



Selling Today

Partnering to Create Value

Fourteenth Edition

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AHEARNE

REECE



Selling Today

PARTNERING TO CREATE VALUE

**FOURTEENTH
EDITION**

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Selling Today

PARTNERING TO CREATE VALUE

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**FOURTEENTH
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To our wives (Beth Hall Manning and Vera Marie Reece) whose
patience and support made our work possible.

—Jerry and Barry

To my wife Jessica and my children Molly and Jake.

—Mike

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Preface

Much of the Western world has experienced a rapid shift from a production-focused to a sales- and service-focused economy. Approximately one in nine people in the U.S. workforce hold sales-related positions. In fact, selling is the second largest employment category in the United States, offering an enormous variety of different employment contexts and opportunities to more than 21 million salespeople nationwide. Moreover, as sales researchers predict, this figure will go up by the year 2020, as more than two million more workers will be added to the sales profession. Despite these staggering numbers conveying the importance of the sales function, business education has been slow to act to the market's increased demand for highly trained salespeople. Fortunately, in the last decade, many business schools have either developed or begun to develop specialized courses and programs in sales and sales management. Given the high demand for skilled sales professionals, senior sales managers are highly enthusiastic about recruiting students from these programs, where many of these students are receiving multiple job offers with excellent earning potential.

Those seeking a job in sales are not the only ones who will benefit from learning how to sell. In fact, almost everyone these days uses traditional sales-related activities in their professional and social lives. People use a whole assortment of selling techniques in everyday life to persuade decision makers and advance their causes. According to Daniel Pink, the author of the recent best-selling book, *To Sell Is Human*, people are using about 40 percent of their time at work to engage in what he calls “non-sales selling”—persuading, convincing, influencing, and moving others in ways that do not involve anybody making a purchase. Moreover, people across a wide variety of professions spend about 24 minutes of every hour influencing or moving others, and they consider this time investment crucial to their success.¹ Selling is increasingly becoming a master skill for success in the 21st century.

This paradigm shift in which selling has become an integral part of the social and business life has coincided with another major revolution—the dramatic change in which people access information. The information age has transferred the power from sellers to customers. Today's customers can easily compare the offerings of different sellers through various online methods and choose those offerings that best suit their needs. For example, a recent Google shopper sciences study discovered that, on average, customers gather information from ten different sources before making a decision. In the business-to-business selling context, research estimates that approximately 60 percent of a customer's buying decision has been completed digitally by decision makers before they reach out to a sales rep. Given this shift, the true value of a salesperson lies in the co-creation of value with the customer.

Another phenomenon that has received less attention in the press is the shift in sales force composition from field sales to inside sales, thereby lowering the sales costs by more than 50% (on average, an outside sales call costs \$308 whereas an inside sales call costs only \$50). Research by ZS Associates indicates that 40 percent of large companies in the technology arena are shifting from the field to inside sales. In the coming five years, the expected number of jobs to be created in inside sales is nearly three times the job creation for field sales. The primary enablers of this change are the new easy-to-use online videoconferencing and webinar communication tools, which are a good substitute for face-to-face meetings and give customers the comfort of purchasing and collaborating remotely.

The simultaneous shift towards co-creation of value and inside sales represents a dichotomy in sales function and is a manifestation of changing customer preferences. In order to lock their customers in and *create and deliver superior value* in times when customers have more choices and fewer switching costs, salespeople are adopting a partnering style of selling to build long-term, strategic relationships with their customers. Having these long-term relationships is important, as it is more profitable for companies to retain existing customers than it is to acquire new customers. The pivotal role of a *partnering style of selling* in today's highly competitive business environment is a common theme throughout the 14th edition of *Selling Today: Partnering to Create Value*.

¹ Daniel Pink, *To Sell Is Human: The Surprising Truth about Persuading, Convincing, and Influencing Others*. (NY: Riverhead Books, 2012), pp. 19–25.

The primary goal of each revision of *Selling Today* is to develop the premier research-backed text available, and the most practical and applied text available in the marketplace. The revision process begins with a thorough review of several hundred articles, books, and research reports. The authors also study popular sales training programs such as Conceptual Selling, SPIN Selling, Integrity Selling, Trusted Advisor and Solution Selling. Major corporations throughout the world such as Microsoft, Marriott, Principal Financial Group, UPS, Wells Fargo, and Xerox use these training programs. Of course, reviews and suggestions by professors and students influence decisions made during the revision process as well.

Staying on the Cutting Edge: New to This Edition

Since the 13th edition, the business environment and research on personal selling and sales force management have experienced significant changes. Our primary goal as researchers, practitioners, and consultants in the field of selling is to provide a cutting-edge treatment of the field. The 14th edition of *Selling Today* describes what ramifications the information age has for the selling world and how sales professionals must cope with new issues arising from the information revolution with an ethical, customer-centered mindset. The most significant changes in the new edition include the following:



Neil Rackham
Source: Michael Ahearne

- **Exclusive to 14e *Selling Today!* New Neil Rackham *Selling Today/SPIN Selling Video.*** Utilizing the extensive research, writing, and worldwide consulting work of Neil Rackham, the authors have partnered with him to produce an exclusive video new to the 14th edition of *Selling Today*. Neil Rackham is one of the most recognized sales authors of all time. Celebrated for his pioneering book titled *SPIN Selling*, Neil is a sought-after expert who consults with global organizations on improving and streamlining their sales functions.

Presented in Chapter 11 “Determining Customer Needs with a Consultative Questioning Strategy,” this new to the Adaptive Selling Today Video Series that features Rackham providing cutting-edge information on the effective use of questions in *Selling Today*. (Also see boxed insert on p. 228.) Additionally, Neil shares his insights on the changing role of salespeople in an increasingly competitive marketplace. He further emphasizes the importance of sales education in the business curriculum.

In addition to this being a “first custom-produced Neil Rackham video for a college textbook,” *Selling Today* was the first text to present an entire chapter on the critically important skill of using questions to partner with customers. Another first for *Selling Today* was an entire chapter devoted to the important process of building partnering relationships using communication or behavioral style principles. This kind of relationship is important for developing the right context for the effective use of the questions Rackham advocates in his SPIN Selling research, writings, and consulting work.

- **New *Entrepreneurial and Inside Sales Reality Selling Videos for the 14th Edition*** With the rapid increase in college graduates starting careers in Entrepreneurship and Inside Sales, new Reality *Selling Today* Videos, with accompanying Case Problems and Role Plays, covering these important career areas were created for the 14th edition.

The new Chapter 2 Reality Selling Video features Entrepreneur Ryan Guillory, an **owner/agent** of an independent insurance agency. He is his company—responsible for building a successful organization that relies on developing and maintaining customer relationships, being an expert regarding both his many products and his competition, understanding the needs of his clientele and partnering with them in finding and delivering value adding solutions to their buying problems. How well Ryan, a recent college graduate, executes and manages these important company functions will determine the future growth and success of his agency (see pp. 29–30 for more information).



Ryan Guillory
Source: Michael Ahearne

The new Chapter 14 Reality Selling Video showcases Khalid Naziruddin, a big-ticket **sales representative** for a highly acclaimed luxury brand Audi automobile dealership that is “Obsessed with Service.” Khalid, a recent graduate of Texas Tech University, was tested by his company during the hiring process for intelligence and aptitude. The goal was to find the kind of individual, such as Kahlid, that is friendly, well groomed, highly trainable, and able to personalize and create value during the buying experience. Kahlid engages and partners with his clients in an attractive setting of fresh flowers, original art, an ultra clean facility, and a large



Khalid Naziruddin
Source: Michael Ahearne

inventory of high quality luxury products. His goal is to provide legendary customer service, create moments of magic, and develop a highly satisfied lifetime customer base (see p. 312 for more information).

***Selling Today* is the only personal selling text to bring this type of sales training support to the classroom.** With these two new videos, there are now a total of 12 Reality *Selling Today* videos. These unique learning tools feature successful recent college graduates making sales calls as they do on a daily basis in their professional personal selling careers. The videotaped presentations are introduced in a chapter-opening vignette, related to the material presented in the chapter, applied with a case problem at the end of the chapter, and further used as a setting for detailed role play scenarios presented in Appendix 1. The two new videos were shot “on-site” in settings where these successful young salespeople make their sales presentations.

- ***Introducing CRM (Customer Relationship Management) Systems Boxed Inserts.*** The 14e CRM has been updated and enhanced by exposing users to a broad-based application of today’s best-selling CRM applications. The 14e introduces the use of popular CRM systems, such as Salesforce, NetSuite, Siebel, and Sugar CRM in Chapter 1 through our popular boxed inserts. Then in Chapter 2 we provide instructions for the use of a regularly updated 30-day Salesforce.com free trial, as well as access to training videos for the software. Additional CRM boxed inserts appearing throughout the text show how salespeople apply customer relationship management software to improve their partnering strategies.

Additionally, students can experience the importance of CRM Contact Reports and accompanying Notes Windows with the 20 regional accounts presented in Appendix 2, Regional Accounts Management Case Study. They soon realize the value of information entered into CRM systems as they analyze account metrics, prepare reports, and move their new accounts successfully through the sales process.

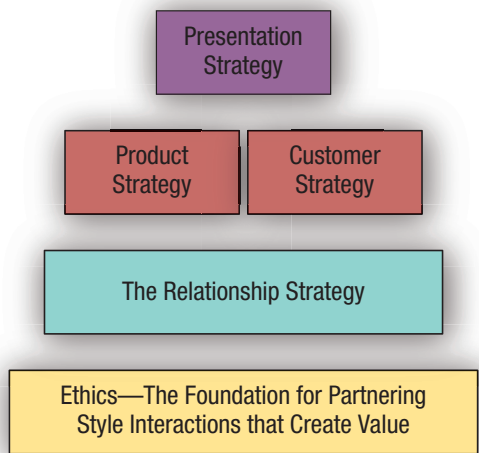
- ***Updated Social Media and Selling Today Boxed Inserts.*** Social media is playing a larger role in *Selling Today*. The 14e boxed inserts have been carefully updated and expanded to reflect strategies utilizing social media for selling in today’s information-driven business world.
- ***Latest Research and Trends from Academic Journals and Trade References.*** Extensive referencing of academic articles found in the *Journal of Personal Selling and Sales Management*, *Journal of Marketing*, *Harvard Business Review*, and others has been brought up to date. Topics and trends in selling garnered from numerous trade publications such as *Selling Power*, *ThinkSales*, *Value Added 21 Selling*, *Sales and Marketing Management*, and *The American Salesperson* have been integrated throughout the 14th edition.
- ***An updated glossary appears at the end of the book for quick reference.***
- ***Revised Set of Annotated PowerPoint Slides.*** These provide additional insights for presenting important points in the text.
- ***New Study Guides.*** These are added to maximize student learning when viewing both the Reality *Selling Today* and Adaptive *Selling Today* videos. With more video support than any text on the market, these new study guides ensure in-depth student learning.

Building on Traditional Strengths

Selling Today: Partnering to Create Value has been successful because the authors continue to build on strengths that have been enthusiastically praised by instructors and students. Speaking to these strengths, *Selling Today* has become the standard for personal-selling textbooks internationally, significantly exceeding all other textbooks in terms of worldwide sales. International editions of the book have been sold in over 30 different countries, including Canada, China, Croatia, Indonesia, the Netherlands, Mexico, and Spain. *Selling Today* is the premier research-backed textbook in the marketplace for personal selling.

Previous editions of *Selling Today* have evolved by tracing the trends in professional selling and highlighting the most critical areas for salesperson success. This edition provides new material on a number of evolving and important concepts.

1. **The partnering era** is described in detail. Partnership selling principles, so important to today’s successful selling and marketing strategies, are presented and clearly illustrated throughout the text. Strategic alliances—the highest form of partnering—are discussed in detail.



Park Shores Resort and Convention Center.

Source: Courtesy of Beach Resort

2. **Value-added selling strategies** are presented throughout the text. Salespeople today are guided by a new principle of personal selling: *Partnerships are established and maintained only when the salesperson creates customer value.* Customers have fundamentally changed their expectations. They want to partner with salespeople who can create value, not just communicate it. Value creation involves a series of improvements in the sales process that enhance the customer's experience.
3. **Ethics as the Foundation of Selling Today** Ethical selling is highlighted in Chapter 3, "Ethics: The Foundation for Partnering Relationships that Create Value," as well as throughout the book. Chapter 3 addresses the many ethical lapses existing in the business world and emphasizes the need for a highly ethical interaction with customers as the starting point of all relationship development, if one is to build long-term, partnering-style selling relationships. Moreover, the ethics assessment at the end of the chapter and new text models are used to highlight an emphasis on ethical selling.
4. **The NewNet Systems Regional Accounts Management Case Study.** For the first time in a personal-selling textbook, students are exposed to the strategic sales-planning responsibilities associated with moving multiple accounts successfully through the sales process for a company called NewNet Systems. Appendix 2 features the challenges and responsibilities of a regional account manager selling to 20 accounts with a projected total sales of \$1.8 million. Training future salespeople on these planning responsibilities is extremely important as the demand for account managers in today's businesses is burgeoning. Moreover, a recent study suggests that account managers spend 74 percent of their time engaging in non-sales activities such as administrative tasks, traveling and waiting, and sales preparation. These figures attest to the fact that training and practicing effective management of these activities is crucial for future salespeople in today's business context. These account management responsibilities are coded to each of the six chapters in Part 5, Developing a Presentation Strategy, a sales process unit which makes it easy for professors to assign and monitor, and excellent for in-class or online courses.
5. **Popular Appendix 3 Role-Play.** This revision includes an exciting luxury beachfront resort and convention center as the setting for the Partnership Role Play. A highly interactive simulated website is also included for use in student sales presentations. *Selling Today* is the only textbook that provides student exposure and experience to role-playing the entire consultative sales process from acquiring easy-to-learn product knowledge, initial building of sales relationships, discovering customer needs, and creating and delivering a technology-rich sales presentation. Appendix 3 is a perfect fit for both in-class or online courses. Serving as an excellent capstone experience, students develop the critical skills needed to apply relationship, product, customer, and presentation strategies.
6. **Real-world examples**, a hallmark of previous editions and a continued focus in this edition, build the reader's interest in personal selling and promote an understanding of the major topics and concepts. With opening vignettes at the beginning of each chapter that put students in the shoes of the salesperson, and role-plays that allow students to utilize the skills they have learned, the real-world examples truly enrich the overall learning experience.
7. **The Reality Selling Video Series** features successful young salespeople, which provides real-world examples of sales careers and presentations. Additional real-selling examples have been obtained from a range of progressive organizations, large and small, such as Emeco Ltd., Whirlpool Corporation, UPS, BKM Total Office, Mutual of Omaha, Design Display, Inc., Baxter Healthcare, Marriott Hotels, and Nordstrom.
8. **The Reality Selling Video Role-Plays**, in addition to the role-play exercises and video case problems, remain an invaluable resource for instructors. Found in Appendix 1, each scenario gives students the chance to assume the role of a salesperson in selling scenarios that are relevant to today's competitive environment. These role-play scenarios build on what students learned in the Reality Selling Video sales presentations and interviews. The detailed salesperson/customer role-play scenarios use the actual products and sales positions of the

salespeople who appeared in the Reality Selling Videos. Websites of the companies the students will be using to role-play their sales presentations are supplied in order to learn appropriate amounts of product and company information. The Reality Selling Video interviews and sales presentations provide the necessary background and contextual information for students to use in both selecting the scenario and conducting the role-play. The Reality Selling Role-Plays are also specifically designed to prepare students for professional selling role-play competitions at annual college and university competitive event conventions. Refer to the following links for more information on the leading sales competitions at the college and university level:

- <http://coles.kennesaw.edu/ncsc/>
- www.universitiesalescenteralliance.org/sales_competitions.html
- https://www.deca.org/wp-content/uploads/2016/09/CGuide_2016-17_ProfSales.pdf
- <http://rbisaleschallenge.wpunj.edu/>
- <https://kelley.iu.edu/GlobalSales/students/competitions/page15657.html>

9. **The Professionally Produced Adaptive Selling Training Video Series** is the only custom-produced video series available to accompany a textbook on selling. The four-part series is produced and directed by Arthur Bauer, a well-known and widely acclaimed award-winning training-video professional. Concepts in the text are presented based on carefully written scripts, utilization of professional actors, and are filmed in real, contemporary business settings. These high-cost, professionally produced videos available to professors who adopt the *Selling Today* text are also marketed and sold to sales training directors throughout the world, and are used to train their salespeople in the skills critical to success in the profession of selling.

The first video on building relationships, “Communication Styles: The Key to Adaptive Selling,” describes how to use behavioral psychology to build strong, mutually rewarding relationships. Designed to be shown when presenting Chapter 5, it discusses how to avoid style bias by understanding and flexing one’s style to adapt and communicate effectively with the customer’s style. A web-based style assessment exercise titled Communication Style Assessment at www.pearsonhighered.com is designed to discover one’s own preferred style, as well as to discover the styles of those clients in the prospect database. To access the Communication Style Assessment and share with your students, go to www.pearsonhighered.com, search for this text, click on Resources and locate the Student Resources supplement. The second video on “Questioning” presents a widely researched approach to discovering customer needs using the consultative model. Shown when covering Chapter 11, application exercises at the end of the chapter apply and enhance the development of this critical, consultative selling skill. Closely aligned with the four questions in the Spin Selling Model, professional actors show how each of these questions are effectively used in the sales process. The third Adaptive Selling Video titled “Negotiations: Solving the Tough Points,” supports the principles in Chapter 13 on negotiation. Using a medical equipment sales setting, professional negotiation strategies are dramatically presented for moving through the sometimes difficult process of answering customer concerns, moving the sale forward, and achieving a win-win solution. The fourth video titled “Ask for the Order and Get It” is built on the concepts in Chapter 14, “Adapting the Close and Confirming the Partnership.” This video is designed to visually and dramatically present the many methods for moving the sales process to a successful conclusion.

10. **The following high-interest boxed inserts** are updated for the 14th edition; new and interesting material regarding the role of social media selling as well as global selling has been added to the social media and global selling inserts:

- ***Selling Is Everyone’s Business.*** These real-world examples explain how selling skills affect the success of persons who do not consider themselves salespeople.
- ***Selling in Action.*** These concise inserts feature contemporary issues in selling to keep the readers of *Selling Today* abreast of the latest developments.
- ***Global Business Insight.*** These brief inserts provide practical tips on how to build global relationships. Each insert focuses on a different country.
- ***Customer Relationship Management with Technology.*** These application exercises help the student learn how to use technology to add value to the sales process.
- ***Social Media and Selling Today.*** Informing students how social networking applies to personal selling, these succinct inserts identify how social media networks, such as Facebook, Twitter, LinkedIn, and YouTube can be used effectively in the selling process.

Organization of This Book

The material in *Selling Today* continues to be organized around the four pillars of personal selling: relationship strategy, product strategy, customer strategy, and presentation strategy. Moreover, in the 14th edition, we emphasize ethical selling as an important factor within which all the four strategies should be embedded. Part 1, “Developing a Personal Selling Philosophy,” includes Chapters 1 and 2 and sets the stage for an in-depth study of these strategies. The first chapter provides a contemporary definition of selling and gives students the opportunity to explore career opportunities in the information age, while the second chapter describes the evolution of personal selling associated with the information revolution.

Research indicates that high-performance salespeople are better able to build and maintain relationships than are moderate performers. Part 2, “Developing a Relationship Strategy,” focuses on several important person-to-person relationship-building practices that contribute to success in personal selling. The influence of ethical selling as the foundation of successful relationships is discussed in Chapter 3. Creating value with a relationship strategy is discussed in Chapter 4. Chapter 5, “Communication Styles: A Key to Adaptive Selling Today,” with its accompanying website style assessment at www.pearsonhighered.com introduces communication styles, explains how to build strong relationships with style flexing, and provides a web-based assessment that enables one to discover their own style and the style of others they will be working with. To access the Communication Styles: A Key to Adaptive Selling Today assessment and share with your students, go to www.pearsonhighered.com, search for this text, click on Resources and locate the Student Resources supplement.

Part 3, “Developing a Product Strategy,” examines the importance of complete and accurate product, company, and competitive knowledge in personal selling. A well-informed salesperson is in a strong position to configure value-added product solutions for a customer’s unique needs. The importance of having expert product knowledge as well as knowledge of competition and industry trends is discussed in Chapter 6, while Chapter 7 explains how to sell with a value-added strategy.

Part 4, “Developing a Customer Strategy,” presents information on why and how customers buy, and also explains how to identify prospects. With increased knowledge of the customer, salespeople are in a better position to understand a customer’s unique wants and needs and to create customer value in the multi-call, lifetime customer setting. Chapter 8 sheds light on consumer- and business-buying behaviors, while Chapter 9 describes the strategies used to develop prospects and accounts. Appendix 2 provides students the opportunity to assume a new sales position as Regional Account Manager, taking over an account base with 20 existing clients/prospects. Students assume responsibility for developing sales strategies and tactics to move these prospects through the six-step sales process presented in the text. Regional Account Management Case Study exercises at the end of Chapters 9–15 challenge students to properly apply the sales process they are studying to the their new role as a Regional Account Manager.

The concept of a salesperson as an advisor, consultant, value creator, and partner to buyers is stressed in Part 5, “Developing a Presentation Strategy.” Emphasis is placed on the need-satisfaction presentation model as well as on ways to provide outstanding service after the sale. Chapter 10 introduces the concept of adaptive selling as a useful strategy to approach customers. Chapter 11 explains how to identify customer needs with a consultative questioning strategy and Chapter 12 discusses the role of a consultative presentation in delivering value to the customers. The principles of formal negotiations as a part of a win-win strategy are discussed in Chapter 13, while Chapter 14 focuses on proper attitudes and strategies to close the sales. Chapter 15 finishes Part 5 by discussing the role of customer service in building sustaining, profitable relationships with the customer.

Personal selling is one of the few professions that inherently require a great deal of self-discipline. Part 6 focuses on managing self as well as others by discussing the four dimensions of opportunity management in Chapter 16 and the fundamentals of sales force management in Chapter 17.

The 14th edition features three appendices. Appendix 1, “The Reality *Selling Today* Role-Play and Video Scenarios,” includes 12 role-play scenarios that provide students with the opportunity to, of course, sell. Due to the rise of multiple-account management as one of the key sales roles in many organizations today, the 14e includes Appendix 2, which is devoted to a multi-chapter case study on regional account managers’ daily challenges and responsibilities.

The popular Appendix 3 allows students to integrate and apply what they have learned from this textbook in all four strategic areas of personal selling. The 14th edition features the luxury beachfront resort and convention center with an interactive simulated website for use in student sales presentations. To access additional materials for Appendix 3, go to www.pearsonhighered.com, search for this text, click on Resources and locate the Student Resources supplement.

A Special Note to Students on How to Use the Book

This 14th edition of *Selling Today* has several new features that distinguish it from other texts. Here we offer students of sales a few tips to make the most out of the materials presented in the new edition.

Selling is fun. That does not mean it is easy to close a deal. Each chapter in this new edition has been reorganized with the sole goal of providing you with a systematic summary of key concepts related to the topic area and ample application exercises. While there are different ways you can approach the text, we believe it is most effective to start each chapter with a concrete understanding of how the chapter fits into the big picture of selling through value creation, the overriding theme of this textbook. In this regard, we have extensively revised and updated the chapter previews, chapter summaries, key terms, review questions, and cross references among the chapters to assist you in integrating key concepts.

Practice makes perfect. We have created numerous role-play exercises that resemble real-life selling situations and applications to provide you with hands-on experience. From our experience, some students may dismiss these exercises as easy. Try one of the exercises, and you will see how these students could not be more wrong. Do not get us wrong. The exercises are not that difficult, but we do inject a great deal of reality into them to make them complex enough to provide you with the opportunity to hone your selling skills. So practice them with a friend, a family member, or in front of a video camera or mirror.

Observe, analyze, and think about your experiences with salespeople in everyday life. Use the concepts and themes you have learned from the text. Think about how those salespeople sell to you, or how you would do it differently if you were they.

We encourage you to write to us regarding your experience with this new edition.

Selling Today Supplements

At www.pearsonhighered.com, instructors can access a variety of print, digital, and presentation resources available with this text in downloadable format. Registration is simple and gives you immediate access to new titles and new editions. As a registered faculty member, you can download resource files and receive immediate access and instructions for installing course management content on your campus server.

If you need assistance, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit support.pearson.com/getsupport for answers to frequently asked questions and toll-free user-support phone numbers.

The following supplements are available to adopting instructors:

- **Instructor's Manual.** This downloadable Instructor's Manual includes lecture outlines, answers to all end-of-chapter questions and case questions, detailed teaching instructions and answers for the three appendices, and additional activities and assignments for your students.
- **Test Item File.** This downloadable Test Item File contains over 1,200 questions, including multiple-choice, true/false, and essay-type questions. Each question is followed by the correct answer, the learning objective it ties to, the AACSB category when appropriate, the question type (concept, application, critical thinking, or synthesis), and a difficulty rating.
- **PowerPoint Presentations.** This downloadable deck of PowerPoint presentations includes basic outlines and key points with corresponding figures and art from each chapter. These presentations are ready to use or completely customizable for individual course needs. The notes section of each slide provides additional explanations written for your students.
- **TestGen.** Pearson Education's test-generating software is PC/Mac compatible and preloaded with all of the Test Item File questions. You can manually or randomly view test questions and drag-and-drop to create a test. You can add or modify test-bank questions as needed.
- **Learning Management Systems.** Our TestGens are converted for use in BlackBoard, WebCT, Moodle, D2L, Angel, and Respondus. These conversions can be found on the Instructor's Resource Center. Respondus can be downloaded by visiting www.respondus.com.
- **Video Library.** Pearson-lead content videos are featured within MyMarketingLab alongside four sets of text specific videos, illustrating the most important subject topics. These Selling Today videos include Adaptive Selling Today videos, Adaptive Selling Training videos, Reality Selling Today videos, and Reality Selling Today Role-Play videos.
- **eBook:** This title is available as an ebook and can be purchased at most ebook retailers.

- **Website for Appendix 3.** Since its debut in previous editions, Appendix 3 has remained one of the most popular role-play supplements for any selling course. The 14th edition luxury beachfront resort and convention center role-play in this appendix provides an excellent opportunity for students to apply their understanding of the four major strategic areas of personal selling in a simulation of reality. In this 14th edition, this appendix is augmented with an interactive, simulated website assisting students in sales presentations. This material prepares students to catch up with the new technology-rich selling techniques in the information age. To access this material to share with your students go to www.pearsonhighered.com, search for this text, click on Resources and locate the Student Resources supplement.

The Search for Wisdom in the Age of Information

The search for the fundamentals of personal selling has become more difficult in the age of information. The glut of information (information explosion) threatens our ability to identify what is true, right, or lasting. The search for knowledge begins with a review of information, and wisdom is gleaned from knowledge. Books continue to be one of the best sources of wisdom as are online links and videos. We provide an excellent array of support videos for various parts such as the Reality Selling section, making the 14th edition more practical and hands-on than any other textbook in the market. Many new books, and several classics, were used as references for the 14th edition of *Selling Today: Partnering to Create Value*. A sample of the more than 40 books used to prepare this edition follows:

To Sell Is Human by Daniel H. Pink

Working with Emotional Intelligence by Daniel Goleman

The Tipping Point by Malcolm Gladwell

Integrity Selling for the 21st Century by Ron Willingham

The Platinum Rule by Tony Alessandra and Michael J. O'Connor

A Whole New Mind by Daniel H. Pink

Rethinking the Sales Force by Neil Rackham and John R. DeVincentis

Business Ethics by O. C. Ferrell, John Fraedrich, and Linda Ferrell

Negotiating Genius by Deepak Malhotra and Max H. Bazerman

52 Sales Management Tips: The Sales Manager's Success Guide by Steven Rosen

Blur: The Speed of Change in the Connected Economy by Stan Davis and Christopher Meyer

Close the Deal by Sam Deep and Lyle Sussman

Complete Business Etiquette Handbook by Barbara Pachter and Marjorie Brody

Effective Human Relations—Personal and Organizational Applications by Barry L. Reece and Monique Reece

Emotional Intelligence for Sales Success: Connect with Customers and Get Results by Colleen Stanley and Jill Konrath

First Impressions—What You Don't Know About How Others See You by Ann Demarais and Valerie White

Hug Your Customers by Jack Mitchell

Insightful Selling: Learn the S.A.L.E.S. Formula to Differentiate Yourself and Create Customer Value by Adon T. Rigg

Keeping the Funnel Full by Don Thomson

LinkedIn Marketing: An Hour a Day by Viveka von Rosen

Marketing Imagination by Ted Levitt

Marketing—Real People, Real Choices by Michael R. Solomon, Greg W. Marshall, and Elnora W. Stuart.

Megatrends by John Naisbitt

New Sales, Simplified: The Essential Handbook of Prospecting and New Business Development by Mike Weinberg and S. Anthony Iannarino

Personal Styles and Effective Performance by David W. Merrill and Roger H. Reid

Psycho-Cybernetics by Maxwell Maltz

Questions—The Answer to Sales by Duane Sparks

Re-Imagine! Business Excellence in a Disruptive Age by Tom Peters

Rules of the Hunt: Real-World Advice for Entrepreneurial and Business Success by Michael Dalton Johnson

Self Matters by Phillip C. McGraw

Selling Fearlessly: A Master Salesman's Secrets for the One-Call-Close Salesperson by Robert Terson

Small Message, Big Impact: The Elevator Speech Effect by Terri L. Sjodin

SPIN Selling by Neil Rackham

SPIN Selling Fieldbook by Neil Rackham

Strategic Sales Presentations by Jack Malcolm

Strategic Selling by Robert B. Miller and Stephen E. Heiman

The 7 Habits of Highly Effective People by Stephen R. Covey

The Customer Revolution by Patricia Seybold

The Wow Factor by Tom Peters

The Double Win by Denis Waitley

The New Conceptual Selling by Stephen E. Heiman and Diane Sanchez

The New Professional Image by Susan Bixler and Nancy Nix-Rice

The New Solution Selling by Keith M. Eades

The Power of 5 by Harold H. Bloomfield and Robert K. Cooper

The Sedona Method by Hale Dwoskin

The Speed of Change in the Connected Economy by Stan Davis and Christopher Meyer

The Success Principles by Jack Canfield

To Sell Is Human: The Surprising Truth about Moving Others by Daniel H. Pink

Value-Added Selling by Tom Reilly

Winning the Battle for Sales: Lessons on Closing Every Deal from the World's Greatest Military Victories by John Golden

Working with Emotional Intelligence by Daniel Goleman

Zero-Resistance Selling by Maxwell Maltz, Dan S. Kennedy, William T. Brooks, Matt Oechsli, Jeff Paul, and Pamela Yellen

Zero-Time Selling: 10 Essential Steps to Accelerate Every Company's Sales by Andy Paul

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(in alphabetical order)



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University of Houston

Michael Ahearne is Professor of Marketing and C. T. Bauer Chair in Marketing at the University of Houston. He is also Executive Director of the Sales Excellence Institute (SEI). The SEI is widely recognized as the leading university-based sales institute in the world, training more than 2,000 sales students, placing Ph.D. students at top research universities and working with more than 200 major corporations annually. He earned his Ph.D. in marketing from Indiana University. He has also served on the faculty at the University of Connecticut and at Pennsylvania State University. In addition, he has lectured internationally about sales and sales management in such countries as Austria, Belgium, France, Germany, India, Italy, Russia, and Spain.

Dr. Ahearne's research has focused primarily on improving the performance of salespeople and sales organizations. He has published over 40 articles in leading journals such as *Journal of Marketing*, *Journal of Marketing Research*, *Management Science*, *Strategic Management Journal*, *Journal of Applied Psychology*, and *Organizational Behavior and Human Decision Processes*. He was recently recognized by the American Marketing Association as one of the 20 most research-productive scholars in the field of marketing. His research has been profiled in the *Wall Street Journal*, *Business 2.0*, *Business Investors Daily*, *Fox News*, *INC Magazine*, and many other news outlets.

Before entering academia, Mike played professional baseball for the Montreal Expos and worked in marketing research and sales operations for Eli Lilly and PCS Healthcare. He actively consults in many industries including insurance, health care, consumer packaged goods, technology, and transportation.



Gerald L. Manning
Des Moines Area Community College

Gerald Manning is an international author, consultant, speaker, and successful businessperson. Professor Manning's book *Selling Today: Partnering to Create Value*, now in its 14th edition, is today's international number-one selling textbook on negotiations and partnering. With Chinese, Spanish, International English-Speaking, Canadian, Croatian, and U.S. editions, millions have profited from the strategies and tactics presented. He is author of four additional books on management and sales, all published by large, international publishing companies.

Gerald Manning also serves as a sales and marketing consultant to senior management and owners of more than 500 businesses, including both national and international companies. He appears regularly as a speaker at national sales and management conferences, and is featured regularly in training videos on sales and management.

Professor Manning served as chair of the Marketing/Management Department of one of the leading colleges in the country for more than 30 years. In addition to his administrative duties, he has served as lead instructor in negotiations and sales. Mr. Manning received the "Outstanding Professor of the Year" award given annually by his college.

He has also applied numerous negotiation and personal selling principles and practices as owner of a very successful commercial and residential real estate investment, development, and management company.

Professor Manning's speaking and classroom experience, along with his consulting and the management of his company, have provided him a unique opportunity to research, study, test, refine, and write about personal selling. With this background, and a long-term partnership-type relationship with acclaimed training video producer Arthur Bauer, the Adaptive Selling Training Video Series was produced.

Barry Reece

Virginia Polytechnic Institute and State University

Barry Reece is Professor Emeritus at Virginia Polytechnic Institute and State University. Prior to joining the faculty at Virginia Tech, he held faculty positions at Ellsworth Community College and the University of Northern Iowa. Over the years, he has served as visiting professor at the University of Iowa, University of Missouri, University of Nebraska, University of Colorado, and Wayne State College. He is the author or coauthor of six college textbooks that have been through a total of 41 editions since 1980.

Dr. Reece received his Ed.D. from the University of Nebraska. He has been actively involved in teaching, research, consulting, and designing training programs throughout his career. He has conducted more than 500 workshops and seminars devoted to leadership, human relations, communications, sales, customer service, and small business operations. He has received the “Excellence in Teaching Award” for classroom teaching at Virginia Tech and the “Trainer of the Year Award” presented by the Valleys of Virginia Chapter of the American Society for Training and Development.



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Selling Today

PARTNERING TO CREATE VALUE

**FOURTEENTH
EDITION**

PART 1



Source: Monkey Business
Images/Shutterstock

DEVELOPING A PERSONAL SELLING PHILOSOPHY

The two chapters that make up Part 1 establish a foundation for the entire textbook. Chapter 1 provides a contemporary definition and description of personal selling and describes information-age personal-selling career opportunities. Sales-training programs offered by academic institutions, sales-training companies, and employer-provided sales training are also presented. Chapter 2, in response to the developments associated with the information economy, presents the evolution of contemporary selling models that complement the marketing concept. Chapter 2 also introduces the major themes that connect all of the chapters.



1

Relationship Selling Opportunities in the Information Economy

Learning Objectives

When you finish reading this chapter, you should be able to

- 1.1 Define personal selling and describe the three prescriptions of a personal selling philosophy
- 1.2 Describe the emergence of relationship selling in the age of information
- 1.3 Discuss the rewarding aspects of a career in selling today
- 1.4 Discuss the different employment settings in selling today
- 1.5 Explain how personal selling skills have become one of the master skills needed for success in the information age and how personal selling skills contribute to the work performed by knowledge workers
- 1.6 Identify the four major sources of sales training



Source: Michael Ahearne



Reality Selling Video — Alex Homer/Tom James Company

Job seekers who visit websites like Monster.com are usually surprised to discover that sales careers represent one of the largest job-posting categories. The next big surprise comes when they discover the great variety of companies that hire salespeople. Alex Homer (pictured above) is a professional clothier for the Tom James Company (www.tomjames.com), one of the world's largest manufacturers and retailers of custom-made, luxury clothing. Each Tom James client purchases directly from one of the company's well-trained professional clothiers who provide clients with wardrobe consultation on a variety of fashion topics such as wardrobe coordination, current trends, proper fit, pattern and cloth selection, necessary collection pieces, and attire for specific occasions. Tom James clothiers like Homer always come to their clients, because appointments are conducted at the client's location of choice.

Alex Homer discovered the Tom James Company after he placed second in the National Collegiate Sales Competition as a student representing the University of Central Florida. Tom James took interest in Homer, and Homer decided to learn more about Tom James by participating in ride-alongs with their existing sales representatives. He liked it and decided to accept the job offer. Before starting to actually call on customers, Homer received training in selling, product knowledge, and prospecting. Regarding career development, Tom James offers new hires the necessary training to build a successful selling career regardless of their level of past experience. They also offer opportunities for net worth building, such as profit sharing, 401(k), and stock plans. In a recent report, 30 percent of Tom James sales professionals earned \$100,000 or more in commissions, leadership pay, bonuses, and stock dividends. ●

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Personal Selling Today—A Definition and a Philosophy

Most people are aware of Arthur Miller’s very successful Pulitzer Prize–winning stage and screen-play, and its title “The Death of a Salesman.” The reality of **personal selling** today is that there is a “Rebirth of the Salesperson.” Between 2000 and today, when many thought the computer and Internet were causing a reduction in the need for salespeople, the number of selling jobs increased. Selling is the second-largest employment category in the United States (government jobs are the largest) and research indicates there will be two million more salespeople added to the U.S. sales force by 2020. One out of every nine people in the United States is employed in selling, a number that has remained constant for many years. According to Neil Rackham, author of the best-selling *SPIN Selling* and *Rethinking the Sales Force*, “personal selling today employs more people than any other business function—more than accounting, engineering and law put together.”¹

This ratio of salespeople to the total number in the workforce is true for many developed countries. In less developed countries such as China and Brazil, as their economies grow wealthier, the need for salespeople will increase substantially. One study done by McKinsey and Company projects that India’s growing pharmaceutical industry will triple its cadre of drug representatives to 300,000 by 2020.²

Personal selling occurs when a company representative interacts directly with a customer or prospective customer to present information about a product or service.³ It is a process of developing relationships, discovering needs, matching the appropriate products with these needs, and communicating benefits through informing, reminding, or persuading. The term **product** should be broadly interpreted to encompass information, services, ideas, and issues. Increasingly, personal selling is viewed as a process that adds value. In an ideal situation, the salesperson builds a mutually rewarding relationship, diagnoses the customer’s needs, and custom fits the product to meet these needs. Having knowledge of these customer needs will lead to higher customer satisfaction and willingness to purchase a product.⁴

Preparation for a career in personal selling begins with the development of a personal philosophy or set of beliefs that provides guidance. To some degree, this philosophy is like the rudder that steers a ship. Without a rudder, the ship’s direction is unpredictable. Without a personal philosophy, the salesperson’s behavior also is unpredictable.

The development of a **personal selling philosophy** involves three prescriptions: adopt the marketing concept, value personal selling, and assume the role of a problem solver or partner in helping customers make informed and intelligent buying decisions (Figure 1.1). These three prescriptions for success in personal selling are presented here as part of the Strategic/Consultative–Selling Model. This model is expanded in future chapters to include additional strategic steps in the selling process. Chapter 2 will illustrate how the marketing concept has produced an evolving set of improvements to the sales process, moving it from peddling to value-added partnering.

1.1 Define personal selling and describe the three prescriptions of a personal selling philosophy

Emergence of Relationship Selling in the Information Economy

The restructuring of America from an industrial economy to an **information economy** began approximately 50 years ago (Figure 1.2). During this period, our economy began shifting from an emphasis on industrial activity to an emphasis on information processing. America was giving

1.2 Describe the emergence of relationship selling in the age of information

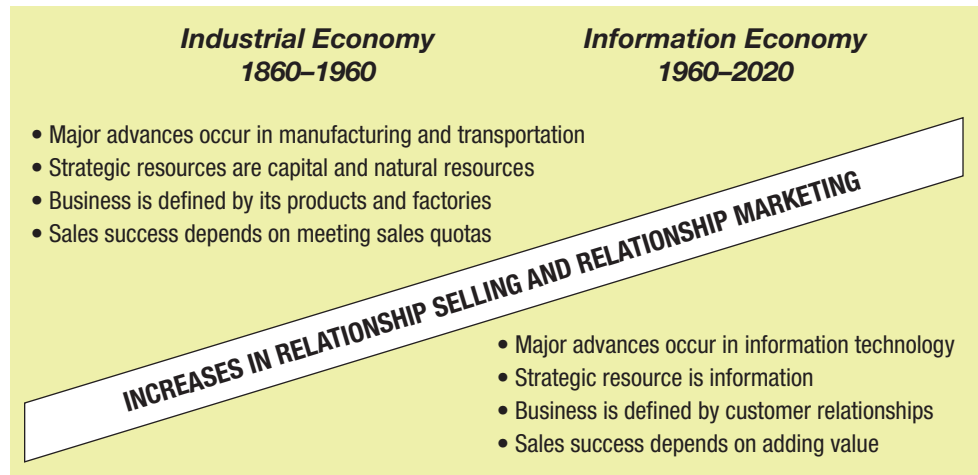
Strategic/Consultative Selling Model	
Strategic Step	Prescription
Develop a Personal Selling Philosophy	<input type="checkbox"/> Adopt Marketing Concept
	<input type="checkbox"/> Value Personal Selling
	<input type="checkbox"/> Become a Problem Solver/Partner

FIGURE 1.1

Today, salespeople use a strategic plan based on a personal philosophy that emphasizes adopting the marketing concept, valuing personal selling, and becoming a problem solver/partner.

FIGURE 1.2

The age of information has greatly influenced personal selling. Today, salespeople use a variety of information technology tools to gather and process information of value to the customer. They recognize that information is a strategic resource and relationship skills are needed to build a conduit of trust for information acceptance.



way to a new society where most of us would work with information instead of producing goods.⁵ Today, we live in an age in which the effective exchange of information is the foundation of most economic transactions, and the implications for personal selling are profound. We will describe the four major developments that have shaped the information economy and discuss the implications for personal selling.

Major Advances in Information Technology and Electronic Commerce

The information age has spawned the information technology revolution. Technology as well as globalization and speed of change influence almost everything we do.⁶ Salespeople and other marketing-related players in today's information age use personal computers, mobile phones, smartphones, websites, customer relationship management (CRM) applications with cloud computing, e-mail, instant messaging, blogging, and social media such as Facebook, YouTube, Twitter, and others. Frequently referred to today as **Selling 2.0**, these information technology tools, along with innovative sales practices, are used to create value for both the buyer and seller by improving the speed, collaboration, customer engagement, and accountability of the sales process.

The explosive growth of electronic commerce and other Internet activities has changed the way in which computers are used. Stan Davis, futurist and coauthor of *Blur: The Speed of Change in the Connected Economy*, notes that in today's information economy we use computers less for data crunching and more for connecting. These connections involve people-to-people, company-to-customer, machine-to-machine, product-to-service, organization-to-organization, and all these in combination.⁷ The jobs of information-age workers depend on these connections. People who work extensively with information, such as salespeople, need these electronic connections to conduct their information gathering, information sharing, and information management responsibilities.

Strategic Resource Is Information

Advances in information technology have increased the speed at which we acquire, process, and disseminate information. David Shenk, author of *Data Smog: Surviving the Information Glut*, notes that we have moved from a state of information scarcity to one of information overload.⁸ In an era of limitless data, informed salespeople can help us decide which information has value and which information should be ignored. Salespeople are the eyes and ears of today's marketplace. They collect a wide range of product, customer, and competitive intelligence.⁹

Business Is Defined by Customer Relationships

Michael Hammer, consultant and author of *The Agenda*, says the *real* new economy is the customer economy. As scarcity gave way to abundance, as supply exceeded demand, and as customers became better informed, we have seen a power shift. Customers have taken more control of their own destinies.¹⁰

On the surface, the major focus of the age of information seems to be the accumulation of more and more information and the never-ending search for new forms of information technology. It's easy to overlook the importance of the human element. Humans, not computers, have the ability to think, feel, and create ideas. It is no coincidence that relationship selling and relationship marketing, which emphasize long-term, mutually satisfying buyer–seller partnering



SOCIAL MEDIA AND SELLING TODAY

Creating Customer Value with Social Media

Popular business strategies such as “Selling Is a Contact Sport” and “Speed Is Life” describe the value of social media in the selling process. Being immediately available to a customer is essential to a salesperson’s success for many reasons, including providing information at the moment the customer needs it, responding to a customer’s relationship-building contact, and obtaining and following up on leads. Instant outreach to one or more customers is also critical for high-performing salespeople. This instant contact capability empowers salespeople to quickly send notices of price changes, product modifications, product operation tips, service alerts, web-site updates, and invitations to business and social events.

Advances in communication technology enhance the value of salesperson availability and outreach by dramatically reducing the time required for salesperson and customer interactions. Among these advances is the category generally referred to as “social media.” Facebook, Twitter, LinkedIn, YouTube, Whatsapp and smartphones are frequently identified as key components of this category.

Facebook can be used by a salesperson to expand his or her personal information that may be found on the company’s website. Products or services are also found on Facebook, allowing

customers and others to learn about and discuss a salesperson’s offerings. LinkedIn allows registered users to maintain a list of contact details of people they know and trust in business. Social media may also be put to use for instant messaging (Twitter, Whatsapp etc.), live streaming (Periscope, Blab etc.), image sharing (Snapchat), communication with B2B customers (Slack), etc. Other ways to streamline content is by letting customers, especially influencers, know that they have been mentioned in the content that has been created (Notifier helps connect with influencers), while apps such as Quuu.co and Crate help find and build curated content. Social media image creation tools such as Pablo 2.0 are particularly helpful for image management apps such as Pinterest and Instagram. Smartphones and similar mobile devices allow communications to include still and moving images designed to improve recipients’ understanding and acceptance of the accompanying messages.

High-performing salespeople and their organizations are well advised to carefully study the continuous advances in communication technologies and rapidly adopt the advantages they offer.¹¹ Playing the serious “sport” of customer contact at the fastest possible speed is now a critical necessity in a salesperson’s life.

relationships, began to gain support at the beginning of the information age. Companies such as DuPont, Kraft Foods, and General Electric have adopted a philosophy that focuses on customer satisfaction, team selling, and relationship selling.¹²

Sales Success Depends on Creating and Adding Value

Value-added selling can be defined as a series of creative improvements within the sales process that enhance the customer experience. Salespeople can create value by developing a quality relationship, carefully identifying the customer needs, and then configuring and presenting the best possible product solution. Value is also created when the salesperson provides excellent service after the sale. Neil Rackham, author of *Rethinking the Sales Force*, and other experts in sales and marketing say that success no longer depends on merely communicating the value of products and services. **Success in personal selling rests on the critical ability to create value for customers.**

The value added by salespeople today is increasingly derived from intangibles such as the quality of the advice offered and the level of trust that underlies the relationship between the customer and the salesperson. The value of these intangibles can erode with shocking speed when the customer feels deceived or discovers that the competition is able to add more value to the sales process.¹³

Considerations for a Future in Personal Selling

Job seekers who visit Monster.com or Careerbuilder.com are usually surprised to discover that sales careers represent one of the largest job-posting categories. Many thousands of entry-level sales positions are listed every day. The next big surprise comes when they discover the great variety of companies that hire salespeople. Some companies, such as Marriott and United Parcel Service (UPS), are well known throughout the nation. Other companies, such as SpeechPhone, LLC (www.speechphone.net), and World Golf Hospitality, Inc. (www.worldgolf.com), may be unfamiliar to the job seeker. SpeechPhone, LLC, sells call-forwarding, message retrieval, and other phone services. World Golf Hospitality, Inc., plans corporate-travel events and meetings that typically involve golf. The company has created travel programs for major events including the Masters, the Ryder Cup, and the U.S. Open tournaments.¹⁴

From a personal and economic standpoint, selling can be a rewarding career. Careers in selling offer financial rewards, recognition, security, and opportunities for advancement to a degree that is unique, when compared with other occupations.

1.3 Discuss the rewarding aspects of a career in selling today

Wide Range of Employment Opportunities

The 500 largest sales forces in America employ more than 24 million salespeople.¹⁵ These companies will seek to recruit 500,000 college graduates. A large number of additional salespeople are employed by smaller companies. In addition, the number of new sales positions is consistently increasing and sales positions commonly rank among the jobs considered most in demand.¹⁶ A close examination of these positions reveals that there is no single “selling” occupation. Our labor force includes hundreds of different selling careers and, chances are, there are positions that match your interests, talents, and ambitions. The diversity within selling becomes apparent as you study the career options discussed in this chapter.

Although two-thirds of college graduates take jobs as salespeople,¹⁷ often it’s not their first career choice. Students tend to view sales as dynamic and active, but believe a selling career requires them to engage in deceitful or dishonest practices. The good news is that old stereotypes about sales are gradually going by the wayside. Students who study the careers of highly successful relationship salespeople discover that ethical sales practices represent the key to long-term success.

Activities Performed by Salespeople

A professional selling position encompasses a wide range of tasks and, therefore, salespeople must possess a variety of skills. Figure 1.3 provides important insight about how many outside salespeople spend their time on the job. Note the time spent on administrative tasks, servicing, and telephoning. This, along with face-to-face selling and traveling time, provides a large amount of variety for salespeople. In some selling positions, such as retail selling, more time may be spent in face-to-face selling.

A salesperson representing Federal Express (FedEx) makes numerous sales calls each day in an attempt to establish new accounts and provide service to established accounts. A wide range of potential customers can use FedEx delivery services. A salesperson working for a Caterpillar

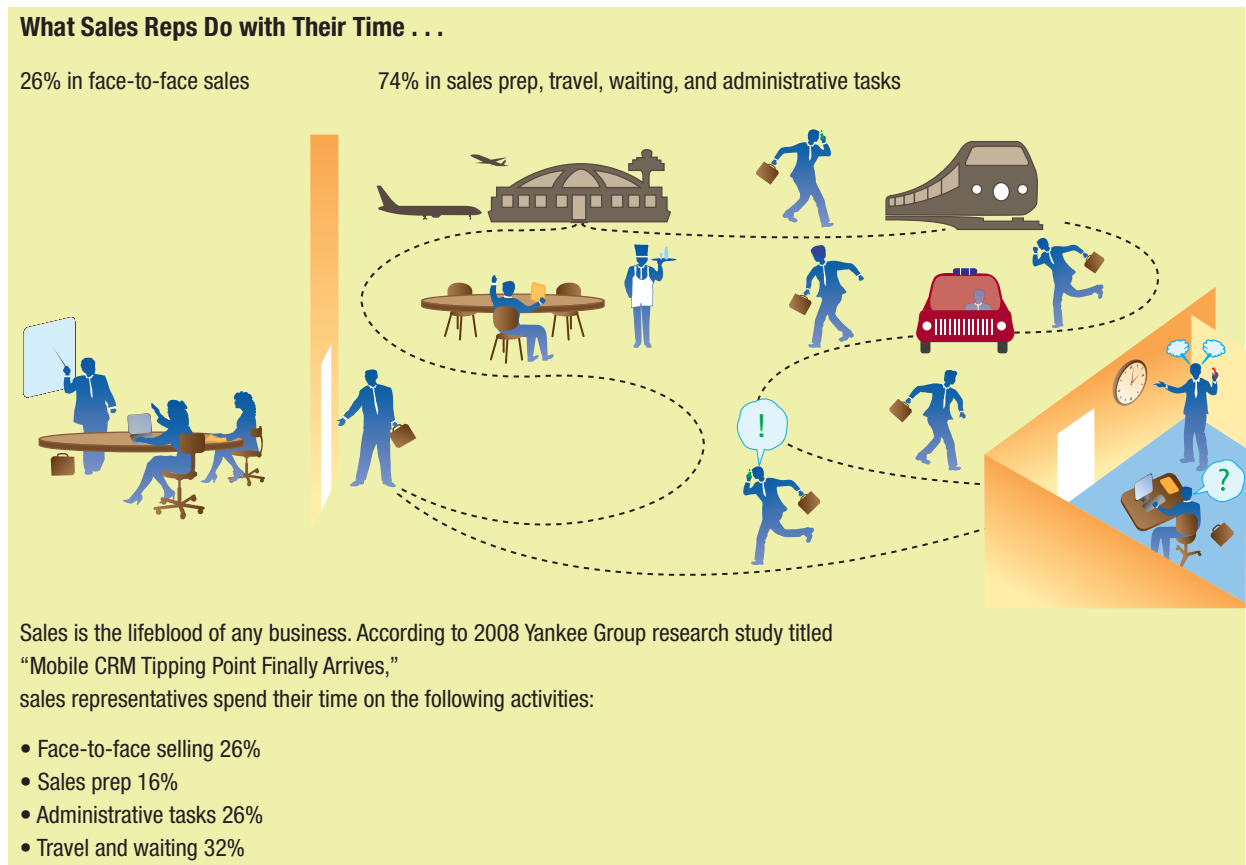


FIGURE 1.3

How Salespeople Spend Their Time

A professional selling position encompasses a wide range of tasks and, therefore, salespeople must possess a variety of skills.

Source: Data from Sybase Inc., www.sybase.com/files/Thankyou_Pages/Sybase_Mobile_Solutions_for_SAP_Sales_Reps_print.pdf (accessed June 21, 2010).

construction equipment dealer may make only two or three sales calls per day. The products offered by the dealer are expensive and are not purchased frequently.

Freedom to Manage One’s Own Time and Activities

Because of the wide range of activities, most selling positions allow salespeople to be in control of how they use their time, decide what activities they will prioritize in their work schedules, and interact with a wide range of people. This is in contrast to many careers where one is confined to a particular location and team of people, assigned very specific tasks, and directly supervised by others. This freedom to plan activities and prioritize the use of time, not unlike that of an entrepreneur, is high on the list of why many successful people have chosen sales as a career.

However, the ability to manage one’s time, set priorities, and execute successfully on these priorities is critical to success in selling. More on this subject of opportunity management will be presented in Chapter 16.

Titles Used in Selling Today

Just as selling occupations differ, so do the titles by which salespeople are known. Many of these titles and careers are represented in the careers described in the Reality Selling Videos presented throughout the book. A survey of current job announcements indicates that companies are using such titles as these (the abbreviations shown are commonly used by salespeople with these titles):

Account Executive (AE)	Sales Consultant
Account Representative	Business Development Representative (BDR)
Account Manager	Sales Associate
Relationship Manager	Marketing Representative
District Representative	Territory Manager
Marketing Partner	Channel Partner
Regional Accounts Manager (RAM)	National Accounts Manager (NAM)
Key Accounts Manager (KAM)	Global Accounts Manager (GAM)
Strategic Accounts Manager (SAM)	Account Development Representative (ADR)

Two factors have contributed to the creation of new titles. First, we have seen a shift from “selling” to “consulting” and “partnering.” When salespeople assume a consulting or partnering role, the value of the relationship often exceeds the value of the transaction. Second, the new titles reflect a difference in education and skill sets needed for the position.¹⁸ Both of these factors, along with the newer definition and philosophy of selling noted earlier in this chapter, have brought about the increasing use of the title “Account Manager” to describe the responsibilities of today’s sales personnel. The account manager’s role in creating and adding value has resulted in the Bureau of Labor Statistics projecting the Strategic Account Manager field as one of the fastest growing in the management, scientific, and technology industry. The bureau recently projected an 83 percent increase in employment in this field by the year 2018. It is important to recognize, however, that there is still a large number of individuals employed in selling who prefer, and are proud, to be called “salespeople.”

Salespeople, regardless of title, play an important role in sustaining the growth and profitability of organizations of all sizes. They also support the employment of many nonselling employees.

Above-Average Income

Studies dealing with incomes in the business community indicate that salespeople earn significantly higher incomes than most other workers. Some salespeople actually earn more than their sales managers and other executives within the organization. In fact, a successful career in sales and sales management can result in earnings similar to doctors, lawyers, and chief executives.^{19, 20} U.S. companies spend more than \$800 billion on sales force compensation each year—three times what they spend on advertising.²¹ This high level of compensation (whether from base salary, bonus, or incentives) is justified for good performance. Table 1.1 provides a summary of a recent compensation survey by the Sales Account Management Association. Executive and sales force compensation continues to climb despite uncertain economic conditions.²²

In recent years, we have seen new ways to report compensation for salespeople. The Hay Group, working with C&C Market Research, developed a reporting method that tracks earnings