems
7. Monitoring the changing social environment
8. Establishing and enforcing a corporate code of conduct
9. Taking needed public stands on social issues
10. Striving to make profits on an ongoing basis