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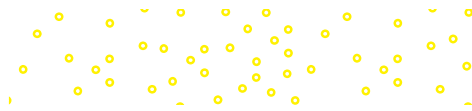
Building Partnerships

Stephen B. Castleberry John F. Tanner, Jr.

Eleventh Edition



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SELLING

Building Partnerships

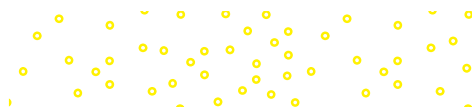
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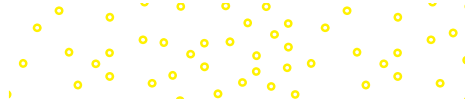
University of Minnesota Duluth

John F. Tanner Jr.

Old Dominion University

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SELLING: BUILDING PARTNERSHIPS, ELEVENTH EDITION

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Marketing Manager: *Nicole Young*

Content Project Managers: *Melissa Leick, Keri Johnson*

Buyer: *Laura Fuller*

Design: *David Hash*

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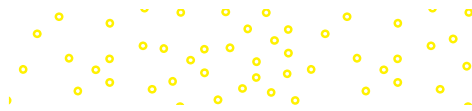
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To Kate, Shane, and Sophie; you bring joy to my life. To Susie, my lovely wife of 40 years. And to my Creator, Redeemer and Friend, without whom I would be nothing.

—Steve Castleberry

To Karen—you make all the hard work worthwhile.

—Jeff Tanner

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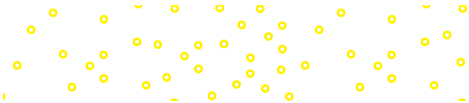
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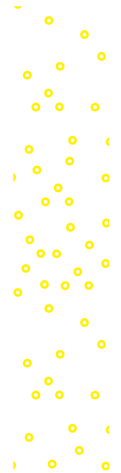
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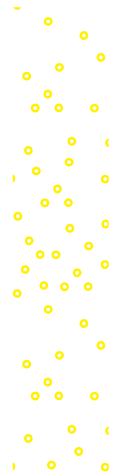
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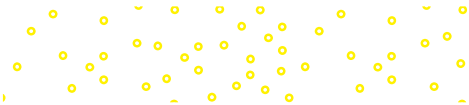
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PREFACE

As we write this Preface, the world is in the grip of the Great Pandemic. Economists, stock market analysts, media prognosticators, and many others are trying to predict when and how business and academia will emerge and what the new normal will bring.

You'll see some evidence of the pandemic in the latter chapters and in role plays. The decision we made, though, was that the pandemic will pass and while there will be many lessons learned and many business practices that may change, the basics of how people want to be sold will not. One thing we believe is that, more than anything, buyers will buy from people they trust, from people they can rely on, from partners.

Therefore, we've remained faithful to the premises that caused us to write the first edition more than 25 years ago:

- We don't want to teach the history of selling—we want our students to know how it is done now and why, so that as the field continues to change, they will be prepared.
- Partnering skills are critical skills for all businesspeople.
- Adaptive communication skills—probing, listening, and presentation—are important in all areas of life but especially for salespeople.
- Students need to practice these skills through role playing.
- Helping people make the right decisions is not only the most ethical sales strategy but also the most effective strategy for long-term success.

At the same time, we've recognized that several factors are changing the face of selling:

- Increased use of multichannel go-to-market strategies, including strategies such as account-based marketing.
- Changing roles for both technology and salespeople.
- Changing trends in how organizations buy, specifically the increasing use of technology, self-service, and presale search.
- Students who use this edition are likely to face the first recession in over a decade, challenges in finding employment, and changes in the names of the top employers on campus.

As we've revised the text, faithful adopters will see that we've held to the principles that made this book unique when it was launched and kept it in a leadership position. While others may have tried to copy role playing, partnering, or technology, none have truly captured the essence that makes this book the leading text.

WHAT'S NEW IN THE ELEVENTH EDITION

- **Original examples** written specifically for this book. We have been blessed to have the support of sales faculty and salespeople around the world, many of whom took the class and used this book.
- New chapter-opening **profiles**—all chapters open with a real salesperson or sales manager's perspective on the chapter. Each profile is new and original to this edition, and we've also integrated the profiles into each chapter as a running example to increase this feature's functionality.
- All new **"Building Partnerships"**—boxed features that provide more detailed examples of chapter material and present chapter material in a slightly different light. Many of these, as with the other boxed elements, feature salespeople taught by you, our adopters.
- All new **"Sales Technology"**—boxed features in each chapter, most new to this edition, that illustrate how technology is used and some of the challenges that technology creates. Whether it is work process management tools, collaboration tools, or digital marketing tools, students will be introduced to how your former students are using new technology.
- All new **"From the Buyer's Seat"**—executives offer insight into how they made decisions or were helped (or hindered) by salespeople. Like the other boxed features, we often include examples from personal interviews to provide insight that your students can't find anywhere else.

- **Feature questions**—embedded in the end-of-chapter material are discussion questions that direct students back to the chapter opening profiles, “Building Partnerships,” “From the Buyer’s Seat,” and “Sales Technology” features so these features are read and used more fully. These feature questions also make great class exercises.
- **New Role Plays**—we’ve written a new set of role plays featuring Purina ONE SmartBlend and Gartner. Purina ONE SmartBlend is a pet food product line, and you can use this if you want to use simple role plays that span both trade sales and sales to users (kennels, animal shelters, and so on). Gartner is a consultancy that primarily serves the CIO. While both products were used in the previous edition, all of the scenarios are new to this edition. Further, you’ll see in the Gartner role plays, expanded material. We chose Gartner because they are the product used in the National Collegiate Sales Competition, with whom we are working so that your students can maximize their time on developing their sales skills and not learning a plethora of products for various competitions. This set of role plays can be a bit more complicated. Each set (Purina and Gartner) have 10 prospect scenarios (with two buyer information sheets each in the Instructor’s Manual) at the end of the book. If you would like to sell something different or would like more buyer scenarios, let us know by e-mailing Jeff directly: jtanner@odu.edu.
- **New minicases**—each chapter has a new or significantly revised minicase as well as favorite minicases to choose from.

IMPORTANT FEATURES OF *SELLING: BUILDING PARTNERSHIPS*

Account-based marketing, customer lifetime value, artificial intelligence—all are influencing the way sales is done and taught. We believe that the partnering approach continues to be the best overall way to learn how to sell, particularly in the broader context of undergraduate education. Several unique features place this book at the cutting edge of sales technology and partnering research:

1. A continued emphasis on the partnering process, with recognition that multiple sales models may be appropriate in a company’s total go-to-market strategy. We focus on the partnering process as the highest level of selling because the other models of transaction—focus, problem solver, challenger, and relational partner—still need to be learned as a foundation to partnering, and the partnering process fits the value-driven sales models currently in use in the field.
2. A thorough description of the partnering and buying processes used by business firms and the changes occurring in these processes. A number of important trends affecting buyers, such as more rigorous online research and social media use, also affect sellers.
3. A discussion of methods of internal and external partnering so that the value chain delivers the right value, in recognition of the salesperson’s role in relationship management and value creation. This emphasis also broadens the applicability of the course for students who may not be interested in a sales career.
4. An emphasis throughout the text on the need for salespeople to be flexible—to adapt their strategies to customer needs, buyer social styles, and relationship needs and strategies.
5. A complete discussion of how effective selling and career growth are achieved through planning and continual learning.
6. An emphasis on the growing need for salespeople in organizations to carry the voice of the customer to all parts of the organization and beyond to suppliers and facilitators. This role is reflected in new product development, supply chain management, and many other functions in a customer-centric organization.

These unique content emphases are presented in a highly readable format, supported by the following:

- **Ethics questions**—at least two questions at the end of each chapter relate the chapter material to ethics.
- **Four-color exhibits and photographs**—these support the examples highlighted in the book. Students find this book easy to read and use.
- **“Thinking It Through”**—these features embed discussion questions into the text itself; for this edition, we’ve also offered teaching suggestions to integrate this feature more fully. There are several of these features in each chapter.
- **Minicases**—two small cases are available at the end of each chapter. These are useful for in-class exercises or discussion or as homework. In this edition, you’ll find one new or revised minicase in each chapter.

- **Ethics icon**—because we’ve emphasized ethical partnering since the inception of this book, we highlight the integration of ethics by noting any ethics discussion with an icon in the margin. You’ll find ethics discussed in every chapter.
- **Selling Yourself**—a feature at the end of each chapter that relates the material in the chapter to the student’s life *right now*. It’s more than just the student’s job search process, however. Selling Yourself helps students see the connections between chapter material and all aspects of their lives, such as how a student can sell an organization to new members, working with apartment managers to resolve issues, interacting with friends and family members, how to add value as a group member in a class team project, and so forth.
- **Key terms**—each key term defined in a chapter is listed at the end of the chapter, along with the page number on which the term is discussed. Key terms reflect current usage of sales jargon in the field, as well as academic terms.
- **Glossary**—key terms are also defined in a glossary at the end of the book.

FOR FACULTY

Instructor’s manuals are available with any text, but the quality often varies. Because we teach the course to undergraduates and graduates, as well as presenting and participating in sales seminars in industry, we believe that we have created an Instructor’s Manual (available in the Connect Instructor Resources connect.mheducation.com) that can significantly assist the teacher. We’ve also asked instructors what they would like to see in a manual. Based on their feedback, we include suggested course outlines, chapter outlines, lecture suggestions, and answers to questions and cases. On that site, you’ll also find the slides, which are integrated into our teaching notes.

- **Slides** are available in PowerPoint, but given feedback from users (and our own experience), we’ve simplified their presentation. They are easily adapted to your own needs, and you can add material as you see fit.
- We also include many of the **in-class exercises** we have developed over the years. These have been subjected to student critique, and we are confident you will find them useful. You will also find a number of **additional role-play scenarios**.
- Students need to practice their selling skills in a selling environment, and they need to do it in a way that is helpful. **Small group practice exercises, including role playing**, complete with instructions for student evaluations, are provided in the Instructor’s Manual. These sessions can be held as part of class but are also designed for out-of-class time for teachers who want to save class time for full-length role plays.
- The **Test Bank** has been carefully and completely rewritten. Questions are directly tied to the learning goals presented at the beginning of each chapter and the material covered in the questions and problems. In addition, key terms are covered in the test questions. Application questions are available so students can demonstrate their understanding of the key concepts by applying those selling principles.

PARTNERING: FROM THE FIELD TO THE CLASSROOM

Faculty who use our book have reviewed it and offered suggestions, and we have taken their comments seriously. The book has also been extensively reviewed by sales executives and field salespeople who are locked in the daily struggle of adapting to the new realities of selling. They have told us what the field is like now, where it is going, and what students must do to be prepared for the challenges that will face them. And it’s always exciting to receive unsolicited feedback like this from practitioners:

“I have read many books in sales from well-known writers and various sales schools like Wilson Learning and Sandler, but your book *Selling Building Partnerships* remains the primary reference for me and I rely on its methodology a lot in training freshly graduated and new sales engineers. Thanks.” —Ahmad Samara, CSE, Sales Manager at Manaseer Magnesia, Jordan

Students have also reviewed chapters. They are, after all, the ones who must learn from the book. We asked for their input prior to and during the revision process. And judging by their comments and suggestions, this book is effectively delivering the content. There are, however, several places where their comments have enabled us to clarify material and improve on its presentation.

As you can see in “About the Authors,” we spend considerable time in the field, having worked in a variety of sales positions. We continue to spend time in the field engaging in personal selling ourselves, as well as observing and serving professional salespeople. We believe the book has benefited greatly because of such a never-ending development process.

Acknowledgments

Staying current with the rapidly changing field of professional selling is a challenge. Our work has been blessed with the excellent support of reviewers, users, editors, salespeople, and students.

Reviewers include the following:

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Deborah Kane, Butler County Community College
Kathy Standen, Fullerton College

Readers will become familiar with many of the salespeople who contributed to the development of the tenth edition through various selling scenarios or profiles. But other salespeople, sales executives, buyers, and sales professors contributed in less obvious, but no less important, ways. For reviewing chapters, updating cases, providing material for selling scenarios, and other support, we'd like to thank the following:

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The McGraw-Hill team, as is the usual, was wonderful to work with. Our greatest interaction during manuscript preparation was with Jennifer Blankenship, development editor, and we appreciate her quick response and dogged determination to make sure we turn out a great product. Over the years, we've had the pleasure to work with many DEs and Jennifer is certainly one of the best. Melissa Leick, our content project manager, is another important contributor to the physical product and the team who makes sure that what you are holding in your hands meets the standards set so high in our previous editions. Laura Hurst Spell, our associate portfolio manager, and Nicole Young, our marketing manager, also make sure the product is excellent and then help us communicate that to the market. We really appreciate their efforts on our behalf.

Several people assisted in research and manuscript preparation, and we gratefully appreciate their help: Bryant Duong and Joseph Corrigan (USN Ret.). Many students and teachers have made comments that have helped us strengthen the overall package. They deserve our thanks, as do others who prefer to remain anonymous.

—Steve Castleberry

—Jeff Tanner

ABOUT THE AUTHORS

STEPHEN B. CASTLEBERRY

Dr. Castleberry received his PhD from the University of Alabama in 1983. He taught at the University of Georgia for six years and for three years was UARCO Professor of Sales and Marketing at Northern Illinois University. Currently he is a professor of marketing and business ethics at the University of Minnesota Duluth. He has received eight awards for teaching excellence, including the best teacher award at his university, best teacher of an online MBA consortium, and the Morse Award, the highest recognition by the University of Minnesota system of its most distinguished scholar teachers. His commitment to teaching has resulted in a number of cases, as well as articles in the *Journal of Marketing Education*, *Business Case Journal*, *Journal of Business Ethics Education*, and *Marketing Education Review*, that describe his teaching style and methods.

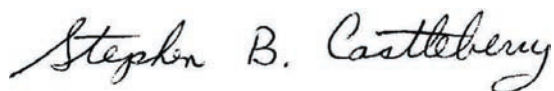
Dr. Castleberry's research has been published in over 50 journals such as the *Journal of Personal Selling and Sales Management*, *Industrial Marketing Management*, *Journal of Business Ethics*, *Journal of Selling and Major Account Management*, *Journal of Business and Industrial Marketing*, *Journal of Business to Business Marketing*, *Journal of Marketing Management*, *Journal of Consumer Marketing*, *Journal of Business Research*, *Journal of the Academy of Marketing Science*, and *International Journal of Research in Marketing*. He has also presented his work at the National Conference in Sales Management, as well as other international conferences. He is past marketing editor of the *Journal of Applied Business Research* and serves on several journal editorial boards. He has received research grants and support from entities such as the London Business School, Gillette, Quaker Oats, Kimberly-Clark, Procter & Gamble, Coca-Cola Foods Division, and the Alexander Group/JPSSM.

Dr. Castleberry appeared as an academic expert in eight segments of *The Sales Connection*, a 26-segment video production shown on national PBS TV stations. He also appeared as the special guest on several broadcasts of *Sales Talk*, a nationally broadcast call-in talk show on the Business Radio Network.

Dr. Castleberry has held various sales assignments with Burroughs Corporation (now Unisys), Nabisco, and G.C. Murphy and has worked as a consultant and sales trainer for numerous firms and groups. His interests outside academic life include outdoor activities (canoeing, hiking, bicycling, skiing, and so on) and everything related to living on his 100-acre sustainable organic farm in northern Wisconsin. For 21 years and still counting he has been a volunteer firefighter and for 10 years served as a medical first responder in the small township he lives in. He and his wife currently own and operate a publishing company, marketing and distributing popular press books internationally.



Courtesy of Stephen B. Castleberry

A handwritten signature in black ink that reads "Stephen B. Castleberry". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

scastleb@d.umn.edu

<https://sites.google.com/d.umn.edu/scastleb/home>

JOHN F. TANNER JR.



Chuck Thomas

Dr. Tanner is dean, Strome College of Business, Old Dominion University. He earned his PhD from the University of Georgia. Prior to entering academia, Dr. Tanner spent eight years in industry with Rockwell International and Xerox Corporation as both salesperson and marketing manager.

Dr. Tanner has received several awards for teaching effectiveness and research, including the Distinguished Teacher award from the Society of Marketing Advances. He has also been named Reviewer of the Year and coauthor of the Paper of the Year by the *Journal of Personal Selling and Sales Management*. Dr. Tanner has authored or coauthored 15 books, including *The Hard Truth about Soft Selling* with George Dudley. His book, *Dynamic Customer Strategy: Big Profits from Big Data*, was published in 2014 and in Chinese in 2015.

Research grants from the Center for Exhibition Industry Research, the Institute for the Study of Business Markets, the University Research Council, the Walmart Foundation, and others have supported his research efforts. Dr. Tanner has published over 80 articles in the *Journal of Marketing*, *Journal of Business Research*, *Journal of Personal Selling and Sales Management*, international journals, and others. Twice, he has served as special issue editor for JPSSM as well as JMTP and JBIM, and recently completed a term as the editor of *Marketing Educators' Review*. He serves on the review boards of several journals, including *Marketing Education Review*, *Journal of Personal Selling and Sales Management*, and *Industrial Marketing Management*.

Dr. Tanner has been a featured presenter at executive workshops and conferences for organizations such as the Marketing Science Institute, National Retail Federation, Canadian Association of Exhibition Managers, and Oracle's OpenWorld. Over the past 15 years, he has taught executive and graduate programs in India, Australia, Trinidad, Colombia, Canada, France, the United Kingdom, and Mexico, and his consulting clients include IBM, Cabela's, EMC, SAP, and others. Jeff and his wife also breed and race thoroughbred horses.

jtanner@odu.edu

www.odu.edu/directory/people/j/jtanner

Walkthrough

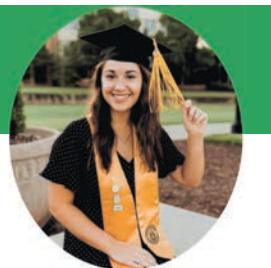
The **chapter-opening profiles** in this edition are the product of strong selling partnerships. Faculty from around the country introduced Steve Castleberry and Jeff Tanner to their former students who had gone on to careers in sales. The results are exciting new profiles from sales professionals who were students with an earlier edition and understand the philosophy of this book. The profiles are also integrated into the chapter with additional examples involving the profiled salesperson and end-of-chapter questions. Students can easily relate to these young professionals who have benefited from wonderful faculty and *Selling: Building Partnerships*.

Selling: Building Partnerships remains the most innovative textbook in the selling course area today with its unique role plays and partnering skills which are critical skills for all businesspeople. The authors emphasize throughout the text the need for salespeople to be flexible—to adapt their strategies to customer needs, buyer social styles, and relationship needs and strategies. This is followed by a complete discussion of how effective selling and career growth are achieved through planning and continual learning. The 11th edition has been updated to continue its relevance in the selling market today just as it was more than 25 years ago.

PROFILE

"You can help your customers and make a lot of money, while proudly supporting and representing your company"

Megan Colapinto



Courtesy of Megan Colapinto

Being a professional salesperson is about helping people through the decision-making process and uncovering and solving their needs (hopefully with your solution). Engaging in selling in this ethical, dependable, and noble way will allow you to find more purpose in your work and you'll find yourself making more sales! My name is Megan Colapinto and I graduated from Kennesaw State University with a degree in Professional Sales in 2019. In my time at the KSU Center for Professional Selling, I was president and co-founder of the Sales Club as well as the team captain of the Sales Team. I had the opportunity to learn Advanced Selling from Dr. Terry Loe, founder of the National Collegiate Sales Competition (NCSC), Professional Sales from Dr. Scott Inks, and Sales Management from Brent McCulloch. Upon graduation, I accepted a sales engineering role at Ciena Corporation, a networking systems, hardware, software, and services company. We help our clients build more adaptive networks to provide fast and efficient connectivity while minimizing costs.

In this chapter, you'll be introduced to selling and what the profession entails in its various forms. If today you don't see yourself being a salesperson, perhaps your perception is being skewed by stereotypes and maybe you will find a passion for the profession. One of the beautiful concepts I have learned through my sales academic and being a salesperson for a couple of years is that your mission is a win-win-win. You can help your customers and make a lot of money, while proudly supporting and representing your company. This book will help uncover what this means, how you can do this effectively, what challenges are involved, and how you can adapt to be successful, and how this applies to you right now and every aspect of your life, whether you end up as a sales professional or not!

Visit our website at: www.ciena.com

Megan Colapinto, Sales Engineer, Ciena. Used with permission.

Professional sales **ethics** have always been the hallmark of this text, and the new edition integrates ethics throughout each chapter, as well as in discussion questions devoted to this topic. Each chapter has separate ethics discussion questions, some of which were suggested by former students' experiences or current events.

ETHICS PROBLEMS

1. You are interviewing for your dream job. Suddenly the interviewer notices your wedding ring and compliments you on it. But then he says, "You know, this job requires a lot of travel. What is your spouse going to say to that?" You answer the question, and he replies, "That's great, now, when you don't have kids. You don't have kids, do you? Because it is tough to be successful if you don't get the travel done." What do you do? What would you do if the interviewer said, "You know, handling conflict is an important part of this job. Describe a conflict you've had with your spouse and how you handled it."
2. Wow! What a great summer internship! You loved doing the job and your manager has been hinting that you've done really well and a job offer will be coming this week. The only problem is you realized that what you'd really like to do is work for the company's competitor. At an industry event, you made sure to express your interest to a manager at the other company, who looked surprised but gave you her card and asked you to call. The next day, your boss comes in with a big smile and a job offer. What do you do?

Current and continued emphasis on selling examples from China, India, Europe, and all around the globe reflects the reality of the global nature of selling.

International salespeople need to understand the varying perceptions of time in general and the time it takes for business activities to occur in different countries. While there are many exceptions to the following, here are some examples. In Latin American and Arab countries people are not strict about keeping appointments at the designated times. If you show up for an appointment on time in these cultures, you may have to wait several hours for the meeting to start. Lunch is at 3:00 p.m. in Spain, 12:00 noon in Germany, 1:00 p.m. in England, and 11:00 a.m. in Norway. In Greece no one makes telephone calls between 2:00 p.m. and 5:00 p.m. The British arrive at their desks at 9:30 a.m. but like to do paperwork and have a cup of tea before getting any calls. The French, like the Germans, like to start early in the day, frequently having working breakfasts. Restaurants close at 9:00 p.m. in Norway—just when dinner is starting in Spain. The best time to reach high-level Western European executives is after 7:00 p.m., when daily activities have slowed down and they are continuing to work for a few more hours. However, Germans start going home at 4:00 p.m.



This American salesperson needs to recognize the differences between communicating in an Arab culture and an American culture.

Image Source/Getty Images

Many technologies, including the sales cloud (or Sales 3.0 technology), tablet computers, GPS, the Internet, and CRM software, have changed how salespeople operate. The 11th edition includes all-new illustrations with its feature "**Sales Technology**," which discusses how selling and technology interact within the context of each chapter.



SALES Technology 6.1

THE NEW ERA OF SALES: THE FUTURE IS DIGITAL

Consider all you have learned throughout your professional sales education and all that you have yet to learn. It's an ever evolving process. There are many great opportunities in sales in a multitude of different facets, and they all have one thing in common: A digital skill set is the key to the future of sales. The level of application in many different skill sets can make you a well-rounded salesperson.

With the integration of media and digital platforms, many tech giants such as Microsoft come to mind and the services they provide to enhance business productivity. Software as a Service (SaaS), Cloud Computing, and digital platform services such as Microsoft Azure continue knocking at our door now more than ever before. Having a well-rounded understanding of these services and their strategic use will take you leaps and bounds above your peers. The future is here, and the future is digital.

The concept of prospecting has gone through a significant transformation with the advent of artificial intelligence (AI) and predictive analytics on buying behavior. There are three primary advantages that AI has brought to the digital salesperson. First, AI has eliminated a significant amount of wasted time on searching for prospects to only find out they have already made a buying decision or were not the right target in the first place. While not a panacea to delivering 100 percent accuracy on all potential sales, AI has enhanced the prospecting experience to drive more accurate results. Second, AI has driven velocity in the sales process, thereby shortening sales cycles. This has a dual benefit to the salesperson and the customer, in that the number of meetings, calls, and “education” on products has been reduced, allowing customers to focus on deployment and benefits of leveraging the technology sooner versus spending more time in the sales cycle. Lastly, AI has created a much more educated buyer and created a more frictionless sales environment. Educated customers now expect their salesperson to have a deeper understanding of their business, product needs, and market conditions and can now focus on a higher-level conversation about impact of the technology vs. a longer, drawn-out “get to know you” sales process.

Building relationships with your customer ecosystem, ranging from IT directors, procurement, and up to the C-suite, is one of the foundations for sales. You need to continually seek to understand your customer's business outcomes, including short- and long-term strategy, goals, and values. As you seek to understand, you start to learn what digital transformation could be for a customer and how your company can provide solutions to help the customer achieve those business outcomes. You can learn from an objection as much as when you win. The learnings from an objection can help you understand more about the customer. When you get a rejection, you still have gained knowledge about the customer and continue to build trust with the customer.

Source: David Ruggiero, VP Digital Sales at Microsoft.

“Thinking It Through” boxes (at least two per chapter) are engaging exercises that can inspire classroom dialogue or serve as a short-essay exam question to help students experience concepts as they read.

thinking it through

Which do you think you would prefer: an inside sales job or a field sales job? What makes one more attractive to you than the other?

“From the Buyer's Seat” is an all-new original feature that provides students with a buyer's inside perspective. “Building Partnerships” boxes examine how successful salespeople build relationships. All are original to the book—many using examples provided by former students of faculty around the country. And all are discussed as part of the end-of-chapter questions so that you can fully integrate them into the class.



From the BUYER'S SEAT 4.1

WHAT BUYERS REALLY WANT FROM A SALESPERSON

A researcher asked more than 40,000 buyers what they wish salespeople were like. Answers, of course, varied, but a number of themes were represented over and over. Here are a few of them, along with buyers' specific thoughts:

I wish salespeople would really learn about the unique nature of what I do, and the issues I'm confronting.

Randy, a buyer for a chemical manufacturing company stated, "I get salespeople who walk in, ask no questions, and just start selling me on their products or services. I'm like, are you kidding me! Find out what we make here, what our unique problems are, and what we've done to try and solve them. We had a somewhat major accident at one of our plants about three years ago, and you'd be surprised how many salespeople aren't aware of it, and never learn about it during our meetings. And I can tell you, anything we buy going forward, has to have safety at the absolute forefront!"

I wish salespeople would listen better to what I'm saying. Amanda, a buyer for a zoo, had this to say, "I've got one salesperson, Nikki, who is an awesome listener! She looks at me while I'm talking and nods her head, which sort of helps me want to keep talking. She sometimes asks for clarification to make sure she knows exactly what I meant with what I just said. And she never looks at her cell phone while we're in a meeting. I wish I had a nickel for every salesperson who keeps looking at their phone while they're meeting with me. Or are they checking their e-mail, or playing Fortnite, or what? I don't think they mean to be rude, but they are; when you're in my office, get rid of your phone, please!!"

I wish salespeople would stop cutting down the competition. "I have this one salesperson, Katrina, who I really like," says Kyle, a buyer for a group of industrial warehouses. "She's friendly, helpful, and her follow-ups are fantastic. But anytime I bring up anything about how a competitor does this thing well, or has that solution that is something worth considering, Katrina always immediately cuts down the competition and tells me how awful they are. Does she think her company is the only one who can do anything right? Seriously? Don't cut the competition. Instead, just tell me how your product or service is good."

Source: Personal correspondence with buyers; Chris Lytle, "What Buyers Really Think of Salespeople," www.monster.com/career-advice/article/what-buyers-think-of-salespeople, accessed January 1, 2020.



BUILDING Partnerships 5.1

FROM SALESPERSON TO BUYING FACILITATOR: THOUGHTS OF A SEASONED PROFESSIONAL

As a professional salesperson, it should always be your objective to create a great buying experience. This can happen through a multitude of ways, but having a servant's mindset and showing empathy will be at the foundation of all of them. The servant's mindset says, "I am literally here with no agenda other than to help this person. If helping means facilitating the purchase of my product *or* my competitors, that's what I will do. If I do right by this person, I am 1000x more likely to do business with them in the future." This must be authentic, or it will all fall apart. This leads to the importance of empathy, which is a key determinant to your likability. Never forget that people buy from people whom they like and trust. Make sure you understand your buyer's internal narratives, worldviews, and culture.

Another challenge for salespeople is around need definition, and what priority is that need. If a need is *not defined*—in other words your "who is it for" target segment doesn't know they have the need—your marketing and education spend is likely to 2 to 10 times normal, depending on the complexity of the need. A great example of this is the challenge of selling air quality products. People should care about air quality like they care about the drinking water, but because they can't see, smell, or feel the air, they assume it's most likely healthy. As such, a buyer's need for an air quality monitor is *undefined*, and convincing a buyer to put a value on one is going to be a tough sell.

Universities that teach selling should create a culture of buying facilitators instead of just training students to be traditional salespeople. Selling students must be reminded that a sales transaction is a two-way street. Here is a funnel for "buying facilitation" and you should be able to wrap the answers to the four questions below into a story about how a customer just like the one you're about to talk to solved their problems with your product or service. First, how do you know the customer wants the product? (*why should they really care, emotionally*) Second, does the customer even have a use for the product? (*it's usually not IF, it's how many uses do they have if you peek below the fold?*) Third, will they even use it if I sell it to them? (*why should they really care; quantify and bring "logic"*) Fourth, what is their cost of change? That is, changing from what they use today, to your solution?

Identify the value streams early. Whether it be safety, direct cost savings, or increased productivity, keep in mind that not all customers will have the same degree of needs. This is where trying to understand more about the person that is the buyer and how they integrate into the greater tribe probably gives insight into what other "conflicting priorities" may get in the way of yours.

Ask the customer to help you understand their process. This is the single friendliest sales phrase in the history of sales phrases, but it must be authentic. Find out why they do the things they do. It is very likely that your potential buyer is the person that bought the current product or solution you hope to replace and there is almost a guaranteed attachment and "belief" that this was (and still is) the right decision. So, headwinds are almost inevitable. Peel back the layers to help facilitate their needs even further. *Note:* trust is key here—you'll know if you haven't achieved trust yet if you get answers from the buyer that you know aren't true. This isn't them lying; this is them telling you that they're still skeptical about you and/or your offering.

Andy Boyd, Sales and Marketing Manager, 3M. Used with permission.

Class-tested **minicases** at the end of each chapter work well as daily assignments and as frameworks for lectures, discussion, or small group practice. Each chapter includes at least one new minicase. The cases encourage students to apply theories and skills learned in the text to solve sales situations.

case 11.2 Presenting Price

When Janice Thompson began working as a salesperson for Prodio, she thought it would be easy. After all, the company's service sold saved clients thousands of dollars. "What we do," said Evin Martinez, chief sales officer, "is verify all of the credentials a doctor or other health care professional has when hired by a hospital or clinic. As it turns out, it can take up to six months to verify all of the licenses a doctor has to carry. We can do it with our proprietary software solution in under 30 days." She gave several case studies showing savings of more than \$100,000 because of revenue that was being lost waiting for the physician's credentials to be verified and another \$50,000 on average for eliminating staff used in the verification process. So Janice began calling hospitals and asking for the head of human resources. Several times, she was put through and the conversation would go something like this.

"I'd like to meet with you to discuss an exciting new service, Credeo, which handles physician credentialing. The best thing is it's only \$250 per doctor, saving most hospitals well over \$150,000!"

"\$250 per doctor? That's crazy! I've got no budget for anything like this! No thanks!"

So Janice called Evin and said, "I'm not really getting anywhere. Can I work with someone to see how they are successful?"

The following Monday, Janice found herself in San Diego, meeting Rich Sample for coffee before going out on a few sales calls.

Rich recommended waiting to give the price until the prospect had offered information regarding the number of doctors it was credentialing and what that cost was, as well as how long it took. "You can't sell price until they know what their current costs are," he advised. "This first call is a great example. The hospital CEO asked me to meet with the director of HR to get that information, which I did last week. Today, I'll present the costs and benefits and ask for the sale."

In the hospital's conference room, Rich and Janice sat on one side of the table facing the CEO, Alec Maxwell, and Dianne Green, the HR director. "Alec," said Rich, "based on the information Dianne gave me, you'll reduce the credentialing period from an average of 90 days to under 30. For your more advanced specialties, it will go from six months to under 45 days. Dianne couldn't total the lost revenue you'll save by shortening the period, but we were able to determine that you'll also be able to eliminate two positions, saving another \$138,000 versus spending just under \$60,000 per year." He then handed the contract to the CEO.

There was a momentary silence and Janice could hear the antique clock ticking away on the credenza.

Dianne squirmed, visibly upset. When Alec looked at her, she said, "Alec, I don't want to fire two people. And I don't have other things for them to do."

Alec replied, "But this is one of those things we're going to have to do—financially, it's the right thing for the hospital."

As Alec turned his attention to signing the contract, Dianne stood and said, "Well, congratulations Rich. Janice, nice to meet you," and she left the room.

An awkward pause ensued, broken when Alec handed the contract back to Rich. "Does this contract mean we have to do all of our credentialing through you?"

"No," replied Rich. "It just specifies the cost and our performance guarantees."

"OK. You work with Dianne to transition over. I'm not going to fire anyone, so until we can place them in other positions, you'll have to wait."

Questions

1. Assess the approach to presenting price. Is Rich's approach something Janice should emulate?
2. Presenting price as the attention getter doesn't seem to work. If Janice does emulate Rich's approach, what should she do when she calls to gain commitment to have that first meeting?
3. Rich will need to work very closely with Dianne and her people, and it doesn't appear that Dianne is happy about the sale. What could Rich have done to avoid this situation? How might this have gone differently if Dianne had been the initiator instead of Alec?

Students can practice their partnering skills in brand-new **role-play exercises** that encourage personal growth and experiential learning. Each role play features Gartner, the company used in the National Collegiate Sales Competition. Also, new comprehensive role plays are available at the end of the book, featuring new products from Purina and Gartner, with additional role plays included in the Instructor's Manual.

ROLE-PLAY CASE

During much of the rest of the semester, you will be calling on one of three accounts. The accounts are listed here with some information. Information that you gain on each call can be used in subsequent calls as you practice the skills and apply the concepts introduced in each chapter.

Safety Systems Inc.: Safety Systems Inc. (SSI) sells products and services that help customers create safe working environments and comply with Federal safety regulations. Services include consulting to design safer work environments as well as training of client personnel in appropriate safety procedures. Products include harnesses for working on scaffolds and towers, helmets, and other personal protection equipment.

FinTech: This company compiles data from a wide range of sources, then applies its own algorithms to the data to create scores used by a wide range of financial services companies. Some scores are used like credit scores, others are used to determine the insurability of individuals, and still others are used to create prospecting lists for financial services salespeople.

Granite Capital: Granite Capital is a private equity company that buys the assets of distressed companies from community banks. They then put their own management into place. They then look for opportunities to roll up similar companies into the acquisition, merging several companies together to gain operating efficiencies.

Today, you have an appointment with the chief information officer, whom you met at a large conference. Start the sales call from the beginning as if you were entering the person's office. Reintroduce yourself and your company, thank the person for the appointment, and then tell the buyer you'd like to ask some questions. Your questions should be about the buying process and who is involved. Afterward, see if you can chart the buying center and the company's organizational structure.

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Calendar: owattaphotos/Getty Images

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chapter 1

SELLING AND SALESPEOPLE



michaeljung/123RF

SOME QUESTIONS ANSWERED IN THIS CHAPTER ARE

- What is selling?
- Why should you learn about selling even if you do not plan to be a salesperson?
- What is the role of personal selling in a firm?
- What are the different types of salespeople?
- What are the rewards of a selling career?

PROFILE

“You can help your customers and make a lot of money, while proudly supporting and representing your company”

Megan Colapinto



Courtesy of Megan Colapinto

Being a professional salesperson is about helping people through the decision-making process and uncovering and solving their needs (hopefully with your solution). Engaging in selling in this ethical, dependable, and noble way will allow you to find more purpose in your work and you'll find yourself making more sales! My name is Megan Colapinto and I graduated from Kennesaw State University with a degree in Professional Sales in 2019. In my time at the KSU Center for Professional Selling, I was president and co-founder of the Sales Club as well as the team captain of the Sales Team. I had the opportunity to learn Advanced Selling from Dr. Terry Loe, founder of the National Collegiate Sales Competition (NCSC), Professional Sales from Dr. Scott Inks, and Sales Management from Brent McCulloch. Upon graduation, I accepted a sales engineering role at Ciena Corporation, a networking systems, hardware, software, and services company. We help our clients build more adaptive networks to provide fast and efficient connectivity while minimizing costs.

In this chapter, you'll be introduced to selling and what the profession entails in its various forms. If today you don't see yourself being a salesperson, perhaps your perception is being skewed by stereotypes and maybe you will find a passion for the profession. One of the beautiful concepts I have learned through my sales academe and being a salesperson for a couple of years is that your mission is a win-win-win. You can help your customers and make a lot of money, while proudly supporting and representing your company. This book will help uncover what this means, how you can do this effectively, what challenges are involved, and how you can adapt to be successful, and how this applies to you right now and every aspect of your life, whether you end up as a sales professional or not!

Visit our website at: www.ciena.com

Megan Colapinto, Sales Engineer, Ciena. Used with permission.

WHY LEARN ABOUT PERSONAL SELLING?

What's the first thing that pops into your mind when you hear the phrase "personal selling"? Do you conjure up images of fast-talking, nonlistening, pushy salespeople who won't take no for an answer? How about this definition: "Personal selling is the craft of persuading people to buy what they do not want and do not need for more than it is worth."¹

If that is your view of selling, we encourage you to study this book carefully. Let's start with a more accurate definition of professional selling, which is vastly different from the one just mentioned. **Personal selling** is "the phenomenon of

human-driven interaction between and within individuals/organizations in order to bring about economic exchange within a value-creation context.”² Let’s look at the definition more closely:

- It is more than just a set of sequential steps that a salesperson goes through with each buyer to secure an order. It’s not just about what a seller does but rather the *interaction* between sellers and buyers that makes selling work today. We will talk about steps in the selling process in this book, but remember that they are not necessarily sequential or all needed for all buying situations.
- It can often involve multiple people and organizations (not just one seller and one buyer, for example).
- It can occur in a live meeting, or by phone, or by web interaction.
- Selling is all about creating **value**, which is the total benefit that the seller’s products and services provide to the buyer. When describing this to prospects, the seller often refers to the collection of buyer-specific benefits as the **customer value proposition (CVP)**, described more fully in **Chapter 9**. Just as our definition implies, this CVP is dynamic, evolving as time goes on, and depends on the context of the situation. In fact, success in future business often depends on enhancements to the original CVP. **Exhibit 1.1** provides examples of ways that salespeople create value.
- The goal of selling is to create economic exchange, not merely to promote the product or service. Customers today are technology savvy and search enabled and no longer rely on salespeople alone to learn about products and services. We refer to customers who use multiple channels or sources for gathering information as **omnichannel buyers**, and will provide more insights in **Chapter 3** and elsewhere in the book.

Exhibit 1.1 Examples of Ways That Salespeople Can Add Value in a Selling Situation

Provide an interface between the buying and selling companies.

Identify networks of key players in both the buying and the selling companies and then help activate them to the task of co-creating value.

Encourage two-way communication and help create effective bonds between people.

Help create a climate of co-leadership in the meetings rather than having the seller always take the leadership role.

Encourage both sides to learn from and understand each other.

Facilitate truly useful meetings and conversations between all parties.

Help manage any situations that arise to bring everyone back to a value-adding perspective.

Help foster conditions of trust and commitment between parties.

Be attuned to activities that increase value adding and help facilitate more of them.

Help key players understand their own perceptions of what value is to them.

Create meaning out of situations that arise and conversations that occur.

Help provide closure on solutions that provide value to all parties.

Source: Alexander Haas, Ivan Snehota, and Daniela Corsaro, “Creating Value in Business Relationships: The Role of Sales,” *Industrial Marketing Management* 41, no. 1 (2012): 94–105.

This economic exchange involves what we call profit for both parties. Everyone knows that sellers sell to make a profit. Why do buyers buy? Typically a student will say, “To satisfy a need or a want,” and that is a good basic answer. More helpful is to recognize that buyers also buy to make a profit. But they calculate profit differently. A seller’s profit is selling price minus cost of goods sold and selling costs. A buyer’s profit, or value, is the benefit received minus the selling price and costs and hassles of buying, or time and effort, as noted in this equation:

$$\text{Personal Value Equation} = \text{Benefits received} - (\text{Selling price} + \text{Time and effort to purchase})$$

For example, when someone buys a product from a salesperson, the buyer's profit may be higher than that obtained by buying on the Internet due to the benefits received (expert knowledge in determining the appropriate product to purchase, assistance with installation, resolution of concerns, creation of new offerings based on the buyer's specific needs, and so forth). We'll explain more about benefits in **Chapter 8**.

EVERYONE SELLS

Interestingly, it has been estimated that more than 50 percent of college students, regardless of their major, will work in sales at some point in their lives.³ It is consistently one of the top 10 career paths for majors in business, social sciences, communication, languages, and philosophy with significant jobs for engineering majors as well.⁴

Over the last 10 years, sales jobs have grown by over 20 percent, adding nearly 800,000 new positions.⁵ So it is not surprising that you are reading this textbook and probably taking some type of course in selling.

While this text focuses on personal selling as a business activity undertaken by salespeople, keep in mind that the principles of selling are useful to everyone, not just people with the title of salesperson. Developing mutually beneficial, long-term relationships is vital to all of us. In fact, the author team has taught the principles in this book to many groups of nonsalespeople, including doctors, lawyers, and engineers, to name a few. Let's look at some examples of how nonsalespeople sell ideas.

As a college student, you might use selling techniques when you ask a professor to let you enroll in a course that is closed out. When you near graduation, you will certainly confront a very important sales job: selling yourself to an employer.

To get a job after graduation, you will go through the same steps used in the sales process (discussed in **Part 2, Chapters 6 through 14**). First you will identify some potential employers (customers). On the basis of an analysis of each employer's needs, you will develop a presentation (as well as answers to questions you might encounter) to demonstrate your ability to satisfy those needs. During the interview you will listen to what the recruiter says, ask and answer questions, and perhaps alter your presentation based on the new information you receive during the interview. At some point you might negotiate with the employer over starting salary or other issues. Eventually you will try to secure a commitment from the employer to hire you. This process is selling at a very personal level. **Chapter 17** reviews the steps you need to undertake to get a sales job.

Nonsalespeople in business use selling principles all the time. Engineers convince managers to support their R&D projects, industrial relations executives use selling approaches when negotiating with unions, and aspiring management trainees sell themselves to associates, superiors, and subordinates to get raises and promotions.

It's not just businesspeople who practice the art of selling. Presidents encourage politicians in Congress to support certain programs, charities solicit contributions and volunteers to run organizations, scientists try to convince foundations and government agencies to fund research, and doctors try to get their patients to adopt more healthful lifestyles. People skilled at selling value, influencing others, and developing long-term relationships are usually leaders in our society, as **Building Partnerships 1.1** describes.



BUILDING Partnerships 1.1

SELLING IDEAS IN WASHINGTON, DC

The ultimate goal of any business is to sell your idea or services to someone, and consulting in Washington, DC is no different. As the founder of a government relations and strategic consulting firm in Washington, DC,

my job is one primarily of selling. I am selling when I engage in activities to discover potential clients looking for someone to represent their needs, and I am selling when I then put together a service offering that meets those needs. In my case, the service provided might be to fulfill the customer's representation to elected officials.

The untold and deeply kept secret of any consulting firm is the diversification of their team in terms of knowledge and connections. Having a wealth of knowledge means you can accept clients with different needs and interests, while having multiple connections means you have the ability to thrive for your client's needs in many areas. Our consultants have different backgrounds, different lifestyles and different ways to attract new clients and meet their needs. This diversity demonstrates our ability to appeal to a larger spectrum, furthering our company's reliability and credibility. In the world of political consulting, it's an intellectual battle, the ability to convey and sell a message from any angle. Knowing an issue from every angle demonstrates superior knowledge on the issue.

Finally, in my business, location is key. The term "lobbyist" got its start in Washington, DC at the prestigious Willard Hotel. Close to the White House, President Grant would frequent the hotel to unwind. People seeking to influence decisions would frequent the hotel as well. A bit of advice to winning any battle is this: when the battle to be won is close to the front lines, your client will expect you to be on the front lines fighting for their cause. The ability for myself and my team to strategically place themselves in the right place is a key component to gaining a win. Culminating the wealth of knowledge about my client's needs and being just steps away from those who hold the power to "buy" the message is the key to winning in Washington.

Anonymous, names changed as requested. Used with permission.

CREATING VALUE: THE ROLE OF SALESPEOPLE IN A BUSINESS

Companies exist only when their products and services are sold. It takes skill for salespeople to uncover exactly what a customer is looking for and how a potential product or service could add such value. Because this is so critical this topic is covered in great detail in multiple chapters in this book.

Companies have many options in how they can bring a product to market and approach customers as they add value, and the various methods are sometimes called **go-to-market strategies**. Strategies include selling through the Internet, field sales representatives, business partners, resellers, manufacturers' agents, franchises, telemarketers, and others.⁶ Selling firms determine which strategy to use for each customer based on such factors as the estimated value of the customer over the lifetime of the relationship, often called **customer lifetime value (CLV)**.⁷ (Because this concept is so important, it is more fully discussed in **Chapter 14**.) Organizations whose go-to-market strategies rely heavily on salespeople are called **sales force-intensive organizations**. Naturally some firms use several strategies at the same time, and this is called **multichannel strategy**.⁸ For example, Motorola uses the Internet for very small customers, inside salespeople for midsize customers, and a field sales force for large, important customers.

Another way to view the role of salespeople in business is to realize that they are one element in the company's marketing communications program, as **Exhibit 1.2** indicates. Advertising uses impersonal mass media such as newspapers and TV to give information to customers, while sales promotions offer incentives to customers to purchase products during a specific period. Salespeople provide paid personal communication to customers, whereas publicity is communication through significant unpaid presentations about the firm (usually a news story). Finally, communication also occurs at no cost through word of mouth (communication among buyers about the selling firm).

Each of the communication methods in **Exhibit 1.2** has strengths and weaknesses. For example, firms have more control when using paid versus unpaid methods. However, because publicity and word of mouth are communicated by independent sources, their information is usually perceived as more credible than information from paid communication sources. When using advertising, Internet sites, and sales promotions, companies can determine the message's exact content and the time of its delivery. They have less control over the communication delivered by salespeople and have very little control over the content or timing of word-of-mouth communication. Personal selling comes out on top in flexibility because salespeople can talk with each customer, discover the customer's specific needs, and develop unique presentations for that customer. Not surprisingly, personal selling is the most costly method of communication.

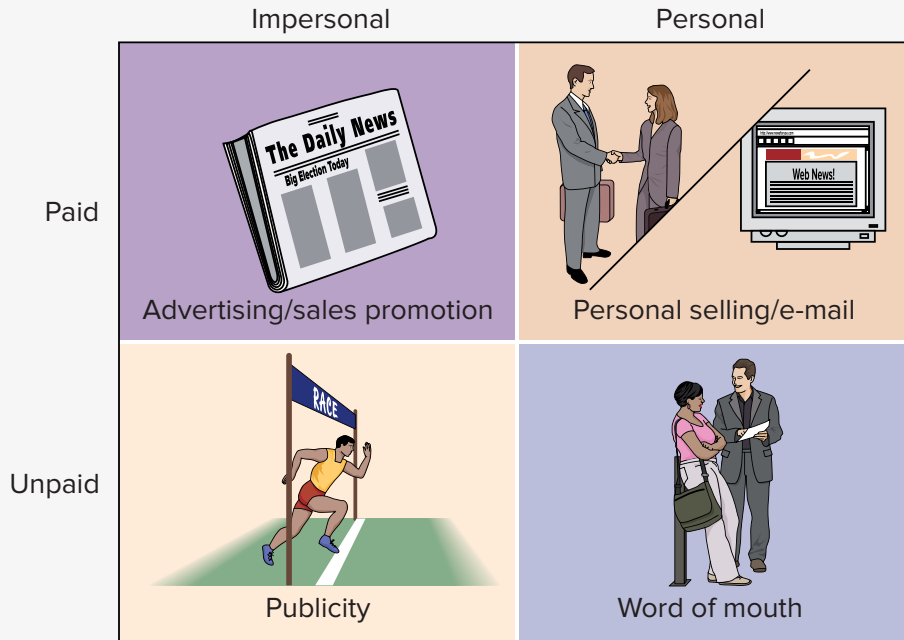


Exhibit 1.2 Communication Methods

The average cost of a sales call can be 10,000 times more expensive than exposing that single customer to a newspaper, radio, or TV ad.

Because each communication vehicle in **Exhibit 1.2** has strengths and weaknesses, firms often use **integrated marketing communications**, which are communications programs that coordinate the use of various vehicles to maximize the total impact of the programs on customers.

For example, when Hormel introduced its new Skippy P.B. Bites®, salespeople called on supermarkets and wholesale clubs. Advertising was created to generate awareness in consumers' minds. Coupons were offered to consumers to create interest and spur more rapid sales. Taste tests in stores were offered to build excitement and word of mouth. Publicity was generated that focused on how the Hormel founder often said that it was best to innovate (as was done with this new product), rather than to imitate. Although using salespeople in this example was an expensive part of the communication mix, it was important to do so to ensure that customers' precise needs were met.

Many students think—incorrectly—that advertising is the most important part of a firm's promotion program. However, many industrial companies place far more emphasis on personal selling than on advertising. Even in consumer product firms such as Procter & Gamble, which spends billions annually on advertising, personal selling plays a critical role.

Students sometimes also have the mistaken notion that the growing world of e-commerce and the Web as a source of information are causing the demise of salespeople. While the Web has drastically changed the life of a salesperson, salespeople are not being completely replaced by all of the new technology. In fact, research and business evidence suggests that online and salesperson channels are actually complementary to one another, resulting in improved customer-seller communication.⁹

Let's look at this from another perspective—your own life. Have you purchased anything from the Internet? Probably every student has—travel, music, clothing, books, and more. Have you noticed that, other than Internet services, everything you purchased on the Web existed in some form before the Web? Why, then, has the Web become such a ubiquitous place for commerce? Simple. The Internet makes information as well as products and services available the way the consumer wants them. Those who sell via the Web gain competitive advantage by selling the way the buyers (or at least some buyers in some situations) want to buy.

If salespeople want to sell effectively, they have to recognize that the buyer has needs that are met not only by the product but also by the selling process itself. These needs include time savings, shopping costs such as gas if they drive around, and others. Part of the salesperson's responsibility is to sell the way the buyer wants to buy.

WHAT DO SALESPEOPLE DO?

The activities of salespeople depend on the type of selling job they choose. The responsibilities of salespeople selling financial services for General Electric differ greatly from those of salespeople selling pharmaceuticals for Merck or paper products for Georgia-Pacific. Salespeople often have multiple roles to play, and studies have shown that when a salesperson's role encompasses more than simply the selling function, the seller's firm has more overall value.¹⁰

Sales jobs involve prospecting for new customers, making sales presentations, demonstrating products, negotiating price and delivery terms, writing orders, and increasing sales to existing customers. But these sales-generating activities (discussed in **Chapters 6 through 14**) are only part of the job. Although the numbers would vary greatly depending on the type of sales job, salespeople generally spend less than 50 percent of their time on-site in face-to-face meetings with customers and prospects. The rest of salespeople's time is spent in meetings, working with support people in their companies (internal selling), traveling, waiting for a sales interview, doing paperwork, and servicing customers.



Sales reps help with installations to ensure proper use.

John Lund/Marc Romanelli/Getty Images

CLIENT RELATIONSHIP MANAGER

Rather than buying from the lowest-cost suppliers, buyers often build competitive advantage by developing and maintaining close, cooperative relationships with a select set of suppliers, and salespeople play a key role in these relationships. Salespeople help customers identify problems, offering information about potential solutions and providing after-sale service to ensure long-term satisfaction. The phrase often used to describe this is **customer-centric**, which means making the customer the center of everything the salesperson does.¹¹ And buyers expect **24/7 service** (which means they expect a selling firm to be available for them 24 hours a day, 7 days a week). When salespeople fail in maintaining these relationships, buyers desert the firm. But when salespeople engage as effective client relationship managers, really helping buyers achieve their goals, the results are the opposite. **Sales Technology 1.1** describes how using the **Internet of Things (IoT)**, a system of connected and related devices, machines, and people that transfer data over the Internet without requiring human interaction, helps in this process.



SALES Technology 1.1

INTERNET OF THINGS (IOT): USING TECH TO DRIVE CUSTOMER-CENTRIC RELATIONSHIPS

While there are many tools to help drive customer-centric relationships, a large percentage have their roots in the effective use of technology. Having some system that is able to connect all sorts of entities is a start. This has sometimes been referred to as the Internet of Things (IoT), a system of connected and related devices, machines, and people that transfer data over the Internet without requiring human interaction.

For example, BlueScope, a building products manufacturer, has an IoT system that allows salespeople, customers, and manufacturing employees and managers to see, in real time, the status of customer orders. By digitally tracking production processes, BlueScope salespeople can respond accurately to any customer queries much more quickly. The system also sends automatic updates to the customer as the product goes through the production and delivery system. “We use these innovations, not just as a way of gaining new customers, but keeping existing customers,” says Ryan Briggs, manufacturing systems manager at BlueScope.

Other businesses, from aerospace companies to medical device manufacturers, use IoT to maintain a completely customer-centric focus. Even if the customer learns about an unexpected delay in production or a failure of a part to pass a quality inspection point, the system is considered a positive one. Buyers want to keep informed, about good news and even about bad news, and IoT allows them to experience this in real time.

Source: Buyer and customer stories provided to the authors; “Technologies Drive Customer-Centric Innovation,” *Manufacturers’ Monthly* (December 2019): 41.

The salesperson’s job does not end when the customer places an order. Sales representatives must make sure customers get the benefits they expect from the product. Thus, salespeople work with other company employees to ensure that deliveries are made on time, equipment is properly installed, operators are trained to use the equipment, and questions or complaints are resolved quickly. Firms like Taylor Communications and Ortho-Clinical Diagnostics have implemented **six sigma selling programs**, which are designed to reduce errors introduced by the selling system to practically zero. This becomes increasingly important, especially when one realizes how much companies are buying from salespeople. For example, Florida Power and Light spends approximately \$3 billion a year on services and \$3 billion a year for products.¹² **Chapter 14** provides more insights on developing ongoing relationships through customer service.

ACCOUNT TEAM MANAGER

Salespeople also coordinate the activities within their firms to solve customer problems. Many sales situations call for team selling, and salespeople who attempt to go it alone (sometimes called being “lone wolves”) perform poorly, have lower job satisfaction, and have higher turnover intentions. An example of team selling occurred when Dick Holder, president of Reynolds Metal Company, spent five years “selling” Campbell Soup Company on using aluminum cans for its tomato juice products. He coordinated a team of graphic designers, marketing people, and engineers that educated and convinced Campbell to use a packaging material it had never used before. Approaches for improving efficiency by working closely with other functional units in the firm are fully discussed in **Chapter 16**.

SUPPLY CHAIN LOGISTICS AND CHANNEL MANAGER

Sometimes it is necessary to interact with other partners and vendors to meet a customer’s needs, and salespeople are often the key managers of these many relationships. As one key buyer stated, “When I evaluate which salespeople I want to work with, I always ask this question, ‘Can they source for things they can’t provide themselves?’ I’m looking to work with companies and salespeople with significant source expertise.”

With regard to **supply chain logistics**, the management of the supply chain, if a customer buys a new jet from Boeing, with features that will be added by a third-party vendor, the salesperson will need to coordinate the efforts of the vendor with Boeing. Glenn Price, who sells life and disability insurance with Northwestern Mutual, realizes the importance of working with channel partners. “Today the financial services industry is very complex, as are the needs of my clients, and I can’t be all things to all people. I can, however, create a team of specialists. For areas outside of my expertise, all I have to do is identify which specialists are needed and bring them in. This approach allows me to operate at maximum efficiency while providing the highest level of expertise and service to my clients.”¹³

INFORMATION PROVIDER TO THEIR FIRM

Salespeople are the eyes and ears of the company in the marketplace. For example, when Bob Meyer, a salesperson at Ballard Medical Products, was demonstrating a medical device, a surgeon commented that he could not tell whether the device was working properly because the tube was opaque. Meyer relayed this information to the vice president of engineering, and the product was redesigned, substituting a clear tube for the opaque tube.

To truly have an effective impact on their organization, salespeople need to be skillful at disseminating the knowledge they have acquired from customers to other people in their companies. In their reporting activities, salespeople provide information to their firms about expenses, calls made, future calls scheduled, sales forecasts, competitor activities, business conditions, and unsatisfied customer needs. It's not surprising, therefore, that the vice presidents of finance and manufacturing in most firms, for example, care greatly about the work and information provided by salespeople. Much of this information is now transmitted electronically to the company, its salespeople, and its customers and is contained in a **customer relationship management (CRM)** system. The CRM is updated in real time, and contains not only information needed by the firm but also extensive call information about the customer. **Chapter 6** discusses the types of customer information that can be helpful for salespeople to track, while **Chapters 15** and **16** discuss more fully the use of CRM systems, and the relationship between salespeople and their companies.¹⁴



Salespeople share important market information with their boss and others in the firm.

Aleksandr Davydov/fizkes/123RF

TYPES OF SALESPEOPLE

When most college students first think of selling, they focus on retail selling, because they have certainly interacted with retail salespeople, and because that is a job many of them have held. Yet, most college graduates in sales go into business-to-business selling, not working for a retailer as a salesperson.

Staying with the retailer perspective for a moment, it is interesting to learn that there is an army of other salespeople working for commercial firms that help facilitate the manufacture and distribution of products sold by retailers. Consider a cell phone you purchase from a retailer. To make the phone, the manufacturer bought processed material, such as plastic and electronic components, from various salespeople. In addition, it purchased capital equipment from other salespeople to mold the plastic, assemble the components, and test the phone. Finally, the phone manufacturer bought services such as an employment agency to hire people and an accounting firm to audit the company's financial statements. The manufacturer's salespeople then sold the phones to a wholesaler or retailer. The wholesaler or retailer purchased transportation services and warehouse space from other salespeople. Then the wholesaler's salespeople sold the phones to a retailer.

SELLING AND DISTRIBUTION CHANNELS

As the cell phone example shows, salespeople work for different types of firms and call on different types of customers. These differences in sales positions come from the many roles salespeople play in a firm's distribution channel. A **distribution channel** is a set of people and organizations responsible for the flow of products and services from the producer to the ultimate user. **Exhibit 1.3** shows the principal types of distribution channels used for business-to-business and consumer products and the varied roles salespeople play.

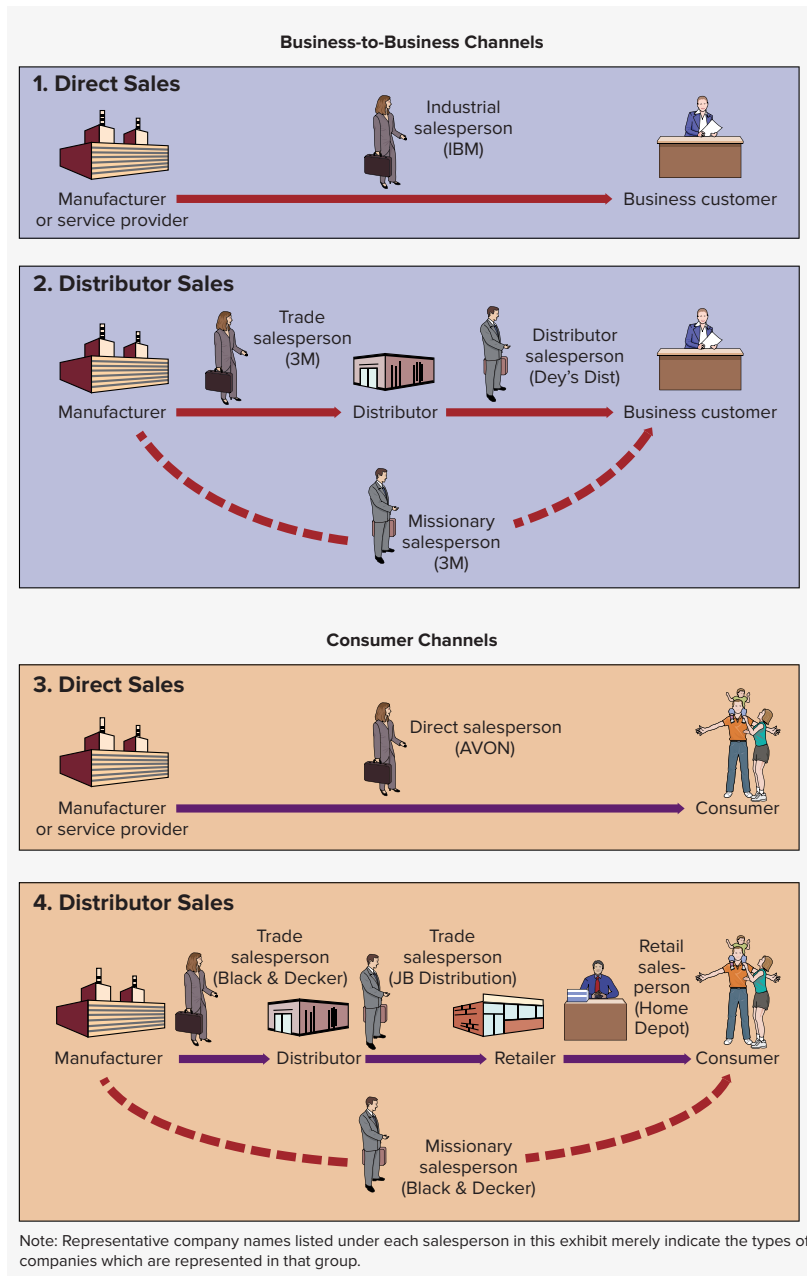


Exhibit 1.3 Sales Jobs and the Distribution Channel

Business-to-Business Channels

1. *Direct Sales.* In the direct channel, salespeople working for the manufacturer call directly on other manufacturers. For example, Dow Chemical salespeople sell plastics directly to toy manufacturers, and Nielsen salespeople sell marketing research services directly to business customers.

2. *Distributor Sales.* In the distributor channel, the manufacturer employs salespeople to sell to distributors. Some of these are referred to as **trade salespeople** because they sell to firms that resell the products (that is, they sell to the trade) rather than use them within the firm. Distributor salespeople sell products made by a number of manufacturers to businesses. For example, some Intel salespeople sell microprocessors to distributors such as Arrow Electronics, and Arrow salespeople then resell the microprocessors and other electronic components to customers such as Google.

Some firms use more than one channel of distribution and thus employ several types of salespeople. For example, Dow Chemical has trade salespeople who call on distributors as well as direct salespeople who call on large companies.

In distributor sales (see **Exhibit 1.3**), a missionary salesperson is sometimes employed. **Missionary salespeople** work for a manufacturer and promote the manufacturer's products to other firms. However, those firms buy the products from distributors or other manufacturers, not directly from the missionary salesperson. For example, missionary salespeople at Driltek, a manufacturer of mining equipment, call on mine owners to promote their products. Missionary salespeople do not ask for the order, however, since the mines place orders for drills with a local distributor that carries Driltek products, rather than with Driltek directly. Missionary and local distributor salespeople usually work together to build relationships with customers.

Frequently missionary salespeople call on people who influence a buying decision but do not actually place the order. For example, DuPont missionary salespeople call on Lululemon and other clothing designers to encourage them to design garments made with propriety fabrics, and Merck missionary salespeople call on physicians to encourage them to prescribe Merck pharmaceutical products.

Consumer Channels

3. *Direct Sales.* The third channel shown in **Exhibit 1.3** shows a firm, such as State Farm Insurance, whose salespeople sell insurance directly to consumers.

4. *Distributor Sales.* In this channel, manufacturers employ trade salespeople to sell to either retailers or distributors. For example, Axe uses this method when its cosmetics salespeople sell directly to Walmart. Axe also uses trade salespeople to sell to small, owner-operated stores through distributors. Missionary salespeople are also used in consumer channels. For example, a Black & Decker missionary salesperson may go to a Home Depot store to meet customers there and see how well Home Depot is serving its customers who purchase Black & Decker products.

Some of the salespeople shown in **Exhibit 1.3** may be manufacturers' agents. **Manufacturers' agents** are independent businesspeople who are paid a commission by a manufacturer for all products or services sold. Unlike distributors and retailers, agents never own the products. They simply perform the selling activities and then transmit the orders to the manufacturers.

DESCRIBING SALES JOBS

Stage of Buyer-Seller Relationship: New or Continuing

Some sales jobs emphasize finding and selling to new customers. To convince prospects to purchase a product they have never used before, salespeople need to be especially self-confident and must be able to deal with the inevitable rejections that occur when making initial contacts. On the other hand, salespeople responsible for existing customers place more emphasis on building relationships and servicing customers. For example, Lou Pritchett of Procter & Gamble, in a continuing relationship with Walmart, increased sales to Walmart from \$400 million a year to over \$6 billion a year by being creative and building partnerships. And the more important the buyer, the larger the group of sellers engaged in selling to that buyer. Hormel has a team of 50 who sell to Walmart in Bentonville, Arkansas.

Salesperson's Role: Taking Orders or Creating New Solutions

Some sales jobs focus primarily on taking orders. For example, most Frito-Lay salespeople go to grocery stores, check the stock, and prepare an order for the store manager to sign. However, some Frito-Lay salespeople sell only to buyers in the headquarters of supermarket chains. Headquarters selling requires a much higher level of skill and creativity. These salespeople work with buyers to develop new systems and methods and sometimes even new products to increase the retailer's sales and profits.¹⁵

Importance of the Purchase to the Customer



Field salespeople go directly to the customer's place of business.

Blend Images/Alamy Stock Photo

Consumers and businesses make many purchase decisions each year. Some decisions are important to them, such as purchasing a building or a computer Internet security system. Others are less crucial, such as buying candy or cleaning supplies. Sales jobs involving important decisions for customers differ greatly from sales jobs involving minor decisions. Consider a company that needs a computer-controlled drill press. Buying the drill press is a big decision. The drill press sales representative needs to be knowledgeable about the customer's needs and the features of drill presses. The salesperson will have to interact with a number of people involved in the purchase decision.

Location of Salesperson-Customer Contact: Field or Inside Sales

Field salespeople spend considerable time in the customer's place of business, communicating with the customer face-to-face. **Inside salespeople** work at their employer's location and typically communicate with customers by telephone or computer. The use of inside salespeople is growing rapidly, as a way to penetrate the small to mid-market sized companies, and is boosted by improvements in technology and customer preferences. Both types of jobs can be extremely interesting and rewarding.

thinking **it** through

Which do you think you would prefer: an inside sales job or a field sales job? What makes one more attractive to you than the other?

The Nature of the Offering Sold by the Salesperson: Products or Services

The type of benefits provided by products and services affects the nature of the sales job. Products such as chemicals and trucks typically have tangible benefits: Customers can objectively measure a chemical's purity and a truck's payload. The benefits of services, such as business insurance or investment opportunities, are more intangible: Customers cannot easily measure the riskiness of an investment. Intangible benefits are generally harder to sell than tangible benefits.

The Salesperson's Role in Securing Customer Commitment: Information or Placing an Order

Sales jobs differ by the types of commitments sought and the manner in which they are obtained. For example, the DuPont missionary salesperson might encourage a clothing designer to use DuPont Teflon fibers. The salesperson might ask the designer to consider using the fiber but does not undertake the more difficult task of asking the designer to place an order. If the designer decides to use Teflon fabric in a dress, the actual order for Teflon will be secured by the fabric manufacturer salesperson, not the DuPont salesperson.

THE SALES JOBS CONTINUUM

Exhibit 1.4 uses the factors just discussed to illustrate the continuum of sales jobs in terms of creativity. Sales jobs described by the responses in the far right column require salespeople to go into the field, call on new customers who

make important buying decisions, promote products or services with intangible benefits, and seek purchase commitments. These types of sales jobs require the most creativity and skill and, consequently, offer the highest pay.

Exhibit 1.4 Creativity Level of Sales Jobs

Factors in Sales Jobs	Lower Creativity	Higher Creativity
1. Stage of the customer–firm relationship	Existing customer	New customer
2. The salesperson’s role	Order taking	Creating new solutions
3. Importance of the customer’s purchase decision	Low	High
4. Location of salesperson–customer contact	Varies, generally inside company	Field customer
5. Nature of the offering sold by the salesperson	Products	Services
6. Salesperson’s role in securing customer commitment	Limited role	Significant role

The next section examines the responsibilities of specific types of salespeople in more detail.

EXAMPLES OF SALES JOBS

The following are brief examples of several of the thousands of sales jobs that exist today. As you read each example, notice the vast differences in the type of compensation, the number of accounts, the length of an average sales call, the length of the order cycle, the need to prospect, and so forth. All are based on real salespeople and the sales jobs they got when they first graduated from college. As you read the examples, think about which would be more attractive to you personally.

Kris is a salesperson for Cray, selling supercomputers to organizations. She has three clients, provided to her by her company, and does no prospecting for new accounts. She is paid a straight salary and travels by plane three to five days each week. Each visit to an account is roughly three hours long. For the first three years she had no sales, but continued to receive pay increases and bonuses. In her third year she made the largest sale in the company’s history.

Courtney is a sales engineer with Boeing. A **sales engineer** specializes in facilitating the sales process for technologically and scientifically advanced products.¹⁶ Courtney is able to solve problems and explain complex information to buyers of Boeing aircraft in an easy-to-understand fashion. She is paid a straight salary and generally travels to customers with a key account salesperson from Boeing, although she also interacts with customers by herself.

Lauree works for Uber selling transportation solutions to regional urban businesses. She has 200 clients and does a good bit of searching for new accounts. She is paid a salary plus commission and secures agreements with businesses essentially every day, with no overnight travel. Each sales call lasts about 20 minutes, and are often via the phone and Internet.

Scott works for Pfizer, a pharmaceutical company, calling on 100 doctors to tell them about his company’s drugs. He is paid a salary plus a year-end bonus and as a missionary salesperson never gets an actual order from a doctor (the patients buy the Pfizer drugs). He does no overnight travel and never searches for new accounts, and each call is about five minutes long.

Jim sells Milwaukee power tools and serves 75 dealers. He is paid a salary plus commission and does very limited searching for new accounts. He gets orders every day and has little overnight travel. Each call is about 30 minutes long.

Jeff works for Hormel, selling refrigerated meat products as well as pantry products like canned chili, and has about 100 accounts. He does no searching for new accounts and is paid a salary plus a year-end bonus. Each call lasts about 10 minutes, and he has no overnight travel.

Rachael works at Microsoft as a sales development specialist (an inside salesperson). She makes phone calls over Skype and sends e-mails from her office desk. The people she contacts, called leads (see **Chapter 6** for more details on prospecting), come from an artificial intelligence system that Microsoft has created. Potential prospects for Microsoft's Office Cloud products (like Office 365, Azure, and Business Skype) are rated based on behaviors they have exhibited (like clicking through the website, showing a certain amount of interest in a product, etc.). The sales cycle for a prospect can be anywhere from a few days to six months or longer for bigger sales. Her job as a salesperson does not require her to leave her office. She is paid a salary and a bonus. She can be promoted to a field sales position if she desires.

Niki works for MetLife, selling life, auto, homeowners, long-term care, and disability insurance as well as investments (IRAs, mutual funds, annuities, and so forth). She has 250 clients, has no overnight travel, and is paid straight salary. She does a good bit of searching for new accounts, and her average first in-person sales call to a new account lasts about 30 minutes.

The next section reviews some of the skills required to be effective in the sales positions just discussed.

CHARACTERISTICS OF SUCCESSFUL SALESPEOPLE

The market is full of books and articles discussing why some people are successful in selling and others are not. Yet no one has identified the profile of the “perfect” salesperson because sales jobs are so different, as the examples just provided illustrated. In addition, each customer is unique. However, the following traits are generally associated with successful salespeople.

SELF-MOTIVATED

Salespeople often work without direct supervision and may be tempted to get up late, take long lunch breaks, and stop work early. But successful salespeople are self-starters who do not need the fear of an angry supervisor to get them going in the morning or to keep them working hard all day. Furthermore, successful salespeople are motivated to learn, and they work at improving their skills by analyzing their performance and using their mistakes as learning opportunities.

DEPENDABILITY AND TRUSTWORTHINESS

Customers develop long-term relationships only with salespeople who are dependable and trustworthy.¹⁷ When salespeople say the equipment will perform in a certain way, they had better make sure the equipment performs that way! If it doesn't, the customer will not rely on them again. And dependability and trustworthiness can't just be a false front: Salespeople who are genuine and come across as authentic are better-performing salespeople.

thinking **it** through

Take a minute and think about yourself. How dependable are you right now? Can people count on you to do what you say you will do? Or do they have to look you up and remind you of your promises? You don't start developing dependability when you graduate from college; it is something you should be working on right now. What can you do to start improving your dependability?

INTEGRITY AND ETHICAL SALES BEHAVIOR



Honesty and integrity are critical for developing effective relationships. Over the long run, customers will find out who can be trusted and who cannot. A salesperson must exhibit complete transparency, with a willingness to share both good and bad points of a product, service, or situation. Studies show that good ethics are good business, as **From the Buyer's Seat 1.1** illustrates.¹⁸ Ethical sales behavior is such an important topic that much of **Chapter 2** is devoted to it.



From the BUYER'S SEAT 1.1

MY PROCUREMENT PROCESS AS A BUYER: IT'S ABOUT ASKING THE RIGHT QUESTIONS

The world of buying, especially procurement of a new product or service, has fundamental impacts on my business. From the fleet of automobiles that I procure for my field sales technicians, to the office supplies that we use, everything I buy is to ensure my business can operate at its optimum level. As a buyer, I explore these questions to help facilitate a better buyer experience.

1. Am I talking to the right salesperson?

Consider this example. I find myself in a dilemma that I don't know the answer to, so I call a sales representative that gave me a presentation a few weeks back. Does the sales rep know the answer to my questions, will they send me to a competitor, or will they create a solution to meet my needs? I constantly remind myself that I am trying to find the best solution for my company. The value doesn't only come from the product, it comes from the person that helps me find the best solution to my need. Sometimes going to a competitor salesperson might be the only way to move forward. Know when to walk away if you have to.

2. Am I buying the right solution while forecasting for the future?

What is the end goal of the purchase? Am I buying the right solution for my business? Am I considering not only what I need now, but what I will need in the future as well?

3. Is the sales rep acting in an ethical way?

Business ethics is one of the most understated topics in the business world. Don't get caught up in the entanglement of working with unethical salespeople.

4. Am I giving the salesperson the information they need?

Two imperative questions must be answered in order for my sales representative to gain knowledge and understand my pain points: What is it for? Who is it for? In any buying situation I need to articulate what do I want the outcome to be and for whom. For example, it could be a paint gun for my painter who needs a better way to clean her paint gun and as such reduce our costs.

5. Is the cost of change worth it?

The cost of change can sometimes outweigh the benefits. I need to clearly share the pain points I'm experiencing with my salesperson. The most important question I ask myself is, will the solution be easy to implement and is it a priority?

Source: Andy Boyd, Sales and Marketing Manager, 3M.

CUSTOMER AND PRODUCT KNOWLEDGE

Effective salespeople need to know how businesses make purchase decisions and how individuals evaluate product alternatives. In addition, effective salespeople need product knowledge—how their products work and how the products' features are related to the benefits customers are seeking. **Chapter 3** reviews the buying process, and **Chapter 5** discusses product knowledge.

ANALYTICAL SKILLS AND THE ABILITY TO INTERACT WITH INFORMATION TECHNOLOGY

Salespeople need to know how to analyze data and situations and use the Internet, databases, and analytics to effectively sell in today's marketplace. **Selling analytics** is an attempt to gain insights into customers by using data mining and analytic techniques, including the use of **artificial intelligence (AI)**. Artificial intelligence is the use of computer systems that are capable of performing tasks that normally require human intelligence and capabilities. And AI can also be deployed to conduct tasks that free up salespeople to use more advanced skills. For example, AI can be used to automatically generate and send out e-mails to prospective clients, and then interpret and evaluate the responses to choose which respondents would be the most promising leads to pursue further. AI can also be used to provide feedback on salespersons' presentations, and even help predict future sales, assisting salespeople in forecasting. Information technology will be discussed in every chapter of this book, and the use of analytical tools will be covered in **Chapter 9** and other chapters.

COMMUNICATION SKILLS

The key to building strong long-term relationships is to be responsive to a customer's needs. To do that, the salesperson needs to be a good communicator. But talking is not enough; the salesperson must also listen to what the customer says, ask questions that uncover problems and needs, and pay attention to the responses.

To compete in world markets, salespeople need to learn how to communicate in international markets. **Chapter 4** is devoted to developing communication skills, with discussion of communicating in other cultures.

FLEXIBILITY AND AGILITY

The successful salesperson realizes that the same sales approach does not work with all customers; it must be adapted to each selling situation. The salesperson must be sensitive to what is happening and agile enough to make those adaptations during the sales presentation.¹⁹ Again, it is this flexibility that causes companies to spend so much money on personal selling instead of just advertising, which can't be tailored as easily or quickly to each individual.

CREATIVITY

Creativity is the trait of having imagination and inventiveness and using them to come up with new solutions and ideas. Sometimes it takes creativity to get an appointment with a prospect. It takes creativity to develop a presentation that the buyer will long remember. It takes creativity to solve a sticky installation problem after the product is sold.

CONFIDENCE AND OPTIMISM

Successful salespeople tend to be confident about themselves, their company, and their products. They optimistically believe that their efforts will lead to success. Don't confuse confidence, however, with wishful thinking. According to research, truly confident people are willing to work hard to achieve their goals. They are open to criticism, seek advice

from others, and learn from their mistakes. They expect good things to happen, but they take personal responsibility for their fate. People who lack confidence, according to these same studies, are not honest about their own limits, react defensively when criticized, and set unrealistic goals.

Less you think otherwise, let us assure you that introverts can be outstanding salespeople. Introverts tend to be deep thinkers and can be great listeners.²⁰

EMOTIONAL INTELLIGENCE

Emotional intelligence (EI) is the ability to effectively understand and regulate one's own emotions and to read and respond to the emotions of others, and this is an important trait for salespeople.²¹ EI has four aspects: (1) being aware of one's own feelings and emotions, (2) controlling one's emotions, (3) recognizing customers' emotions (called empathy), and (4) using one's emotions to interact effectively with customers. Bad decisions result from a lack of EI, so it is not surprising that emotional immaturity plays a large role in many employee terminations.

What are some good first steps in improving your EI? Measure your own EI (see www.EIME-research.com) to learn where you currently stand. Learn to identify and understand your own emotions as they arise and recognize the fact that it is often in your best interest to step away from emotional situations and become more reflective. Engaging in most human interactions with just a keyboard (e.g., via texting or e-mailing) can reduce one's EI.

Of course, one must realize that EI can be used in negative ways as well.²² People with high EI can use their skills to intimidate, manipulate, and spin outcomes to their own advantage. We discuss aspects of EI as they relate to adaptive selling and effective verbal and non-verbal intelligence in **Chapters 4 and 5**.



Salespeople need emotional intelligence to be able to recognize customers' emotions.

Isadora Getty Buyou/Image Source

ARE SALESPEOPLE BORN OR MADE?



On the basis of the preceding discussion, you can see that most of the skills required to be a successful salesperson can be learned.²³ People can learn to work hard, plan their time, and adapt their sales approach to their customers' needs. In fact, companies show their faith in their ability to teach sales skills by spending billions of dollars each year on training programs. The next section discusses the rewards you can realize if you develop the skills required for sales success.

REWARDS IN SELLING

Personal selling offers interesting and rewarding career opportunities. More than 8 million people in the United States currently work in sales positions, and the number of sales positions is growing. For the current number of salespeople in various types of sales jobs and to find average earnings, see the *Occupational Outlook Handbook*, created by the U.S. Department of Labor (www.bls.gov/ooh).

INDEPENDENCE AND RESPONSIBILITY

Many people do not want to spend long hours behind a desk, doing the same thing every day. They prefer to be outside, moving around, meeting people, and working on various problems. Selling ideally suits people with these interests. The

typical salesperson interacts with dozens of people daily, and most of these contacts involve challenging new experiences.

Selling also offers unusual freedom and flexibility. It is not a nine-to-five job. Many salespeople decide how to spend their time; they do not have to report in. Long hours may be required on some days, and other days may bring fewer demands.

Because of this freedom, salespeople are like independent entrepreneurs. They have a territory to manage and few restrictions on how to do it. They are responsible for the sales and profits the territory generates. Thus, their success or failure rests largely on their own skills and efforts.

FINANCIAL REWARDS

Salespeople tend to earn more money the longer they sell. Occasionally the top salespeople in a firm will even earn more than the sales executives in that firm. The average amount earned by salespeople depends somewhat on the annual revenues of the firm.

The financial rewards of selling depend on the level of skill and sophistication needed to do the job. For example, salespeople who sell to businesses typically are paid more than retail salespeople. But salespeople usually don't earn overtime pay for working more than 40 hours.

MANAGEMENT OPPORTUNITIES



This young manager learned the ropes as a salesperson before moving into product management at her firm.

Shutterstock

Successful salespeople develop traits of servant leadership, where the aim is to serve and help others, rather than dictate. This servant leadership mindset helps prepare salespeople for promotions.²⁴ For example, Mark Alvarez started his sales career in the Medical Systems Division at General Electric (GE) selling diagnostic imaging equipment to hospitals in central Illinois. Over the years he held positions in the firm that included district and regional sales manager and product manager; at one point he had responsibility for all Medical Systems Division business in Latin America. Sixteen years later, he was in corporate marketing and was responsible for managing the relationships between GE's 39 divisions and key customers in the southeastern United States. These include such accounts as Federal Express, Disney, and Home Depot. Some of his businesses do more than \$500 million worth of business with GE annually. His entry-level job in selling provided great experience for his current assignment. Many CEOs and board chairs started their careers as salespeople.

THE BUILDING PARTNERSHIPS MODEL

This book is divided into three parts, as illustrated in **Exhibit 1.5**.

The knowledge and skills needed for successful partnerships are covered in **Part 1**. You will learn about the legal and ethical responsibilities of salespeople, the buying process, the principles for communicating effectively, and methods for adapting to the unique styles and needs of each customer.

In **Part 2** you will explore the partnership development process and the activities needed for this to occur. After completing this section, you should have enhanced skills and understanding about prospecting, planning, discovering needs,

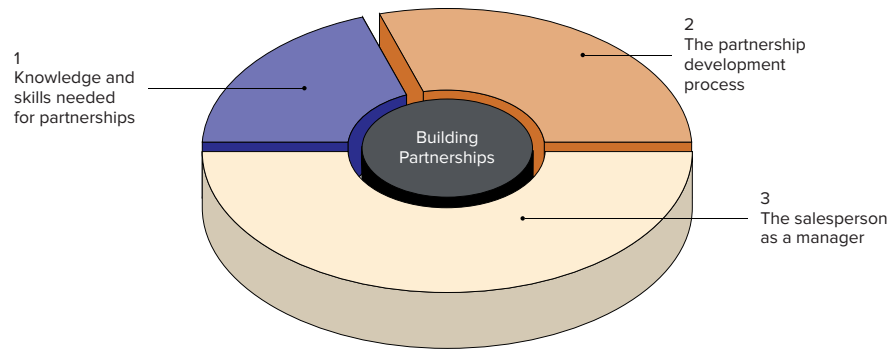


Exhibit 1.5 The Building Partnerships Model

using visual aids, and conducting demonstrations effectively, responding to objections, obtaining commitment, formally negotiating, and providing excellent after-sale service. **Exhibit 1.6** provides a chart that summarizes the selling process.

Finally, **Part 3** discusses the role of the salesperson as a manager. You'll learn how you can improve your effectiveness as a salesperson by managing your time and territory and by managing the relationships within your own company. This section also discusses ways to manage your career.

SELLING YOURSELF

The “Selling Yourself” sections of this book are designed to help you see the connections of the chapter material with all aspects of your life right now. Of course we're all different, with varying interests and activities, so some of the examples might better fit you than others. But read them all and try to make a connection with something in your life. Selling is something you do all the time, and the ideas found in this book can help you now, not just after you graduate!

Now that you know that sales *is* relevant in every relationship in your life, you can begin to practice some of these concepts, especially when it comes to the invaluable skill, emotional intelligence. Concepts like customer-centric, emotional intelligence, customer value proposition, and personal selling are topics that continually flow through my mind when considering how to approach a specific conversation or scenario (in my work or not). For example, I am sure you have heard the example before, when you are interviewing for a job, you have to sell yourself. Why are you a strong candidate? How do you fill the needs they are looking to fill and why should they value you over your competitors? Good thing you are learning from this book to increase your knowledge and gain confidence to effectively have more productive conversations.

Megan Colapinto, Sales Engineer, Ciena, used with permission.

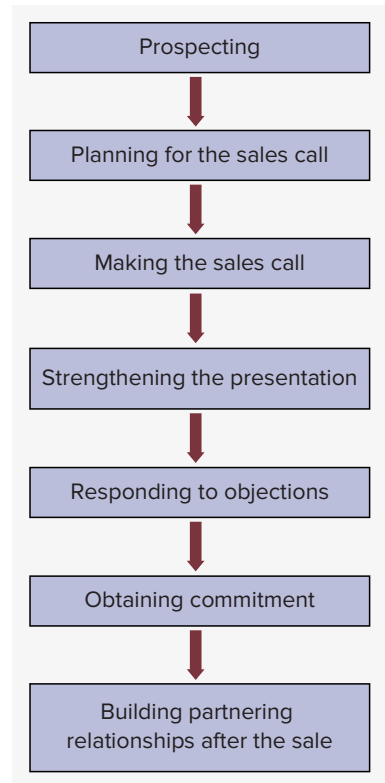


Exhibit 1.6 Steps in the Selling Process

SUMMARY

You should study personal selling because we all use selling techniques. If you want to work in business, you need to know about selling because salespeople play a vital role in business activities. Finally, you might become a salesperson. Selling jobs are inherently interesting because of the variety of people encountered and activities undertaken. In addition, selling offers opportunities for financial rewards and promotions.

Salespeople engage in a wide range of activities, including providing information about products and services to customers and employees within their firms. Most of us are not aware of many of these activities because the salespeople we meet most frequently work in retail stores. However, the most exciting, rewarding, and challenging sales positions involve building partnerships: long-term, win-win relationships with customers.

The specific duties and responsibilities of salespeople depend on the type of selling position. But most salespeople engage in various tasks in addition to influencing customers. These tasks include managing customer relations, serving as the account team manager for their firm, managing the relationships with vendor and channel members, and providing information to their firm.

Sales jobs can be classified by the roles salespeople and their firms play in the channel of distribution. The nature of the selling job is affected by whom salespeople work for and whether they sell to manufacturers, distributors, or retailers. Other factors affecting the nature of selling jobs are the customer’s relationship to the salesperson’s firm, the salesperson’s duties, the importance of the buying decision to the customer, where the selling occurs, the tangibility of the benefits considered by the customer, and the degree to which the salesperson seeks a commitment from customers.

Research on the characteristics of effective salespeople indicates that many different personality types can be successful in sales. However, successful salespeople do share some common characteristics. They are self-motivated, dependable, ethical, knowledgeable, good communicators, flexible, creative, confident, and emotionally intelligent. They also have good analytical skills and aren’t afraid of technology.

KEY TERMS

artificial intelligence (AI)	missionary salespeople
creativity	multichannel strategy
customer-centric	omnichannel buyer
customer lifetime value (CLV)	personal selling
customer relationship management (CRM)	sales engineer
customer value proposition (CVP)	sales force–intensive organization
distribution channel	selling analytics
emotional intelligence (EI)	six sigma selling programs
field salespeople	supply chain logistics
go-to-market strategies	trade salespeople
inside salespeople	24/7 service
integrated marketing communications	value
manufacturers’ agents	

ETHICS PROBLEMS

1. Let’s assume that as a salesperson for a security control company, you are a key channel manager and work with a number of supply chain vendors to help make sure your client, Target, gets excellent value. While working closely with one channel member, Alarm Activation Inc., you learned exactly how that company completes an alarm situation analysis. Given your newfound knowledge, should you suggest to your firm that it do the alarm situation analysis itself, thus negating the need to work with Alarm Activation, Inc. entirely? Basically, you would be using knowledge that you gained through your observations of Alarm Activation, Inc. You did not sign a nondisclosure agreement with that firm.

2. As a salesperson, two traits you have been trained to display are confidence and optimism. Let's say that one of your clients asked you, "I'm getting a little worried about your new model, the Dyna-Stove portable heater. I thought we were going to see prototypes of it by June, and here it is late August and we've not seen anything. I'm about to hire some additional workers to help with installing those models later this fall. Is it going to be released on time?" As the salesperson, you know that the Dyna-Stove has hit some significant snags and there is not a definite time line for its release at the present. But you don't want to jeopardize the verbal sales commitment from the buyer, thinking that the buyer might purchase from a competitor. So you answer, "Sure, Brad! I have confidence in our new product development team. I hope you do, too!" What are your thoughts on this interaction?

QUESTIONS AND PROBLEMS

1. There are many different go-to-market strategies. For which of the following products and services do you think a sales force-intensive strategy would probably *not* be used? Why? Make any assumptions needed and list your assumptions in your answer.
 - a. A diesel tractor-trailer repair and service company located near a freeway.
 - b. An industrial waste reduction and disposal service.
 - c. A snowboard retail shop.
 - d. A well drilling company that specializes in wells for residential structures.
2. In **Building Partnerships 1.1** you read about how important selling is to a company specializing in lobbying in Washington, DC. Identify two key lessons you learned from reading that story.
3. Comment on each of the following statements:
 - a. Salespeople are a thing of the past because buyers can learn all they need from the Internet.
 - b. Salespeople should treat those who have the decision-making authority to buy with respect and courtesy.
 - c. A successful salesperson should walk into an account, vowing to never take no as an answer from a buyer.
 - d. A good salesperson can sell anything to anybody.
4. Margaret Pederson has been working as a retail clerk at a store that sells dance supplies (shoes, apparel, training aids, and accessories) for three years and is considering taking a field sales job with Bloch (see <https://us.blochworld.com/>). The job involves calling on retailers selling the benefits of the firm's footwear and dancewear products. What are the similarities and differences between her retail clerk job and the selling job she is considering?
5. April Winnes worked her way through her community college degree by selling Avon cosmetic products to her family and friends, primarily through hosting parties in friends' houses. She has done well in the job and is one of the top salespeople in her district. Last week L'Oréal offered her a job selling cosmetics to retailers in a five-state midwestern area. Explain the differences between April's selling to consumers and the L'Oréal sales job.
6. Poll at least five students who are not taking your selling course (preferably those who are studying a different area in college). What are their opinions about salespeople? How accurate are their opinions based on what you've read in this chapter?

7. Think about what you want in your first job out of college. Based on what you know so far from this chapter, how well does selling match your desires in a job?
8. According to the text, some sales jobs are located as inside sales instead of field sales. List five advantages that inside salespeople could experience over field salespeople.
9. **Sales Technology 1.1** introduced how sales technology can help salespeople. Identify two reasons why salespeople might be reluctant to adopt new technologies like the system described in **Sales Technology 1.1**.
10. Assume you are a sales manager and you need to recruit someone for the following sales positions. For each position, list the key qualities you would want in the recruit:
 - a. Salesperson selling Internet security systems to Internet retailers.
 - b. Salesperson calling on mountain biking specialty retailers, selling instructional videos.
 - c. Salesperson selling sponsorship advertising signs at a pro football stadium to businesses in the region.

CASE PROBLEMS

case 1.1 Thunderous Design

“Why in the world do we need to hire a salesperson?” June, the creative director of Thunderous Design, asked before pausing to take a long drink of her espresso. It wasn’t the first time she had raised this question to her team.

Thunderous Design is a new innovative graphic design company located in Dallas, Texas, with a focus on using artificial intelligence (AI) to create unique, targeted content for client’s audiences. The company consists of three young designers and two data analytics experts, and is trying to break into the crowded Dallas marketplace.

“We’re designers and analytics experts, not salespeople,” Harry replied. “We need someone with sales skills. Besides, we’ve been over this before, you know,” he added, exasperated.

“Yes, but we claim to be able to create content that will draw in customers for our clients,” June shot back. “If we can’t create content to sell our own agency, how in the world do you think others will trust us to do it for them?”

“June has a point,” Luke admitted. “I believe we could create some incredible social media posts, and a web page that will knock the socks off of our potential clients.”

“But that won’t be enough,” Harry countered. “There are other things that salespeople do that our web page and social media posts can’t begin to do.”

“Who wants to spend what little money we have right now on salespeople?” June asked, seeming to take a poll of the team gathered around her desk on a break. “Cash is tight! We need customers and we are going to need some long-term relationships with those customers if we hope to survive in Dallas. The way to accomplish that is by creating outstanding content, with our AI insights. We need to spend every dime we have, or can borrow, on doing just that. Our quality, our expertise, our uniqueness will bring in the business. It won’t happen by hiring a salesperson.”

Questions

1. Based on what you've read in this chapter, create a reply to June that outlines why Thunderous Design might need to consider hiring a salesperson.
2. Should Thunderous Design seek an inside salesperson or field salesperson for this need? Why? You might want to review the section titled “**Describing Sales Jobs**” as you answer this question.

case 1.2 DeSoto Hills Convention Center

Julie Hsieh is a salesperson for the DeSoto Hills Convention Center. The center is located in downtown DeSoto Hills, a small city of 25,000 people in North Dakota. The Convention Center contains approximately 230,000 square feet of meeting and event space, and is located only one block from a 650-car parking deck. The center has been successful in securing many events in the region over the 20 years it has been in existence, but lately the selling team has had trouble keeping it booked at the desired 80 percent capacity.

Julie was talking to Tyler Newton, an event planner for one of the larger manufacturers in the region. Tyler was looking for a venue to host an upcoming employee appreciation event consisting of approximately 500 attendees, with another 200 watching the event offsite at a plant in South Dakota.

- TYLER: *[after taking a tour of the facilities]*: Well, it looks like you're able to accommodate anything from 25 to 6,500 people for an event. I'm impressed with the way you can arrange and partition to achieve a sense of proper scale!
- JULIE: Thanks, Tyler. Our clients are happy with our space and the services we provide while they're here!
- TYLER: Speaking of services, I'm going to need some special equipment for the event, since we'll be having an offsite location that we want to beam the event to as well.
- JULIE: *[a little nervous]*: Well, we do have plenty of equipment that you can lease for the event. Do you have a list of your needs?
- TYLER: *[reaching into his portfolio, and handing her a piece of paper]*: Yep, I have it right here. We always work with a convention center that can host our equipment needs in-house. We tried one conference one time where we used an outside provider to provide the equipment, and it was a nightmare. Our CEO said, “Never again! Always choose a venue that can supply everything in-house!”
- JULIE: *[perusing the list]*: We can certainly handle the mics, and the monitors and the audio feeds. But I'm afraid we don't have some of this cloud-based video broadcasting equipment in-house. I'm sure that Voy Entertainment, a local electronics supplier whom we have used many times, can rent some of this teleconferencing equipment to you. They will even be onsite to make sure it works correctly!
- TYLER: *[disappointed]*: Hmm. Well, we'll see. Like I said before when we first started meeting, we're looking at three venues for hosting our event. Maybe one of them can offer it all to us as a 100 percent package deal.

Julie was disappointed. This was the second time in two months that DeSoto was unable to meet the equipment needs of a potential client. In the other case, DeSoto lost the business.

Questions

1. As the text says, salespeople are the eyes and ears of the company in the marketplace. Being an information provider to their firm is an important thing that salespeople do. If you were Julie, how would you do that for the DeSoto Hills Convention Center?
2. This chapter introduces the notion of customer relationship management (CRM) systems. These systems can maintain records of almost anything dealing with interactions between salespeople and prospects/clients. How might DeSoto Hills Convention Center use its CRM system to help avoid a situation like the one that occurred with Tyler?

ROLE-PLAY CASE

At the end of each chapter, beginning just below this paragraph, you'll find a short role-play exercise that focuses on Gartner. Gartner is a company that provides research and information services to other companies. To find more information on the product, view sales support materials, and more, visit www.gartner.com/careers/ncsc. There is also additional material at the back of the book in the role-play section.

Graduation is coming up soon so you've decided to get serious about interviewing. You went online to look at what's going on in your school's Career Services Center, where you saw a job posting for Gartner. Apparently it is some sort of business information and research services company, which also does consulting. You've always thought you'd enjoy consulting so you thought you'd sign up. Today is your interview. Be yourself; interview honestly as if you were truly talking with Gartner. To help you prepare for this job interview role play, you may want to take some time to find out about Gartner by visiting www.gartner.com for more information.

To the instructor: Additional information needed to complete the role play is available in the Instructor's Manual.

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