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TRUST-BASED PROFESSIONAL SELLING

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6 BRIEF CONTENTS



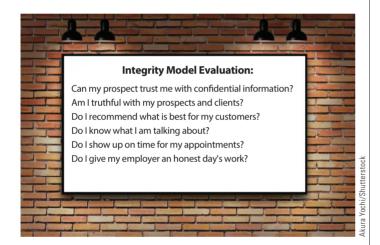
- 1 Overview of Personal Selling 2
- 2 Building Trust and Sales Ethics 26
- 3 Understanding Buyers 48
- 4 Communication Skills 82
- 5 Strategic Prospecting and Preparing for Sales Dialogue 108
- 6 Planning Sales Dialogues and Presentations 126
- 7 Sales Dialogue: Creating and Communicating Value 148
- **8** Addressing Concerns and Earning Commitment 170
- 9 Expanding Customer Relationships 192
- 10 Adding Value: Self-leadership and Teamwork 216

Endnotes 242 Index 245

CONTENTS

Overview of Personal Selling 2

- 1-1 Personal Selling Defined 3
- 1-2 Trust-Based Relationship Selling 5
- 1-3 Evolution of Professional Selling 7
- 1-4 Contributions of Personal Selling 8
- 1-5 Alternative Personal Selling Approaches 10
- 1-6 The Trust-Based Sales Process 15
- 1-7 Sales Careers 16



2 Building Trust and Sales Ethics 26

How to Establish Trust 26

- 2-1 What Is Trust? 29
- 2-2 Why Is Trust Important? 30
- 2-3 How to Earn Trust 31
- 2-4 Knowledge Bases Help Build Trust and Relationships 35
- 2-5 Sales Ethics 41

3 Understanding Buyers 48

- 3-1 Types of Buyers 50
- 3-2 Distinguishing Characteristics of Business Markets 50
- 3-3 The Buying Process 53
- 3-4 Types of Buyer Needs 55
- 3-5 Procedures for Evaluating Suppliers and Products 60
- 3-6 Understanding Postpurchase Evaluation and the Formation of Satisfaction 64
- 3-7 Types of Purchasing Decisions 65
- 3-8 Understanding Communication Styles 68
- 3-9 Buying Teams 72
- 3-10 Engaging Customers 74

4 Communication Skills 82

- 4-1 Sales Communication as a Collaborative Process 85
- 4-2 Types of Questions Classified by Amount and Specificity of Information Desired 87

Types of Questions Classified by Strategic Purpose 87

- 4-3 Strategic Application of Questioning in Trust-Based Selling 89
- 4-4 ADAPT Questioning System 90

Using Different Types of Listening 96

- 4-5 Active Listening 97
- 4-6 Understanding the Superiority of Pictures Over Words 100
- 4-7 Nonverbal Communication 101

Spending time with the best prospects is one of the keys to a salesperson's success.



ndrey_Popov/St

- 5 Strategic Prospecting and Preparing for Sales Dialogue 108
- 5-1 The Importance and Challenges of Prospecting 110
- 5-2 The Strategic Prospecting Process 110
- 5-3 Prospecting Methods 112
- 5-4 Developing a Strategic Prospecting Plan 118
- 5-5 Gathering Prospect Information to Prepare for Sales Dialogue 120
- 6 Planning Sales Dialogues and Presentations 126
- 6-1 Customer-Focused Sales Dialogue Planning 127
- 6-2 Sales Communications Formats 128
- 6-3 Sales Dialogue Template 135
- 6-4 Engaging the Customer 144

7 Sales Dialogue: Creating and Communicating Value 148

- 7-1 Effective Sales Dialogue 149
- 7-2 Encouraging Buyer Feedback 150
- 7-3 Creating Customer Value 152
- 7-4 Interesting and Understandable Sales Dialogue 153
- 7-5 Engaging and Involving the Buyer 157
- 7-6 Supporting Product Claims 161
- 7-7 Group Sales Dialogue 162

Addressing Concerns and Earning Commitment 170

Resistance Busters 170

Addressing Concerns 173

- 8-1 Anticipate and Negotiate Concerns and Resistance 173
- 8-2 Reasons Why Prospects Raise Objections 173
- 8-3 Types of Sales Resistance 175
- 8-4 Using LAARC: a Process for Negotiating Buyer Resistance 178
- 8-5 Recommended Approaches for Responding to Objections 180
- 8-6 Securing Commitment and Closing 183



9 Expanding Customer Relationships 192

- 9-1 Assess Customer Satisfaction 194
- 9-2 Harness Technology to Enhance Follow-up and Buyer–Seller Relationships 196
- 9-3 Ensure Customer Satisfaction 199
- 9-4 Expand Collaborative Involvement 206
- 9-5 Work to Add Value and Enhance Mutual Opportunities 207

Adding Value: Self-leadership and Teamwork 216

- 10-1 Effective Self-Leadership 218
- 10-2 Working with Different Levels and Types of Goals 220
- 10-3 Account Classification 222
- 10-4 Establishing Territory Routing Plans 225
- 10-5 Stage Four: Tapping Technology And Automation 229
- 10-6 Increasing Customer Value Through Teamwork 233
- 10-7 Building Teamwork Skills 237

Endnotes 242 Index 245

1 Overview of Personal Selling

LEARNING OBJECTIVES

After completing this chapter, you should be able to:

- 1-1 Define personal selling and describe its unique characteristics as a marketing communications tool.
- 1-2 Distinguish between transaction-focused traditional selling and trust-based relationship selling, with the latter focusing on customer value and sales dialogue.
- 1-3 Understand sales professionalism as a key driver in the continued evolution of personal selling.
- 1-4 Explain the contributions of personal selling to society, business firms, and customers.
- 1-5 Discuss five alternative approaches to personal selling.
- 1-6 Understand the sales process as a series of interrelated steps.
- 1-7 Describe several aspects of sales careers, types of selling jobs, and the key qualifications needed for sales success.

After finishing this chapter, go to PAGE 22 for STUDY TOOLS.

In the current business environment, buyers are under intense pressure to solve problems, realize opportunities, and cut costs. They are cautious, risk-averse, and have an abundant amount of information about potential suppliers for the products they purchase. Further, they hate to waste time in unproductive meetings with salespeople. This means that successful salespeople must discard high-pressure sales "pitches" in favor of a customer-oriented sales approach. Salespeople must be capable of establishing dialogue with customers to focus on the customer's needs and situation before making a purchase recommendation. According to a leading sales consulting firm, customers have little interest in meeting with "talking brochures," or salespeople that merely dispense information. Salespeople must adapt to customer's level of knowledge and informationgathering preferences. In some cases, prospective customers are experts and may only value interactions with salespeople later in the buying process. In other cases, less-expert customers rely heavily on salespeople for critical tasks in understanding how to solve problems, define alternatives, and



choose a solution. Increasingly, today's successful salesperson will use a mix of personal interactions along with sales technologies such as email, video conferencing, and social media to ensure that customers receive timely, useful information.¹

A productive sales approach first defines customer needs, then illustrates how the sales organization can deliver the value the customer is seeking, and ultimately leads to customer acknowledgment of the value to be gained. This results in a mutually beneficial joint decision between the buyer and seller. With this approach, the sales process is much more about "selling with" customers rather than "selling to" customers.



PERSONAL SELLING DEFINED

The successful professional salesperson of today and the future is likely a better listener than a talker; is more oriented toward developing long-term relationships with customers than placing an emphasis on high-pressure,

short-term sales techniques; and has the skills and patience to endure lengthy, complex sales processes. As portrayed in the chapter introduction, today's salesperson strives to furnish valuable information based on unique customer needs. Meeting those customer needs requires teamwork between salespeople and others in the organization. For more on teamwork, see "Professional Selling in the twenty-first Century: The Importance of Teamwork in Sales."

Personal selling, an important part of marketing, relies heavily on interpersonal interactions be-

tween buyers and sellers to initiate, develop, and enhance customer relationships. The interpersonal communications dimension sets

personal selling An important part of marketing that relies heavily on interpersonal interactions between buyers and sellers to initiate, develop, and enhance customer relationships.



Selling in Action

The Importance of Teamwork in Sales

Christine Corelli, a corporate trainer whose clients include Honda, Century 21, Pepsi, and Caterpillar, addresses the importance of teamwork in sales:

The customer rules. If your entire team, including all sales and service employees, do not excel in providing an excellent customer experience, buyers will take their business elsewhere. To provide excellent customer experiences, it is crucial that sales and service personnel share goals and communicate efficiently and effectively. In terms of goals, Ms. Corelli urges companies to go beyond customer satisfaction, noting that satisfaction is not enough and that customer loyalty should be the primary goal of sales and service personnel. With customer loyalty as the goal, customers are more likely to become advocates within their companies for deserving sales organizations. Further, loyal customers frequently furnish referrals to other prospective customers and provide favorable word mouth communications to industry counterparts. Loyal customers are also more likely to endorse loyalty-focused sales organizations on LinkedIn and other business-centered social media sites.

To foster teamwork between sales and service personnel, Ms. Corelli cites the importance of eliminating barriers to great teamwork. Barriers include unproductive and negative employees who place blame when problems arise or are overly competitive with other employees. Another barrier to teamwork is a sense of territorialism, or "us versus them" attitudes that can exist between business areas. This can lead to an "it's not my job" stance that compromises the all-important goal of customer loyalty. Ms. Corelli also says that companies should enable their employees through training on topics ranging from how to connect with customers to how to handle difficult customers and service challenges. She also suggests cultivating and sharing best practices in building customer loyalty throughout the company as part of a continuous improvement initiative. Clearly, Ms. Corelli knows that superior teamwork does not happen simply because it is a good idea. Teamwork requires a coordinated effort, but the payoff is well worth the effort.

Source: "Christie Corelli," Teamwork Essential for Increased Productivity and Profitability," from www.christinespeaks.com (August 13, 2016).

personal selling apart from other marketing communications such as advertising and sales promotion, which are directed at mass markets. Personal selling

trust-based relationship selling A form of personal selling requiring that salespeople earn customer trust and that their selling strategy meets customer needs and contributes to the creation, communication, and delivery of customer value.

is also distinguished from direct marketing and electronic marketing in that salespeople are talking with buyers before, during, and after the sale. This allows a high degree of immediate customer feedback, which becomes a strong advantage of personal selling over most other forms of marketing communications.

Although advertising is a far more visible activity, personal selling is the most important part of marketing communications for most businesses. This is particularly true in business-to-business marketing, where more is spent on personal selling than advertising, sales promotion, publicity, or public relations. In this book, we typically describe personal selling in this business-to-business context, in which a salesperson or sales team interacts with one or more individuals from another organization.

1-2 TRUST-BASED RELATIONSHIP SELLING

Trust-based relationship selling (a form of personal selling) requires that salespeople earn customer trust and that their selling strategy meets customer

needs and contributes to the creation, communication, and delivery of customer value. As illustrated in Exhibit 1.1, trust-based relationship selling is quite different from traditional selling. Rather than trying to maximize sales in the short run (also called a transaction focus), trust-based relationship selling focuses on solving customer problems, providing opportunities,

Exhibit 1.1

Comparison of Transaction-Focused Traditional Selling with Trust-Based Relationship Selling

	Transaction-Focused Traditional Selling	Trust-Based Relationship Selling
Typical skills required	Selling skills, for example, finding prospects, making sales presentations	Selling skills Information gathering Listening and questioning Strategic problem solving Creating and demonstrating unique, value-added solutions Teambuilding and teamwork
Primary focus	The salesperson and the selling firm	The customer and the customer's customers
Desired outcomes	Closed sales, order volume	Trust, joint planning, mutual benefits, enhance profits
Role of salesperson	Make calls and close sales	Business consultant and long-term ally Key player in the customer's business
Nature of communications with customers	One-way, from salesperson to customer Pushing products	Two-way and collaborative Strive for dialogue with the customer
Degree of salesperson's involvement in customer's decision-making process	Isolated from customer's decision-making process	Actively involved in customer's decision-making process
Knowledge required	Product knowledge Competitive knowledge Identifying opportunities Account strategies	Product knowledge Selling company resources Competitive knowledge Account strategies Costs Identifying opportunities General business and industry knowledge and insight Customer's products, competition, and customers
Postsale follow-up	Little or none: move on to conquer next customer	 Continued follow-through to: Ensure customer satisfaction Keep customer informed Add customer value Manage opportunities

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and adding value to the customer's business over an extended period. Chapter 2 will provide detailed coverage of how salespeople can earn buyers' trust.

1-2a Importance of Customer Value

As personal selling continues to evolve, it is more important than ever that salespeople focus on delivering customer value while initiating, developing, and enhancing customer relationships. What constitutes value will likely vary from one customer to the next depending on the customer's situation, needs, and priorities, but **customer value** will always be determined by customers' perceptions of what they get in exchange for what they have to give up. In the simplest situations, customers buy a product in exchange for money. In most situations, however, customers define value in a more complex manner, by addressing questions such as:

- Does the salesperson do a good job in helping me make or save money?
- Is this salesperson dependable?
- Does this salesperson help me achieve my strategic priorities?
- Is the salesperson's company easy to work with, i.e., hassle-free?
- Does the salesperson enlist others in his or her organization when needed to create value for me?
- Does the sales representative understand my business and my industry?

Personal selling also recognizes that customers would like to be heard when expressing what they want suppliers and salespeople to provide for them. In days gone by, personal selling often consisted of delivering a message or making a pitch. That approach was typically associated with a "product push" strategy in which customers were pressured to buy without much

customer value The customer's perception of what they get for what they have to give up, for example, benefits from buying a product in exchange for money paid.

sales dialogue Business conversations between buyers and sellers that occur as salespeople attempt to initiate, develop, and enhance customer relationships. Sales dialogue should be customer-focused and have a clear purpose.

appreciation for their real needs. Today, the most progressive sales organizations are far more interested in establishing a productive dialogue with customers than in simply pitching products that customers may or may not want or need. In our highly competitive world, professional

buyers have little tolerance for aggressive, pushy salespeople.

1-2b Importance of Sales Dialogue

Sales dialogue refers to the series of conversations between buyers and sellers that take place over time in an attempt to build relationships. The purposes of these conversations are to:

- Determine if a prospective customer should be targeted for further sales attention.
- Clarify the prospective customer's situation and buying processes.
- Discover the prospective customer's unique needs and requirements.
- Determine the prospective customer's strategic priorities.
- Communicate how the sales organization can create and deliver customer value.
- Negotiate a business deal and earn a commitment from the customer.
- Make the customer aware of additional opportunities to increase the value received.
- Assess sales organization and salesperson performance so that customer value is continuously improved.

As you can see, sales dialogue is far more than idle chitchat. The business conversations that constitute the dialogue are customer-focused and have a clear purpose; otherwise, there would be a high probability of wasting both the customer's and the salesperson's time, which no one can afford in today's business environment. Whether the sales dialogue features a question-and-answer format, a conversation dominated by the buyer conveying information and requirements, or a formal sales presentation in which the salesperson responds to buyer feedback throughout, the key idea is that both parties participate in and benefit from the process.

Throughout this course, you will learn about new technologies and techniques that have contributed to the evolution of the practice of personal selling. This chapter provides an overview of personal selling, affording insight into the operating rationale of today's salespeople

Customers want to be heard loud and clear when expressing what they want from suppliers and salespeople.



Successful salespeople must be able to make sales calls and build relationships at the same time.

and sales managers. It also describes different approaches to personal selling and presents the sales process as a series of interrelated steps. The chapter concludes with a discussion of several important aspects of sales careers, including types of selling jobs and characteristics and skills needed for sales success. In the highly competitive, complex international business community, personal selling and sales management have never played more critical roles.

EVOLUTION OF PROFESSIONAL SELLING

For the past several decades, there has been a steady increase in the complexity of the business world, the level of competitive activity, and buyer expectations. These developments have driven an increased focus on **sales professionalism** by the most progressive sales organizations. Sales professionalism requires a customeroriented sales approach that uses truthful, nonmanipulative tactics to satisfy the long-term needs of both the customer and the selling firm.

In examining the status of sales as a true profession, one study found that sales meets four of the six criteria that define professions, and that progress is still needed on the other two dimensions.² This study concluded that sales meets the criterion of operating from a substantial knowledge base that has been developed by academics, corporate trainers and executives, and professional organizations. Second, sales meets the criterion of making a significant contribution to society, which is discussed in the next section of this chapter. Third, through pro-

fessional organizations such as the Strategic Account Management Association (SAMA) and through a common sales vocabulary such as that found in textbooks and training materials, sales meets the professional criteria of having a defined culture and organization of colleagues. Fourth, sales does have a unique set of professional skills, although these skills vary depending on the specific nature of a given sales position.

Two areas in the study indicated that sales needs additional progress to be viewed as a profession on a par with law, medicine, and other long-recognized professions. The first area has to do with how much autonomy salespeople have to make decisions and the amount of public trust granted to salespeople. Although many business-to-business salespeople have considerable decision-making autonomy, others have very little. Public trust could be improved by a widely accepted certification program such as the Certified Public Accountant (CPA) designation for accountants. At present, however, very few salespeople have professional certification credentials. Although many salespeople do have considerable autonomy, public trust in certification programs is modest; thus, the results are mixed as to whether the sales profession meets this professional criterion.

The final area where sales needs to improve is adherence to a uniform ethical code. Many companies have employee codes of conduct and some professional organizations have ethical codes for salespeople, but there is no universal code of ethics with a mechanism for dealing with violators. Until such a code is developed and widely accepted in business, some members of society will not view sales as a true profession.

Whether or not sales is viewed as a true profession comparable to law and medicine, salespeople can benefit tremendously by embracing high ethical standards, participating in professional organizations, and working from a continually evolving knowledge base. In so doing, they will not only be more effective but also they will help advance sales as a true profession.

Future evolution is inevitable as tomorrow's professional salesperson responds to a more complex, dynamic environment. Also, increased sophistication of buyers and of new technologies will demand more from the next

generation of salespeople. For a discussion of how salespeople are using sales technology tools, see "Top Salespeople Reach Customers with Techno-Tools."

sales professionalism A

customer-oriented approach that uses truthful, nonmanipulative tactics to satisfy the long-term needs of both the customer and the selling firm.



Sales is becoming more professional, as indicated by a growing number of publications and a market for Web sites with professional development materials and reviews.



As mentioned earlier in this chapter, more money is spent on personal selling than on any other form of marketing communications. Salespeople are usually well compensated, and salesforces of major companies often number in the thousands. For example, General Electric (GE) has 16,400 salespeople, Oracle has 11,445, and Hewlett-Packard has 5,000.³

We now take a look at how this investment is justified by reviewing the contributions of personal selling to society in general, to the employing firm, and to customers.

1-4a Salespeople and Society

Salespeople contribute to their nations' economic growth in two basic ways. They stimulate economic transactions and further the diffusion of innovation.

SALESPEOPLE AS ECONOMIC STIMULI Salespeople are expected to stimulate action in the business

economic stimuli Something that stimulates or incites activity in the economy.

diffusion of innovation The process whereby new products, services, and ideas are distributed to the members of society.

revenue producers A role fulfilled by salespeople that brings in revenue or income to a firm or company.

world—hence the term **economic stimuli**.

In a fluctuating economy, salespeople make invaluable contributions by assisting in recovery cycles and by helping to sustain periods of relative prosperity. As the world economic system deals with issues such as

increased globalization of business, more emphasis on customer satisfaction, and building competitiveness through quality improvement programs, it is expected that salespeople will be recognized as a key force in executing the appropriate strategies and tactics necessary for survival and growth.

SALESPEOPLE AND DIFFUSION OF INNOVATION Salespeople play a critical role in the diffusion of innovation, the process whereby new products, services, and ideas are distributed to the members of society. Consumers who are likely to be early adopters of an innovation often rely on salespeople as a primary source of information. Frequently, well-informed, specialized salespeople provide useful information to potential customers. Sometimes those customers ultimately purchase the new product from a lower-cost outlet; nonetheless, the information provided by the original well-informed salesperson contributes critically to the adoption of the innovation and more widespread popularity of the new product. The role of salespeople in the diffusion of industrial products and services is particularly crucial. Imagine trying to purchase a companywide computer system without the assistance of a competent salesperson or sales team!

While acting as an agent of innovation, the salesperson invariably encounters a strong resistance to change in the latter stages of the diffusion process. The status quo seems to be extremely satisfactory to many parties, even though, in the long run, change is necessary for continued progress or survival. By encouraging the adoption of innovative products and services, salespeople may indeed be making a positive contribution to society.

1-4b Salespeople and The Employing Firm

Because salespeople are in direct contact with the all-important customer, they can make valuable contributions to their employers. Salespeople contribute to their firms as revenue producers, as sources of market research and feedback, and as candidates for management positions.

SALESPEOPLE AS REVENUE PRODUCERS Salespeople occupy the somewhat unique role of **revenue producers** in their firms. Consequently, they usually feel the brunt of that pressure along with the management of the firm. Although accountants and financial staff are concerned with profitability in bottomline terms, salespeople are constantly reminded of their responsibility to achieve a healthy "top line" on the



Technology in Sales

"Top Salespeople Reach Customers with Techno-Tools."

According to a LinkedIn study, the technology tools that a salesperson uses is highly correlated to their sales performance, with top salespeople 24 percent more likely to attribute their success to sales technology than lower-performing salespeople. Popular tools include social media, email tracking, sales intelligence software, and customer relationship management (CRM) systems. Salespeople are increasingly using social selling software that helps salespeople initiate and establish relationships with buyers on social media sites such as Twitter, Facebook, LinkedIn, Snapchat, and Instagram. LinkedIn's Sales Navigator is a popular tool for creating prospect lists and contacting prospective customers. Email tracking alerts the seller when a recipient opens an email or clicks on a link in an email. Sales intelligence software provides contact and company information to help build prospect profiles and prioritize sale

opportunities. Popular intelligence providers include DiscoverOrg which provides organizational charts to companies that target information technology, finance, and marketing departments. CRM software is one of the more mature products in the sales technology space, yet less than one-third of large companies use CRM to bolster and manage sales. This is surprising given that 80 percent of the top salespeople in the LinkedIn study report that CRM is "critical" or "extremely critical" to their success.

As the use of sales technology spreads, some experts are concerned about potential abuses by overly-aggressive salespeople who use technology to deploy pushy sales tactics. This could sour buyers on the new technology and the salespeople who use it. If abuses make social media sites less relevant over time, more private sites such as Kik, WeChat, Facebook Messenger, and Slack will likely become more important for salespeople.

Source: Pete Caputa, "Top Salespeople are More Likely to use These Tools Than the Rest of You," from HubSpot's Sales Blog, online at https://blog.hubspot.com, June 15, 2016.

profit and loss statement. This should not suggest that salespeople are concerned only with sales revenue and not with overall profitability. Indeed, salespeople

are increasingly responsible for improving profitability, not only by producing sales revenues but also by improving the productivity of their actions.

MARKET RESEARCH AND FEEDBACK Because salespeople spend so much time in direct contact with

their customers, it is only logical that they would play an important role in market research and in providing feedback to their firms. For example, Xerox uses a system called SCOOP to store

Linked Image. Shutterstock co.



customer information gathered by the salesforce. This information fully describes each sales territory in terms

of Xerox and competitive products currently in use, machine types, age, and potential replacement dates. Marketing executives use this information to develop market forecasts and to help develop marketing and sales strategies for various customer segments.4

The emergence of communications technologies gives salespeople and their organizations more opportunities to gather customer feedback. For example, retailers and service providers routinely use

Along with the management of a firm, salespeople occupy the somewhat unique role of revenue producers in their firms.

Facebook to solicit customer feedback. In the business-to-business sector, buyers are increasingly sharing their opinions, identifying problems, and asking for vendor recommendations via Twitter and LinkedIn. Customer relationship management programs such as Chatter by Salesforce.com are incorporating social media to improve collaboration between customers and the sales organization.

Some would argue that salespeople are not trained as market researchers, or that salespeople's time could be better used than in research and feedback activities. Many firms, however, refute this argument by finding numerous ways to capitalize on the salesforce as a reservoir of ideas. It is not an exaggeration to say that many firms have concluded that they cannot afford to operate in the absence of salesforce feedback and research.

salespeople as future managers In recent years, marketing and sales personnel have been in strong demand for upper management positions. Recognizing the need for a top management trained in sales, many firms use the sales job as an entry-level position that provides a foundation for future assignments. As progressive firms continue to emphasize customer orientation as a basic operating concept, it is only natural that salespeople who have learned how to meet customer needs will be good candidates for management jobs.

1-4c Salespeople and The Customer

Given the increasing importance of building trust with customers and an emphasis on establishing and maintaining long-term relationships, it is imperative that salespeople are honest and candid with customers. Salespeople must also be able to demonstrate knowledge of their products and services, especially as they compare competitive offerings. Customers also expect salespeople to be knowledgeable about market opportunities and relevant business trends that may affect a customer's business. There has been a long-standing expectation that salespeople need to be the key contact for the buyer, who expects that they will coordinate activities within the selling firm to deliver maximum value to the customer.

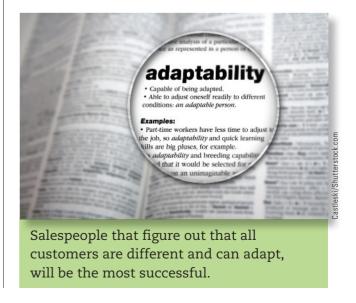
As salespeople serve their customers, they simultaneously serve their employers and society. The overall conclusion is that buyers expect salespeople to contribute to the success of the buyer's firm. Buyers value the information furnished by salespeople, and they expect salespeople to act in a highly professional manner. See "An Ethical Dilemma" for a scenario in which the salesperson must think about where to draw the line in sharing information with customers.

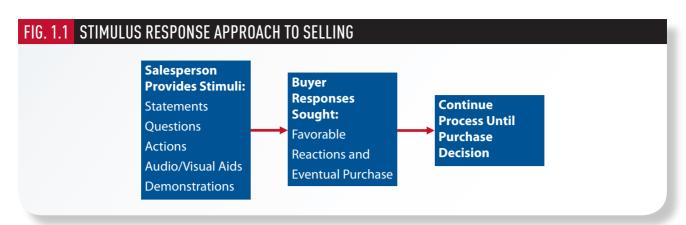
As salespeople serve their customers, they simultaneously serve their employers and society. When these parties' interests conflict, the salesperson can be caught in the middle. By learning to resolve these conflicts as a routine part of their jobs, salespeople further contribute to developing a business system based on progress through problem solving. Sales ethics will be discussed in detail in Chapter 2.

1-5

ALTERNATIVE PERSONAL SELLING APPROACHES

In this section, we take a closer look at alternative approaches to personal selling that professionals may choose from to best interact with their customers. Some of these approaches are simple. Other approaches are more sophisticated and require that the salesperson play a strategic role to use them successfully. Five basic approaches to personal selling have been in use for decades: stimulus response, mental states, need satisfaction, problem solving, and consultative selling. All five approaches to selling are practiced today. Furthermore, many salespeople use elements of more than one approach in their own hybrids of personal selling.





The salesperson attempts to gain favorable responses from the customer by providing stimuli, or cues, to influence the buyer. After the customer has been properly conditioned, the salesperson tries to secure a positive purchase decision.

Recall from earlier in the chapter that personal selling differs from other forms of marketing communications because it is a personal communication delivered by employees or agents of the sales organization. Because the personal element is present, salespeople have the opportunity to alter their sales messages and behaviors during a sales presentation or as they encounter unique sales situations and customers. This is referred to as **adaptive selling**. Because salespeople often encounter buyers with different personalities, communications styles, needs, and goals, adaptive selling is an important concept. Adaptive selling is prevalent with the need satisfaction, problem-solving, and consultative approaches. It is less prevalent with stimulus response selling.

1-5a Stimulus Response Selling

Of the five views of personal selling, **stimulus response selling** is the simplest. The theoretical background for this approach originated in early experiments with animal behavior. The key idea is that various stimuli can elicit predictable responses. Salespeople furnish the stimuli from a repertoire of words and actions designed to produce the desired response. This approach to selling is illustrated in Figure 1.1.

An example of the stimulus response view of selling would be **continued affirmation**, a method in which a series of questions or statements furnished by the salesperson is designed to condition the prospective buyer to answering "yes" time after time, until, it is hoped, he or she will be inclined to say "yes" to the entire sales proposition. This method is often used by telemarketing personnel, who rely on comprehensive sales scripts read or delivered from memory.

Stimulus response sales strategies, particularly when implemented with a canned sales presentation, have



Telemarketing sales representatives use stimulus response selling, relying on comprehensive scripts that are read or delivered from memory.

some advantages for the seller. The sales message can be structured in a logical order. Questions and objections from the buyer can usually be anticipated and addressed before they are magnified during buyer-seller interaction. Inexperienced salespeople can rely on stimulus response sales methods in some settings, and this may eventually contribute to sales expertise.

The limitations of stimulus response

adaptive selling The ability of salespeople to alter their sales messages and behaviors during a sales presentation or as they encounter different sales situations and different customers.

stimulus response selling

An approach to selling where the key idea is that various stimuli can elicit predictable responses from customers. Salespeople furnish the stimuli from a repertoire of words and actions designed to produce the desired response.

continued affirmation

An example of stimulus response selling in which a series of questions or statements furnished by the salesperson is designed to condition the prospective buyer to answering "yes" time after time, until, it is hoped, he or she will be inclined to say "yes" to the entire sales proposition.

Exhibit 1.2

Mental States View of Selling

Buyer's Mental State	Common Sales Tactics
Attention	Build rapport with the prospect, ask questions to generate excitement for the sales offering
Interest	Discover buyer needs; uncover purchase decision process; gain precommitment to consider purchase of seller's product
Desire	Build a sense of urgency; demonstrate the product; persuade the buyer to try the product, for example, a test drive or hands-on involvement with the product
Action	Overcome buyer resistance and make the sale; multiple attempts to close the sale are sometimes used

methods, however, can be severe, especially if the salesperson is dealing with a professional buyer. Most buyers like to take an active role in sales dialogue, and the stimulus response approach calls for the salesperson to dominate the flow of conversation. The lack of flexibility in this approach is also a disadvantage, as buyer responses and unforeseen interruptions may neutralize or damage the effectiveness of the stimuli.

Considering the net effects of this method's advantages and disadvantages, it appears most suitable for relatively unimportant purchase decisions, when time is severely constrained and when professional buyers are not the prospects. As consumers in general become more sophisticated, this approach will become more problematic.

mental states selling An

approach to personal selling that assumes that the buying process for most buyers is essentially identical and that buyers can be led through certain mental states, or steps, in the buying process; also called the formula approach.

AIDA An acronym for the various mental states the salesperson must lead customers through when using mental states selling: attention, interest, desire, and action.

need satisfaction selling An

approach to selling based on the notion that the customer is buying to satisfy a particular need or set of needs.

1-5b Mental States Selling

Mental states selling.

or the *formula approach* to personal selling, assumes that the buying process for most buyers is essentially identical and that buyers can be led through certain mental states, or steps, in the buying process. These mental states are typically referred to as **AIDA** (attention, interest, desire, and action).

Appropriate sales messages provide a transition from one mental state to the next. The mental states method is illustrated in Exhibit 1.2.

As with stimulus response selling, the mental states approach relies on a highly structured sales presentation. The salesperson does most of the talking, as feedback from the prospect could be disruptive to the flow of the presentation.

A positive feature of this method is that it forces the salesperson to plan the sales presentation prior to calling on the customer. It also helps the salesperson recognize that timing is an important element in the purchase decision process and that careful listening is necessary to determine which stage the buyer is in at any given point.

A problem with the mental states method is that it is difficult to determine which state a prospect is in. Sometimes a prospect is spanning two mental states or moving back and forth between two states during the sales presentation. Consequently, the heavy guidance structure the salesperson implements may be inappropriate, confusing, and even counterproductive to sales effectiveness. We should also note that this method is not customer oriented. Although the salesperson tailors the presentation to each customer somewhat, this is done by noting customer mental states rather than needs. See "An Ethical Dilemma" for a situation in which the salesperson is contemplating the movement of the prospect into the "action" stage.

1-5c Need Satisfaction Selling

Need satisfaction selling is based on the notion that the customer is buying to satisfy a particular need or set of



The salesperson attempts to uncover customer needs that are related to the product or service offering. This may require extensive questioning in the early stages of the sales process. After confirming the buyer's needs, the salesperson proceeds with a presentation based on how the offering can meet those needs.

needs. This approach is shown in Figure 1.2. It is the salesperson's task to identify the need to be met, then to help the buyer meet the need. Unlike the mental states and stimulus response methods, this method focuses on the customer rather than on the salesperson. The salesperson uses a questioning, probing tactic to uncover important buyer needs. Customer responses dominate the early portion of the sales interaction, and only after relevant needs have been established does the salesperson begin to relate how his or her offering can satisfy these needs.

Customers seem to appreciate this selling method and are often willing to spend considerable time in preliminary meetings to define needs prior to a sales presentation or written sales proposal. Also, this method avoids the defensiveness that arises in some prospects when a salesperson rushes to the persuasive part of the sales message without adequate attention to the buyer's needs.

1-5d Problem-Solving Selling

Problem-solving selling is an extension of need satisfaction selling. It goes beyond identifying needs to developing alternative solutions for satisfying these needs. The problem-solving approach to selling is depicted in Figure 1.3. Sometimes even competitors' offerings are included as alternatives in the purchase decision.

The problem-solving approach typically requires educating the customer about the full impact of the exist-

ing problem and clearly communicating how the solution delivers significant customer value. This is true in cases where the customer does not perceive a problem or even when the solution seems to be an obviously beneficial course of action for the buyer. According to The Brooks Group, a leading sales training firm, problem-solving selling is not so much about convincing someone to buy, but rather it is about offering a logical solution to a problem faced by the client. Of course, the salesperson is trying to make the sale as soon as possible, but first they must learn exactly what the problem is and determine the best solution from the customer's perspective. To be successful in problem-solution selling, salespeople must be able to get the buyer to agree that a problem exists and that solving it is worth the time and effort required.

The problem-solving approach to selling can take a lot of time. In some cases, the selling company cannot afford this much time with each prospective customer. In other cases, the customers may be unwilling to spend the time. Insurance salespeople, for example, report this customer response. The problem-solving approach appears to be most successful in technical industrial sales situations, in which the parties

involved are usually oriented toward scientific reasoning and processes and thus find this approach to sales amenable.

problem-solving selling An extension of need satisfaction selling that goes beyond identifying needs to developing alternative solutions for satisfying these needs.



The salesperson defines a customer problem that may be solved by various alternatives. Then an offering is made that represents at least one of these alternatives. All alternatives are carefully evaluated before a purchase decision is made.



An Ethical Dilemma

Bill Jackson is a sales representative for Best Bags, a supplier of custom-print shopping bags in Chicago. His customers are upscale retailers who see the value of colorful shopping bags not only as a convenience for customers, but also as "walking billboards" that help advertise for the retailer. BestBags offers a variety of sizes and colors. Pricing to the retailers depends on the size of the bag ordered, quantities ordered, and how many colors are used in custom-print designs. Bill has been successful in this market for two years, but a recent economic slump has had a slight negative impact on his performance. His retail customers are cutting costs by ordering less expensive bags or by using generic shopping bags instead of the more expensive options from BestBags. Jeffrey Bergeron, the sales manager at BestBags, recently told Bill, "You have slipped a bit over the past couple of months. I would

hate to see you miss out on your year-end bonus if you don't make your quota this year. You have to find a way to get your customers into the more expensive bags. Tell them that the best time to advertise is when things are slow. When the upturn comes, tell them they will be glad they invested more in their business." Bill tried to sell the more expensive items for a couple of weeks without any results. Customers pushed back hard, saying now was simply not the time to spend more.

What should Bill do?

- Keep trying to follow Jeffrey's directive—after all, he is the boss.
- 2. Try to convince Jeffrey that a customer-oriented approach will work best over the long run.
- 3. Tell Jeffrey that he is working on selling the more expensive bags, but don't push expensive bags to the customers.

consultative selling The process of helping customers reach their strategic goals by using the products, services, and expertise of the sales organization.

strategic orchestrator

A role the salesperson plays in consultative selling where he or she arranges the use of the sales organization's resources in an effort to satisfy the customer.

business consultant A role the salesperson plays in consultative selling where he or she uses internal and external (outside the sales organization) sources to become an expert on the customer's business. This role also involves educating customers on the sales firm's products and how these products compare with competitive offerings.

long-term ally A role the salesperson plays in consultative selling where he or she supports the customer, even when an immediate sale is not expected.

1-5e Consultative Selling

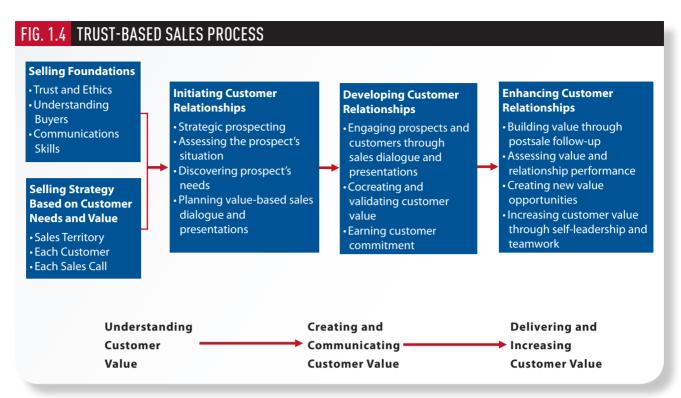
Consultative selling

is the process of helping customers reach their strategic goals by using the products, services, and expertise of the sales organization.7 Notice that this method focuses on achieving strategic goals of customers, not just meeting needs or solving problems. Salespeople confirm their customers' strategic goals, and then work collaboratively with customers to achieve those goals.

In consultative selling, salespeople fulfill three primary roles:

strategic orchestrator, business consultant, and longterm ally. As a **strategic orchestrator**, the salesperson arranges the use of the sales organization's resources in an effort to satisfy the customer. This usually calls for involving other individuals in the sales organization. For example, the salesperson may need expert advice from production or logistics personnel to address a customer problem or opportunity fully. In the **business consultant** role, the salesperson uses internal and external (outside the sales organization) sources to become an expert on the customer's business. This role also includes an educational element—that is, salespeople educate their customers on products they offer and how these products compare with competitive offerings. As a **long-term ally**, the salesperson supports the customer, even when an immediate sale is not expected.

Peter Lang, CEO of UhuruNetwork, a digital marketing agency, says: "We have abandoned the traditional 'sales pitch' approach in favor of a process where we work cooperatively with potential clients to see if we are a good fit. It's called consultative selling because we conduct a series of consultations to determine whether or not we would benefit from working with



The three major phases of the sales process are initiating, developing, and enhancing customer relationships. Salespeople must possess certain attributes to earn the trust of their customers and be able to adapt their selling strategies to different situations. Throughout the sales process, salespeople should focus on customer value, first by understanding what it is, then by working with customers to create value, communicate value, and continually increase customer value.

one another."8 Mr. Lang has found that the consultative approach builds trust with potential clients based on Uhuru's ability to ask the right questions throughout the sales process to determine their client's strategic priorities and, in response, provide high-quality actionable advice. Determining the right questions to ask begins with customer research prior to first sales call. By knowing the prospective client's company and industry, the Uhuru sales team is able to outline areas where they think the client could improve business operations. After the initial sales call, the Uhuru sales team meets with prospects to explore in depth the potential fit of the two companies. Ultimately a joint decision is made about working together or not. Mr. Lang reports that the consultative approach is a good fit for his agency and their clients. Most importantly, Uhuru's sales team consistently succeeds with consultative selling.9



The nonselling activities on which most salespeople spend a majority of their time are essential for the successful execution of the most important part of the salesperson's job: the **sales process**. The sales process has traditionally been described as a series of interrelated steps beginning with locating qualified prospective customers. From there, the salesperson plans the sales presentation, makes an appointment to see the customer, completes the sale, and performs postsale activities.

As you should recall from the earlier discussion of the continued evolution of personal selling (refer to Exhibit 1.1), the sales process is increasingly being viewed as a relationship management process, as depicted in Figure 1.4.

In this conceptualization of the sales process, salespeople strive to attain lasting relationships with their customers. The basis for such relationships may vary, but the element of trust between the customer and the salesperson is an essential part of enduring relation-

ships. To earn the trust of customers, salespeople should be customer oriented, honest, and dependable. They must also be competent and able to display an appropriate level of

sales process A series of interrelated steps beginning with locating qualified prospective customers. From there, the salesperson plans the sales presentation, makes an appointment to see the customer, completes the sale, and performs postsale activities.



In consultative selling, the salesperson is a lot like an orchestra conductor. The salesperson must involve all parts of the selling firm.

expertise to their customers. Finally, the trust-building process is facilitated if salespeople are compatible with their customers; that is, if they get along and work well with each other. ¹⁰ These attributes are reflected by Jordan Lynch, who works in strategic business development with Ultimate Software in Denver, Colorado.

The key to having productive relationships with your customers is genuine trust. From day one, I work to earn the customer's trust by consistently doing what I say I will do. This means that I must be realistic and not overpromise in terms of what we can do for our customers. It is important to show the customer that you truly care about their success, and of course, basic honesty is essential. Customers expect me to be an expert in our field, and to get answers quickly if I need to call in other experts to suit the customer's needs. I want to do business with trustworthy people, and I firmly believe that my customers feel the same way. 11

Another important element of achieving sound relationships with customers is to recognize that individual customers and their particular needs must be addressed with appropriate selling strategies and tactics. In selling, we discuss strategy at four levels: corporate, business unit, marketing department, and the overall sales function. An individual salesperson is strongly guided by strategy at these higher levels in the organization but must also develop selling strategies and tactics to fit the sales territory, each customer, and, ultimately, each sales call. Our coverage in this text focuses on developing sales strategies for individual customers and specific sales calls.

When studying the sales process, note that there are countless versions of the process in terms of number and

names of steps. If, however, you were to examine popular trade books on selling and training manuals used by corporations, you would find that the various depictions of the sales process are actually more alike than different. The sales process shown in Figure 1.4 is comparable to most versions of the sales process, with the exception of those versions that advocate high-pressure methods centering on how to get the customer to "say yes" rather than focusing on meeting the customer's true needs. Our version of the sales process suggests that salespeople must have certain attributes to inspire trust in their customers and that salespeople should adapt their selling strategy to fit the situation.

Another point that should be stressed is that the sales process is broken into steps to facilitate discussion and sales training, not to suggest discrete lines between the steps. The steps are actually highly interrelated and, in some instances, may overlap. Further, the stepwise flow of Figure 1.4 does not imply a strict sequence of events. Salespeople may move back and forth in the process with a given customer, sometimes shifting from step to step several times in the same sales encounter. Finally, claiming a new customer typically will require multiple sales calls.

1-7

SALES CAREERS

In this section, we first discuss various aspects of sales careers, and then describe several different types of personal selling jobs. The chapter concludes with a discussion of the skills and qualifications necessary for success in sales careers. For some advice on how to achieve success in a sales career, see "From the Classroom to the Field: Building a Successful Career in Sales."

1-7a Characteristics of Sales Careers

An important element in career success is the match between the individual's capabilities and career goals with the chosen profession. As you read the following sections on the characteristics of sales careers, you might think about what you expect from a career and whether your expectations could be met by working in sales. The characteristics to be discussed are:

- Occupational outlook
- Advancement opportunities
- Immediate feedback
- Job variety
- Independence
- Compensation



From the Classroom to the Field

Building a Successful Career in Sales

Mallory Wilbourn, sales manager with Insight Global, a major staffing services company, is a graduate of Colorado State University. She shares these thoughts with new college graduates about getting a sales career off to a good start:

You need a good foundation that includes understanding your services and how you and your company can benefit your clients. To get this understanding, you will study like you did in college, but it's also important to think like your customer and understand how they think. Ultimately, your success depends on your ability to build great relationships with your clients. To build relationships, you need to be genuine—just be yourself. You need to find common ground with your clients. Some of that might

be personal, but being on the same page in terms of helping the customer is the key. Good customer relationships are based on mutual trust. If you and your clients trust each other, business is more efficient and also more enjoyable. New salespeople must learn to be fully accountable for their actions. Rather than placing blame when things go wrong, look to yourself first to solve the problem. When you first start out, don't hesitate to ask a lot of questions to those in your own company. More experienced people have walked in your shoes, so benefit from their experience. Finally, have a positive attitude. Things don't always go perfectly, and it is important to stay positive as you work through any bumps in the road. Sales is a great career because you largely control your own destiny—make the most of it!

OCCUPATIONAL OUTLOOK As shown in Exhibit 1.3, the U.S. government projects stable demand for salespeople through 2024. Compared to overall labor force growth rates, sales and sales management occupations are expected to increase at average rates.

Salespeople are revenue producers and thus enjoy relatively good job security compared with other occupational groups. Certainly, individual job security depends on individual and company performance, but in general, salespeople are usually the last group to be negatively affected by personnel cutbacks. Competent salespeople also have some degree of job security based on the universality of their basic sales skills. In many cases, salespeople are able to move successfully to another employer, maybe even change industries, because sales skills are largely transferable. For salespeople working in declining or stagnant industries, this is heartening news.

ADVANCEMENT OPPORTUNITIES As the business world continues to become more competitive, the advancement opportunities for college-educated salespeople remains an attractive dimension of sales careers.

One reason that many successful salespeople ultimately find their way into top management is that they display some of the key attributes required for success in executive positions. Top executives must have highly developed personal skills, be able to communicate clearly and persuasively, and have high levels of self-confidence, motivation, business judgment, and determination.

IMMEDIATE FEEDBACK Salespeople receive constant, immediate feedback on their job performance. Usually, the results of their efforts can be plainly observed by both salespeople and their sales managers—a source of motivation and job satisfaction. On a daily basis, salespeople receive direct feedback from their customers, and this can be stimulating, challenging, and productive. The opportunity to react immediately to customer feedback during sales presentations is a strong benefit of adaptive selling, and it distinguishes selling from other forms of marketing communications such as advertising and public relations. The spontaneity and creativity involved in reacting to immediate feedback is one dimension of selling that makes it such an interesting job.

Exhibit 1.3

Occupational Outlook for Salespeople

Job Type	2014 Employment	Projected Growth 2014–2024 Percentage
Manufacturers and wholesalers (nontechnical)	1,453,100	6
Manufacturers and wholesalers (technical)	347,800	7
Advertising sales representatives	168,000	-3
Real estate agents	421,300	3
Insurance agents	466,100	9
Securities, commodities, and financial services	341,500	10
Retail	4,859,600	7
Sales engineers	69,900	7
Sales managers	376,300	5

JOB VARIETY Salespeople rarely vegetate due to boredom. Their jobs are multifaceted and dynamic. Multicultural diversity is increasing in most customer segments, and selling into global markets is on the rise. For a person seeking the comfort of a well-established routine, sales might not be a good career choice. For those who dislike office jobs, sales can be an especially good fit. In sales, day-to-day variation on the

job is the norm. Customers change, new products and services are developed, and competition introduces new elements at a rapid pace. In addition to interacting with customers, many salespeople spend a considerable amount of time on activities such as training, attending trade shows, working with other salespeople at the distributor and retail levels to stimulate demand, and completing administrative tasks.

INDEPENDENCE Independence of action and freedom to make decisions are usually presented as advantages that sales positions have over tightly supervised jobs. This independence is frequently a byproduct of decentralized sales operations in which salespeople live and

work away from headquarters, therefore working from their homes and making their own plans for extensive travel.

Despite its appeal, however, independence does present some problems. New recruits working from their homes may find the lack of a company office somewhat disorienting. They may need an office environment to relate to, especially if their past work experience provided regular contact in an office environment.

The independence of action traditionally enjoyed by salespeople is being scrutinized by

sales managers more heavily now than in the past. The emphasis on sales productivity, accomplished in part through cost containment, is encouraging sales managers to take a more active role in dictating travel plans and sales call schedules.

compensation Compensation is generally thought to be an advantage of sales careers. Pay is closely tied to performance, especially if commissions and bonuses are part of the pay package. Starting salaries for inexperienced salespeople with a college degree typically average \$45,000–\$50,000, with opportunities to earn more through bonuses and commissions. Between



Billion Photos/Shutterstock.com

the extremes of the highly experienced salesperson and the inexperienced recruit, the average salesperson earns approximately \$65,000-\$75,000 per year. More experienced salespeople, including those who deal with large customers, often earn in the \$90,000-\$150,000 range. The potential for higher earnings is based on performance and the complexity of the job. For example, salespeople at technology companies such as IBM, Adobe, Salesforce.com, Microsoft, and Cisco Systems earn an average of \$150,000-\$210,000 per year. 13

1-7b Classification of Personal Selling Jobs

Because there are so many unique sales jobs, the term salesperson is not by itself very descriptive. A salesperson could be a flower vendor at a busy downtown intersection or the sales executive negotiating the sale of Boeing aircraft to a major airline.

We briefly discuss six types of personal selling jobs:

- Sales support
- New business
- **Existing business**
- Inside sales (nonretail)
- Direct-to-consumer sales
- Combination sales jobs

1-7c Sales Support

Sales support personnel are not usually involved in the direct solicitation of purchase orders. Rather, their primary responsibility is dissemination of information and performance of other activities designed to stimulate sales. They might concentrate at the end-user level or another level in the channel of distribution to support the overall sales effort. They may report to another salesperson who is responsible for direct handling of purchase orders, or to the sales manager. There are two well-known categories of support salespeople: missionary or detail salespeople and technical support salespeople.

Missionary salespeople usually work for a manufacturer but might also work for brokers and manufacturing representatives, especially in the grocery industry. Sales missionaries, like religious missionaries, are expected to "spread the word" with the purpose of conversion, in this case, to customer status. Once converted,

the customer receives reinforcing messages, new information, and the benefit of the missionary's activities to strengthen the relationship between buyer and seller.

In the pharmaceutical industry, the New business detailer is a fixture. Detailers working at the physician level furnish valuable information regarding the

capabilities and limitations of medications in an attempt to get the physician to prescribe their product. Another sales representative from the same pharmaceutical company will sell the

medication to the wholesaler or pharmacist, but it is the detailer's job to support the direct sales effort by calling on physicians.

Technical specialists are sometimes considered to be sales support personnel. These **technical support** salespeople may assist in design and specification processes, installation of equipment, training of the customer's employees, and follow-up service of a technical

nature. They are sometimes part of a sales team that includes another salesperson who specializes in identifying and satisfying customer needs by recommendthe appropriate product or service.

1-7d New **Business**

sam72/Shutterstock.com

New business is generated for the selling firm by adding new customers or introducing new products to the marketplace. Two types of new-business salespeople are pioneers and order-getters.

Pioneers, as the term suggests, are constantly involved with new products, new customers, or both. Their task requires creative

missionary salespeople

A category of sales support personnel who are not typically involved in the direct solicitation of purchase orders. Their primary roles are disseminating information, stimulating the sales effort to convert prospects into customers, and reinforcing customer relationships.

detailer A category of sales support personnel in the pharmaceutical industry working at the physician level to furnish information regarding the capabilities and limitations of medications in an attempt to get the physician to prescribe their product.

technical support salespeople Technical specialists who may assist in the design and specification process, installation of equipment, training of customer's employees, and follow-up technical service.

pioneers Salespeople who are constantly involved with either new products, new customers, or both. Their task requires creative selling and the ability to counter the resistance to change that will likely be present in prospective customers.

selling and the ability to counter the resistance to change that will likely be present in prospective customers. Pioneers are well represented in the sale of business franchises, in which the sales representatives travel from city to city seeking new franchisees.

Order-getters, also called *hunters*, are salespeople who actively seek orders, usually in a highly competitive environment. Although all pioneers are also ordergetters, the reverse is not true. An order-getter may serve existing customers on an ongoing basis, whereas the pioneer moves on to new customers as soon as possible. Order-getters might seek new business by selling an existing customer additional items from the product line. A well-known tactic is to establish a relationship with a customer by selling a single product from the line, then to follow up with subsequent sales calls for other items from the product line.

Most corporations emphasize sales growth, and salespeople operating as pioneers and order-getters are at the heart of sales growth objectives. The pressure to perform in these roles is fairly intense; the results are highly visible. For these reasons, the new-business salesperson is often among the elite in any company's salesforce.

1-7e Existing Business

In direct contrast to new-business salespeople, other salespeople's primary responsibility is to maintain and further cultivate relationships with existing customers. Salespeople who specialize in this role include **order-takers** or *farmers*. These salespeople frequently work for wholesalers and, as the term order-taker implies, they are not too involved in creative selling. Route salespeople who work an established customer base, taking routine reorders of stock items, are order-takers. They sometimes follow a pioneer salesperson and take over the account after the pioneer has made the initial sale.

These salespeople are no less valuable to their firms than the new-business salespeople, but creative selling

order-getters Also called hunters, these salespeople actively seek orders, usually in a highly competitive environment.

order-takers Also called farmers, these salespeople specialize in maintaining current business.

inside sales Nonretail salespeople who remain in their employer's place of business while dealing with customers.

skills are less important to this category of sales personnel. Their strengths tend to be reliability and competence in ensuring customer convenience. Customers grow to depend on the services provided by this type of salesperson. As most markets are becoming more competi-

tive, the role of existing-business salespeople is sometimes critical to prevent erosion of the customer base.

Many firms, believing that it is easier to protect and maintain profitable customers than it is to find replacement customers, are reinforcing sales efforts to existing customers. For example, Frito-Lay uses 18,000 route service salespeople to call on retail customers at least three times weekly. Larger customers see their Frito-Lay representative on a daily basis. These salespeople spend a lot of their time educating customers about the profitability of Frito-Lay's snack foods, which leads to increased sales for both the retailer and for Frito-Lay.

1-7f Inside Sales

In this text, **inside sales** refers to nonretail salespeople who remain in their employer's place of business while dealing with customers. The inside-sales operation has received considerable attention in recent years not only as a supplementary sales tactic but also as an alternative to field selling.

Inside sales can be conducted on an active or passive sales basis. Active inside sales includes the solicitation of entire orders, either as part of a telemarketing operation or when customers walk into the seller's facilities. Passive inside sales imply the acceptance, rather than solicitation, of customer orders, although it is common practice for these transactions to include add-on sales attempts. We should note that customer service personnel sometimes function as inside-sales personnel as an ongoing part of their jobs.

1-7g Direct-To-Consumer Sales

Direct-to-consumer salespeople are the most numerous type of salespeople. There are approximately 4.9 million retail salespeople in this country and more than a million selling real estate, insurance, and securities directly to consumers. Add to this figure another several million selling direct to the consumer for companies such as Tupperware, Mary Kay, and Avon.

This diverse category of salespeople ranges from the part-time, often temporary salesperson in a retail store to the highly educated, professionally trained stockbroker on Wall Street. As a general statement, the more challenging direct-to-consumer sales positions are those involving the sale of intangible services such as insurance and financial services.

1-7h Combination Sales Jobs

Now that we have reviewed some of the basic types of sales jobs, let us consider the salesperson who performs



An enthusiastic attitude mixed with enthusiasm for sales usually will lead to great results and plenty of recognition.

multiple types of sales jobs within the framework of a single position. We use the case of the territory manager's position with GlaxoSmithKline (GSK) Consumer Healthcare to illustrate the **combination sales job** concept. GSK, whose products include Aqua-Fresh toothpaste, markets a wide range of consumer healthcare goods to food, drug, variety, and mass merchandisers. The territory manager's job blends responsibilities for developing new business, maintaining and stimulating existing business, and performing sales support activities.

During a typical day in the field, the GSK territory manager is involved in sales support activities such as merchandising and in-store promotion at the individual retail store level. Maintaining contact and goodwill with store personnel is another routine sales support activity. The territory manager also makes sales calls on chain headquarters personnel to handle existing business and to seek new business. And it is the territory manager who introduces new GSK products in the marketplace.

1-7i Qualifications and Skills Required for Success By Salespeople

Because there are so many different types of jobs in sales, it is rather difficult to generalize about the qualifications and skills needed for success. This list would have to vary according to the details of a given job. Even then, it is reasonable to believe that for any given job, different people with different skills could be successful. These conclusions have been reached after decades of research that has tried to correlate sales performance with physical traits, mental abilities, personality characteristics, and the experience and background of the salesperson.

Being careful not to suggest that sales success is solely a function of individual traits, let us consider some of the skills and qualifications that are thought to be

especially critical for success in most sales jobs. According to the O*NET Resource Center, a centralized source

combination sales job A sales job in which the salesperson performs multiple types of sales jobs within the framework of a single position.

of occupational information developed by the U.S. Department of Labor/Employment salespeople in a wide variety of industries need these attributes to be successful.¹⁴

- Active listening—to include asking appropriate questions, and not interrupting at inappropriate times
- Service orientation—actively seeking ways to help customers
- Oral communications skills—including persuasive communications
- Coordination and problem solving—to include bringing others together and reconciling differences
- Written communications skills—including computer and other technologically facilitated communications
- Logical reasoning resulting in rational reasons to take action
- Strategic and organizational skills so work can be planned and executed efficiently
- · Dependability and attention to detail
- Motivation and persistence in the face of obstacles
- Integrity—honest and ethical
- Initiative—willing to take on responsibilities and challenges
- Adaptability—open to change and devoted to continual learning

In addition to these attributes, sales recruiters are looking for enthusiastic job candidates. They are usually referring to dual dimensions of enthusiasm—an enthusiastic attitude in a general sense and a special enthusiasm for selling. Oncampus recruiters have mentioned that they seek students who are well beyond "interested in sales" to the point of truly being enthusiastic about career opportunities in sales.

Our discussion of factors related to sales success is necessarily brief, as a fully descriptive treatment of the topic must be tied to a given sales position. Veteran sales managers and recruiters can often specify with amazing precision what qualifications and skills are needed to succeed in a given sales job. These assessments are usually based on a mixture of objective and subjective judgments.

Professional selling offers virtually unlimited career opportunities for the right person. Many of the skills and qualifications necessary for success in selling are also important for success as an entrepreneur or as a leader in a corporate setting. For those interested in learning more about sales careers, consult these sources: *Sales & Marketing Management* magazine at http://salesandmarketing.com; *Selling Power* magazine at http://sellingpower.com; the Sales Management Association at http://www.salesmanagement.org; and SalesHQ, an online community for sales professionals at http://www.saleshq.monster.com/.

The remainder of this book explores the sales process shown in Figure 1.4. Chapter 2 discusses the important topics of building trust and sales ethics. Chapter 3 provides in-depth coverage of buyer behavior, and Chapter 4 focuses on the communications skills necessary for sales success. Strategic prospecting is covered in Chapter 5. Chapter 6 covers planning value-based sales dialogue and presentations as well as initiating contact with the customer. Chapter 7 discusses issues that arise during sales dialogues and presentations, and Chapter 8 discusses how salespeople can validate customer value and earn customer commitment. Chapter 9 focuses on how salespeople add customer value through follow-up and self-leadership and teamwork is covered in Chapter 10.

STUDY TOOLS 1

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1 CHAPTER CASE

LOEXPOSURE OUTERWARE

BACKGROUND

LoExposure Outerware, a Colorado-based company, sells two primary product lines to specialty outdoor stores throughout the United States. One product line, called No-Sun, protects consumers from exposure to sunshine, and the other (No-Cold) is functional in cold temperatures. LoExposure has been in business for eight years, and has become a favorite of outdoor enthusiasts who value quality over price. Accordingly, LoExposure is among the higher-priced suppliers in the market. LoExposure promotes it brands through social media with avid followers on Facebook and Instagram. Occasionally the company will use extreme athletes to promote its brands at specific events, but does not believe in hiring celebrity spokespersons on a longer-term basis. LoExposure does no formal advertising or sales promotion, preferring word-of-mouth and social media to spread the word about its product lines.

CURRENT SITUATION

Kelly Kinard recently joined LoExposure as a sales representative in Salt Lake City, Utah. Kelly's primary customers are outdoor specialty stores in Salt Lake City, the university towns of Logan and Provo, and in nearby ski areas such as Park City, Deer Valley, and Snowbird. With the No-Cold and No-Sun product lines available, Kelly's potential for year-round sales is excellent. Kelly is a recent college graduate with a degree in marketing. He had several part-time jobs as he worked his way through college. He also did an internship with LoExposure during his senior year and was excited to land a full-time sales position upon graduation. During his internship with LoExposure, Kelly became totally sold on the quality of the products. By the time he finished his initial product knowledge and sales training with the company, Kelly was genuinely enthusiastic about representing LoExpoure in his sales territory. After a few months in the field, Kelly was doing well with existing customers and had added several new accounts. After a great week in the field ended with adding a new retail account, Kelly told a friend, "this is a great job. The products are so good, they practically sell themselves!"

Despite his success, Kelly had run into an obstacle with UpMountain Gear Shop, a small chain with four stores in his

territory. When Kelly first began pursuing UpMountain, he did some Web-based research on the company. Kelly found that UpMountain was proud of its sales growth in recent years and that the company attributed a lot its success to providing the highest-quality products at competitive prices. Its customers seemed very pleased according to posts on UpMountain's Web site and in social media. According to Kelly's research, UpMountain seemed concerned about the environment, taking an especially strong stance against the "throwaway society." Kelly was pleased to learn these things about UpMountain, as his company had similar views. LoExposure also attributed its success to providing the best customer experience possible. In addition, LoExposure made extremely durable products backed by a generous repair warranty that kept its products in use well beyond the typical life span for outdoor clothing.

When Kelly first approached Amanda Wilson, the lead clothing buyer for UpMountain, things went well. Amanda was impressed that Kelly had done his homework on UpMountain and pleased that the two companies shared core values related to the customer experience and environmentally friendly practices. In their first meeting, Kelly had provided Amanda with an overview of his two product lines and tried to determine what would be important to Amanda if she were to further consider adding LoExposure as a supplier. Amanda was open with Kelly and indicated that she was impressed with the products, but not sure they would fit in her stores. Near the end of their first meeting, the following conversation took place:

Kelly: Amanda, I hope you will agree that our products fit the bill in terms of high-quality at a competitive price.

Amanda: I agree on the high-quality piece, but am not sure about the pricing. Our customers want high quality, but they also want really good value.

Kelly: I understand completely and we have thousands of customers who tell us that our products are worth the price. And of course you know that a higher retail price means more profits for UpMountain.

Amanda: Well, yes that's obvious if it something we can sustain in the long run. But if we get greedy, we can lose those loyal customers.

Kelly: We both know that customers vote with their dollars and we have a great record of pleasing our customers. In my

opinion, your customers will see the value and price will not be a major concern. Sure, you have some customers that won't buy our products, but those who are seeking longterm value will gladly pay the price.

Amanda: They may be, but I am not convinced just yet.

Kelly: I know we are running out of time before your next meeting, so could I summarize where we are for now?

Amanda: Sure, go ahead.

Kelly: You like our products, but you are not sure the price point fits your customer base. You like the durability of our products and the fact that we don't sell throwaway items. Am I right about those two things?

Amanda: No arguments from me.

Kelly: I think the only way to answer the price-point issue is for you to give our products a try. I am sure they will sell without any problem—let the market decide.

Amanda: Well, I am not prepared to make that decision today and I really do need to get to my next meeting.

Kelly: Is there anything other than the price-point issue that we need to discuss before you make a decision?

Amanda: Well, yes there is. I ask all of our suppliers to give me a plan for how they would help drive consumer traffic to my stores and then, through merchandising and personal selling, help convert that traffic to sales in the store. I have to run now, but I would be willing to meet again if you have some concrete ideas on those topics.

Kelly: That works for me. Would 2:00 p.m. next Thursday work for you?

Amanda: I will put it on my calendar, see you then.

Kelly left Amanda's office with mixed feelings. It was clear that Amanda did not think LoExposure's products would "sell themselves" as Kelly believed. Further Kelly was concerned that Amanda wanted marketing ideas for driving consumer traffic to the UpMountain stores. LoExposure did not use traditional advertising or sales promotion. Kelly thought, "well I am a salesperson, and I could definitely train UpMountain's salespeople on how to sell the products in the store. Maybe I can come up with something on driving consumer traffic to the stores and merchandising our products in the store." Later that day, Kelly scheduled a meeting with his sales manager, Shannon Morin, to plan his upcoming meeting with Amanda.

OUESTIONS

- How would you evaluate Kelly's performance in the situation? Include any positive and negative aspects of Kelly's performance.
- 2. What recommendations can you make for Kelly's next meeting with Amanda?

ROLE PLAY

Characters: LoExposure sales representative Kelly Kinard and his sales manager, Shannon Morin.

Scene:

Location—Shannon Morin's office.

Action—Shannon has directed Kelly to plan for his next sales call with Amanda at UpMountain. One step in the planning will be to role-play with Shannon playing the role of Amanda. In setting up the role-play, Shannon told Kelly, "decide how you want to proceed. You should come in with some ideas for marketing, merchandising, and in-store selling. But there might also be some questions for Amanda to set the stage for the rest of the sales call. I just want to critique your first few minutes of how you plan to approach Amanda the next time you see her." Following the role-play, Shannon will provide Kelly with feedback.

1 CHAPTER ROLE PLAY

Interviewing for a Sales Position

BACKGROUND

Assume that you are seeking a job as a sales representative with a company that you want to work for after graduation from college. The recruiter has told you that you should come prepared to talk about five of your attributes that would make you a good candidate for the position. The recruiter told you that you could pick five of your strengths from the following list of attributes:

- 1. Active listening—to include asking appropriate questions, and not interrupting at inappropriate times
- 2. Service orientation—actively seeking ways to help customers
- Oral communications skills—including persuasive communications
- 4. Coordination and problem solving—to include bringing others together and reconciling differences
- 5. Written communications skills—including computer and other technologically facilitated communications
- 6. Logical reasoning resulting in rational reasons to take action
- 7. Strategic and organizational skills so work can be planned and executed efficiently
- 8. Dependability and attention to detail
- 9. Motivation and persistence in the face of obstacles
- 10. Integrity—honest and ethical

- 11. Initiative—willing to take on responsibilities and challenges
- 12. Adaptability—open to change, and devoted to continual learning

The recruiter told you that you will discuss your five strengths, with one minute allowed for each strength. After you discuss each strength, the recruiter may have questions before you move on to the next strength until all five of your chosen strengths have been covered.

ROLE PLAY

Situation: Before the role play, all students choose five attributes from the list of twelve above and prepare to briefly explain (one minute per attribute) why these attributes are strengths for you.

Characters: There are three characters: a sales recruiter; a student applying for a sales position; and an assistant to the recruiter who will take notes and evaluate the job applicant's performance.

Scene: Commence with the exercise and, upon conclusion, provide feedback to the job applicant. For example, did the applicant make a convincing case? What did they do well? What could they have done better?

Repeat the exercise until all three students have played the role of the applicant, the recruiter, and the assistant to the recruiter.

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Building Trust and Sales Ethics

Developing Trust and Mutual Respect with Clients

LEARNING OBJECTIVES

After completing this chapter, you should be able to explain and understand:

- 2-1 What trust is.
- 2-2 Why trust is important.
- 2-3 How to earn trust.
- 2-4 Knowledge bases help build trust and relationships.
- 2-5 Sales ethics.

After finishing this chapter, go to PAGE 45 for STUDY TOOLS.

HOW TO ESTABLISH TRUST

The sales story I am about to relate came early in my selling career, and was inspired by my mentor at the time. Our organization was a small, relatively unknown medical implant company. We sold directly to physician surgeons in the ophthalmic market. Up to this point my selling experience had been fairly successful, and my territory sales were growing rapidly. I had achieved a certain momentum with the sales of a new implant product. A number of physicians in my territory had switched from a standard product to our new design, and we were having very good results.

THE PROBLEM PROSPECT There was, however, one physician who did not want to see me. Every call I made on this account would end with the nurse saying, "The doctor is too busy to see you, and he does not see sales representatives. Would you like to leave some literature? I can make sure he gets it."

Well, I left literature so many times at that office that I could have wallpapered my apartment with it. The doctor was obviously busy, and I knew he had a very busy surgical practice. I really felt he would see the benefits of using the product but I just couldn't get in to discuss it with him.

Integrity Model Evaluation:

Can my prospect trust me with confidential information?

Am I truthful with my prospects and clients?

Do I recommend what is best for my customers?

Do I know what I am talking about?

Do I show up on time for my appointments?

Do I give my employer an honest day's work?

THE COMPETITION'S VIEW At this point, I had tried everything. I had stopped by at different times of the day, tried to catch him at the end of the day, at surgery, at lunch, on Saturday. Nothing seemed to work.

Most of the competitive sales representatives that I talked to told me that they had given up on this doctor because he was so difficult to see. I began to think the same thing, and considered giving up many times. The one thing that kept me from giving up was that I knew how much this surgeon was respected in the medical community. I knew that if I could get this guy to try the implant, he would benefit from the design, and his patients would be happier, and he would then be happier, and he would tell others.

MANAGEMENT SAYS... My boss suggested that I book an eye exam with this doctor, and see him that way. My initial response was that this approach would be too aggressive and not at all in line with my ethics or personal selling style.

Despite my feelings, I decided to attempt it. My boss told me that as long as my intentions were true, and my integrity was congruent, my message would be heard by the doctor. "He will see your intentions are

sincere, and not aggressive or pushy in any way," my boss said.

He taught me about the "feeling, thinking, and acting self model" and I still rely on its value, particularly when the sale involves an out-of-the ordinary approach such as this.

This model is described in box above. To live a life of high integrity, a salesperson must be congruent in his feelings, thinking, and acting self.

If I feel that my potential customers will benefit from what I have to offer, and I think I have some valuable information to present to him with regard to those benefits, then I will act in line with this feeling and thinking, and my prospect should perceive my integrity.

THE CALL The nursing staff at the front desk brought me back to an exam room. There they dropped a dilation drug into both my eyes. I had never had an eye exam before and at this point I had thoughts that the office staff and doctor were on to my scheme. The eye drops stung and my vision was getting blurred. I thought at any moment the doctor would walk in and say, "Hey, nice try but don't waste my time with stunts like this!"

I'm afraid that these thoughts were only in my imagination. My pain was causing all sorts of negative thinking. But I wiped the negative thought out of my head and proceeded to relax and wait for the doctor to come in and examine my eyes.

In a short while the doctor did come in, and introduced himself. He sat down at my side to look into my eyes. I thought it best to confess first and try to sell later, so I began, "Well, doctor, I have a confession to make. I'm really not here to have my eyes examined. My eyes are just fine, that is they will be fine again, after these drops wear off. My name is Jay Greiling. I represent Eye Technology, and this is the only way I thought I could introduce myself and my product to you. Your schedule is very busy, and I assure you I will take no more time than it would have taken for you to see me today as a patient. I will also pay for the time as if it were an eye exam. My intentions are not to waste your time or earnings from your day of work in the office."

I spoke as quickly as I could. All the while I was talking, I was observing the doctor's body language and verbal response. During my speech, I also presented him with my sales literature. My sales presentation started with some open-ended questions, and followed along in a usual format.

At first he seemed shocked, then surprised that someone would go to this trouble to see him. At times I felt he might be getting upset about the whole idea. However, I proceeded with the knowledge that my intentions were good, and I had nothing to lose and everything to gain. I was determined to make him glad

trust The extent of the buyer's confidence that he or she can rely on the salesperson's integrity.

openness Completely free from concealment: exposed to general view or knowledge.

honesty Fairness and straightforwardness of conduct.

confidentiality The state of being entrusted with information from a buyer that cannot be shared.

security The quality of being free from danger.

reliability Consistency of a salesperson over time to do what is right.

fairness Impartiality and honesty.

that I had called on him, even if it was in this unusual manner.

After my usual presentation, I closed with a very sincere "Thank you" and asked for the opportunity to follow up with another sales call. He said that he would look over the literature and read the testimonials that I had presented him. He did not consent to a sales call, but did thank me for the information while he walked me to

the front of the office. He told the receptionists at the front desk that there was no charge, and said "Goodbye."

THE RESULT I walked out of that call feeling rather good about the result. I felt I had established some beginning level of trust at least toward my intentions. I wanted that sales call though, and I was not sure what the response might be on my next visit.

I decided to pursue a different tact. In my sales presentation, the doctor had responded to one of the testimonials I showed him. He told me that he had a great deal of respect for one of the doctors who had written a testimonial for my product.

I called the doctor and asked him to call my prospect directly and talk to him about the use of our implant in surgery. I did some selling here, too. Physicians don't always like to place calls of this nature to professional colleagues.

The end result was that the follow-up strategy worked. The trust may have first started with the physician from the testimonial, but my personal trust with the doctor was improved with that phone call. The physician turned out to be one of my best customers, and we later talked about my presentation and sales call that began as an eye appointment. The trust was established through a high level of integrity at the start.

We've all heard that saying that nothing happens until someone sells something. That is true, but nothing gets sold until someone trusts first.

Remember to evaluate yourself on the integrity model, and plan a strategy, that develops, trust in at least one area of the sales relationship, and you can succeed even in the most unusual circumstances and selling situations.

Jay Greiling

The extent of the buyer's confidence in the salesperson's integrity is known as **trust**. But trust can mean different things to different people. According to John Newman,¹ vice president of the Integrated Supply Chains Segment at A. T. Kearney, trust is defined in many ways. Buyers define trust with such terms as **openness**, dependability, candor, **honesty**, **confidentiality**, **security**, **reliability**, **fairness**, and predictability.² For example, in a Kearney study, one manufacturer related trust to credibility: "What trust boils down to, in a nutshell, is credibility, and when you say you are going to do something, you do it, and the whole organization has to be behind that decision." Another manufacturer

FIG. 2.1 TRUST BUILDERS Expertise Compatibility Trust Customer Orientation Dependability

Trust means different things to different people. Trust can be developed by using any of the trust builders. It is the salesperson's job through questioning to determine what trust attributes are critical to relationship building for a specific buyer.

related trust to confidentiality in that "they were afraid that the sales guys were going around and telling account B what account A is doing," which was identified as a violation of trust. Another company related trust to openness, claiming "we have to share information that traditionally is not shared." One president told how his engineers were sharing manufacturing secrets with their suppliers that would have cost the engineers their jobs five years earlier.³

Research reveals that little is known about what ongoing behaviors (i.e., service behaviors) salespeople can employ to satisfy and build trust with customers. Recent research shows that consultative tasks and personal relationship behaviors play a vital role in influencing buyer perceptions, trust, and relationship loyalty. A salesperson has to determine what trust means to each of his or her buyers, as shown in Figure 2.1. If it is confidentiality, then the salesperson must demonstrate how his or her company handles sensitive information. If credibility is the concern, then the salesperson must demonstrate that all promises will be kept. Therefore, the buyer defines trust; it is the salesperson's job through questioning to determine what trust attributes are critical to relationship building for a specific buyer.

In this chapter, we first discuss the meaning of trust in the sales context. Next, we explore the importance of trust to salespeople. This is followed by a discussion of how to earn trust and what knowledge bases a salesperson can use to build trust in buyer–seller relationships. Finally, we review the importance of sales ethics in building trust.



WHAT IS TRUST?

Trust is earned when an industrial buyer believes and can rely on a salesperson's claims or promises when the buyer is dependent on the salesperson's honesty and reliability. One of the keys to a long-term relationship with any client is to create a basis of trust between the sales representative and the client organization.

Thus, gaining trust is essential in order to be seen as a reliable salesperson. Long-term sales success in any industry will generally be built on the concept of referral, in which trust plays an important role. Others argue that truthfulness is valuable for its own sake and instrumental to other goals, such as improved long-term relationships.8 Clients obviously seek a salesperson they can trust. The problem is, depending on the industry and the situation, previous bad experiences might make them wary of future partners. Consultative salespeople are in a unique position to capitalize on building credibility with customers who place a high value on trust. Customers are looking for trustworthy business partners but may have difficulty trusting most salespeople; the salesperson should recognize this as an opportunity. Brittany Gardner, a recent college graduate, discusses the importance of trust during her brief sales career. (See From the Classroom to the Field.)

The "trust" described here is beyond the typical transaction-oriented trust schema. Many issues—Will the product arrive as promised? Will the right product actually

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From the Classroom to the Field

A short time ago, Brittany Gardner (2016 Graduate) was in the classroom at Ball State University learning about trust and ethics in sales. Today, Brittany is with Cintas and here are her thoughts about ethics in her sales career.

"My professors in college stressed the importance of trust and ethics in my classes. It has not taken me long to determine how important trust is in my dayto-day activities. It's not only critical but vital to my success. Clean uniforms on time, document shredding done correctly, bathrooms cleaned at the highest level possible is what Cintas does. Customers count on us to do what we say we are going to do. Too much is at stake with each client if we fail them by not keeping our promises. I can't let my customers down; being trustworthy is a major part of what I do."

Brittany Gardner

be in stock and be shipped on time? Will the invoice contain the agreed-on price? Can the salesperson be found if something goes wrong?—are only preliminary concerns. In relationship selling, trust is based on a larger set of factors due to the expanded intimacy and long-term nature of the relationship. The intimacy of this relationship will result in both parties sharing information that could be damaging if leaked or used against the other partner.

Trust answers the questions:

- Do you know what you are talking about? competence; expertise
- 2. Will you recommend what is best for me?—customer orientation
- 3. Are you truthful?—honesty; candor
- Can you and your company back up your promises?—dependability
- Will you safeguard confidential information that I share with you?—customer orientation; dependability

Trust is an integral part of the relationship between customers and suppliers and results in increased long-term revenues and profits. In addition, a salesperson's ethical behaviors have an impact on his or her performance.

Trust is an integral part of the relationship between customers and suppliers.

2-2

WHY IS TRUST IMPORTANT?

In today's increasingly competitive marketplace, buyers typically find themselves inundated with choices regarding both products and suppliers. In this virtual buyers' market, traditional selling methods that focused on closing the sale have been found to be inefficient and often counterproductive to the organization's larger, longerterm marketing strategy. In this new competitive environment, buyers are demanding unique solutions to their problems—product solutions that are customized on the basis of their particular problems and needs. Additionally, the adversarial, win-lose characteristics so customary in traditional selling are fading fast. In their place, long-term buyer-seller relationships are evolving as the preferred form of doing business. Although buyers are finding it more effective and efficient to do *more* business with *few*er suppliers, sellers are finding it more effective to develop a continuing stream of business from the right customers. Such long-term relationships develop mutually beneficial outcomes and are characterized by trust, open communication, common goals, commitment to mutual gain, and organizational support. 11 Additionally, recent research has shown perceived ethical treatment has been positively related to trust in a salesperson and purchase intentions, and trust has been positively related to purchase intentions.¹²

This shift toward relationship selling has altered both the roles salespeople play and the activities and skills they exercise in carrying out these roles—the selling process itself. Today's more contemporary selling process is