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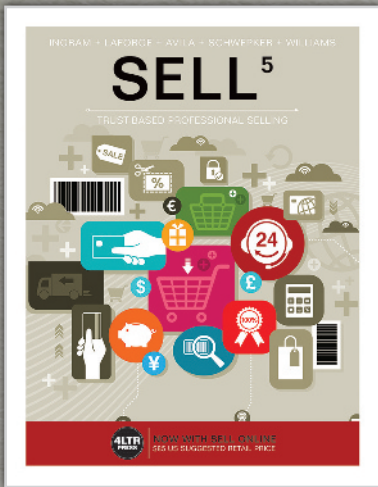
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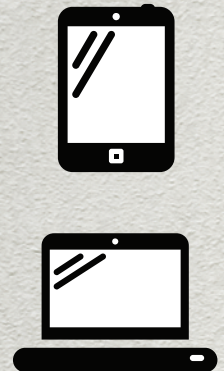
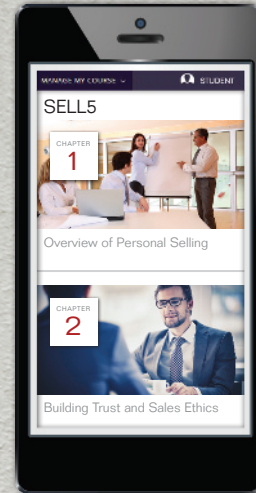
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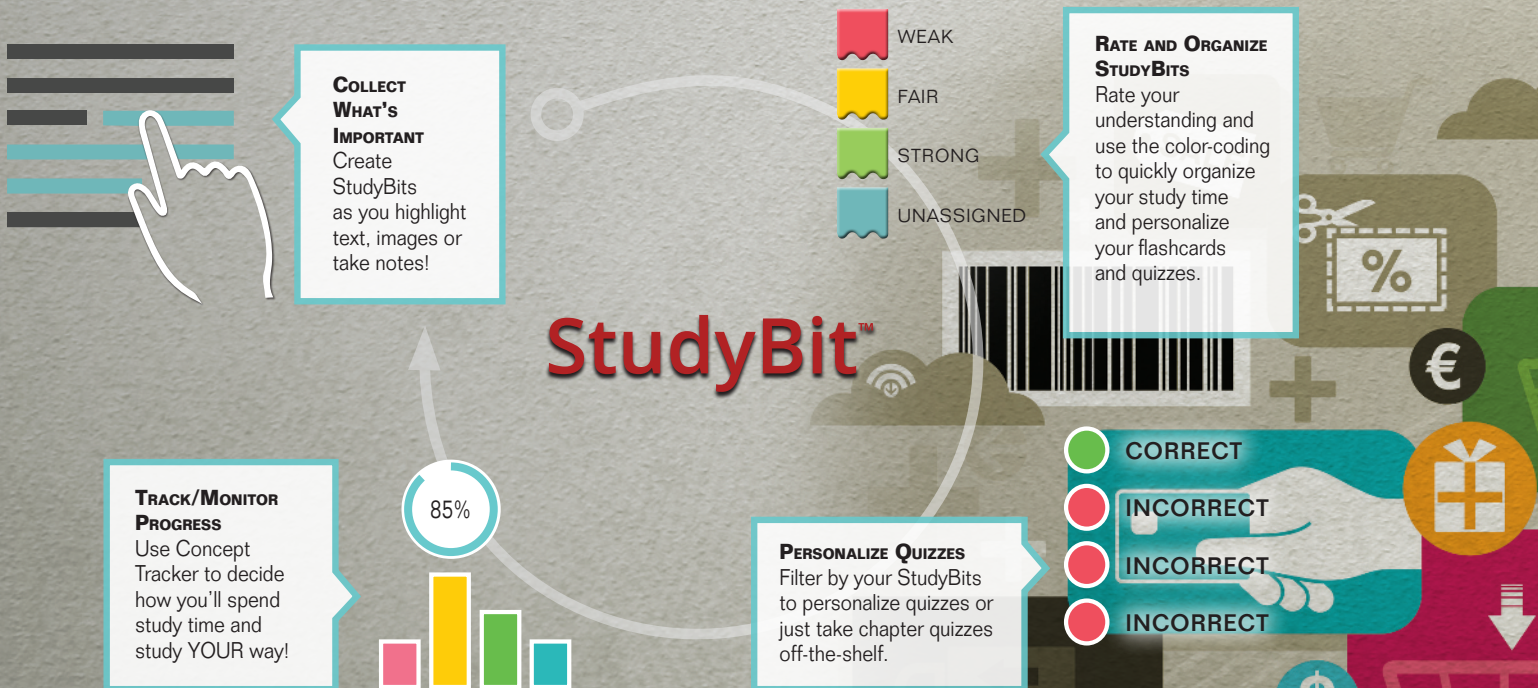
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Title Page Images: Sigal Suhler Moran/
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Library of Congress Control Number: 2015959492

Student Edition ISBN: 978-1-305-66208-7

Student Edition with Online ISBN: 978-1-305-66209-4

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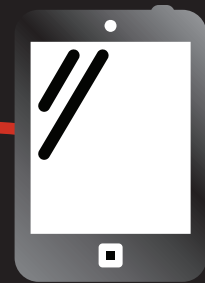
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1 | Overview of Personal Selling

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 23 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 Hampus Jakobsson, CEO of Brisk, a customer relationship management (CRM) software company, today’s buyers value education on the products and services they are looking for more than they do a traditional sales pitch. He recommends



working with customers to make sure they understand the value provided by your offering, rather than employing an aggressive push to influence them to make an immediate purchase. Mr. Jakobsson notes that sales organizations will accomplish more by allowing customers to make their own assessments, with salespeople furnishing timely, relevant information to assist customer decision making.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. Jamie Anderson, senior vice-president of marketing for SAP, a German multinational software company, says: “Business-to-business buyers are so time-challenged, they don’t want the dog and pony show. They don’t want the dance. They just want the vendor to be informed and to understand where they are and what they need at that point.”

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 deliver relevant presentations based on unique customer needs, and meeting those customer needs requires teamwork between salespeople and others in the organization. For more on teamwork, see "Professional Selling in the 21st Century: The Importance of Teamwork in Sales."

Personal selling, an important part of marketing, relies heavily on interpersonal interactions between buyers and sellers to initiate, develop, and enhance customer relationships. The interpersonal communications dimension sets personal selling apart from other marketing communications such as advertising and sales promotion, which are directed at mass markets. Personal selling 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.

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

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.

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.

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, 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' perception 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

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, e.g., 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: <ul style="list-style-type: none"> • Ensure customer satisfaction • Keep customer informed • Add customer value • Manage opportunities

in which customers were pressured to buy without much appreciation for their real needs. Today, 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

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.



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:

Today's customers are more service-savvy than ever. Sales and customer service must perform together as a highly effective team working toward the same goal—increasing sales and developing a reputation for superior customer service. Anything less can quickly send customers to your competitors. Working toward a common goal requires open communication, a sense of camaraderie, and trust that everyone will do their part to please the customer. To achieve effective teamwork, it is important to discuss the obstacles to teamwork, including, territorialism, fear of conflict, an “us versus



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them mentality,” competitiveness, egos, finger-pointing, and “it’s not my job” attitudes. To build team consensus, it is important to involve sales and service personnel in the decision-making process. By doing so, all team members will recognize their ownership in the final decision, solution, or idea. Individual ownership in team decisions leads to a stronger commitment to the decided line of action. Ms. Corelli stresses that maintaining effective teamwork between service and sales personnel is an ongoing process that constantly seeks improvement. Service flaws must be identified and eliminated. She believes that salespeople should share what they hear in the field, and likewise, that customer service needs to keep salespeople well informed. Perhaps most importantly, both sales and service personnel must be fully dedicated to excellent customer experiences.

Source: “Aligning Your Sales and Service Team for Results Through Teamwork,” from www.christinespeaks.com, (May 5, 2015).

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 chit-chat. 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 and sales managers. It also describes different approaches to personal selling and presents the sales process as a series of



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

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

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.

1-3 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 customer-oriented 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 professional 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. Whereas 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. Exhibit 1.2 summarizes some of the likely events of the future.³

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 noted in Exhibit 1.2, salespeople are using more technological tools and processes to improve sales productivity. For a discussion on how salespeople are using

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

LinkedIn in selling, see “Technology in Sales: Using LinkedIn to Improve Sales Productivity.”



Technology in Sales Using LinkedIn to Improve Sales Productivity

Anna Bratton is a Strategic Accounts Business Development Executive with Salesforce.com, a leading sales technology company. She offers her advice on how to use LinkedIn, a social networking site used primarily in the business sector, in the sales process.

Salespeople are increasingly using LinkedIn to find prospective customers and stay current on new developments with existing

1-4 CONTRIBUTIONS OF PERSONAL SELLING

Sales Momentum

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, Xerox has 15,000 salespeople, Johnson & Johnson has 8,500, and Coca-Cola has 9,130.⁴

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 world—hence the term **economic stimuli**. In a fluctuating economy, salespeople make invaluable

accounts. I spend about three hours a day on LinkedIn to develop new business. I recommend that salespeople constantly assess their contacts on LinkedIn and cultivate contacts in your specific business sector. As you develop your connections, LinkedIn is a great way to organize individuals within specific companies. I deal with some large multinational companies, so there can be numerous people involved in making purchase decisions. I can learn a lot about these people and how they fit into the purchase decision process. When I make initial contact with these people, my familiarity with them and their information needs shows that I have done my homework and that I care about their specific requirements. I integrate information from LinkedIn with our customer relationship management software so I can easily see work experience, education, and shared contacts I have with prospective and current customers. Finally, it is critical that you keep your LinkedIn profile up to date, and establish links to Twitter and Facebook. You know that customers will be looking at you on social media, and making a good first impression is critical in today’s complex business world.

Source: Anna Bratton, “Ten Tips for Using LinkedIn for Sales Prospecting,” posted on the Salesforce.com website at <http://www.salesforce.com/uk/socialsuccess/social-sales/10-tips-for-using-linked-in-sales-prospecting/>, accessed May 26, 2015.

Exhibit 1.2

Continued Evolution of Personal Selling

Change	Salesforce Response
Intensified competition	More emphasis on developing and maintaining trust-based, long-term customer relationships More focus on creating and delivering customer value
More emphasis on improving sales productivity	Increased use of technology (e.g., mobile devices such as tablets and smartphones connected to the company's sales support content; customer relationship management software) Increased use of lower-cost-per-contact methods (e.g., social media such as LinkedIn and Twitter to generate leads and maintain contact with customers; telemarketing and email for some customers) More emphasis on profitability (e.g., gross margin) objectives
Fragmentation of traditional customer bases	Sales specialists for specific customer types Multiple sales channels (e.g., major accounts programs, telemarketing, electronic networks) Globalization of sales efforts
Customers dictating quality standards and inventory/shipping procedures to be met by vendors	Team selling Salesforce compensation sometimes based on customer satisfaction and team performance More emphasis on sales dialogues rather than sales pitches
Demand for in-depth, specialized knowledge as an input to purchase decisions	Team selling More emphasis on customer-oriented sales training

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

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

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 bottom-line terms, salespeople are constantly reminded of their responsibility to achieve a healthy “top line” on the 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 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.⁵

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

xerox



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gather customer feedback. For example, retailers and service providers routinely use 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.

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

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. Sales-

people 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

The emergence of communications technologies gives salespeople and their organizations more opportunities to

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.⁶ 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.

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



Individuals that figure out that all customers are different and can adapt, will be the most successful.

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 mental states selling and essentially nonexistent 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**,

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.

FIG. 1.1 STIMULUS RESPONSE APPROACH TO 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.



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

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,

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.

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 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 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.

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 1.3. Note that this version includes “conviction” as an intermediate stage

Exhibit 1.3

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, e.g. 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

between interest and desire. Such minor variations are commonplace in different renditions of this approach to selling.

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 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,

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.

FIG. 1.2 NEED SATISFACTION APPROACH TO SELLING



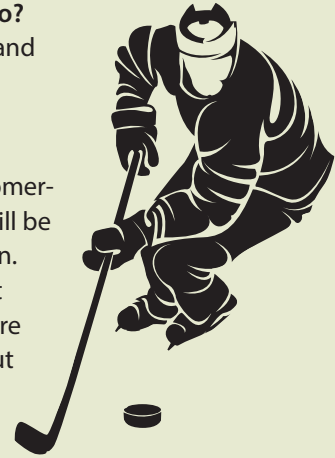
The salesperson attempts to uncover customer needs that are related to the product or service offering. This may require extensive questioning in the early stages of the sales process. After confirming the buyer's needs, the salesperson proceeds with a presentation based on how the offering can meet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

An Ethical Dilemma

Courtney Jacobs sells corporate sponsorship packages for the Bellview Blasters, a minor league hockey team in New England. The packages include advertising in game programs throughout the season, signage in the arena, and a block of season tickets. The packages range in price from \$5,000 to \$10,000, depending on the size of the ads and signs, and how many season tickets are included. Courtney's sales manager is pushing the salesforce to sell as many \$10,000 packages as possible. Courtney tries to match the sponsorship package to the budget and needs of each potential customer rather than pushing the \$10,000 packages. Her sales manager is not happy and told Courtney, "You need to get with the program and max your sales of the \$10,000 packages. This is a good deal for sponsors. What's the matter—don't you believe in your product?"

What should Courtney do?

- Be a loyal employee and follow her manager's directive.
- Try to convince her manager that a customer-oriented approach will be best over the long run.
- Tell her manager that she will try to sell more \$10,000 packages, but continue her current sales approach.



Svetlana Chebanova/Shutterstock.com

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.

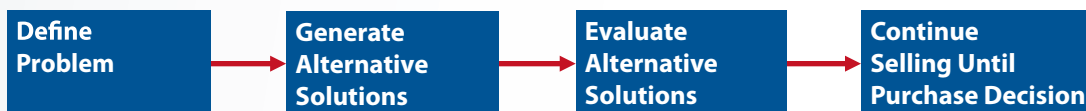
1-5d Problem-Solving Selling

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 existing problem and clearly communicating how the solution delivers significant customer value. This is true in cases where the customer does not perceive a problem

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

FIG. 1.3 PROBLEM-SOLVING APPROACH TO SELLING



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.

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.⁷ 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.

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.⁸ 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 long-term 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.

Terrence Hockenbull, an accomplished sales consultant in the Philippines, has observed the increased

usage of consultative selling in recent years. He says that consultative selling requires knowledge of the customer's strategic priorities and how the customer can pursue those priorities as they make major purchase decisions. Salespeople must determine exact customer needs and the varying information needs of multiple individuals on the buying side. For example, a company that is considering a fleet purchase of company automobiles may want to focus on maintaining a given quality level while simultaneously working toward a corporate priority of reducing travel costs. The consultative salesperson in this scenario must be able to address the needs of all of the individuals who influence the purchase decision, while clearly addressing the corporate cost-cutting priority.⁹

1-6 THE TRUST-BASED SALES PROCESS

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.

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

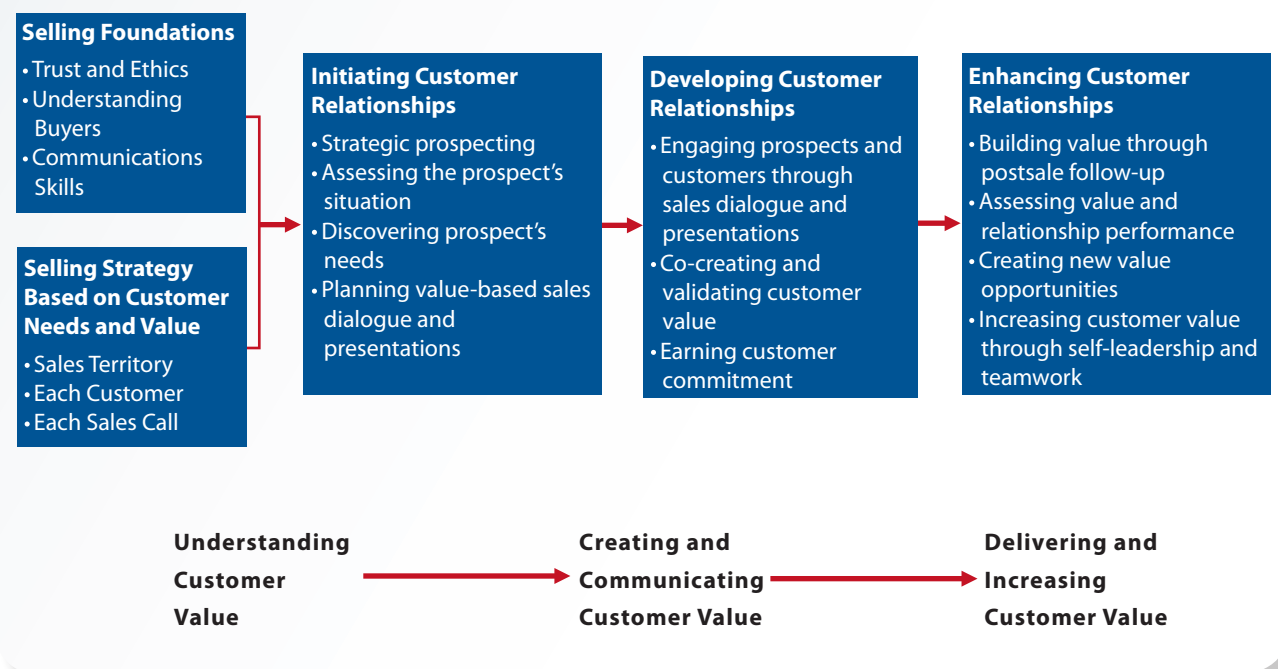
strategic orchestrator A role the salesperson plays in consultative selling where he or she arranges the use of the sales organization's resources in an effort to satisfy the customer.

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.

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.

FIG. 1.4 TRUST-BASED SALES PROCESS



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.

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 relationships. To earn the trust of customers, salespeople should be customer oriented,



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

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honest, and dependable. They must also be competent and able to display an appropriate level of 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, a Workforce Management Consultant with ADP 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 of 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.”

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 2009 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!

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

OCCUPATIONAL OUTLOOK As shown in Exhibit 1.4, the U.S. government projects stable demand for salespeople through 2022.¹² 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,

Exhibit 1.4

Occupational Outlook for Salespeople

Job Type	2012 Employment	Projected Growth 2012–2022 Percentage
Manufacturers and wholesalers (nontechnical)	1,813,000	9
Manufacturers and wholesalers (technical)	154,900	–1
Advertising sales representatives	422,000	
Real estate agents	443,000	11
Insurance agents	443,400	10
Securities, commodities, and financial services	354,600	11
Retail	4,668,000	10
Sales engineers	66,000	9
Sales managers	359,000	8

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.

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, with opportunities to earn more through bonuses and commissions. Between the extremes of the highly experienced salesperson and the inexperienced recruit, an average salesperson earns approximately \$60,000–\$70,000 per year. More experienced salespeople, including those who deal with large customers, often earn in the \$85,000–\$135,000 range. Top salespeople can earn hundreds of thousands of dollars annually, with some exceeding \$1 million in annual earnings.



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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