

SELLING TODAY

PARTNERING TO CREATE VALUE

seventh canadian edition

MANNING | AHEARNE | REECE | MACKENZIE



SELLING TODAY

PARTNERING TO CREATE VALUE

seventh canadian edition

This page intentionally left blank

SELLING TODAY

PARTNERING TO CREATE VALUE

seventh canadian edition

GERALD L. MANNING
DES MOINES AREA COMMUNITY COLLEGE

MICHAEL AHEARNE
UNIVERSITY OF HOUSTON

BARRY L. REECE
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

H. F. (HERB) MACKENZIE
GOODMAN SCHOOL OF BUSINESS
BROCK UNIVERSITY

PEARSON

Toronto

Editor-in-Chief: Claudine O'Donnell
Acquisitions Editor: Carolin Sweig
Marketing Manager: Jessica Saso
Program Manager: Karen Townsend
Project Manager: Jessica Hellen
Developmental Editor: Charlotte Morrison-Reed
Production Services: Cenveo® Publisher Services
Permissions Project Manager: Joanne Tang
Photo Permissions Research: Dimple Bhorwal, Aptara
Text Permissions Research: Phyllis Padula, Aptara
Cover Designer: Alex Li
Cover Image: Rafal Olechowski/Fotolia

Credits and acknowledgments for material borrowed from other sources and reproduced, with permission, in this textbook appear on the appropriate page within the text.

Original edition published by Pearson Education, Inc., Upper Saddle River, New Jersey, USA. Copyright © 2015, 2012, 2010 Pearson Education, Inc. This edition is authorized for sale only in Canada.

If you purchased this book outside the United States or Canada, you should be aware that it has been imported without the approval of the publisher or the author.

Copyright © 2016, 2013 Pearson Canada Inc. All rights reserved. Manufactured in Canada. This publication is protected by copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. To obtain permission(s) to use material from this work, please submit a written request to Pearson Canada Inc., Permissions Department, 26 Prince Andrew Place, Don Mills, Ontario, M3C 2T8, or fax your request to 416-447-3126, or submit a request to Permissions Requests at www.pearsoncanada.ca.

10 9 8 7 6 5 4 3 2 1 [WC]

Library and Archives Canada Cataloguing in Publication

Manning, Gerald L., author

Selling today : partnering to create value / Gerald L. Manning, Michael Ahearne, Barry L. Reece, H.F. (Herb) MacKenzie. — Seventh Canadian edition.

Includes index.

Revision of: Selling today : partnering to create value / Gerald L. Manning ... [et al.] 6th Canadian ed. Toronto : Pearson Canada, 2013.
ISBN 978-0-13-315685-0 (pbk.)

1. Selling—Textbooks. I. Ahearne, Michael, author II. Reece, Barry L., author III. MacKenzie, H. F., author IV. Title.

HF5438.25.M35 2015

658.85

C2014-904175-6

PEARSON

ISBN 978-0-13-315685-0

Brief Contents

Part I **Developing a Personal Selling Philosophy** 1

- 1 Relationship Selling Opportunities in the Information Economy 1
- 2 Evolution of Selling Models That Complement the Marketing Concept 29

Part II **Developing a Relationship Strategy** 50

- 3 Ethics: The Foundation for Relationships That Create Value 50
- 4 Creating Value with a Relationship Strategy 76
- 5 Communication Styles: A Key to Adaptive Selling Today 98

Part III **Developing a Product Strategy** 124

- 6 Creating Product Solutions 124
- 7 Product-Selling Strategies That Add Value 148

Part IV **Developing a Customer Strategy** 169

- 8 The Buying Process and Buyer Behaviour 169
- 9 Developing and Qualifying Prospects and Accounts 195

Part V **Developing a Presentation Strategy** 225

- 10 Approaching the Customer with Adaptive Selling 225
- 11 Determining Customer Needs with a Consultative Questioning Strategy 252
- 12 Creating Value with the Consultative Presentation 280
- 13 Negotiating Buyer Concerns 308
- 14 Adapting the Close and Confirming the Partnership 334
- 15 Servicing the Sale and Building the Partnership 356

Part VI **Management of Self and Others** 380

- 16 Opportunity Management: The Key to Greater Sales Productivity 380
- 17 Management of the Sales Force 402

Appendix 424

Endnotes 442

Name Index 461

Subject Index 465

This page intentionally left blank

Contents

Preface xv

About the Authors xxv

Part I Developing a Personal Selling Philosophy 1

1 Relationship Selling Opportunities in the Information Economy 1

Personal Selling Today—A Definition and a Philosophy 2

Emergence of Relationship Selling in the Information Economy 3

Considerations for a Future in Personal Selling 6

Wide Range of Employment Opportunities 6

Activities Performed by Salespeople 7

Above-Average Income 9

Above-Average Psychic Income 10

Opportunity for Advancement 10

Opportunities for Women 11

Employment Settings in Selling Today 11

Selling through Channels 12

Career Opportunities in the Service Channel 12

Career Opportunities in the Business Goods Channel 15

Career Opportunities in the Consumer Goods Channel 17

Selling Skills—One of the “Master Skills for Success” in the Information Age 18

Knowledge Workers in the Information Economy 19

Managerial Personnel 20

Professionals 20

Entrepreneurs 21

Marketing Personnel and Customer Service Representatives 21

Learning to Sell 22

Corporate-Sponsored Training 22

Training Provided by Commercial Vendors 22

Certification Programs 24

College and University Courses 24

Reviewing Key Concepts 25

Key Terms 26

Review Questions 26

Application Exercises 26

Role-Play Exercise 27

Reality Selling Video Case Problem 27

Partnership Selling: A Role Play/Simulation 28

2 Evolution of Selling Models That Complement the Marketing Concept 29

Marketing Concept Requires New Selling Models 30

Evolution of the Marketing Concept 31

Marketing Concept Yields Marketing Mix 32

Important Role of Personal Selling 33

Evolution of Consultative Selling 33

Evolution of Strategic Selling 35

The Strategic/Consultative Selling Model 36

Evolution of Partnering 42

Strategic Selling Alliances—The Highest Form of Partnering 43

Partnering Is Enhanced with High Ethical Standards 44

Partnering Is Enhanced with Customer Relationship Management 45

Value Creation—The New Selling Imperative 45

Reviewing Key Concepts 46

Key Terms 47

Review Questions 47

Application Exercises 48

Role-Play Exercise 48

Reality Selling Video Case Problem 48

Part I Role-Play Exercise 49

Part II Developing a Relationship Strategy 50

3 Ethics: The Foundation for Relationships That Create Value 50

Developing a Relationship Strategy for Partnering-Style Selling 51

Emotional Intelligence 51

Issues Challenging the Ethics of Salespeople 52

Factors Influencing Ethical Decision Making of Salespeople 54

Influences in a Global Economy 55

Influence of Company Policies and Practices	57
Influence of the Sales Manager	61
Influence of the Salesperson's Personal Values	61
Influence of Laws, Contracts, and Agreements	63
Building Trust with The Transactional, Consultative, and Strategic Alliance Buyer	64
Making Ethical Decisions That Build Selling Relationships	64
Influence of Character in Ethical Decision Making	66
The Erosion of Character on Ethical Decision Making	66
Developing a Personal Code of Ethics That Adds Value	69
Reviewing Key Concepts	70
Key Terms	71
Review Questions	72
Application Exercises	72
Role-Play Exercise	74
Reality Selling Video Case Problem	74
4 Creating Value with a Relationship Strategy	76
Relationships Add Value	77
Partnering—The Highest-Quality Selling Relationship	78
Relationship Strategies Focus on Four Key Groups	80
Adapting the Relationship Strategy	81
Thought Processes that Enhance Your Selling Relationship Strategy	81
Self-Concept—An Important Dimension of the Relationship Strategy	81
The Win-Win Philosophy	82
Empathy and Ego Drive	84
Verbal and Nonverbal Strategies that Add Value to Your Selling Relationships	84
Adding Value with Nonverbal Messages	85
Impact of Appearance on Relationships	88
Effect of Voice Quality on Relationships	89
Effect of Etiquette on Your Relationships	90
Conversational Strategies that Enhance Selling Relationships	91
Comments on Here and Now Observations	91
Compliments	92
Search for Mutual Acquaintances or Interests	92
Self-Improvement Strategies that Add Value	92
Reviewing Key Concepts	94
Key Terms	94

Review Questions	95
Application Exercises	95
Role-Play Exercise	96
Reality Selling Video Case Problem	97

5 Communication Styles: A Key to Adaptive Selling Today 98

Communication Styles—An Introduction to Managing Selling Relationships	99
Communication-Style Bias	100
Communication-Style Principles	101
Improving Your Relationship Selling Skills	102
Communication-Style Model	102
Dominance Continuum	102
Sociability Continuum	104
Four Styles of Communication	105
Popularity of the Four-Style Model	112
Determining Your Communication Style	113
Minimizing Communication-Style Bias	113
How Communication-Style Bias Develops	114
Adaptive Selling Requires Versatility	114
Building Strong Relationships Through Style Flexing	118
Building Relationships with Emotive Customers	118
Building Relationships with Directive Customers	119
Building Relationships with Reflective Customers	119
Building Relationships with Supportive Customers	119
Word of Caution	119
Reviewing Key Concepts	120
Key Terms	120
Review Questions	121
Application Exercises	121
Role-Play Exercise	122
Reality Selling Video Case Problem	122
Part II Role-Play Exercise	123

Part III Developing a Product Strategy 124

6 Creating Product Solutions	124
Developing a Product Solution that Adds Value	125
Selling Solutions	126
Explosion of Product Options	127
Creating Solutions with Product Configuration	128
Preparing Written Proposals	128

Become a Product Expert	129
Product Development and Quality Improvement Processes	131
Performance Data and Specifications	131
Maintenance and Service Contracts	132
Price and Delivery	133
Become a Company Expert	133
Company Culture and Organization	135
Company Support for Product	136
Become the Industry Expert—Know Your Competition	137
Develop and Communicate a Healthy Attitude toward Your Competition	137
Sources of Product, Company, and Industry Information	138
Web-Based Sources, Catalogues, and Marketing-Related Sales Support Information	138
Engage in Plant Tours	138
Build Strong Relationships with Internal Sales and Sales Support Team Members	139
Today's Wired Customers Have a Lot of Product, Competitive, and Industry Knowledge	139
Researching and Using Products	140
Reading and Studying Publications	140
Word of Caution	140
Creating Value with a Feature–Benefit Strategy	141
Distinguish between Features and Benefits	141
Use Bridge Statements	142
Identify Features and Benefits	142
Avoid Information Overload	143
Reviewing Key Concepts	144
Key Terms	144
Review Questions	145
Application Exercises	145
Role-Play Exercise	146
Reality Selling Video Case Problem	146
Partnership Selling: A Role Play/Simulation	147
7 Product-Selling Strategies That Add Value	148
Product Positioning—In a Competitive Marketplace	149
Essentials of Product Positioning	150
Salesperson's Role in Product Differentiation	150
Custom-Fitting and Communicating the Value Proposition	151
The Three-Dimension (3-D) Product Solutions Selling Model	151

Product-Positioning Strategies to Sell New (Vs. Mature) and Low-Priced (Vs. Value-Added) Products	155
Selling New Products versus Well-Established Products	155
Selling Products with a Price Strategy	157
Selling Your Product with a Value-Added Strategy	159
Value Creation Investments for Transactional, Consultative, and Strategic Alliance Buyers	163
Reviewing Key Concepts	164
Key Terms	165
Review Questions	165
Application Exercises	165
Role-Play Exercise	166
Reality Selling Video Case Problem	166
Part III Role-Play Exercise	167
Part IV Developing a Customer Strategy	169
8 The Buying Process and Buyer Behaviour	169
Developing a Customer Strategy	170
Adding Value with a Customer Strategy	171
Complex Nature of Customer Behaviour	172
Consumer Versus Business Buyers	173
Types of Business Buying Situations	173
Types of Consumer Buying Situations	175
Achieving Alignment with the Customer's Buying Process	176
Steps in the Typical Buying Process	176
Understanding the Buying Process of the Transactional, Consultative, and Strategic Alliance Buyer	179
Transactional Process Buyer	179
Consultative Process Buyer	179
Strategic Alliance Process Buyer	180
The Buyer Resolution Theory	180
Understanding Buyer Behaviour	182
Basic Needs That Influence Buyer Behaviour	182
Group Influences That Affect Buying Decisions	184
Perception—How Customer Needs Are Formed	187
Buying Motives	188
Reviewing Key Concepts	191
Key Terms	192
Review Questions	192
Application Exercises	192
Role-Play Exercise	193
Reality Selling Video Case Problem	193

9 Developing and Qualifying Prospects and Accounts 195

Prospecting and Account Development—An Introduction 196

Importance of Prospecting and Account Development 198

Prospecting Requires Planning 198

Account Development and Prospecting Plans Must Be Assessed Often 200

Sources of Prospects 200

Referrals 201

Centres of Influence, Friends, and Family Members 202

Directories 202

Trade Publications 203

Trade Shows and Special Events 204

Telemarketing and Email 205

Direct-Response Advertising and Sales Letters 206

Websites 206

Computerized Databases 206

Cold Calling 208

Networking 209

Educational Seminars 211

Prospecting and Account Development by Non-Sales Employees 211

Combination Approaches 212

Qualifying Prospects and Accounts 212

Collecting and Organizing Prospect Information 213

Sales Intelligence 214

Managing the Prospect Base 216

Portfolio Models 217

Sales Process Models 218

Pipeline Management, Pipeline Analytics, and Pipeline Dashboards 219

Reviewing Key Concepts 221

Key Terms 221

Review Questions 221

Application Exercises 222

Role-Play Exercise 222

Reality Selling Video Case Problem 223

Part IV Role-Play Exercise 224

Part V Developing a Presentation Strategy 225

10 Approaching the Customer with Adaptive Selling 225

Developing the Presentation Strategy 226

Presentation Strategy Adds Value 227

Planning the Preapproach 228

Establishing Presentation Objectives 229

Team Presentation Strategies 230

Strategies for Selling to a Buying Committee 231

Adaptive Selling: Builds on Four Strategic Areas of Personal Selling 232

Developing the Six-Step Presentation Plan 233

Planning the Presentation 234

Adapting the Presentation Plan to the Customer's Buying Process 235

The Approach 235

The Telephone Contact 236

The Social Contact—Building Rapport 239

The Business Contact 241

Converting the Buyer's Attention and Arousing Interest 241

Coping with Sales Call Reluctance 246

Selling to the Gatekeeper 247

Reviewing Key Concepts 247

Key Terms 248

Review Questions 248

Application Exercises 249

Role-Play Exercise 249

Reality Selling Video Case Problem 250

Partnership Selling: A Role Play/Simulation 250

11 Determining Customer Needs with a Consultative Questioning Strategy 252

The Consultative Sales Process Adds Value 254

The Four-Part Need-Satisfaction Model 256

Part One—Need Discovery 256

Part Two—Selection of the Solution 256

Part Three—Need Satisfaction through Informing, Persuading, and/or Reminding 257

Part Four—Servicing the Sale 258

Creating Value with Need Discovery 258

Need Discovery—Asking Questions 259

The Four-Part Consultative Questioning Strategy 261

Qualifying to Eliminate Unnecessary Questions 267

Need Discovery—Listening to and

Acknowledging the Customer's Response 268

Need Discovery—Establishing Buying Motives 269

Selecting Solutions that Create Value 269

Selecting Solutions—Match Specific Benefits with Buying Motives 270

Selecting Solutions—Product Configuration 271

Selecting Solutions—Make Appropriate Recommendations	272	Use the Power of Association with Metaphors, Stories, and Testimonials	295
Need Discovery and the Transactional Buyer	273	Guidelines for a Group Sales Presentation	296
Involving the Prospect in the Need Discovery	273	Enhancing the Group Presentation with Mental Imagery	296
Transitioning to the Presentation	273	Audiovisual Presentation Fundamentals	297
Planning and Execution—Final Thoughts	274	Selling Tools for Effective Demonstrations	298
Reviewing Key Concepts	275	Product and Plant Tours	298
Key Terms	276	Models	298
Review Questions	276	Photos, Illustrations, and Brochures	299
Role-Play Application Exercises for the <i>Questions, Questions, Questions</i> Video Series	276	Portfolios	299
Reality Selling Video Case Problem	277	Reprints	299
Partnership Selling: A Role Play/Simulation	278	Catalogues	300
12 Creating Value with the Consultative Presentation	280	Graphs, Charts, and Test Results	300
Need Satisfaction—Selecting a Presentation Strategy	282	Bound Paper Presentations	300
Need Satisfaction—The Informative Presentation Strategy	283	Laptop Computers and Demonstration Software	300
Need Satisfaction—The Persuasive Presentation Strategy	283	Rehearse the Presentation	302
Need Satisfaction—The Reminder Presentation Strategy	284	Plan for the Dynamic Nature of Selling	302
Guidelines for Creating a Presentation that Adds Value	285	Reviewing Key Concepts	304
Adapt the Presentation to Meet the Unique Needs of the Customer	285	Key Terms	304
Cover One Idea at a Time and Use an Appropriate Amount of Detail	287	Review Questions	305
Use Proof Devices to Demonstrate Buyer Benefits	287	Application Exercises	305
Appeal to As Many Senses as Appropriate	288	Role-Play Exercise	305
Balance Telling, Showing, and Involvement	289	Reality Selling Video Case Problem	306
Develop Creative Presentations	290	Partnership Selling: A Role Play/Simulation	307
Consider the Use of Humour—in Moderation	290	13 Negotiating Buyer Concerns	308
Choose the Right Setting	290	Negotiating Buyer Concerns and Problems	309
Document the Value Proposition	290	Formal Integrative Negotiation—Part of the Win-Win Relationship Strategy	310
Quantifying the Solution	291	Negotiation Is a Process	311
Check Sales Tools	291	Planning for Formal Negotiations	313
Summarize Major Points	291	Conducting the Negotiation Session	316
Guidelines for a Persuasive Presentation Strategy that Adds Value	292	Know When to Walk Away	317
Place Special Emphasis on the Relationship	292	Common Types of Buyer Concerns	318
Target Emotional Links and Use a Persuasive Vocabulary	293	Concerns Related to Need for the Product	318
Sell Specific Benefits and Obtain Customer Reactions	293	Concerns about the Product or Service	318
Use of Showmanship	294	Concerns Related to Source	319
Minimize the Negative Impact of Change	294	Concerns Related to Time	320
Place the Strongest Appeal at the Beginning or End	295	Concerns Related to Price	320
		Specific Methods of Negotiating Buyer Concerns	320
		Direct Denial	320
		Indirect Denial	321
		Questions	322
		Superior Benefit	322
		Demonstration	322
		Trial Offer	322
		Third-Party Testimony	323
		Postpone Method	323

Creating Value During Formal Negotiations 324

How to Deal with Price Concerns 324
Negotiating Price with a Low-Price Strategy 326

Working with Buyers Who are Trained in Negotiation 327

Budget Limitation Tactic 327
Take-It-or-Leave-It Tactic 328
Let-Us-Split-the-Difference Tactic 328
“If ... Then” Tactic 328
“Sell Low Now, Make Profits Later” Tactic 329

Reviewing Key Concepts 329
Key Terms 330
Review Questions 330
Application Exercises 331
Role-Play Exercise 331
Reality Selling Video Case Problem 331
Partnership Selling: A Role Play/Simulation 333

14 Adapting the Close and Confirming the Partnership 334

Adapting the Close—An Attitude that Adds Value 335

Review the Value Proposition from the Prospect’s Point of View 337
Closing the Sale—The Beginning of the Partnership 337

Guidelines for Closing the Sale 337

Focus on Dominant Buying Motives 337
Longer Selling Cycles and Incremental Commitments 338
Negotiate the Tough Points before Attempting the Close 339

Avoid Surprises at the Close 339
“Tough-Mindedness”—Display a High Degree of Self-Confidence at the Close 340

Ask for the Order More Than Once 340

Recognize Closing Clues 340

Specific Methods for Closing the Sale 342

Trial Close 343
Direct Appeal Close 343
Assumptive Close 343
Summary-of-Benefits Close 345
Special Concession Close 346
Multiple Options Close 346
Balance Sheet Close 346
Management Close 347
Impending Event Close 347
Combination Closes 348

Adapting to the Customer’s Communication Style 348
Practise Closing 349

Confirming the Partnership when the Buyer Says Yes 350

What to Do When the Buyer Says No 350

Reviewing Key Concepts 352
Key Terms 352
Review Questions 353
Application Exercises 353
Role-Play Exercise 354
Reality Selling Video Case Problem 354
Partnership Selling: A Role Play/Simulation 355

15 Servicing the Sale and Building the Partnership 356

Building Long-Term Partnerships with Customer Service 357

Achieving Successive Sales 358
Responding to Increased Postsale Customer Expectations 359

High Cost of Customer Attrition 360

Current Developments in Customer Service 361

Computer-Based Systems 362

Customer Service Methods that Strengthen the Partnership 362

Adding Value with Follow-Through 362
Preventing Postsale Problems 365
Adding Value with Customer Follow-Up 365
Adding Value with Expansion Selling 369
Preplan Your Service Strategy 371
Partnership-Building Strategies Should Encompass All Key People 372

Partnering with an Unhappy Customer 372

Reviewing Key Concepts 374
Key Terms 375
Review Questions 375
Application Exercises 375
Role-Play Exercise 376
Reality Selling Video Case Problem 376
Partnership Selling: A Role Play/Simulation 378
Part V Role-Play Exercise 378

Part VI Management of Self and Others 380

16 Opportunity Management: The Key to Greater Sales Productivity 380

Opportunity Management—A Four-Dimensional Process 381

Time Management 382

Time-Consuming Activities 382

Time Management Methods 384

Saving Time with Meetings in Cyberspace and Other Methods of Communication 386

Territory Management 389

What Does Territory Management Involve? 389

Sales Call Plans 391

Records Management 392

Common Records Kept by Salespeople 393

Maintaining Perspective 395

Stress Management 395

Develop a Stress-Free Home Office 396

Maintain an Optimistic Outlook 397

Practise Healthy Emotional Expression 397

Maintain a Healthy Lifestyle 398

Reviewing Key Concepts 399

Key Terms 399

Review Questions 399

Application Exercises 400

Role-Play Exercise 400

Reality Selling Video Case Problem 400

17 Management of the Sales Force 402

Applying Leadership Skills to Sales Management 403

Structure 405

Consideration 406

Situational Leadership 408

Coaching for Peak Performance 408

Recruitment and Selection of Salespeople 410

Determine Actual Job Requirements 410

Search Out Applicants from Several Sources 411

Select the Best-Qualified Applicant 412

Personality and Skills Testing 412

Orientation and Training 413

Sales Force Motivation 415

Effective Use of External Rewards 416

Compensation Plans 417

Strategic Compensation Planning 418

Assessing Sales Force Productivity 419

Reviewing Key Concepts 420

Key Terms 421

Review Questions 421

Application Exercises 422

Role-Play Exercise 422

Reality Selling Video Case Problem 422

Appendix 424

Endnotes 442

Name Index 461

Subject Index 465

This page intentionally left blank

Preface

Today, the profession of selling enjoys unprecedented growth in importance as the western world completes its transition from a production-focused to a sales- and service-focused economy. There are well over a million people employed in sales positions across Canada: more than 10 percent of the workforce. This increasingly sales-oriented economy calls for a more professional and customer-oriented selling attitude. This in turn necessitates learning and teaching selling strategies and skills in a more systematic fashion. The role of sales representative is predicted to be one of the occupations in greatest demand over the next decade.

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

This paradigm shift in which selling has become an integral part of the social and business environment has coincided with another major revolution, the dramatic change in how people access information. The information age has transferred the power from sellers to customers. Today’s customers can easily compare the offerings of different sellers through various online methods and choose those offerings that best suit their needs. Good word of mouth spreads more quickly through social media, and suboptimal service is punished more severely through online reviews. Today’s sellers realize that creating anything but what customers value the most will result in those customers buying from the competition. A bigger realization, however, is that in this information age, even satisfied customers may not become repeat customers or provide referrals. The wide access to information makes it easier for even satisfied customers to rethink their options every time they want to make a purchase.

In order to lock their customers in and *create and deliver superior value* in times when customers have more choices and lower switching costs, salespeople are adopting a partnering style of selling to build long-term, strategic relationships with their customers. Having these long-term relationships is important, as it is more profitable for companies to retain existing customers than it is to acquire new ones. The pivotal role of a *partnering style of selling* in today’s highly competitive business environment is a common theme throughout the seventh Canadian edition of *Selling Today: Partnering to Create Value*.

The primary goal of each revision of *Selling Today* is to develop the finest research-backed and most practical and applied text available in the marketplace. The revision process begins with a thorough review of several hundred articles, books, and research reports. The authors also study popular sales training programs such as Conceptual Selling, SPIN Selling, Integrity Selling, Trusted Advisor, and Solution Selling. These

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

training programs are used by major corporations such as Microsoft, Marriott, UPS, SAS Institute, Purolator, and Xerox Corporation. Of course, reviews and suggestions by professors and students influence decisions made during the revision process.

STAYING ON THE CUTTING EDGE: NEW TO THIS EDITION

Since our last edition, the business environment and research on professional selling have undergone significant changes. As active researchers, practitioners, and consultants in the field of selling, our primary goal is to provide an up-to-date and cutting-edge treatment of the field. The seventh Canadian edition of *Selling Today* describes what ramifications the information age has for the selling world and how sales professionals must cope with new issues arising from the information revolution with an ethical, customer-centred mindset. The most significant changes in the new edition include:

- **Greater emphasis on ethical selling.** Ethical selling is highlighted, as Chapter 3, “Ethics: The Foundation for Relationships That Create Value,” has been totally revised and updated. Moved up to Chapter 3 from Chapter 5 in the sixth edition to address the many ethical lapses existing in the business world, this new material emphasizes the need for a highly ethical interaction with customers as the starting point of all relationship development if one is to build long-term, partnering-style selling relationships. Moreover, a new ethics assessment has been added to the end of the chapter, and new seventh-edition text models are used to highlight an emphasis on ethical selling.
- The seventh Canadian edition features new boxed features in many chapters. We would like to point your attention to those titled **Social Media and Selling Today**, **From the Field**, **Selling in Action**, and **Global Business Insight**, describing important cultural and economic differences for selling internationally as well as new challenges and strategies for utilizing social media in selling in today’s information-driven business world. In addition, CRM boxed inserts appear throughout the text on how salespeople apply customer relationship management software to improve their partnering strategies.
- **Latest Research and Trends from Academic Journals and Trade References.** Extensive referencing of academic articles found in the *Journal of Personal Selling and Sales Management*, *Journal of Marketing*, *Harvard Business Review*, and others has been brought up to date. Topics and trends in selling garnered from numerous trade publications such as *Selling Power*, *ThinkSales*, *Value Added Selling*, *Sales and Marketing Management*, and *The American Salesperson*, have been integrated throughout the seventh edition.
- **New Study Guides.** These are added to maximize student learning when viewing both the Reality Selling and Adaptive Selling videos. With more video support than any text on the market, these new study guides ensure in-depth student learning.

BUILDING ON TRADITIONAL STRENGTHS

Selling Today: Partnering to Create Value has been successful because the authors continue to build on strengths that have been enthusiastically praised by instructors and students. Speaking to these strengths, *Selling Today* has become the standard for personal selling textbooks internationally, significantly exceeding all other textbooks in this area in world-

wide sales. International editions of the book have been sold in over 30 different countries, including China, Croatia, Indonesia, the Netherlands, Mexico, and Spain. *Selling Today* is the premier research-backed textbook in the marketplace for personal selling.

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

1. **The partnering era is described in detail.** Partnership selling principles, so important to today's successful selling and marketing strategies, are presented and clearly illustrated throughout the text. Strategic alliances—the highest form of partnering—are also discussed in detail.
2. **Value-added selling strategies** are presented throughout the text. Salespeople today are guided by a new principle of personal selling: *Partnerships are established and maintained only when the salesperson creates customer value.* Customers have fundamentally changed their expectations. They want to partner with salespeople who can create value, not just communicate it. Value creation involves a series of improvements in the sales process that enhance the customer's experience.
3. **Real-world examples**, a hallmark of previous editions and a continued focus in this edition, build the reader's interest in personal selling and promote an understanding of the major topics and concepts. With opening vignettes at the beginning of each chapter that put you in the shoes of the salesperson, and role plays that allow you to utilize the skills you have learned, the real-world examples truly enrich the overall learning experience. **The Reality Selling Video Series** features successful salespeople and provides real-world examples of sales careers and presentations. Additional real selling examples have been obtained from a range of progressive organizations, large and small, such as Xerox, Hilti, UPS, Lionbridge Technologies, WFS Ltd., and more.
4. In addition to the role-play exercises and video case problems, the **Reality Selling Video Role Plays** remain an invaluable resource for instructors. Found in Appendix 1, these scenarios give students the chance to assume the role of a salesperson in selling situations that are relevant to today's competitive environment. These role-play scenarios build on what students learned in the **Reality Selling Video** sales presentations and interviews. The detailed salesperson/customer role-play scenarios use the actual products and sales positions of the salespeople who appeared in the Reality Selling Videos. Websites of the companies you will be using to role-play sales presentations are supplied so that students can learn appropriate amounts of product and company information. The Reality Selling Video interviews and sales presentations provide the necessary background and contextual information for you to use in both selecting the scenario and conducting the role play. The role plays are also specifically designed to prepare students for professional selling role-play competitions at annual college and university competitive event conventions.
5. The **knowing–doing gap**, common in personal selling classes, is closed by having you, the student, participate in the comprehensive role play/simulation “Partnership Selling: A Role Play/Simulation for Selling Today,” available on the companion website to the text. You assume the role of a new sales trainee employed by the Park Inn International Convention Centre. Serving as an excellent capstone experience, this feature helps you develop the critical skills needed to apply relationship, product, customer, and presentation strategies.

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

The first video on building relationships, “Communication Styles—A Key to Adaptive Selling,” describes how to use behavioural psychology to build strong, mutually rewarding relationships. Designed to be shown when presenting Chapter 5, it discusses how to avoid style bias by understanding and flexing one’s style to adapt and communicate effectively with the customer’s style. A Web-based style assessment exercise is designed to discover one’s own preferred style. The second video, “Questions, Questions, Questions,” presents a widely researched approach to discovering customer needs using the consultative model. Shown when covering Chapter 11, this video included application exercises at the end of the chapter to apply and enhance the development of this critical, consultative selling skill. Closely aligned with the four questions in the Spin Selling Model, professional actors show how each of these questions are effectively used in the sales process. The third Adaptive Selling Video titled “Negotiations—Solving the Tough Problems” supports the principles in Chapter 13 on negotiation. Using a medical equipment sales setting, professional negotiation strategies are dramatically presented for moving through the sometimes difficult process of answering customer concerns, moving the sale forward, and achieving a win-win solution. The fourth video, titled “Ask for the Order,” is built on the concepts in Chapter 14, “Adapting the Close and Confirming the Partnership.” This video is designed to visually and dramatically present the many methods for moving the sales process to a successful conclusion.

7. **The following high-interest boxed inserts** are updated for this edition, and new and interesting material regarding the role of social media in selling as well as global selling has been added to the social media and global selling inserts:
 - **From the Field.** These real-world examples explain how selling skills affect the success of persons who may or may not consider themselves salespeople.
 - **Selling in Action.** These concise inserts feature contemporary issues in selling to keep the readers of *Selling Today* abreast of the latest developments.
 - **Global Business Insight.** These brief inserts provide practical tips on how to build global relationships. Most inserts focus on a specific country.
 - **Social Media and Selling Today.** Informing you how social networking applies to personal selling, these succinct inserts identify how social media networks such as Facebook, Twitter, LinkedIn, and YouTube can be used effectively in the selling process.
8. **End-of-chapter summaries are organized into bullet points** corresponding to the key points that appear in the Chapter Preview of each chapter. These summaries provide

students with a review tool that can be used to understand how the concepts and themes covered are related to one another—i.e., the “big picture.”

9. A **complete update** of key terms for selling appears in each chapter. These terms are boldfaced and defined throughout the text.

ORGANIZATION OF THIS BOOK

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

Research indicates that high-performance salespeople are better able to build and maintain relationships than are moderate performers. Part II, **Developing a Relationship Strategy**, focuses on several important person-to-person relationship-building practices that contribute to success in personal selling. The influence of ethical selling as the foundation of successful relationships is discussed in Chapter 3. Creating value with a relationship strategy is discussed in Chapter 4. Chapter 5, “Communication Styles: A Key to Adaptive Selling Today,” introduces communication styles and explains how to build strong relationships with style flexing.

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

Part IV, **Developing a Customer Strategy**, presents information on why and how customers buy, and explains how to identify prospects. With increased knowledge of the customer, salespeople are in a better position to understand customers’ unique wants and needs and create customer value in the multi-call, lifetime customer setting. Chapter 8 sheds light on consumer- and business-buying behaviours while Chapter 9 describes the strategies used to develop prospects and accounts.

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

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

Finally, this edition features Appendix 1, “Reality Selling Role-Play Scenarios,” which includes 11 role-play scenarios that provide students with the opportunity to—of course—sell.

A SPECIAL NOTE TO STUDENTS ON HOW TO USE THE BOOK

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

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

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

Finally, **observe, analyze, and think about your experiences with salespeople in everyday life**, using the concepts and themes you have learned from the text. Think about how those salespeople sell to you, or how you would do it differently if you were in their position.

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

SELLING TODAY SUPPLEMENTS

Selling Today: Partnering to Create Value, Seventh Canadian Edition, is accompanied by a complete supplements package. The instructor resources listed below are password protected and available for download via www.pearsoncanada.ca/highered.

Instructor’s Resource Manual. The comprehensive instructor’s manual includes detailed presentation outlines, answers to review questions, suggested responses to learning activities, instructions for using the case problems, and a complete trainer’s guide for using the role play/simulation.

Test Item File. More than 1000 test questions—including multiple-choice, true/false, and essay questions—are provided in Microsoft Word format. The Test Item File enables instructors to view and edit the existing questions, add new questions, and generate tests. This robust test bank is also available in My Test format (see below).

My Test. The new edition test bank comes with *My Test*, a powerful assessment-generation program that helps instructors easily create and print quizzes, tests, and

exams as well as homework or practice handouts. Questions and tests can all be authored online, allowing instructors ultimate flexibility and the ability to efficiently manage assessments at any time, from anywhere.

PowerPoint Slides. A collection of more than 200 slides—culled from the textbook or specifically designed to complement chapter content—is available.

Companion Website. The companion website (www.pearsoncanada.ca/manning) offers students valuable resources, including chapter quizzes and exercises, Decision-Making Mini Simulations and BizSkill Simulations, Adaptive Selling videos, role-play videos, and an online assessment tool for better understanding one's own style as well as the adaptive selling communication style of others. Sales literature and support materials for completing role plays as part of "Partnership Selling: A Role Play/Simulation for Selling Today" are also supplied on the companion website.

DVD Videos. Several new videos are available with the seventh Canadian edition that will be invaluable tools in the classroom.

Reality Selling Video Series. In response to high demand from instructors, the Reality Selling Video Series offers videos with accompanying chapter opening vignettes, case problems, and role-plays that demonstrate how recent college graduates are using their selling skills to pursue rewarding sales careers. A comprehensive listing of these videos is presented in Appendix 1.

Adaptive Selling Training Video Series. This four-video series now includes a recently added sales training video based on the content of Chapter 13, "Negotiating Buyer Concerns." Students can view the types of negotiating situations that salespeople encounter—in a classroom setting. Based on extensive research in selling organizations, students learn how to negotiate win-win solutions to overcome the price problem.

Pearson Custom Library. For enrolments of at least 25 students, you can create your own textbook by choosing the chapters that best suit your own course needs. To begin building your custom text, visit www.pearsoncustomlibrary.com. You may also work with a dedicated Pearson Custom editor to create your ideal text—publishing your own original content or mixing and matching Pearson content. Contact your local Pearson Representative to get started.

Learning Solutions Managers. Pearson's Learning Solutions Managers work with faculty and campus course designers to ensure that Pearson technology products, assessment tools, and online course materials are tailored to meet your specific needs. This highly qualified team is dedicated to helping schools take full advantage of a wide range of educational resources, by assisting in the integration of a variety of instructional materials and media formats. Your local Pearson Education sales representative can provide you with more details on this service program.

CourseSmart for Instructors. CourseSmart goes beyond traditional expectations to provide instant online access to the textbooks and course materials you need at a lower cost for students. And even as students save money, you can save time and hassle with a digital eTextbook that allows you to search for the most relevant content at the very moment you need it. Whether it's evaluating textbooks or creating lecture notes to help students with difficult concepts, CourseSmart can make life a little easier. See how when you visit www.coursesmart.com/instructors.

CourseSmart for Students. CourseSmart goes beyond traditional expectations to provide instant online access to the textbooks and course materials you need at significant savings over the print price. With instant access from any computer and the ability to search your text, you'll find the content you need quickly, no matter where you are. And with online tools like highlighting and note-taking, you can save time and study efficiently. See all the benefits at www.coursesmart.com/students.

THE SEARCH FOR WISDOM IN THE AGE OF INFORMATION

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

To Sell Is Human by Daniel Pink
The Tipping Point by Malcolm Gladwell
Integrity Selling for the 21st Century by Ron Willingham
A Whole New Mind by Daniel H. Pink
Rethinking the Sales Force by Neil Rackham and John R. DeVincentis
Business Ethics by O. C. Ferrell, John Fraedrich, and Linda Ferrell
Negotiating Genius by Deepak Malhotra and Max H. Bazerman
Blur: The Speed of Change in the Connected Economy by Stan Davis and Christopher Meyer
Close the Deal by Sam Deep and Lyle Sussman
Complete Business Etiquette Handbook by Barbara Pachter and Marjorie Brody
Effective Human Relations: Personal and Organizational Applications by Barry L. Reece and Rhonda Brandt
First Impressions: What You Don't Know About How Others See You by Ann Demarais and Valerie White
Hug Your Customers by Jack Mitchell
Keeping the Funnel Full by Don Thomson
Marketing Imagination by Ted Levitt
Marketing: Real People, Real Choices by Michael R. Solomon, Greg W. Marshall, and Elnora W. Stuart
Megatrends by John Naisbitt
Personal Styles and Effective Performance by David W. Merrill and Roger H. Reid
Psycho-Cybernetics by Maxwell Maltz
Questions—The Answer to Sales by Duane Sparks
Re-Imagine! Business Excellence in a Disruptive Age by Tom Peters
Self Matters by Phillip C. McGraw
SPIN Selling by Neil Rackham
SPIN Selling Fieldbook by Neil Rackham
Strategic Selling by Robert B. Miller and Stephen E. Heiman
The 7 Habits of Highly Effective People by Stephen R. Covey
The Customer Revolution by Patricia Seybold

The Double Win by Denis Waitley
The New Conceptual Selling by Stephen E. Heiman and Diane Sanchez
The New Professional Image by Susan Bixler and Nancy Nix-Rice
The New Solution Selling by Keith M. Eades
The Power of 5 by Harold H. Bloomfield and Robert K. Cooper
The Sedona Method by Hale Dwoskin
The Success Principles by Jack Canfield
Value-Added Selling by Tom Reilly
Working with Emotional Intelligence by Daniel Goleman
Zero-Resistance Selling by Maxwell Maltz, Dan S. Kennedy, William T. Brooks, Matt Oechsli, Jeff Paul, and Pamela Yellen

ACKNOWLEDGMENTS

Many people have made contributions to the seventh Canadian edition of *Selling Today: Partnering to Create Value*. We thank award-winning video producer Art Bauer for his creativity, dedication, and attention to detail in the production of the Adaptive Selling Today Training Video Series. We also thank Son Lam for his help and contributions with the Reality Selling Video Series, Cases, and Role-Play exercises. Throughout the years the text has been improved as a result of numerous helpful comments and recommendations by both students and faculty.

We extend special appreciation to the following reviewers: Andrea Ely, Capilano University; Don Hill, Langara College; Athena Hurezeanu, Seneca College; Frank Maloney, George Brown College; David Moulton, Douglas College; Wendy Threader, Algonquin College; Duane Weaver, Vancouver Island University.

This page intentionally left blank

About the Authors



Gerald L. Manning
Des Moines Area
Community College

He appears regularly as a speaker at national sales and management conferences, and is featured regularly in training videos on sales and management.

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

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

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

Gerald Manning is an international author, consultant, speaker, and successful businessperson.

Professor Manning’s book *Selling Today: Partnering to Create Value*, now in its thirteenth edition, is today’s international number-one selling textbook on negotiations and partnering. With Chinese, Spanish, International English–Speaking, Canadian, Croatian, and U.S. editions, millions have profited from the strategies and tactics presented. He is author of four additional books on management and sales, all published by large, international publishing companies. Gerald Manning also serves as a sales and marketing consultant to senior management and owners of more than 500 businesses, including both national and international companies.



Dr. Michael Ahearne
University of Houston

Austria, Belgium, France, Germany, India, Italy, Spain, and Russia.

Dr. Ahearne’s research has focused primarily on improving the performance of salespeople and sales organizations. He has published over 40 articles in leading journals such as *Journal of Marketing*, *Journal of Marketing Research*, *Management Science*,

Michael Ahearne is Professor of Marketing and C. T. Bauer Chair in Marketing at the University of Houston. He is also Executive Director of the Sales Excellence Institute (SEI). The SEI is widely recognized as the leading university-based sales institute in the world, training more than 2000 sales students, placing Ph.D. students at top research universities and working with more than 200 major corporations annually. He earned his Ph.D. in Marketing from Indiana University. He has also served on the faculty at the University of Connecticut and at Pennsylvania State University. In addition, he has lectured internationally about sales and sales management in such countries as

Strategic Management Journal, *Journal of Applied Psychology*, and *Organizational Behavior and Human Decision Processes*. He was recently recognized by the American Marketing Association as one of the 20 most research-productive scholars in the field of marketing. His research has been profiled in *The Wall Street Journal*, *Business 2.0*, *Business Investors Daily*, *Fox News*, *INC Magazine*, and many other news outlets.

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



Dr. Barry L. Reece
Virginia Polytechnic Institute
and State University

500 workshops and seminars devoted to leadership, human relations, communications, sales, customer service, and small business operations. He has received the “Excellence in Teaching Award” for classroom teaching at Virginia Tech and the “Trainer of the Year Award” presented by the Valleys of Virginia Chapter of the American Society for Training and Development.

Barry Reece is Professor Emeritus at Virginia Polytechnic Institute and State University. Prior to joining the faculty at Virginia Tech, he held faculty positions at Ellsworth Community College and the University of Northern Iowa. Over the years, he has served as visiting professor at the University of Iowa, University of Missouri, University of Nebraska, University of Colorado, and Wayne State College. He is the author or coauthor of six college textbooks that have been through a total of 40 editions since 1980.

Dr. Reece received his Ed.D. from the University of Nebraska. He has been actively involved in teaching, research, consulting, and designing training programs throughout his career. He has conducted more than



Dr. H. F. (Herb) MacKenzie
Goodman School of Business
Brock University

Herb MacKenzie is currently Associate Professor of Marketing at the Goodman School of Business, Brock University in St. Catharines, Ontario. He has taught in the undergraduate, graduate, and executive education programs at universities in Canada, Europe, and the Middle East, and has been consulting to both private- and public-sector businesses since 1985. He has more than 15 years of industrial sales and sales management experience and has published many cases, conference proceedings, and articles in the areas of sales management, buyer-seller relationships, and distribution channel management. He has authored and co-authored more than 20 textbooks on introduction to business, personal selling, sales management, and marketing, and has edited five Canadian marketing casebooks. He has been recognized by his students as Professor of the Year and Marketing Professor of the Year and was twice the winner of the Faculty of Business Faculty Award of Excellence.

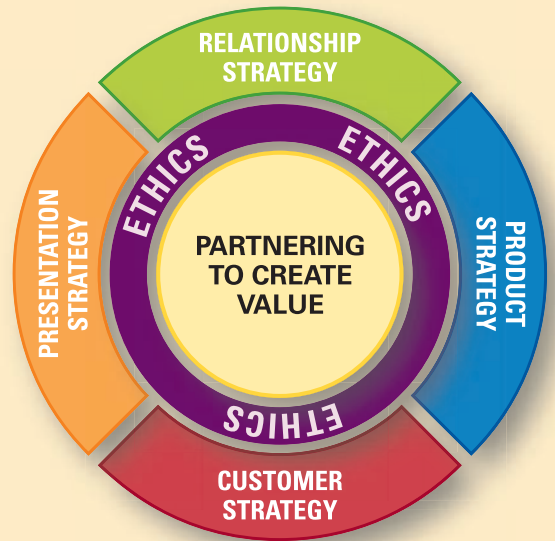
Chapter 1

Relationship Selling Opportunities in the Information Economy

Learning Objectives

After studying this chapter, you should be able to

- 1 Define *personal selling* and describe the three prescriptions of a personal selling philosophy.
- 2 Describe the emergence of relationship selling in the age of information.
- 3 Discuss the rewarding aspects of a career in selling today.
- 4 Discuss the different employment settings in selling today.
- 5 Explain how personal selling skills have become one of the master skills needed for success in the information age and how personal selling skills contribute to the work performed by knowledge workers.
- 6 Identify the four major sources of sales training.



Reality Selling Video Series—Alex Homer/Tom James Company

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

Alex Homer discovered the Tom James Company in 2007 after he placed second in a national sales competition for students. Tom James took interest in Alex, and Alex



Michael Ahearne

Alex Homer

decided to learn more about Tom James by participating in ride-alongs with the company's existing sales representatives. He liked it and decided to accept the job offer. Before starting to actually call on customers, Alex received training in selling, product knowledge, and prospecting. Regarding career development, Tom James offers new hires the necessary training to build a successful selling career regardless of their level of past experience. It also offers opportunities for net worth building, such as profit sharing, retirement plans, and stock plans. In 2009, 30 percent of Tom James sales professionals earned \$100 000 or more in commissions, leadership pay, bonuses, and stock dividends.

PERSONAL SELLING TODAY —A DEFINITION AND A PHILOSOPHY

MOST PEOPLE ARE AWARE OF ARTHUR MILLER'S VERY SUCCESSFUL PULITZER PRIZE-WINNING 1949 stage and screenplay, and its title *The Death of a Salesman*. The reality of personal selling today is that there is a "Rebirth of the Salesperson." Between 2000 and today, when many thought the computer and Internet were causing a reduction in the need for salespeople, the number of selling jobs actually increased. Selling is one of the largest employment categories in Canada. Approximately 10 percent of the entire Canadian workforce is employed in a sales-related position, and research indicates the need for many more salespeople over the next decade. According to Neil Rackham, author of the bestselling *Spin Selling* and *Rethinking the Sales Force*, "personal selling today employs more people than any other business function—more than accounting, engineering and law put together."¹

Strategic/Consultative Selling Model	
Strategic step	Prescription
Develop a personal selling philosophy	<ul style="list-style-type: none"> • Adopt marketing concept • Value personal selling • Become a problem solver/partner

Figure 1.1 Today, salespeople use a strategic plan based on a personal philosophy that emphasizes adopting the marketing concept, valuing personal selling, and becoming a problem solver/partner.

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

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

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

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

personal selling Involves person-to-person communication with a prospect. It is a process of developing relationships; discovering customer needs; matching appropriate products with those needs; and communicating benefits through informing, reminding, or persuading.

product Should be broadly interpreted to encompass physical goods, information, services, and ideas.

personal selling philosophy A salesperson’s commitment to adopt the marketing concept, value personal selling, and assume the role of a problem solver or partner to help customers make informed and intelligent buying decisions.

EMERGENCE OF RELATIONSHIP SELLING IN THE INFORMATION ECONOMY

THE RESTRUCTURING FROM AN INDUSTRIAL ECONOMY TO AN **information economy** began approximately 50 years ago (Fig. 1.2). During this period, our economy began shifting from an emphasis on industrial activity to an emphasis on information processing. We

information economy An economy where there is an emphasis on information processing.


Industrial Economy 1860–1960	Information Economy 1960–2020
Major advances in manufacturing and transportation	Major advances in information technology
Strategic resources are capital and natural resources	Strategic resource is information
Business is defined by its products and factories	Business is defined by customer relationships
Sales success depends on meeting sales quotas	Sales success depends on adding value
INCREASES IN RELATIONSHIP SELLING AND RELATIONSHIP MARKETING 	

Figure 1.2 The age of information has greatly influenced personal selling. Salespeople today use a variety of technological tools to gather and process information of value to the customer. They recognize that information is a strategic resource and relationship skills are needed to build a conduit of trust for information acceptance.

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

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

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

selling 2.0 Information technology tools along with innovative sales practices used to create value for both buyers and sellers by improving the speed, collaboration, customer engagement, and accountability of the sales process.

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

Business Is Defined by Customer Relationships Michael Hammer, consultant and author of *The Agenda*, says the *real* new economy is the customer economy. As scarcity gave way to abundance, as supply exceeded demand, and as customers became better informed, we saw a power shift. Customers took more control of their own destinies.¹⁰

On the surface, the major focus of the age of information seems to be the accumulation of more and more information and the never-ending search for new forms of information technology. It's easy to overlook the importance of the human element. Humans, not computers, have the ability to think, feel, and create ideas. It is no coincidence that relationship selling and relationship marketing, which emphasize long-term, mutually satisfying buyer–seller partnering relationships, began to gain support at the beginning of the information age. Companies such as DuPont, Kraft Foods, and General Electric have adopted a philosophy that focuses on customer satisfaction, team selling, and relationship selling.¹¹

Social Media and Selling Today

Creating Customer Value with Social Media

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

Advances in communication technology enhance the value of salesperson availability and outreach by dramatically reducing the time required for salesperson and customer interactions. Among these advances is the category generally referred to as *social media*. Facebook, Twitter,

LinkedIn, YouTube, and smartphones are frequently identified as key components of this category.

Facebook can be used by a salesperson to expand his or her personal information that may be found on the company's website. Products or services are also found on Facebook, allowing customers and others to learn about and discuss a salesperson's offerings. LinkedIn allows registered users to maintain a list of contact details of people they know and trust in business. Smartphones and similar mobile devices allow communications to include still and moving images designed to improve recipients' understanding and acceptance of the accompanying messages.

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

value-added selling Improving the sales process to create value for the customer. Salespeople add value when they offer better advice and product solutions, carefully manage customer relationships, and provide better service after the sale.

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

The value added by salespeople today is increasingly derived from intangibles such as the quality of the advice offered and the level of trust that underlies the relationship between the customer and the salesperson. The value of these intangibles can erode with shocking speed when the customer feels deceived or discovers that the competition is able to add more value to the sales process.¹²

CONSIDERATIONS FOR A FUTURE IN PERSONAL SELLING

JOB SEEKERS WHO VISIT **Monster.ca** OR **CareerBuilder.ca** ARE USUALLY SURPRISED TO discover that sales careers represent one of the largest job posting categories. Many thousands of entry-level sales positions are listed every day. The next big surprise comes when they discover the great variety of companies that hire salespeople. Some companies, such as Procter & Gamble, Purolator, and Blackberry, are well known across Canada. But there are many smaller, more regional companies that advertise for salespeople, as well as many foreign-owned companies that have sales forces in Canada and that may be unfamiliar to people seeking sales jobs. Toronto-based BlueSky Personnel Solutions helps companies across Canada solve their human resources needs and uses field salespeople to sell its services to prospective businesses. Würth Canada is a division of Würth Group, the world's largest fastener company. It has 470 employees, and 381 of them are salespeople. They sell to small and large customers in the automotive/trucking and maintenance/metals markets across Canada.¹³

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

Wide Range of Employment Opportunities

The 500 largest sales forces in North America employ more than 21 million salespeople.¹⁴ These companies will seek to recruit 500 000 post-secondary graduates. A large number of additional salespeople are employed by smaller companies. In addition, the number of new sales positions is consistently increasing, and sales positions commonly rank among the jobs considered most in demand.¹⁵ A close examination of these positions reveals that there is no single "selling" occupation. Our labour force includes hundreds of different selling careers, and chances are there are positions that match your interests, talents, and ambitions. The diversity within selling will become apparent as you study the career options discussed in this chapter.

Selling Is a Life Skill

Many business students who have no intention of pursuing a career in sales will eventually have successful sales careers. Some students will begin their careers in sales and then move on—sometimes to management positions in their company. Some students will begin their careers in other areas and will find that the opportunities and benefits of being in sales will motivate them to switch to sales careers. Many students will spend their whole lives in non-sales careers, but most will find that the skills they learn from selling will benefit them throughout their working lives. As we point out in this chapter, selling skills

are needed by management personnel, entrepreneurs, and professionals.

Eddie Greenspan, Canada's best-known criminal lawyer, has been practising law for more than 30 years. He has many of the personal characteristics of superior salespeople: He loves what he does and he hates to lose. While salesmanship is not a word he would ascribe to as solemn a situation as a jury trial, he says, "In a court of law, you're in the business of selling the truth. . . . You have to make the listeners believe that you believe what you are selling."^b

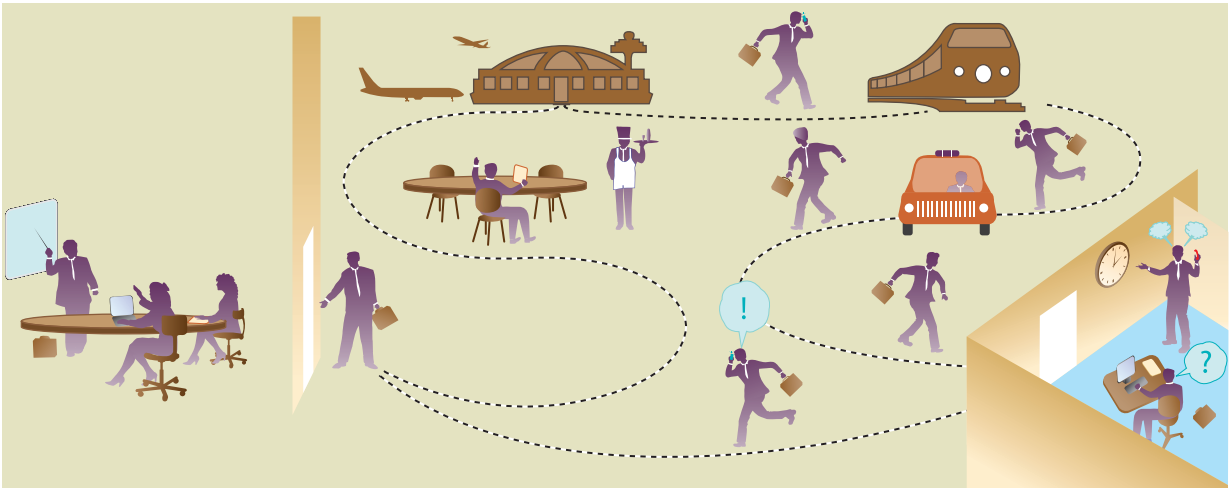
While many college and university students ultimately become salespeople, often it's not their first career choice. Students tend to view sales as dynamic and active but believe a selling career will require them to engage in deceitful or dishonest practices. The good news is that old stereotypes about sales are gradually going by the wayside. Students who study the careers of highly successful relationship salespeople discover that ethical sales practices represent the key to long-term success.

Activities Performed by Salespeople

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

A salesperson representing Federal Express (FedEx) makes numerous sales calls each day in an attempt to establish new accounts and provide service to established accounts. A wide range of potential customers can use FedEx delivery services. A salesperson working for a Caterpillar construction equipment dealer may make only two or three sales calls per day. The products offered by the dealer are expensive and are not purchased frequently.

Freedom to Manage One's Own Time and Activities Because of the wide range of activities, most selling positions allow salespeople to be in control of how they use their time, decide what activities they will prioritize in their work schedules, and interact with a wide range of people. This contrasts with many careers where people are assigned to a particular location and team of people, assigned very specific tasks, and directly supervised by others. This freedom to plan activities and prioritize the use of time, not unlike that of an entrepreneur, is high on the list of why many successful salespeople have chosen sales as a career. However, the ability to manage one's time, set priorities,



Sales is the lifeblood of any business. According to 2008 Yankee Group research study titled “Mobile CRM Tipping Point Finally Arrives,” sales representatives spend their time on the following activities:

- Face-to-face selling 26%
- Sales prep 16%
- Administrative tasks 26%
- Travel and waiting 32%

Figure 1.3 How Salespeople Spend Their Time

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

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

and execute successfully on these priorities is critical to success in selling. We will present more on the subject of opportunity management in Chapter 16.

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

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

Two factors have contributed to the creation of new titles. First, we have seen a shift from “selling” to “partnering.” When salespeople assume a consulting or partnering role, the value of the relationship often exceeds the value of the transaction. Second, the new

titles reflect a difference in education and skill sets needed for the sales position.¹⁶ Both of these factors, along with the newer definition and philosophy of selling noted earlier in this chapter, have brought about the increasing use of the title “Account Manager” to describe the responsibilities of today’s personnel. It is important to recognize, however, that there are still a large number of individuals employed in selling who prefer, and are proud, to be called “salespeople.”

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

Above-Average Income

Studies dealing with incomes in the business community indicate that salespeople earn significantly higher incomes than most other workers. Some salespeople actually earn more than their sales managers and other executives within the organization. In fact, a successful career in sales and sales management can result in earnings similar to those of doctors, lawyers, and chief executives.^{17,18} Companies’ sales force expenditures are roughly three times what they spend on advertising.¹⁹ This high level of compensation—whether from base salary, bonus, or incentives—is justified for good performance. Table 1.1 provides information on sales compensation in Canada. Executive and sales force compensation continue to climb despite uncertain economic conditions.²⁰

In recent years, we have seen new ways to report sales compensation for salespeople. The Hay Group, working with C&C Market Research, developed a reporting method that tracks earnings for different types of sales approaches. Research indicates that salespeople involved in transactional sales, which generally focuses on selling products at the lowest price, also earned the lowest compensation. Sales personnel involved in value-added sales earned the highest level of compensation. These highly paid salespeople created improvements and therefore value in the sales process that enhanced the customer experience.²¹

Table 1.1 Sales Compensation, Canada, \$000’s

Sales Compensation, Canada \$000's	Base Salary			Total Cash		
	25%ile	50%ile	75%ile	25%ile	50%ile	75%ile
Inside Sales	\$33.4	\$37.8	\$42.9			
Sales representative	\$44.6	\$52.2	\$61.0	\$52.4	\$62.7	\$77.3
Sales representative (senior)	\$59.6	\$69.3	\$80.7	\$69.2	\$80.0	\$104.5
Key Accounts Representative	\$65.5	\$81.6	\$95.3			
Sales Manager	\$62.9	\$74.8	\$91.0	\$69.4	\$82.7	\$121.2

Notes

Total cash columns show base salary plus incentive compensation for obvious incentive-driven positions.

Source: Amanda Frank, Monster Contributing Writer, “Average Salaries for Jobs in Sales,” <http://career-advice.monster.ca/salary-benefits/salary-information/average-salaries-for-jobs-in-sales/article.aspx>, accessed February 6, 2014.