# ABC's of Relationship Selling through Service

Thirteenth Edition



# ABC's of Relationship Selling

THROUGH SERVICE

thirteenth edition

## CHARLES M. FUTRELL

Texas A & M University

# **RAJ AGNIHOTRI**

Iowa State University

# MICHAEL T. KRUSH

Kansas State University





#### ABC'S OF RELATIONSHIP SELLING THROUGH SERVICE, THIRTEENTH EDITION

Published by McGraw-Hill Education, 2 Penn Plaza, New York, NY 10121. Copyright © 2019 by McGraw-Hill Education. All rights reserved. Printed in the United States of America. Previous editions © 2013, 2011, and 2009. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written consent of McGraw-Hill Education, including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning.

Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper. 1 2 3 4 5 6 7 8 9 QVS 21 20 19 18

ISBN 978-1-260-16982-9 (bound edition) MHID 1-260-16982-0 (bound edition)

ISBN 978-1-260-31662-9 (loose-leaf edition) MHID 1-260-31662-9 (loose-leaf edition)

Executive Portfolio Manager: Meredith Fossell Associate Portfolio Manager: Laura Hurst Spell

Marketing Manager: Nicole Young

Content Project Managers: Melissa M. Leick, Emily Windelborn

Buyer: Sandy Ludovissy Design: Jessica Cuevas

Content Licensing Specialist: Ann Marie Jannette

Cover Image: ©pressmaster/123RF

Compositor: SPi Global

All credits appearing on page or at the end of the book are considered to be an extension of the copyright page.

#### Library of Congress Cataloging-in-Publication Data

Names: Futrell, Charles, author.

Title: ABC's of relationship selling through service / Charles M. Futrell, Texas A & M University.

Description: Thirteenth edition. | New York, NY: McGraw-Hill, [2019] Identifiers: LCCN 2018026075 | ISBN 9781260169829 (alk. paper)

Subjects: LCSH: Selling.

Classification: LCC HF5438.25 .F868 2019 | DDC 658.85-dc23

LC record available at https://lccn.loc.gov/2018026075

The Internet addresses listed in the text were accurate at the time of publication. The inclusion of a website does not indicate an endorsement by the authors or McGraw-Hill Education, and McGraw-Hill Education does not guarantee the accuracy of the information presented at these sites.



To Dr. Futrell, his admirable work in enhancing the sales profession, and the legacy of students he impacted.

# 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, DR. 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.





preface

# ABC's of Relationship Selling through Service, Thirteenth Edition

With great excitement, we are presenting the thirteenth edition of ABC's! As selling continues to grow as a profession, the importance of professional sales education continues to increase in its acceptance and expansion within academia. The thirteenth edition of ABC's is specifically focused on the core principles of professional selling. The revisions to the ABC's were guided by our conversations with sales students, practitioners, and, more importantly, sales educators.

This edition streamlines the structure and contents to focus on contemporary professional selling, with an emphasis on current practices, and sharpens the focus on the business-to-business realm *along with* business-to-consumer context. Apart from integrating a more contemporary, professional-selling-based approach, the thirteenth edition aims to prepare the student for sales technology utilization.

# There Is Much New about ABC's Thirteenth Edition

Unique aspects that make this edition of *ABC's* new include the enhanced focus on sales professionalism, the extensive discussion on sales technology such as CRM systems and social media tools, and the exposure to various selling situations and how to react to them. Also important are the changes to many of the main PowerPoints and sections of the Instructor's Manual. Your students will need to use this edition, not a previous one.

# **Examples of What's New**

- Compare this edition's Chapter 1 with the previous edition. You will see the enhanced focus on sales professionalism as we define professional selling and outline a range of core principles. For instance, we include a discussion on how to build a professional reputation as well as the buyer's expectations of professionalism. These changes greatly improve the learning experience.
- Further sharpening the focus on business-to-business selling, we are adding several new sections that distinguish between the organizational and consumer buying process (Chapter 3) and we discuss the role of salespeople as knowledge brokers as well as their value to a range of customers (Chapters 5 and 7).
- Updates regarding the current use of technology have been integrated throughout the book. For example, we replaced the previous edition's contact management section with a section on customer relationship management (CRM). Further we discuss the Internet and the Cloud



(Chapter 5); the means through which CRM technology assists salespeople in prospecting (Chapter 7), in servicing the sale (Chapter 13), and in managing time and territory (Chapter 14) are added to the text.

- We also expanded critical topics such as personality style as well as adaptive selling based upon a buyer's style within Chapter 4 on communication.
- A number of cases at the end of chapters (Chapters 3, 6, 8, 9, 10, and 12) have been expanded and/or added.
- A number of integrated role-plays have been added to the end of Chapter 13. The role-plays can be used as single role-plays or as an ongoing business relationship throughout the semester.
- Materials have been created to help the instructor who is teaching the course for the first time, the professor changing textbooks, as well as the seasoned veteran who has taught the course 20 or more times.
- Significant improvements have been made to this thirteenth edition of ABC's. We continue the focus on training readers on a specific, yet generic, step-by-step selling process that is universal in nature. The selling process can be used in selling any type of good or service in any situation-businessto-business, consumer, group, retail, resellers, phone, anywhere where buyer and seller come together. In addition, we add more examples to connect the contents of the textbook to the contemporary business practices and reflect the current business landscape.
- Students have the opportunity to role-play a job interview with the student getting the job and then selling the organization's product involved in the Sell Yourself exercise or in any of the cases at the end of the book. Students love it!
- Students will find it easy to create their class project sales presentation role-play because of knowing what to do first, second, third, and so on.
- Arguably, no other professional selling textbook presents the sales process in such an organized, comprehensive manner—from planning the approach to closing and follow-up for exceptional customer service, all within an ethical framework. Moreover, presenting to current customers, not only to prospects, has been emphasized throughout the book. Such unique aspects distinguish ABC's from all other textbooks.

A megatrend in today's business world involves going to extreme efforts to meet consumer needs. Organizations cannot afford to lose customers. It is always easier to sell to a satisfied customer than an unsatisfied one. The cost of acquiring a new customer is higher than keeping a present customer.

This textbook focuses on taking care of the customer through exceptional customer service. Service means making a contribution to the welfare of others. Salespeople exist to help others.



Using this textbook each year in our sales classes has resulted in a constant study of the text by students who provide feedback on its content. Present users of the textbook have offered detailed critiques providing direction for revision of the book, as have the reviewers noted in the Acknowledgments. For this edition, we carefully reread the book to ensure that the text better reflects our thoughts and ideas on the subject. The relationships and interactions in the various steps of the selling process have been carefully examined to form a more seamless flow from one chapter to the next, and special emphasis is placed on the importance of ethical behavior in working with prospects and customers.

Scores of sales personnel in the industry today comment on how this textbook reflects what they do on sales calls with prospects and customers. The goal of *ABC's of Selling* has always been to demonstrate to students the order of steps within the selling process; provide numerous examples of what should be in each step; and explain how the steps within the selling process interact with one another. If students understand the sales system by the end of the course, the class has successfully contributed to their education.

# **Examples of New Additions**

ABC's of Selling is a market leader in sales classes worldwide, and its materials can be found in four international versions. Numerous sales trainers around the globe use our selling process to prepare their salespeople.

# The Uniqueness of ABC's of Selling

The appendix to Chapter 1, "The Core Principles of Professional Selling as Told by a Salesperson," reveals this textbook's unique central focus—serving others unselfishly. To aid in this message, the acclaimed worldwide Core Principles were incorporated in order to stress treating others as you would like to be treated in the marketplace and workplace.

The textbook's foundation is based on service. Its cornerstone is caring of others. *ABC's of Selling*'s values are supported by the pillars of an organization's—and individual's—integrity, trustworthiness, and character (see Exhibit 2.7). The center of business and personal life revolves around personal interactions; as a result, a theme of this textbook is that ethical service, based upon truth between people, builds strong, long-term relationships.

ABC's of Selling seeks to prepare people for the 21st century's demand for ethical treatment—a universal declaration for human rights. It is a calling for a higher standard than what previously exists in many organizations worldwide. The General Assembly of the United Nations has proclaimed that humans possess reason

and conscience, and should act toward one another in a spirit of brotherhood. Organizations should not be engaged in war within the marketplace, but committed to serving humankind.

Many people seem to separate their personal life from their business life. Some individuals, when entering the business world, tend to follow the example of others to generate sales. The use of this textbook in your classroom may provide some students with a final opportunity to discuss how to enter the rat race without becoming a rat.

# ABC's Approach

ABC's of Selling was conceived as a method of providing ample materials that allow readers to construct their own sales presentations after studying the text. This allows the instructor the flexibility of focusing on the "how-to-sell" approach within the classroom. Covering the basic foundations for understanding the concepts and practices of selling in a practical, straightforward, and readable manner, it provides students with a guide to use in preparing sales presentations and roleplaying exercises.

# The Philosophy behind This Book

The title should help you understand the philosphy of this book. A student of sales should understand the fundamentals—the basics—of professional 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 feel 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.

There is no place in our society for high-pressure, manipulative selling. The salesperson is a problem solver, a knowledge broker, 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 feel that once they determine that 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 our sincere hope that after the reader has studied this book, he or she will say, "There's a lot more to selling than I ever imagined." We hope many people will feel that this material can help them earn a living and that selling is a great occupation and career.

At the end of the course, we hope all the students will have learned how to prepare and give a sales presentation by visually, verbally, and nonverbally communicating their message. We know of no other marketing course whose class project is so challenging and where so much learning takes place.

Finally, we hope each student realizes that these new communication skills can be applied to all aspects of life. Once learned and internalized, selling skills will help a person be a better communicator throughout life.

# Basic Organization of the Book

We worked hard with the publisher to ensure that *ABC's of Selling* would provide students with the basic foundation for understanding all major aspects of selling. The 14 chapters in the text are divided into four parts:

- Selling as a Profession. Emphasizes the history, career, rewards, and duties
  of the professional salesperson 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 this 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.
- Time, Territory, and Self-management: Keys to Success. The importance of the proper use and management of one's time and sales territory is given thorough coverage.

## Special to This Edition

## **Ethics Emphasized**

Unselfish and ethical service to the customer underscores the Core Principles of Professional Selling—a sales philosophy of unselfishly treating others as you would like to be treated without expecting reciprocity. This is how to build long-term relationships with customers.

# Sales Call Role-Plays

The role-plays in Chapter 13 are classroom-tested and created from information used by today's top sales forces.

#### Sell Yourself on a Job Interview

This all-time favorite role-play is in Appendix A with other experiential exercises. For years we have used this student pleaser in both our professional selling and sales management classes. When students see themselves on video, they quickly realize what needs to be done for a professional interview. You have to try this exercise one time!

# Student Application Learning Exercises (SALES)

Chapters directly related to creating the role-play have SALES that aid students in better understanding how to construct this popular class project. Students unanimously feel they are great in helping them correctly construct their role-plays. SALES appear at the end of Chapters 3, 5A, 7, 9, 10, 11, and 12.

#### Sales Careers

Career information has been expanded throughout so students will better understand that there are sales jobs in all organizations—business, service, and nonprofit.

# Selling Experiential Exercises

These end-of-chapter exercises help students better understand themselves and/or the text material. Many can be done in class or completed outside and discussed in class.

## Technology in Selling

Our goal is to expose students to the existing and emerging technology in sales.

# Text and Chapter Pedagogy

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

# Photo Essays

The book features many photographs accompanied by captions that describe sales events and how they relate to chapter materials.

# **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 salespersons' actions are highlighted.

# Making the Sale

These boxed items explore how salespeople, when faced with challenges, use innovative ideas to sell.

# **Selling Tips**

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

#### Artwork

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 visually illustrate selling techniques.

# **Chapter Summary and Application Questions**

Each chapter closes with a summary of key points to be retained. The application questions are a complementary learning tool that enables students to check their understanding of key issues, to think beyond basic concepts, and to determine areas that require further study. The summary and application questions help students discriminate between main and supporting points and provide mechanisms for self-teaching.

# 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 concepts are boldfaced and completely defined where they first appear in the text. Second, each key term, followed by the page number where it was first introduced and defined, 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.

## **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 behavior in Chapter 2 before discussing the ethical dilemmas.

# 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.

# Cases for Analysis

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

As you see, we have thoroughly considered how best to present the material to readers for maximizing their interest and learning. Teacher, reviewer, and student response to this revision has been fantastic. They are pleased with the readability, reasonable length, depth, and breadth of the material. You will like this edition better than the previous one.

# Teaching and Learning Supplements

McGraw-Hill Education has spared no expense to make *ABC's of Selling* the premier text in the market today. Many instructors face classes with limited resources, and supplementary materials provide a way to expand and improve the students' learning experience. Our learning package was specifically designed to meet the needs of instructors facing a variety of teaching conditions and for both the first-time and veteran instructor.

# Prof. Agnihotri and Prof. Krush Your Number One Resource

Contact us anytime with questions, comments, or just to say "hello." We talk to instructors, students, and industry sales trainers worldwide. If you are teaching the course, especially for the first time, and want us to look over your syllabus. We are here to serve.

## Instructor's Manual

Loaded with ideas on teaching the course, chapter outlines, commentaries on cases, answers to everything—plus much more—the Instructor's Manual is a large, comprehensive time-saver for teachers.

### Test Bank

The most important part of the teaching package is the Test Bank. We gave the Test Bank special attention during the preparation of the thirteenth edition because instructors desire test questions that accurately and fairly assess student competence in subject material. The Test Bank provides hundreds of multiple-choice

and true/false questions. Each question has been rated for level of difficulty and designated with the page number in the text to locate the correct answer so that instructors can provide a balanced set of questions for student exams.

# Connect Library

At **connect.mheducation.com**, you can access downloadable versions of instructor support materials:

- A PowerPoint Presentation. A state-of-the-art program offering hundreds of lecture slides. These slides can be customized for any course. They are great!
- Computerized Test Bank. The Computerized Test Bank allows instructors to select and edit test items from the printed Test Bank and to add their own questions. Various versions of each test can be custom printed.
- Electronic Version of the Instructor's Manual.



Students—study more efficiently, retain more and achieve better outcomes. Instructors—focus on what you love—teaching.

# SUCCESSFUL SEMESTERS INCLUDE CONNECT

# **FOR INSTRUCTORS**

# You're in the driver's seat.

Want to build your own course? No problem. Prefer to use our turnkey, prebuilt course? Easy. Want to make changes throughout the semester? Sure. And you'll save time with Connect's auto-grading too.

**65**%

Less Time Grading

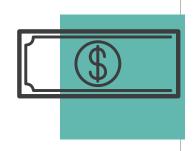


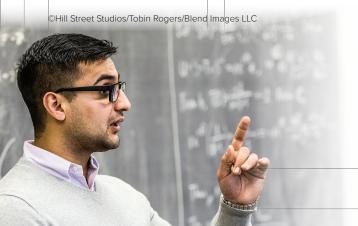
# They'll thank you for it.

Adaptive study resources like SmartBook® help your students be better prepared in less time. You can transform your class time from dull definitions to dynamic debates. Hear from your peers about the benefits of Connect at www.mheducation.com/highered/connect

# Make it simple, make it affordable.

Connect makes it easy with seamless integration using any of the major Learning Management Systems—Blackboard®, Canvas, and D2L, among others—to let you organize your course in one convenient location. Give your students access to digital materials at a discount with our inclusive access program. Ask your McGraw-Hill representative for more information.





# Solutions for your challenges.

A product isn't a solution. Real solutions are affordable, reliable, and come with training and ongoing support when you need it and how you want it. Our Customer Experience Group can also help you troubleshoot tech problems—although Connect's 99% uptime means you might not need to call them. See for yourself at **status.mheducation.com** 

# FOR STUDENTS

# Effective, efficient studying.

Connect helps you be more productive with your study time and get better grades using tools like SmartBook, which highlights key concepts and creates a personalized study plan. Connect sets you up for success, so you walk into class with confidence and walk out with better grades.



©Shutterstock/wavebreakmedia

I really liked this app—it made it easy to study when you don't have your textbook in front of you. 77

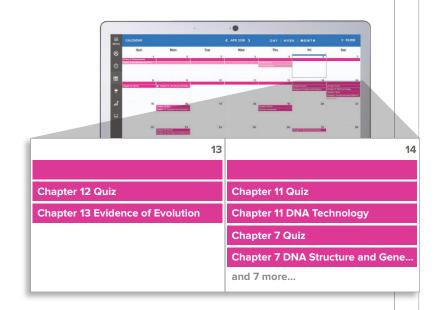
> - Jordan Cunningham, Eastern Washington University

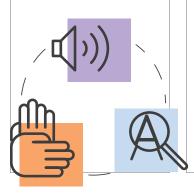
# Study anytime, anywhere.

Download the free ReadAnywhere app and access your online eBook when it's convenient, even if you're offline. And since the app automatically syncs with your eBook in Connect, all of your notes are available every time you open it. Find out more at www.mheducation.com/readanywhere

# No surprises.

The Connect Calendar and Reports tools keep you on track with the work you need to get done and your assignment scores. Life gets busy; Connect tools help you keep learning through it all.





# Learning for everyone.

McGraw-Hill works directly with Accessibility Services Departments and faculty to meet the learning needs of all students. Please contact your Accessibility Services office and ask them to email accessibility@mheducation.com, or visit www.mheducation.com/about/accessibility.html for more information.

# acknowledgments

Working with the dedicated team of professionals at McGraw-Hill/Irwin, who were determined to produce the best personal selling book ever, was a gratifying experience.

We would like to convey our appreciation to MHE team: Laura Hurst Spell, Meredith Fossel, Ann Marie Jannette, and Jennifer M. Blankenship, who oversaw the selection of photographs for this edition. Project managers Melissa Leick and Mithun Kothandath ably guided the manuscript and page proofs through the production process.

Another group of people who made a major contribution to this text were the sales experts who provided advice, reviews, answers to questions, and suggestions for changes, insertions, and clarifications. We want to thank these colleagues for their valuable feedback and suggestions:

- Mark Edward Blake, York College of Pennsylvania
- Richard L. Carter, University of Washington
- John Michael Cicero, Highline College
- Kimberly Annette Fischer, Mid Michigan Community College
- Lukas Forbes, Western Kentucky University
- Thomas F. Frizzell, Massasoit Community College
- Stanton Heister, Colorado Mesa University

We also want to again thank those people who contributed to earlier editions, because their input is still felt in this thirteenth edition. They were Alan Rick, New England Institute of Technology; Albert J. Taylor, Austin Peay State University; Albert Jerus, Northwestern College; Alicia Lupinacci, Tarrant County College-Northwest Campus; Alicia Lupinacci, Tarrant County College; Allen Schaefer, Missouri State University; Ames Barber, Adirondack Community College; Balan Nagraj, Suffolk County Community College; Barbara Ollhoff, Waukesha County Technical College; Becky Oliphant, Stetson University; Brian Meyer, Mankato State University; Brian Tietje, California Polytechnic State University; Bruce Warsleys, Trend Colleges; Camille P. Schuster, Xavier University; Chris Brandmeir, Highline Community College; Christine H. Dennison, Youngstown State University; Cindy Leverenz, Blackhawk Technical College, Craig A Martin, Western Kentucky University; Craig Kelley, California State University-Sacramento; Dan Weilbaker, Northern Illinois University; David Wiley, Anne Arundel Community College; Dawn Bendall-Lyon, University of Montevallo; Deborah Jansky, Milwaukee Area Technical College; Deborah Kane, Butler County Community College Deborah Lawe, San Francisco State University; Dee Smith, Lansing Community College; Dennis Elbert, University of North Dakota; Dennis Kovach, Community College of Allegheny County; Dennis Tademy, Cedar Valley College; Dick Nordstrom, California State University-Fresno; Don McCartney, University of Wisonson-Green Bay; Donald Sandlin, East Los Angeles College; Donna Kantack, Elrick & Lavidge; Douglas E. Hughes, Michigan State University; Duane Bachmann, Central Missouri State University; Earl Emery, Baker Junior College of Business; Ed Snider, Mesa Community College; Eric Newman, California State University-San Bernardino; Eric Soares, California State University-Hayward; Frances DePaul, Westmoreland Community



College; Gary Donnelly, Casper College; Gerald Crawford, University of North Alabama; Glenna Urbshadt, British Columbia Institute of Technology; Greg Gardner, Jefferson Community College; Harry Moak, Macomb Community College; Herb Miller, University of Texas-Austin; Hieu Nguyen, University of Texas at Arlington; James E. Littlefield, Virginia Polytechnic Institute & State University; James L. Taylor, University of Alabama; James Ogden, Kutztown University; Jay P. Mulki, Northeastern University; Jeff Gauer, Mohawk Valley Community College; Jeff Sager, University of North Texas; Jim Muncy, Valdosta State University; Joan Rossi, Pittsburgh Technical Institute; Joe M. Garza, University of Texas-Pan American; John R. Beem, College of DuPage; John Ronchetto, University of San Diego; John Todd, University of Tampa; Jon Hawes, Northern Illinois University; Joyce Ezrow, Anne Arundel Community College; Karen Bilda, Cardinal Stritch University; Karen J. Smith, Columbia Southern University; Kathy Messick, J. Sargeant Reynolds Community College; Keith Steege, International Academy of Design and Technology-Orlando; Ken Miller, Kilgore College; Kevin Feldt, University of Akron; Kevin Hammond, Community College of Allegheny County; Leslie E. Martin, Jr., University of Wisconsin-Whitewater; Lynn J. Loudenback, New Mexico State University; Marilyn Besich, MSU Great Falls College of Technology; Marjorie Caballero, Baylor University; Michael Discello, Pittsburgh Technical Institute; Michael Eguchi, University of Washington Foster School of Business; Michael Fox, Eastern Arizona College; Mike Behan, Western Technical College and Viterbo University; Milton J. Bergstein, Pennsylvania State University; Myrna Glenny, Fashion Institute of Design and Merchandising; Navneet Luthar, Madison Area Technical College; Nicola Thomas Arena, UNC Pembroke Norman Cohn, Milwaukee Tech; O. C. Ferrell, University of New Mexico; Paul Barchitta, Queensborough Community College; Ramon A. Avila, Ball State University; Ric Gorno, Cypress College; Richard Shannon, Western Kentucky University; Robert Piacenza, Madison Area Technical College; Robert Smith, Illinois State University; Robert Tangsrud, Jr., University of North Dakota; Robert Thompson, Indiana State University; Robert Weaver, Fairmont State University; Rochelle R. Brunson, Alvin Community College; Rollie Tilman, University of North Carolina-Chapel Hill; Roy Payne, Purdue University; Ruth Taylor, Southwest Texas State University; Sid Dudley, Eastern Illinois University; Suzanne Tilleman, Montana State University; Thomas O. Marpe, Saint Mary's University of Minnesota; Timothy W. Wright, Lakeland Community College; Tracie Linderman, Horry-Georgetown Technical College; Trudy Dunson, Gwinnett Technical College; William A. Stull, Utah State University; William H. Crookston, California State University-Northridge; and William J. Cobian, University of Wisconsin-Stout.

We would also like to thank the many students who have used the book in their classes and provided feedback. Thanks also to the many instructors who call us each year to discuss the book and what they do in their classes. While we have never met face-to-face, we feel we know you. Your positive comments, encouragement, and ideas have been inspirational.

In addition, salespeople and sales managers have provided photographs, selling techniques, answers to end-of-chapter exercises and cases, and other industry materials that enrich the reader's learning experience. They include the following:



Kim Allen, McNeil Consumer Products Company; Alan Baker, Noxell Corporation, Michael Bevan, *Parbron International of Canada*; Richard Ciotti, *JC Penney Company*; John Croley, The Gates Rubber Company; Terry and Paul Fingerhut, Steamboat Party Sales, Inc., Tupperware; Bill Frost, AT&T Communications; Steve Gibson, Smith Barney; Gary Grant, NCR; Jerry Griffin, Sewell Village Cadillac-Sterling, Dallas; Martha Hill, Hanes Corporation; Debra Hutchins, Sunwest Bank of Albuquerque; Mike Impink, Aluminum Company of America (ALCOA); Bob James, American Hospital Supply Corporation; Morgan Jennings, Richard D. Irwin, Inc.; Patrick Kamlowsky, Hughes Tool Company; Cindy Kerns, Xerox Corporation; Alan Killingsworth, FMC Corporation; Santo Laquatra, SmithKline Beecham; Stanley Marcus; Gerald Mentor, Richard D. Irwin, Inc.; Jim Mobley, General Mills, Inc.; George Morris, The Prudential Insurance Company of America; Vikki Morrison, First Team Walk-In Realty, California; Greg Munoz, The Dow Chemical Company; Jeffrey Parker, Jacksonville State University; Kathleen Paynter, Campbell Sales Company; Bruce Powell, Richard D. Irwin, Inc.; Jack Pruett, Bailey Banks and Biddle; Joseph Puglisi, La Roche College; Emmett Reagan, Xerox Corporation; Jeri Rubin, University of Alaska-Anchorage; Bruce Scagel, Scott Paper Company; Linda Slaby-Baker, The Quaker Oats Company; Sandra Snow, The Upjohn Company; Matt Suffoletto, International Business Machines (IBM); Ed Tucker, Cannon Financial Group, Georgia. For the use of their selling exercises and sales management cases, we are especially grateful to these people:

- Bill Stewart, Gerald Crawford, Keith Absher, University of North Alabama
- Dick Nordstrom, California State University-Fresno
- **Jeffrey K. Sager,** University of North Texas
- George Wynn, James Madison University

Finally, we wish to thank the sales trainers, salespeople, and sales managers who helped teach us the art of selling when we carried the sales bag full time. We hope we have done justice to their great profession of selling.

We hope you learn from and enjoy the book. We enjoyed preparing it for you. Readers are urged to forward their comments on this text to us. We wish you great success in your selling efforts. Remember, it's the salesperson who gets the customer's orders that keeps the wheels of industry turning. America cannot do without you.

Raj Agnihotri raj2@iastate.edu Michael Krush mikekrush@ksu.edu



# contents in brief

Preface vii PART 1 Selling as a Profession Chapter 1 THE LIFE, TIMES, AND CAREER OF THE PROFESSIONAL SALESPERSON 2 Chapter 2 ETHICS FIRST... THEN CUSTOMER RELATIONSHIPS 44 PART 2 Preparation for Relationship Selling Chapter 3 THE PSYCHOLOGY OF SELLING: WHY PEOPLE BUY 80 Chapter 4 COMMUNICATION FOR RELATIONSHIP BUILDING: IT'S NOT ALL TALK 118 Chapter 5 SALES KNOWLEDGE: CUSTOMERS, PRODUCTS, TECHNOLOGIES 161 PART 3 The Relationship Selling Process Chapter 6 PROSPECTING—THE LIFEBLOOD OF SELLING 206 Chapter 7 PLANNING THE SALES CALL IS A MUST! 245 Chapter 8 CAREFULLY SELECT WHICH SALES PRESENTATION METHOD TO USE 276 Chapter 9 BEGIN YOUR PRESENTATION STRATEGICALLY 311 Chapter 10 ELEMENTS OF A GREAT SALES PRESENTATION 353 Chapter 11 WELCOME YOUR PROSPECT'S OBJECTIONS 392 Chapter 12 CLOSING BEGINS THE RELATIONSHIP 430 Chapter 13 SERVICE AND FOLLOW-UP FOR CUSTOMER RETENTION 471 PART 4 Time, Territory, and Self-Management: Keys to Success Chapter 14 TIME, TERRITORY, AND SELF-MANAGEMENT: KEYS TO SUCCESS 536 Appendix 565 Glossary 580 Index 591



# table of contents

Preface vii
PART 1 Selling as a Profession
chapter 1
THE LIFE, TIMES, AND CAREER OF THE PROFESSIONAL SALESPERSON 2
What Is the Purpose of Business? 4
The Primary Goal of Business 5
Marketing's Definition 5
Essentials of a Firm's Marketing Effort 5
Product: It's More than You Think 5
Price: It's Important to Success 5
Distribution: It Has to Be Available 6
Promotion: You Have to Tell People about It 6
Traditional View of Selling 7 What Is Professional Selling? 7
The Core Principles of Professional Selling 8
Salesperson Differences 8
Everybody Sells! 9
Sales: A Valued Education Leading
to Career Opportunity 10
What Salespeople Are Paid to Do 10
Why Choose a Sales Career? 11
Service: Helping Others 11
A Variety of Sales Jobs Are Available 11
Freedom of Action: You're on Your Own 14
Job Challenge Is Always There 15
Opportunities for Advancement Are Great 15
Rewards: The Sky's the Limit 16
You Can Move Quickly into Management 17 Is a Sales Career Right For You? 17
Success in Selling—What Does it Take? 18
S—Service to Others 18
U_Use the Core Principles of Professional Selling 19
C–Communication Ability 19
C—Characteristics for the Job 19
E-Excels at Strategic Thinking 19

S-Sales Knowledge at the MD Level 19

S–Stamina for the Challenge of Consistent Adapting 20			
C—Characteristics for the Job Examined 20			
Caring, Joy, Harmony 20			
, ,			
Patience, Kindness, Moral Ethics 21			
Faithful, Fair, Self-Control 21			
Pelationship Selling 22			
ales Jobs Are Different 23			
Vhat Does a Professional			
Salesperson Do? 24			
Reflect Back 26			
Build a Professional Reputation 27			
Understanding Your Buyer's Expectations			
of Professionalism 28			
he Future for Salespeople 29			
Learning Selling Skills 29			
Preparing for a Future in Sales 30			
An Ethical Megatrend Is Shaping Sales and			
Business 31			
echnology and Information Build			
Relationships 32			
selling Is for Large and Small Organizations 33			
The Plan of this Textbook 33			
Building Relationships Through the Sales			
Process 34			
Summary of Major Selling Issues 36			
Meeting A Sales Challenge 36			
Key Terms for Selling 37			
Sales Application Questions 37			
Further Exploring The Sales World 37			
Notes 38			
APPENDIX			
he Core Principles of Professional Selling			
as Told by a Salesperson 39			
The Core Principles of Professional			
Selling 39			
Sales and Service Are Inseparable 39			
To Serve, You Need Knowledge 40			
Customers Notice Integrity 40			
Personal Gain at Any Cost Is			
Not Your Mantra 40			



Have an Attitude of Appreciation The Core Principles Are Not 41 Corruptible They Are Not 41 Self-Serving They Are Not 42 Comprehensive They Are Not 42 Easy to Follow They Are Not 42 The Great Harvest Law of Sales 42 A Corny Example 43 The Common Denominator of Sales Success 43

# Chapter 2

#### ETHICS FIRST . . . THEN CUSTOMER RELATIONSHIPS 44

What Influences Ethical Behavior? 46

The Individual's Role 46 The Organization's Role 48

#### Are There Any Ethical Guidelines?

What Does the Research Say? 48 What Does One Do? 48 Is Your Conscience Reliable? 49 Sources of Significant Influence 50 Three Guidelines for Making Ethical Decisions 50 Will the Core Principles Help? 51

#### Management's Ethical Responsibilities 52

What Is Ethical Behavior? 52 What Is an Ethical Dilemma? 52

#### Ethics in Dealing with Salespeople 53

Level of Sales Pressure 53 Decisions Affecting Territory 54 To Tell the Truth? 55 The III Salesperson 55 Employee Rights 55

#### Salespeople's Ethics in Dealing with Their Employers 58

Misusing Company Assets 58 Moonlighting 58 Cheating 58 Technology Theft 58

#### Ethics in Dealing with Customers 58

Bribes 59 Misrepresentation 59 Price Discrimination 64 Tie-in Sales 64

Exclusive Dealership Reciprocity 64

Sales Restrictions 65

#### Managing Sales Ethics 65

Follow the Leader 66

Leader Selection Is Important 66

Establish a Code of Ethics 66

Create Ethical Structures 66

Encourage Whistle-Blowing 66

Create an Ethical Sales Climate 67

Establish Control Systems 67

#### Ethics in Business and Sales 68

Helpful Hints in Making Career Decisions 68 Do Your Research! 69

#### Core Principles of Professional Selling 70

True Professionals Are Ethical 70 Summary of Major Selling Issues 71 Meeting A Sales Challenge 71 Key Terms for Selling 72 Sales Application Questions 72 Further Exploring The Sales World 72 Selling Experiential Exercise 73 Ethical Work Climates 73 Notes 74

#### CASE

- 2.1: Ethical Selling at Perfect Solutions: The Case of the Delayed Product 75
- 2.2: Sales Hype: To Tell the Truth or Stretch It, That Is the Question 77
- 2.3: Personal Decision Making: Do Ethical Considerations Matter? 78

### PART 2 Preparation for Relationship Selling

## chapter 3

### THE PSYCHOLOGY OF SELLING: WHY PEOPLE BUY 80

The Core Principles: Benefits 82 Why People Buy-The Black Box Approach 82 Consumer versus Organizational Buying 83 Psychological Influences On Buying 84 Motivation to Buy Must Be There 84

Economic Needs: The Best Value for the Money 84



xxiv Table of Contents	
Awareness of Needs: Some B	uvers Are
Unsure 85	4,0.07.10
Applying Your Understanding of	Needs 86
How to Determine Important Bu	
to Success 87	,
You Can Classify Buying Situation	ons 89
Some Decisions Are Routine	89
Some Decisions Are Limited	89
Some Decisions Are Extensive	90
Consumer Buying Decision Proc	ess 90
Need Arousal 90	
Collection of Information 91	
Information Evaluation 91	
Purchase Decision 92	
Postpurchase 93	
Organizational Buying Decision	Process 94
Factors Influencing Organizati	onal Buying
Process 95	
To Buy or Not to Buy—A Choice	<b>)</b>
Decision 96	
A FABulous Approach to Buyer	Need
Satisfaction 97	// 10 0
The Product's Features: So W	
The Product's Advantages: Pro	
The Product's Benefits: What'	s in It for
Me? 99	
The Trial Close—A Great Way to and Sell 100	o Uncover Needs
SELL Sequence 101	
Summary of Major Selling Issu	IES 104
	105
Key Terms for Selling 105	.00
Sales Application Questions	106
Further Exploring The Sales V	
Student Application Learning	
(Sales) 109	
SALE 1 of 7-Chapter 3 10	9
Selling Experiential Exercise	
Is Organizational Selling for	
Notes 110	

#### CASE

- 3.1: Economy Ceiling Fans, Inc. 111
- 3.2: Jackson Ceiling Fans 112
- 3.3: Tech Corporation 114
- 3.4: McDonald's Ford Dealership 115

## chapter 4

#### COMMUNICATION FOR RELATIONSHIP BUILDING: IT'S NOT ALL TALK 118

The Core Principles: Communication 120

Communication: It Takes Two 120

Salesperson-Buyer Communication Process Requires Feedback 121

The Buyer's Personality Should Be

Considered 122

Self-Concept 122

Adaptive Selling Based on Buyer's Personality Style 123

Personality Typing 123 Adapt Your Presentation to the Buyer's Style 125

Nonverbal Communication: Watch for it 128

Concept of Space 129

Communication Through Appearance 130 Communication Through The Handshake 133 Body Language Gives You Clues 134 Mirroring and Mimicry 137

Communication: Improve Your Encoding and

Decoding 138

Encoding: The Sender's Professional Communication 139

Decoding a Sales Conversation: Listen Carefully 142

Summary of Major Selling Issues 147 Meeting A Sales Challenge 147

Key Terms for Selling 148

Sales Application Questions 148

Further Exploring The Sales World 149

Selling Experiential Exercise 149

Listening Self-Inventory 150

What's Your Style-Senser, Intuitor, Thinker, Feeler? 150

Notes 153

#### CASE

- 4.1: Skaggs Manufacturing 153
- 4.2: Alabama Office Supply 154
- 4.3: Vernex, Inc. 156

#### Appendix

Dress for Success . . . and to Impress for Business Professional and Business Casual Occasions! 157





## chapter 5

#### SALES KNOWLEDGE: CUSTOMERS, PRODUCTS, TECHNOLOGIES 161

The Core Principles: Knowledge 163 Sources of Sales Knowledge 163

Why Is Salesperson

Knowledge Important? 164

Knowledge Increases Confidence in Salespeople 164

A Knowledgeable Salesperson Creates Confidence in the Buyer 164

Knowledge Demonstrates That the Salesperson Cares about the Buyer's Needs 164

The Buyer Expects a Highly Knowledgeable Salesperson 165

Know Your Customers 165

Know Your Company 165

General Company Information 165

Know Your Product 167 Know Your Channels of Distribution 168

Know Your Product's Pricing and Discount

Policies 168

Know Your Competition, Industry, and Economy 169

Know How to Help Your Customers Resell Your Product 170

Types of Advertising Differ 171 Why Spend Money on Advertising? 173

Sales Promotion Generates Sales 173

Point-of-Purchase Displays: Get Them Out There 173 Shelf Positioning Is Important to Your Success 174

Premiums 174

Technology And Selling 175

Knowledge of Technology Enhances Sales and Customer Service 175

Personal Productivity 177

Communications with Customers and Employer 179

Customer Order Processing and Service Support 180

Sales: Internet and the Cloud 180

The Internet 181 The Cloud 181

#### Global Technology Provides Service Technology Etiquette 182

Netiquette 182 Cell Phones 18.3

Voice Mail 184

Speakerphones and Conference Calls 184

Summary of Major Selling Issues 184

Meeting A Sales Challenge 185

Key Terms for Selling 186

Sales Application Questions 186

Selling Experiential Exercise 187

How Is Your Self-Confidence? 187

Notes 188

#### CASE

5.1: Claire Cosmetics 188

5.2: McBath Women's Apparel 189

5.3: Electric Generator Corporation 191

5.4: Frank's Drilling Service 191

5.5: FruitFresh, Inc. 192

#### **Appendix**

#### Sales Arithmetic and Pricing 193

Types of Prices 194

Discounts Lower The Price 194

Quantity Discounts: Buy More, Pay

Less 194

Cash Discounts Entice the Customer to

Pay on Time 196

Trade Discounts Attract Channel Members' Attention 196

Consumer Discounts Increase Sales 196

Resellers: Markup and Profit 197

Markup and Unit Price 198

Markup and Return on Investment 199

Organizations: Value And Roi 200

Compare Product Costs to True

Value 201

Unit Costs Break Down Price 201

Return on Investment Is Listened

To 201

Key Terms for Selling 202

Sales Application Questions 202

Student Application Learning Exercises

(Sales) 204

SALE 2 of 7-Chapter 5 204



# Table of Contents

### PART 3 The Relationship Selling Process

# chapter 6

#### PROSPECTING—THE LIFEBLOOD OF SELLING 206

The Core Principles: Prospecting 208

The Sales Process Has 10 Steps 208

Steps before the Sales Presentation 209

Prospecting—The Lifeblood of Selling 210

Why Is Prospecting Important to a Business? 211

The Prospecting Process 211

Prospecting Is an Ongoing Process 213

Planning a Prospecting Strategy 214

Prospecting Methods 214

Prospecting on the Web

Cold Canvassing 216

Endless Chain Customer Referral 216

Orphaned Customers 217

Sales Lead Clubs 217

Prospect Lists 217

Getting Published 218

Public Exhibitions and Demonstrations 219

Center of Influence 220

Direct Mail 221

Telemarketing 221

Teleprospecting 222

Inside Sales 222

Observation 222

Networking 223

#### Prospecting Guidelines 224

Referrals Used in Most Prospecting

Methods 224

The Prospect Pool 224

#### The Referral Cycle 225

The Parallel Referral Sale 225

The Secret Is to Ask Correctly 225

The Preapproach 226

The Presentation 227

Product Delivery 228

Service and Follow-Up 228

Don't Mistreat the Referral 229

Call Reluctance Costs You Money! 229

Obtaining the Sales Interview 230

The Benefits of Appointment Making 230

#### Applying CRM Technology to Prospecting 234

Lead Generation and Tracking via

Marketing Automation 234

Contact Management 235

Lead Scoring 235

Data Integration and Learning 235

Pipeline Management 236

#### How Is Prospecting Changing? 236

Social Selling 236

Social Listening 236

Summary of Major Selling Issues 236

Meeting A Sales Challenge 237

Key Terms for Selling 238

Sales Application Questions 238

Further Exploring The Sales World 238

Selling Experiential Exercise 238

Your Attitude toward Selling 239

Notes 239

#### CASE

6.1: Canadian Equipment Corporation 240

6.2: Montreal Satellites 240

6.3: PizzaMunch and Social Listening 241

6.4: Conducting Research to Learn

about Leads 243

# chapter 7

#### PLANNING THE SALES CALL IS A MUST! 245

#### The Core Principles: Planning 246

Begin Your Plan with Purpose and Passion

Will Follow 246

Plan to Achieve Your Purpose 247

What's a Plan? 247

What Is Success? 248

# Strategic Customer Sales Planning-The

#### Preapproach 250

Strategic Needs 251

Creative Solutions 252

Mutually Beneficial Agreements 253

#### The Customer Relationship Model 253

Why Does Preparation Matter? 254

Elements of Sales Call Planning 255

The Prospect's Mental Steps 265

Attention 265





Interest 265
Desire 265

Conviction 265

Purchase or Action 265

#### Overview of the Selling Process 266

Empathizing with the Buyer 266

Learning from an Experienced Buyer, Matthew Leiseth 266

Summary of Major Selling Issues 268

Meeting A Sales Challenge 269

Key Terms for Selling 269

Sales Application Questions 270

Further Exploring The Sales World 271

Selling Experiential Exercise 271

SMART Course Objective Setting 271

Student Application Learning Exercises (Sales) 272

SALE 3 of 7-Chapter 7 272

Notes 272

#### CASE

7.1: Ms. Hansen's Mental Steps in Buying Your Product 273

7.2: Machinery Lubricants, Inc. 274

7.3: Telemax, Inc. 275

# chapter 8

# CAREFULLY SELECT WHICH SALES PRESENTATION METHOD TO USE 276

The Core Principles: Presentation 278

Sales Presentation Strategy 278

Sales Presentation Methods—Select One

#### Carefully 279

The Memorized Sales Presentation 280

The Formula Presentation 281

The Need-Satisfaction Presentation 284

The Problem-Solution Presentation 287

Comparison of Presentation Methods 287

What Is the Best Presentation Method? 288

#### Areas to Consider in Any Sales Presentation Method 288

Asking Great Questions 289

Listen More Than You Talk 289

Combining Your Listening and Questioning

Skills 289

Storytelling in Sales 290

The Group Presentation 291

Give a Proper Introduction 291

Establish Credibility 291

Provide an Account List 292

State Your Competitive Advantages 292

Give Quality Assurances and Qualifications 292

Cater to the Group's Behavioral Style 292

#### Negotiating So Everyone Wins 294

Phases of Negotiation 295

Sales Presentations Go High-Tech 297

Select the Presentation Method, Then the

Approach 297

#### The Parallel Dimensions of Selling 297

First Column 298

Second Column 298

Third Column 299

Fourth Column 299

# The Sales Presentation and Techniques (A Review of the Process) 299

Your Sales Presentation 300

The Approach 300

Elements of the Presentation 301

Welcome Objections! 303

Closing 304

Solving a Buyer's Problem Makes Sense 304

#### Practice and Time 305

Summary of Major Selling Issues 305

Meeting A Sales Challenge 306

Key Terms for Selling 306

Sales Application Questions 307

Further Exploring The Sales World 307

Selling Experiential Exercise 307

What Are Your Negotiation Skills 307

Notes 308

#### CASE

8.1: Cascade Soap Company 308

8.2: Presenting to an Organizational Buyer 309

## chapter 9

# BEGIN YOUR PRESENTATION STRATEGICALLY 311

The Core Principles: The Approach 313

What Is the Approach? 313

The Right to Approach 314

The Approach—Opening the Sales Presentation 315

Your Attitude During the Approach 315



Why Are First Impressions Important? How To Make A Good First Impression 316 Approach Techniques and Objectives 318 Small Talk Warms 'em Up 318 The Situation Determines the Approach 320 Be Flexible in Your Approach 321 Opening with Statements 321 Opening with Questions 324 Using Questions Results in Sales Success 332 The Nondirective Question 334 The Direct Question 335 The Rephrasing Question 336 The Redirect Question 336 Three Rules for Using Questions 336 Is the Prospect Still Not Listening? Demonstration Openings 338 Transitions: Maintain Conversational Flow Summary of Major Selling Issues 340 Meeting a Sales Challenge 341 Key Terms for Selling 341 Sales Application Questions 342 Further Exploring the Sales World 344 Student Application Learning Exercises (Sales) 344 SALE 4 of 7-Chapter 9 344 Notes 345 CASE 9.1: The Thompson Company 345 9.2: The Copy Corporation 346 9.3: Electronic Office Security Corporation 347 9.4: Needs Discovery 350

# chapter 10

# ELEMENTS OF A GREAT SALES PRESENTATION 353

Building a Trusting, Long-Term Relationship 355 An Overview of the Presentation Section of the Sales Process 356

Three Essential Steps Within the Presentation 358

Remember Your FABs! 359

The SELL Sequence and Trial Close: The FAB + Trial Close 362

The Sales Presentation Mix 364

Persuasive Communication 364

Participation Is Essential to Success 368

Proof Statements Build Believability 368

The Visual Presentation—Show and Tell 370

Visual Aids Help Tell the Story 371

A Checklist for Visuals 371

Dramatization Improves Your Chances 374

George Wynn the Showman 374

Demonstrations Prove it 375

A Demonstration Checklist 375

Use Participation in Your Demonstration 376

Reasons for Using Visual Aids, Dramatics, and

Demonstrations 377

Guidelines for Using Visual Aids, Dramatics, and Demonstrations 377

Technology Can Help! 378

Video Conferencing 378

The Sales Presentation Goal Model 379

The Ideal Presentation 379

Be Prepared for Presentation Difficulties 380

How to Handle Interruptions 380

Should You Discuss the Competition? 381

Where the Presentation Takes Place 383

Diagnose the Prospect to Determine Your Sales Presentation 383

Summary of Major Selling Issues 384

Meeting A Sales Challenge 385

Key Terms for Selling 385

Sales Application Questions 385

Further Exploring The Sales World 386

Student Application Learning Exercises

(Sales) 387

SALE 5 of 7-Chapter 10 387

Notes 387

#### CASE

10.1: Dyno Electric Cart Company 38810.2: Dumping Inventory: Should This Be Part of Your Presentation? 390

## chapter 11

# WELCOME YOUR PROSPECT'S OBJECTIONS 392

The Core Principles: Objections 394
What Are Objections? 394
Welcome Objections! 394
When Do Prospects Object? 395

Objections and the Sales Process 395





### Basic Points to Consider in Meeting Objections 396 Plan for Objections 396 Anticipate and Forestall 397 Handle Objections as They Arise 398 Be Positive 400 Listen-Hear Them Out 400 Understand Objections 400 Meet the Objection 403 Six Major Categories of Objections 403 The Hidden Objection 403 The Stalling Objection 404 The No-Need Objection 406 The Money Objection 407 The Product Objection 410 The Source Objection 410 Techniques for Meeting Objections 412 Let a Third Party Answer 413 Ask Questions to Smoke Out Objections 414 Rephrase an Objection as a Question Compensate for the Objection 417 Boomerang the Objection 417 Postpone the Objection 419 Dodge the Objection 420 Pass Up an Objection 420 Indirectly Deny the Objection 420 Directly Deny the Objection 421 After Meeting the Objection-What to Do? 422 First, Use a Trial Close-Ask for Opinion 423 Move Back into Your Presentation 423 Move to Close Your Sale 424 If You Cannot Overcome the Objection 424 Summary of Major Selling Issues 424 Meeting A Sales Challenge 425 Key Terms for Selling 425 Sales Application Questions 426 Further Exploring The Sales World 427 Student Application Learning Exercises (Sales) 427 SALE 6 of 7-Chapter 11 427 Notes 428

#### CASE

11.1: Ace Building Supplies 428

11.2: Electric Generator Corporation (B) 429

### chapter 12

# CLOSING BEGINS THE RELATIONSHIP 430

The Core Principles: Closing 432
When Should I Pop the Question? 433
Reading Buying Signals 433
What Makes a Good Closer? 434
Ask for the Order and Be Quiet 435
Get the Order—Then Move On! 435
How Many Times Should You Close? 436
Example of Closing More than
Once 436

Closing under Fire 437
Difficulties with Closing 438
Essentials of Closing Sales 438
Get Ready for Closing 440
Did | Miss Anything? 440

Closing Techniques 441

Summary-of-Benefits Close 442
Direct Close 443
Question Close 443
Probability or Rating Close 444
Negotiation Close 445
Technology Close 446

Visual Aids Close 446 Close Based On the Situation 449 Assumptive Close 450

Alternative-Choice Close 450 Minor-Points Close 451

Compliment Close 452

Standing-Room-Only Close 452

Continuous-Yes Close 453

T-Account or Balance-Sheet Close 454

Prepare a Multiple-Close Sequence 456 Closing Begins the Relationship 456

After Closing, Discuss Action Steps 457

When You Do Not Make the Sale 458
Research Reinforces These Sales Success
Strategies 459

Keys to Improved Selling 460

Summary of Major Selling Issues 460 Meeting A Sales Challenge 461 Key Terms for Selling 462 Sales Application Questions 462 Further Exploring The Sales World 464



Success 484

Service Can Keep Your Customers 485

Returned Goods Make You a Hero 487

Student Application Learning Exercises (Sales) 465 SALE 7 of 7-Chapter 13 465 Notes 466 CASE 12.1: Skaggs Omega 466 12.2: Central Hardware Supply 467 12.3: Furmanite Service Company-A Multiple-Close Sequence 468 12.4: Steve Santana: Pressured to Close a Big Deal 469 chapter 13 SERVICE AND FOLLOW-UP FOR CUSTOMER RETENTION 471 The Core Principles: Post-Sales Service 473 The Importance of Service and Follow-Up 474 What Is Customer Service and Satisfaction? 474 Expectations Determine Service Quality 475 Building a Long-Term Business Friendship 475 What Is a Business Friendship? 475 How to Build a Business Friendship 475 What Is Most Important? 477 How Many Friends? 477 Relationship Marketing and Customer Retention 478 Relationship Marketing Builds Friendships 478 Customer Satisfaction Enables Retention 478 What Do Customers Expect of Salespeople? 479 Technology Aids Salesperson's Post-Sale Service Behaviors 480 So, How Does Service Increase Your Sales? 480 Satisfied Customers Are Easier to Sell To 482 Turn Follow-Up and Service Into A Sale 482 What's the Plan after the Sale: Making Sure Everything Happens 483 Account Penetration Is a Secret to

Handle Complaints Fairly 488 You Lose a Customer–Keep on Trucking 488 Is the Customer Always Right? 488 This Customer Is Not in the Right! 489 Dress in Your Armor 489 THE PATH TO SALES SUCCESS: SEEK, FOCUS. ASK, SERVE 490 Developing Service Recovery Skills 490 Words of Sales Wisdom 491 True Caring Builds Relationships and Sales 492 Summary of Major Selling Issues 493 Meeting A Sales Challenge 494 Key Terms for Selling 495 Sales Application Questions 495 Further Exploring The Sales World 495 Selling Experiential Exercise 496 What's Your Attitude toward Customer Service? 496 Notes 496 CASE 13.1: California Adhesives Corporation 497 13.2: Sport Shoe Corporation 498 13.3: Wingate Paper 498 Appendix Apply Your Skills: Sales Role-Plays 500 Role-Play One: Consumer Sales 500 Role-Play Two: Distributor Sales 503 Your Sales Call 505 Role-Play Three: Business-to-Business 506 Role-Play Four: Business-to-Business Sales XDT's RoboPhone+ (XDT) 510 Role-Play Five (Part One): Consumer Packaged Goods Sales 517 Role-Play Five (Part Two): Consumer Packaged Goods Sales 521 Role-Play Five (Part Three): Consumer Packaged Goods Sales Business Review 523 Role-Play Six (Part One): Business-to-Business 526 Role-Play Six (Part Two): Business-to-Business 529 Role-Play Six (Part Three): Business-to-Business 531



PART 4 Time, Territory, and Self-Management: Keys to Success

# chapter 14

TIME, TERRITORY, AND SELF-MANAGEMENT: KEYS TO SUCCESS 536

The Core Principles: Time 538 The Management of Time 538 Return on Time Invested 540

Customers Form Sales Territories 541 Why Establish Sales Territories? 541

Why Sales Territories May Not Be Developed 543

Elements of Territory Management 543

Salesperson's Sales Quota 543 Account Analysis 544 Develop Account Objectives and Sales Quotas 547 Sales Call Allocation 547 Customer Sales Planning 548

Scheduling and Routing 548

Territory and Customer Evaluation 549 Technology Use Can Enhance Time Efficiency 551

Using Technology for Territory Management Activities 551

Using Technology for Nonselling Activities

Self-Management 552

Personal Time Management 552 What Might Your Sales Manager Tell You? 553 Executive Presence 554

Emotional Intelligence 554 Networking 555

What's Happening in Sales 555

Summary of Major Selling Issues 557 Meeting A Sales Challenge 558 Key Terms for Selling 558 Sales Application Questions 558

Selling Experiential Exercise 559

Further Exploring The Sales World 560

Notes 560

Case 14.1: Your Selling Day: A Time and Territory Game 561

Case 14.2: Sally Malone's District-Development of an Account Segmentation Plan 562

Appendix 565 Glossary 580 Index 591



# The Illustrated Overview of Selling

Even before you begin a formal study of selling, you probably already know a few things about the subject. You know, for example, that selling is about persuading others to buy your product. And you may understand that it is also about helping others satisfy their needs. But that is only part of what you will be studying in selling. The Illustrated Overview of Selling gives you an introduction to the major concepts and issues that are part of selling:

- Selling as a Profession
- Preparation for Relationship Selling
- The Relationship Selling Process
- Time, Territory, and Self-Management: Keys to Success



©Troels Graugaard/Getty Images

Today's salesperson is a professional manager involved in building long-term relationships with customers.



©Hero Images/Getty Images

By tailoring a presentation to an individual or group, the salesperson can better help solve problems and satisfy needs.



©simonkr/Getty Images

An organization's marketing mix includes its products, prices, distribution, and promotional efforts. Professional selling is one very important element of a firm's promotional activities.



©Morsa Images/Getty Images

It takes expertise to sell today's complex goods and services. Whether selling energy drinks or computer chips, salespeople must know their business.



©Kentaroo Tryman/Getty Images



©Sam Diephuis/Getty Images

The ability to communicate effectively influences a salesperson's success. Using a combination of verbal, nonverbal, and visual communication techniques greatly increases the likelihood of making a sale.



©Tetra Images/Getty Images

From beginning to end, the sales presentation should be a well-planned and well-executed discussion of how to help the prospect.



©Ariel Skelley/Blend Images LLC

The sales presentation is a persuasive vocal and visual explanation of a business proposition. The salesperson presents the information needed for the buyer to make a well-informed decision.



©JGI/Tom Grill/Getty Images

Properly managing one's time is essential to being successful. Using sales technology and contacting decision makers at planned intervals help sell and service customers effectively.



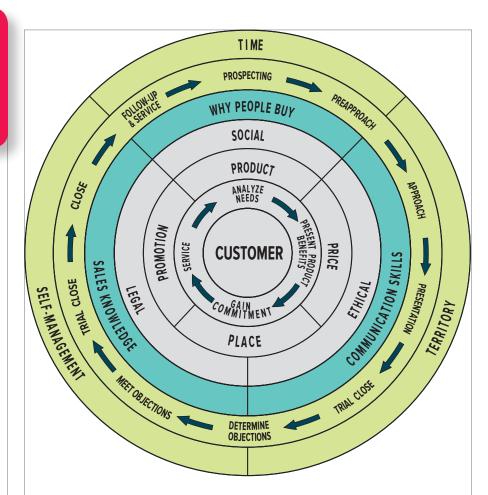
©Shutterstock/Monkey Business Images

You are your company's representative. Customers rely on you to provide updated information, suggestions on how to solve their problems, and service. Your employer relies on you to generate sales. As a salesperson you are involved in a highly honorable, challenging, rewarding, and professional career.

# ABC's of Relationship Selling

THROUGH SERVICE

part **7** 



# Selling as a Profession

Part I provides an overview of the sales profession and sales presentations. Chapter 1 examines the sales job and introduces the 10-step selling process used throughout the book. Chapter 2 illustrates the impact of social, ethical, and legal issues on a firm's operations.

A central theme of your book involves how sales professionals analyze needs of the customers, present benefits, gain commitment for purchase, and provide service after the sale. The sales firm provides the product to sell, sets price, determines how the customer can receive the product, and promotes the product. All of the activities must take into consideration the many social, ethical, and legal issues that affect how the organization operates.

As you study the two chapters in Part I, continually refer back to the exhibit on the opposite page which shows the abstract view of the entire text. It will help you remember each chapter's core contents and their relationships.



©Monkey Business Images/Shutterstock

# The Life, Times, and Career of the Professional Salesperson

### Main Topics

What Is the Purpose of Business?

Essentials of a Firm's Marketing Effort

Traditional View of Selling

What Is Professional Selling

The Core Principles of Professional Selling

Everybody Sells!

Sales: A Valued Education Leading to Career Opportunity

What Salespeople Are Paid to Do

Why Choose a Sales Career?

Is a Sales Career Right for You?

Success in Selling—What Does It Take?

C-Characteristics for the Job Examined

Relationship Selling

Sales Jobs Are Different

What Does a Professional Salesperson Do?

The Future for Salespeople

Technology and Information Build Relationships

Selling Is for Large and Small Organizations

The Plan of This Textbook

Building Relationships through the Sales Process

Appendix: The Core Principles of Professional Selling as Told by a Salesperson

### Learning Objectives

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

- 1-1 Define and explain the term selling.
- 1-2 Explain why everyone sells, even you.
- 1-3 Define professional selling and explain the Core Principles of Professional Selling.
- 1-4 Discuss the reasons people might choose a sales career.
- **1-5** Enumerate some of the various types of sales jobs.
- **1-6** Describe the job activities of salespeople.
- 1-7 Define the characteristics that salespeople believe are needed for success in building relationships with customers.
- 1-8 List and explain the 10 steps in the sales process.

### **FACING A SALES CHALLENGE**

Debra Hutchins majored in French, with a minor in English literature, at Washington University in St. Louis. After graduation she began work as a secretary in the marketing department at Sunwest Bank in Albuquerque, New Mexico.

"I had never considered a sales job while in school, and sales didn't appeal to me when I began work at the bank. I always felt you would have to be an extrovert. I'm more the shy, intellectual type. I don't see myself in the role of a salesperson.

"Someday I *do* want a more challenging job. I'm a very hard worker; long hours don't bother me. I've always had a need to achieve success. One of the things I like about being a secretary is helping customers when they call the bank. It is important to carefully listen to their problems or what they want in order to provide good customer service. Maybe one day I'll find a job that has more challenge, professionalism, and reward."

If you were in Debra's position, what would you do? What types of jobs would you recommend she consider?

Debra Hutchins is like many people in that while she was in school a career in sales did not seem like the thing to do. Most people are unfamiliar with what salespeople do.

As you learn more about the world of sales, a career selling goods or services may become appealing. The salesperson makes valuable contributions to our quality of life by selling goods and services that benefit individuals and industry. Red Motley, former editor of *Parade* magazine, once said, "Nothing happens until somebody sells something." Selling brings in the money and causes cash registers across the country to ring. For centuries, the salespeople of the world have caused goods and services to change hands.

More than ever, today's salespeople are a dynamic power in the business world. They generate more revenue in the U.S. economy than workers in any other profession. The efforts of salespeople have a direct impact on such diverse areas as

- Ensuring the success of new products.
- Keeping existing products on the retailer's shelf.
- Constructing manufacturing facilities.
- Opening businesses and keeping them open.
- Generating sales orders that result in the loading of trucks, trains, ships, airplanes, and pipelines that carry goods to customers all over the world.

The salesperson is engaged in a highly honorable, challenging, rewarding, and professional career. In this chapter, you are introduced to the career, rewards, and duties of the salesperson. The chapter begins by relating an organization's business purpose to its marketing efforts.

# What Is the Purpose of Business?

The purpose of business is to increase the general well-being of humankind through the sale of goods and services. This requires making a profit in order to operate the business and provide beneficial products to the marketplace. Profit is a means to an end. Reduced to basics, businesses have two major functions: *production* of goods or creation of services and *marketing* those goods and services. <sup>1</sup>

Nothing happens until someone sells something.

### The Primary Goal of Business

The primary goal of business should be to transform the marketplace and workplace into an environment where everyone is treated as they would like to be treated. Business should be fair to all parties involved in both the buying and selling of goods and services.

### Marketing's Definition

There are numerous definitions of marketing. Your book will use the American Marketing Association's definition:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.<sup>2</sup>

The **marketing concept** is a business philosophy that says the customers' wantsatisfaction is the economic and social justification for a firm's existence. Consequently, all company activities should be devoted to determining customers' wants and then satisfying them, while still making a profit.

# Essentials of a Firm's Marketing Effort

The essentials of a firm's marketing effort include its ability (1) to determine the needs of its customers and (2) to create and maintain an effective marketing mix that satisfies customer needs. As shown in Exhibit 1.1, a firm's **marketing mix** consists of four main elements—product, price, distribution or place, and promotion—a marketing manager uses to market goods and services. It is the marketing manager's responsibility to determine how best to use each element in the firm's marketing efforts.

### Product: It's More than You Think

A **good** is a physical object that can be purchased. A radio, a house, and a car are examples of a good. A **service** is an action or activity done for others for a fee. Lawyers, plumbers, teachers, and taxicab drivers perform services. The term *product* refers to both goods and services.

So, what is a product? When you think of a product, most likely you imagine some tangible object you can touch, such as a radio or automobile. However, there is more to a product than you think.

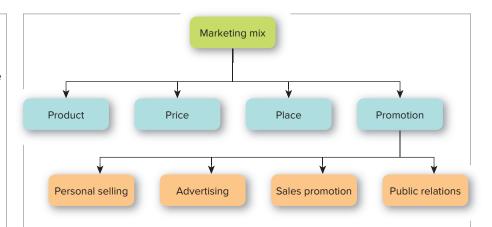
A **product** is a bundle of tangible and intangible attributes, including packaging, color, and brand, plus the services and even the reputation of the seller. People buy more than a set of physical attributes. They buy want-satisfaction such as what the product will do, its quality, and the image of owning the product.

### Price: It's Important to Success

The corporate marketing department also determines each product's initial price. This process involves establishing each product's normal price and possible special discount prices. Since product price often is critical to customers, it is an important part of the

### EXHIBIT 1.1

Four elements to the marketing mix and four promotion activities. Where does selling fit into the marketing mix?



marketing mix. **Price** refers to the value or worth of a product that attracts the buyer to exchange money or something of value for the product.

### Distribution: It Has to Be Available

The marketing manager also determines the best method of distributing the product. **Distribution** refers to the channel structure used to transfer products from an organization to its customers. It is important to have the product available to customers in a convenient and accessible location when they want it.

### Promotion: You Have to Tell People about It

**Promotion,** as part of the marketing mix, increases company sales by communicating product information to potential customers. The four basic parts of a firm's promotional effort are (1) **professional selling,** (2) **advertising,** (3) **public relations,** and (4) **sales promotion.** Examples of each marketing mix ingredient are shown in Exhibit 1.2. The company's sales force is one segment of the firm's promotional effort. Salespeople are part of the organization's sales force. So what is the job of the salesperson?

#### EXHIBIT 1.2

Examples of each marketing mix element.

Product	Price	Place	Promotion
Brand name	Credit terms	Business partners	Advertising
<ul><li>Features</li></ul>	<ul><li>Discounts</li></ul>	<ul><li>Channels</li></ul>	<ul><li>Coupons</li></ul>
<ul><li>Image</li></ul>	List price	<ul> <li>Distributors</li> </ul>	<ul> <li>Customer service</li> </ul>
<ul><li>Packaging</li></ul>	<ul> <li>Promotional allowances</li> </ul>	<ul><li>Inventory</li></ul>	<ul> <li>Direct mail</li> </ul>
<ul> <li>Quality level</li> </ul>		<ul><li>Locations</li></ul>	<ul><li>Direct sales</li></ul>
<ul><li>Returns</li></ul>		<ul><li>Retailers</li></ul>	<ul><li>Internet</li></ul>
<ul><li>Services</li></ul>		<ul> <li>Transportation</li> </ul>	<ul> <li>Personal selling</li> </ul>
<ul><li>Sizes</li></ul>		<ul><li>Wholesalers</li></ul>	<ul> <li>Public relations</li> </ul>
<ul> <li>Warranties</li> </ul>			<ul> <li>Social media</li> </ul>
			<ul> <li>Telemarketing</li> </ul>
			<ul><li>Telesales</li></ul>
			Trade shows



©skynesher/Getty Images

In professional selling, a salesperson can tailor a presentation to the needs of an individual customer.

# Traditional View of Selling

Many people consider *selling* and *marketing* synonymous terms. However, selling is actually only one of many marketing components. In business, a traditional definition of 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 that individual's needs.

This definition of selling involves a person helping another person. The salesperson often works with prospects or customers to examine their needs, provide information, suggest a product to meet their needs, and provide after-the-sale service to ensure long-term satisfaction.

The definition also involves communications between seller and buyer. The salesperson and the buyer discuss needs and talk about the product relative to how it will satisfy the person's needs. If the product is what the person needs, then the salesperson attempts to persuade the prospect to buy it.

Unfortunately this explanation of selling does not explain the contemporary nature and practices of the sales profession.

# What Is Professional Selling?

As per the definition adapted by American Society of Training and Development (ASTD), professional selling is "the holistic business system required to effectively develop, manage, enable, and execute a mutually beneficial, interpersonal exchange of goods and/or services for equitable value." The National Association of Sales Professionals (NASP) outlines the code of conduct for sales professionals, underscoring their responsibility to customers (acting in the best interest of customers),

responsibility to employer (representing the employer in the most professional manner possible), and responsibility to community (serving as a model of good citizenship).

Sales as an occupation has evolved significantly over time and the current focus is on professionalism. Although there is no one explanation of professionalism in sales, we derive the best possible description from the nature of the selling practices. Every salesperson must constantly balance two primary duties that we call the **Core Principles of Professional Selling:** (1) unselfishly serving the buyer or buying organization and (2) professionally representing the selling organization.

### Because Professionalism Matters<sup>3</sup>

To Customers: Keeping customers' best interests in mind, sales professionals can bring the creative ideas to improve their businesses and solutions to their business problems. Sales professionals, acting as consultants, can therefore free up resources to let customers focus on their own core competencies.

To Employers: Despite all the money spent on different marketing communication channels, one of the most salient features of the customer buying experience is interaction with the salesperson. In the eyes of a customer, the sales professional is the selling organization. The professionalism displayed by the salesperson is essential in guarding and cementing the company's brand image.

# The Core Principles of Professional Selling

When asked, "What would you like to learn in this course?" Steven Osborne, a student in a sales class, said, "I would like to know how to believe in a profession that many people do not trust." We sincerely hope you will be a believer in the value of sales integrity at the end of this sales course and be able to give Steven a positive perspective.

Part of your answer will involve understanding the definition of professional selling discussed earlier and the Core Principles of Professional Selling. These principles will serve as the foundation for conduct or reasoning.

Read the short essay at the back of this chapter in the appendix titled "The Core Principles of Professional Selling as Told by a Salesperson." This short story illustrates the importance of helping people through our jobs and our lives.

Stop a minute and think about how these core principles apply to your life and the business world. These principles will be applied to professional selling throughout the textbook. They are especially effective in explaining differences in salespeople and why so many people may have a negative view of some salespeople and a positive view of other salespeople.

### Salesperson Differences

In general, Exhibit 1.3 shows that differences can be explained by the extent of the person's self-interest. As Gallup's survey poll of Americans indicates, people view traditional salespeople as having their self-interest as a priority. This type of salesperson

#### **EXHIBIT 1.3**

Interest in serving the customer improves as our self-interest decreases.

<b>∢</b> Traditional Salesforce	Continuum of Professionalism	Modern Salesforce
Do what they think they can get away with.	Do what they are legally required to do.	Do the right thing.
Guided by self-interests.	Take care of customers.	Find others' interests most important.
Attribute results to personal efforts.	Attribute results to personal efforts, employer, customers, and economy.	Attribute results to others.
Seek recognition for efforts; sharing not important and ego driven.	Enjoy recognition, may share if it suits their purpose. Pride and ego driven.	Feel that an individual's performance is due to others, thus not motived by pride and ego.
Money is life's main motivator.	Money is important, but not to the customer's detriment.	Service most important; money is to be shared.

Every salesperson must constantly balance two primary duties that we call the Core Principles of Professional Selling: (1) unselfishly serving the buyer or buying organization and (2) professionally representing the selling organization.

Your sales class will help make you a better communicator.

is preoccupied with his or her own well-being—usually defined in terms of making money—and thus is selfish and cannot be trusted.

The salesperson following the Core Principles of Professional Selling, however, places the interests of others before self-interest. As Exhibit 1.3 illustrates, as interest in serving others improves, a person's self-interest lessens. The more the salesperson considers the customer's interest, the better the customer service.

## Everybody Sells!

If you think about it, everyone sells. From an early age, you develop communication techniques for trying to get your way in life. You are involved in selling when you want someone to do something. For example, if you want to get a date, ask for a pay increase, return merchandise, urge your professor to raise your grade, or apply for a new job, you are selling. You use personal communication skills to persuade someone to act. Your ability to communicate effectively is a key to success in life.

This is why so many people take sales courses. They want to improve their communication skills to be more successful in both their personal and business lives. 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, medicine, journalism, the military, or his or her own business.

Did you know? Sales is the first job chosen by as many as 60 percent of all business majors. Selling is not just for salespeople; it is a must for everyone. In today's competitive environment, where good interpersonal skills are so valued, the lack of selling capability can put anyone at a disadvantage. So as you read this book and progress through the course, think about how you can use the material both personally and in business.

# Sales: A Valued Education Leading to Career Opportunity

The quiet secret is that sales is a large and growing profession. Did you know researchers and studies have found that:<sup>4</sup>

- Sales is the first job chosen by as many as 60 percent of all business majors.
- Sales is the first job chosen by approximately 88 percent of all marketing majors.
- Sales ranks in the top three of the most common professions for undergraduates in economics, liberal arts, and physical sciences.
- Workers across a range of occupations suggest that 41 percent of their time is devoted to sales-like activities.<sup>5</sup>

In fact, many universities have recognized the value of a sales curriculum and created sales centers or sales institutes to provide their students with foundational sales knowledge.

A curriculum in professional selling offers students an incredible opportunity. Sales skills are in demand. Manpower's Talent Shortage Survey indicates that sales representative is one of the top three hardest jobs to fill in the United States. In addition to the demand for applicants with sales skills, students graduating from a sales program learn faster in their sales position than students without a sales education.

In summary, congratulate yourself on taking the first step—a sales education. A sales education provides you with: (a) an excellent opportunity to differentiate yourself from other candidates; (b) knowledge that can hasten your learning within your sales career; and (c) an entryway to organizations that want your skill set.

# What Salespeople Are Paid to Do

In the short term, on a day-to-day, week-to-week basis, salespeople are paid to sell—that is their job. When a sales manager sees one of her salespeople, the question is always, "Did you sell anything today?" Salespeople need to sell something "today" to meet the performance goals for

- Themselves, in order to serve others, earn a living, and keep their jobs.
- Their employer, because without the generation of revenues the company fails and thus cannot serve others.
- Their customers, because their products help customers fulfill their needs and help their organizations grow.

In the long run—month to month, year to year—salespeople must build positive long-term relationships with their customers. Why? Because they know, and now you

Future sales come from present customers and prospects often found by customer referrals. know, that up to 80 percent or more of the future sales of many organizations come from present customers and customer referrals.

Salespeople need to close sales and at the same time maintain a great relationship with the buyer. Think about that last sentence. It is a very important thing to understand and learn. Salespeople want to sell to their present customers today, more tomorrow, and even more the day after that. How do you sell someone something and remain his or her business friend? You need to know how professionalism applies to the sales job. That is what this textbook is about.

# Why Choose a Sales Career?

Six major reasons for choosing a sales career are (1) service to others; (2) the wide variety of sales jobs available; (3) the freedom of being on your own; (4) the challenge of selling; (5) the opportunity for advancement in a company; and (6) the rewards from a sales career (see Exhibit 1.4).

### Service: Helping Others

When asked what she will look for in a career after graduating from college, one of the authors' students, Jackie Pastrano, said, "I'd like to do something that helps other people." The sales career provides the opportunity for service and an emotional purpose in life gained from helping others. That is why this book's central core value is "service." Service is a major reason for choosing a sales career! For many, service is the number one reason.

Service refers to making a contribution to the welfare of others. All of us want to do what Jackie hopes to do—help others! Would you like to help others? There are millions of sales jobs and thus many opportunities to help people and organizations.

### A Variety of Sales Jobs Are Available

As members of a firm's sales force, salespeople are a vital element in the firm's effort to market goods and services profitably. Maintaining a professional sales force accounts for major expenditures by most companies. Thus, professional selling presents a large number of career opportunities. There are millions of sales jobs, and the probability that at one time during your life you will have a sales job is high.

There are also hundreds, maybe thousands, of different types of sales positions. Think about this! Almost every good or service you know of has a salesperson who sells it to one or more people in order to get the product to the final user. That is why so many sales jobs are available.

There are also hundreds, maybe thousands, of different types of sales positions. Look for a firm with a corporate culture that appeals to you.

### EXHIBIT 1.4

Six major reasons for choosing a sales career.

Service to of sales others jobs

Variety of sales Freedom Challenge Advancement Rewards

There is a sales job perfect for you, but it will require you to research the different roles and responsibilities of salespeople.

### Types of Sales Jobs—Which Is for You?

Although there are numerous specific types of sales jobs, most salespeople work in one of three categories: as a wholesale salesperson, a manufacturer's sales representative, or a retail salesperson. These categories are classified according to the type of products sold and the salesperson's type of employer. Please remember, salespersons' roles and responsibilities will differ based on their industry, their firm, and their customer base.

Selling for a Wholesaler. Wholesalers (also called distributors) buy products from manufacturers and other wholesalers and sell to other organizations. A wholesale salesperson sells products to parties for

- Resale, such as grocery retailers buying items and selling to consumers.
- Use in producing other goods or services, such as a home builder buying electrical and plumbing supplies.
- Operating an organization, such as your school buying supplies.

Firms engaged in wholesaling are called *wholesaling middlemen*. Classifying wholesaling middlemen is difficult because they vary greatly in (1) the products they sell, (2) the markets to which they sell, and (3) their methods of operation. As there are so many different types, the discussion of types of wholesalers is beyond the scope of this book. However, commonly known wholesalers include SuperValu which buys and distributes products in the grocery domain; Cardinal Health and McKesson in the pharmaceutical wholesaling domain; and Graybar and Border States Electric which distribute electrical parts and components.

Selling for a Manufacturer. Manufacturers' salespeople work for organizations producing the product. The types of manufacturer's sales representative positions range from people who deliver milk and bread to the specialized salesperson selling highly technical industrial products. The salesperson working for a manufacturer may sell to other manufacturers, wholesalers, retailers, or directly to consumers. There are five main types of manufacturer sales positions:

- An account representative calls on a large number of already established customers in, for example, the food, textile, and apparel industries. This person asks for the order.
- 2. A detail salesperson concentrates on performing promotional activities and introducing new products rather than directly soliciting orders. The medical detail salesperson seeks to persuade doctors, the indirect customers, to specify a pharmaceutical company's trade name product for prescriptions. The actual sale is ultimately made through a wholesaler or directly to pharmacists and hospitals that fill prescriptions.
- 3. A sales engineer sells products that call for technical know-how and an ability to discuss technical aspects of the product. Expertise in identifying, analyzing, and solving customer problems is another critical factor. This type of selling is common in the oil, chemical, machinery, and heavy equipment industries because of the technical nature of their products.
- 4. An industrial products salesperson, technical or nontechnical, sells a tangible product to industrial buyers. No high degree of technical knowledge is required or it may be as an engineer.
- 5. A service salesperson, unlike the four preceding types of manufacturing salespeople, must sell the benefits of intangible or nonphysical products such as financial,



©Monkey Business Images/Shutterstock

A pharmaceutical rep must service and meet the needs of technicians, physicians, and buyers in hospitals that use the company's products.

advertising, or computer repair services. Services, like goods, are either technical or nontechnical in nature.

Selling services is ordinarily more difficult than selling tangibles. The salesperson can show, demonstrate, and dramatize tangible products; the salesperson of intangible products cannot. Intangibles often are difficult for the prospect to comprehend. People cannot feel, smell, see, hear, or taste intangible products. This makes them more challenging to sell.

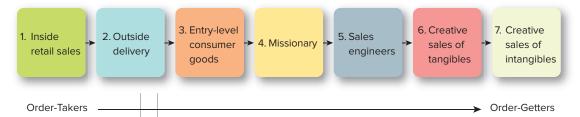
Selling in Retail. A retail salesperson sells goods or services to consumers for their personal, nonbusiness use. Retail selling positions are so numerous that this book has many examples of it. Three common types of sellers who sell at retail are the (1) in-store salesperson, (2) direct seller who sells face-to-face away from a fixed store location, and (3) telephone salesperson.

Look back at the definition of a retail salesperson. Think of all the different types of retail organizations selling something—retailers such as bakeries, banks, caterers, hotels, and travel agents, and stores selling clothes, electronics, flowers, food, and furniture. Each customer contact person takes your money and provides a good or service in return. **Customer contact person** is another name for a salesperson. Although the title may be different, the job is the same—to help you buy.

**Direct sellers** sell face-to-face to consumers—typically in their homes—who use the products for their personal use. An organization could have one salesperson or 3 million salespeople, like Amway.<sup>8</sup>

As in any type of job—including accountants, mechanics, and politicians—some retail salespeople do very little to help their customers. However, many retail salespeople are highly skilled professionals, commanding exceptionally high incomes for their ability to service their customers. We personally know retail salespeople earning

The complexity and difficulty of these seven sales job categories increase as they move left to right.



\$40,000 a year selling shoes; \$80,000 selling furniture; \$110,000 selling jewelry; and \$150,000 selling automobiles.

Order-Takers versus Order-Getters. Sales jobs vary widely in their nature and requirements (see Exhibit 1.5). Some sales jobs require the salesperson only to take orders. Order-takers may ask what the customer wants or wait for the customer to order. They do not have a sales strategy and often use no sales presentation. Order-takers must be employed to bring in additional business that the employer probably would not obtain without their efforts. Many never attempt to close the sale. They perform useful services. However, few truly *create* sales.

On the other hand, the creative selling of tangible goods or intangible services in highly competitive lines (or where the product has no special advantages) moves merchandise that cannot be sold in equal volume without a salesperson. These people are **order-getters.** They get new and repeat business using a creative sales strategy and a well-executed sales presentation. The salesperson has an infinitely more difficult selling situation than that faced by the order-taker. In this sense, the individual is a true salesperson, which is why this person usually earns so much more than the order-taker.

This salesperson has two selling challenges. First, the salesperson must often create discontent with what the prospect already has before beginning to sell constructively. Second, the salesperson often has to overcome the most powerful and obstinate resistance. For example, the prospect may never have heard of the product and, at the outset, may have no desire whatsoever to purchase it. The prospect may even be prejudiced against it and may resent the intrusion of this stranger. In other instances, the prospect may want it but may want competing products more. Frequently, the prospect cannot afford it. To meet such sales situations successfully requires creative selling of the highest order.

Creative salespeople often are faced with selling to numerous people to get one order. This is the most difficult selling situation because the representative may have to win over not only the decision maker, the one who can say yes, but also other persons who cannot approve the order but who have the power to veto.

### Freedom of Action: You're on Your Own

A second reason why 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.\*

\*Outside sales usually are conducted off the employer's premises and involve person-to-person contact. Inside sales occur on the premises, as in retail and telephone contact sales.

Job duties and sales goals are explained by a manager. 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.

### Job Challenge Is Always There

Working alone with the responsibility of a territory capable of generating thousands (sometimes millions) of dollars in revenue for your company is a personal challenge. This environment adds great variety to a sales job. Salespeople often deal with hundreds of different people and firms over time. 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. In many instances, this advancement comes quickly.

A sales personnel **career path**, as Exhibit 1.6 depicts, is the upward sequence of job movements during a sales career. Occasionally, people without previous sales experience are promoted into sales management positions. However, 99 percent of the time, a career in sales management begins with an entry-level sales position. Firms believe that an experienced sales professional has the credibility, knowledge, and background to assume a higher position in the company.

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

- 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 firsthand knowledge of products and their application, which is most important in technical sales.
- Become seasoned in the business world.

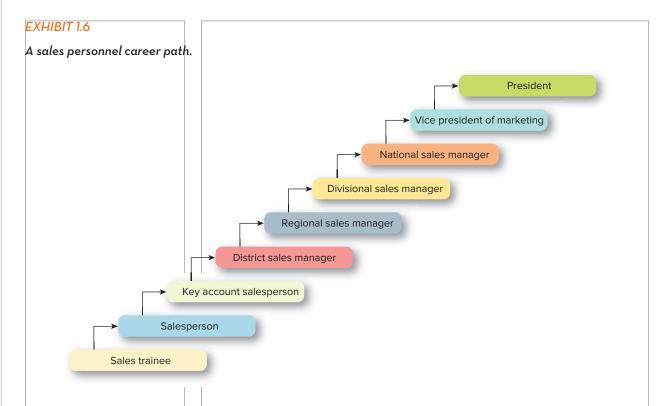
When asked why they like their jobs, first-line sales managers say it is because of the rewards. By rewards, they mean both financial rewards and nonfinancial rewards, such as the great challenge and the feeling of making a valuable contribution to their salespeople and the company. Managers also frequently mention that this position represents their first major step toward the top. They have made the cut and are on the management team. Instead of having responsibility for \$1 million in sales, as a salesperson does, the manager is responsible for \$10 million.

With success, various jobs throughout the sales force and in the corporate marketing department open up. This can include sales training, sales analysis, advertising, and product management. Frequently, traveling the upward career path involves numerous moves from field sales to corporate sales, back to the field, then to corporate, back to the field, and so on. However, sales experience prepares people for more responsible jobs in the company.

Success also creates financial rewards. The larger a company's revenues, the heavier the responsibility of the chief executive, and the larger the compensation. Today, it's common for a CEO of a large national corporation to receive compensation totaling more than \$1 million annually.

Leaving aside compensation at the top echelons, both corporate and field sales managers typically receive higher salaries than others (such as production, advertising,

Sales skills are in demand by employers.



product, or personnel managers) at the same organizational level. Salary is just one part of compensation. Many firms offer elaborate packages that include extended vacation and holiday periods; pension programs; health, accident, and legal insurance programs; automobiles and auto expenses; payment of professional association dues; educational assistance for themselves and sometimes for their families; financial planning assistance; company airplanes; home and entertainment expenses; and free country club membership. The higher the sales position, the greater the benefits offered. In addition to performance, salary typically is related to the following factors:

- Annual sales volume of units managed.
- Number of salespeople managed.
- Length of experience in sales.
- Annual sales volume of the firm.

### 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. You know the job has been done well—for instance, when you have helped the buyer through the purchase of your product.

Successfully meeting the challenges of the job produces a feeling of self-worth. You realize your job is important. Everyone wants to feel good about their job, and a

Many people appreciate the freedom that a sales career offers. 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 financial rewards.

After training, a salesperson is often given responsibility for a sales territory. The person then moves into a regular sales position. In a short time, the salesperson can earn the status and financial rewards of a senior sales position by contacting the larger, more important customers. Some companies refer to this function as a *key account sales position*.

### There Are Two Career Paths

Don't let Exhibit 1.6 mislead you—many salespeople prefer selling over managing people. They want to take care of themselves rather than others. In some companies, a salesperson may earn more money than even the manager, even the firm's president.

Many companies recognize 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? However, many other people work hard to move into management.

### You Can Move Quickly into Management

The first managerial level is usually the district sales manager's position. It is common for people to be promoted to this position within two or three years after joining the company. From district sales manager, a person may move into higher levels of sales management.

### Financial Rewards

Many are attracted to selling because in a sales career financial rewards are commonly based solely on performance. Many professional salespeople have opportunities to earn large salaries. Their salaries average even higher than salaries for other types of workers at the same organizational level.

# Is a Sales Career Right for You?

It may be too early in life to determine if 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 these:

- Can I manage myself?
- Do I enjoy flexibility?
- What types of problems do I like to solve?
- What are my past accomplishments?
- What are my future goals?
- Do I want to have 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 state?

A sales education provides you with an opportunity to differentiate yourself from other candidates and an entry into organizations that want your skill set.

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 a wealth of information on companies as well as sales positions in them. Conversations with friends and acquaintances who are involved within selling, or have been in sales, can give you realistic insight into what challenges, rewards, and disadvantages the sales vocation offers. To better prepare yourself to obtain a sales job, you must understand what companies look for in salespeople.

# Success in Selling—What Does it Take?

Over the years, We have asked many salespeople and sales managers the question "What helps make a salesperson successful?" The answer is contained in the words *love, success,* and *person,* as in the phrase "a person who loves success." As these words will indicate, to be a good salesperson today it helps to be a good person.

We know students love phrases and acronyms to help them remember. That is why we use them here to help you remember and better understand what selling in today's business environment requires. As Exhibit 1.7 shows, the seven most frequently mentioned characteristics necessary to be successful in sales can be found in the word success itself:

### S—Service to Others

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. Today's salespeople make a contribution to the welfare of others through *service*. They are dream makers. They sell solutions to people's needs that make their dreams come true. Salespeople love to help others fulfill their needs through selling their products.

#### EXHIBIT 1.7

Salespeople should know the meaning of SUCCESS.



**S**ervice to Others

**U**se the Core Principles of Professional Selling

Communication Ability

Characteristics for the Job

**E**xcels at Strategic Thinking

Sales Knowledge

Stamina for the Challenge

©g-stockstudio/Shutterstock