

# SELL<sup>5</sup>



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# Overview of Selling

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# Learning Outcomes

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- 1 Define personal selling and describe its unique characteristics as a marketing communications tool
- 2 Distinguish between transaction-focused traditional selling and trust-based relationship selling, with the latter focusing on customer value and sales dialogue
- 3 Understand sales professionalism as a key driver in the continued evolution of personal selling

# Learning Outcomes

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- 4 Explain the contributions of personal selling to society, business firms, and customers
- 5 Discuss five alternative approaches to selling
- 6 Understand the sales process as a series of interrelated steps
- 7 Describe several aspects of sales careers, types of selling jobs, and the key qualifications needed for sales success

# What is Professional Selling?

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- Dictionary: The transfer of property from one person to another for a valuable consideration or sum of money
- Course Definition: Selling is the process of **persuading** others that what you have to offer will benefit them, so that they will make a buying decision
  - “getting existing customers & prospects to buy wanted or needed products and/or services
- Everyone is a salesperson and we are all involved in persuading others to do and get things.
  - Persuading your parents to send you money
  - Getting your partner to see the movie YOU want
  - Asking your boss for a raise
  - Convincing a retail outlet to carry your new 100% organic tee shirt brand
  - Getting an add code to get into this class...
- In selling, we are basically satisfying customers/prospects wants and needs



# Selling defined

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- Selling involves a series of steps that we will study this semester
- ***You walk into a store and ask the salesperson for a package of mints. He hands you the mints, you pay and walk out.***
- Was any salesmanship used?
- Was a sales made by the salesperson? Did he merely fulfill a request?
  - You were sold when you walked into the store– the salesperson did not **persuade** you
- The salesperson was an order taker mechanically fulfilling the functions of a sale
- Legally speaking, a sale has taken place – but look at our definition selling







Give an example  
of this same  
transaction  
involving  
professional  
selling?

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# Benefits of the Selling process

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If you think about it...  
Someone sells almost every product/service we  
are a society consumes



# The Benefits of Selling

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## Selling and Society

- Plays a vital role in society
- Helps fulfill and satisfy wants & needs
- Salesperson serves as link between society and business
- Communicate to business information about society's needs and wants
- Inform customers about products/services to improve their life

## Selling and the Economy

- Salespeople are the intermediaries between producer and the customer
- Keep products/services moving
- Stimulate demand for products creating jobs, providing wages for workers, producing income and profit for business
- Make our economy stronger

## Selling and the Consumer

- Consumers learn from sales people which benefits them
- Competition forces quality at reasonable prices
- Provide professionalism and product/service knowledge

## Selling and Business

- Vital part of a company's marketing equation
- The 4'P – after a product is developed, priced, distributed and promoted, it must be sold to the customer





Individually:  
Make a list of  
positive and/or  
negative words  
that come to  
mind when you  
hear the word  
“salespeople”



# The successful sales person of today...

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- ✓ Better listener than talker
- ✓ Oriented toward developing long term relationships with customers
- ✓ Skills and patients to endure lengthy, complex sales processes
- ✓ Deliver relevant content and presentations based on unique needs
- ✓ Teamwork



# What do buyers want in their salespeople?

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5 key things....



# 1. Content

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- The information gap that once gave salespeople an edge over the buyer no longer exists.
- Prospects now have access to product information, pricing details, research, and more all at the click of a button.
  - In fact, today's buyer goes through nearly 60% of the sales process before they even talk to a rep
- Buyers put a significant emphasis on content
  - Provide content that is relevant and provides value

Sales used to be built on what the rep told the buyer about the product.

- Now, prospects conduct their own research, and use customer reviews -- what others say about the product -- in their buying decision.

Reviews play a major role in the sales funnel.

- 88% of customers will have read a review prior to making a purchasing decision.

The reviews, however, go beyond the product. What a prospect or customer thinks of the rep him/herself also has bearing on buying decisions.

- Customers are four times more likely to buy when referred by a friend.
- And those referred customers have a lifetime value that's 16% higher than non-referred clients.

## 2. Reviews



Passion might be the most underrated tool.

A passionate sales rep is one who's going to stand by their customer and work twice as hard to ensure that customer succeeds.

Prospects love passionate reps because their passion is contagious  
Passion wears off on the person they are talking to, and in turn, makes them more passionate about what they are pursuing.

But what does passion look like? "Passion in sales is evident when the salesperson takes the time to listen to their customer and attempts to really understand what it is they are looking for. It is displayed not only in the questions that are asked, but also in the tone of voice and body language the salesperson uses and the follow-up demonstrated after the sales call."

To demonstrate passion, go beyond the sale and check in frequently. The best sales reps know their customer's ongoing success is just as important as their own. By touching base frequently and ensuring that everything is going smoothly, they can showcase how invested they are in their customer.

### 3. Passion



## 4. Ability to Listen

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- Buyers value salespeople who listen to them, ask the right questions, and strive to solve for their specific needs.
  - Listening is the most important form of influence during the sales process.
- The best way to showcase you're listening is to ask the right follow up questions. These can include:
  - That situation sounds difficult; how did you get through that?
  - Just so I can understand better, do you mind repeating that?
  - What did you do next?

## 5. Honesty

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- The honest sales rep doesn't try to persuade a buyer one way or the other.
  - They simply offer information to prospects throughout the sales process, and facilitate the buyer's decision.
- The modern buyer values new things, and the modern rep needs to adjust accordingly.
  - The relationship between these two continues to evolve.
  - For now, a rep needs to have excellent content, strong reviews, and a few key traits to be successful.



# Characteristics of today's successful sales representatives?

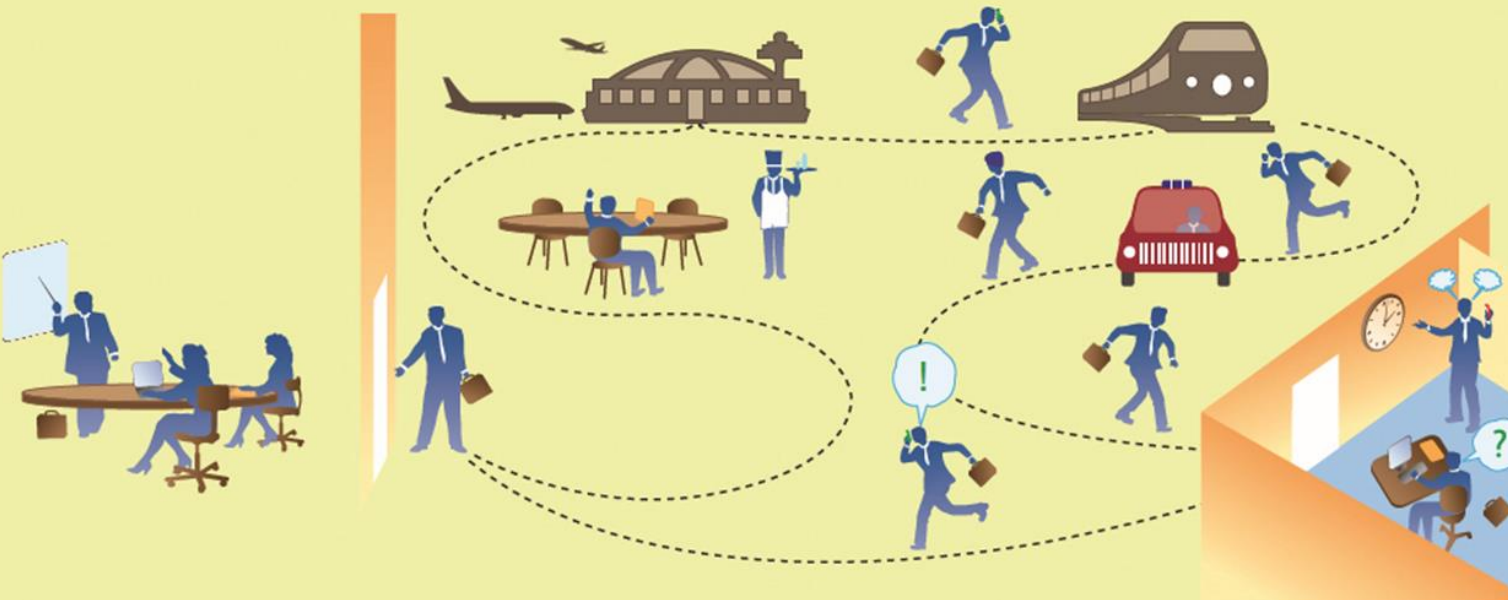
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- Integrity and ethical sales behavior
- Customer and product knowledge
- Analytical skills and the ability to use information technology
- Communication skills
- Flexibility and agility
- Creativity
- Confidence and optimism
- Emotional intelligence (4 components of EI)

## What Sales Reps Do with Their Time . . .

26% in face-to-face sales

74% in sales prep, travel, waiting, and administrative tasks



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%

# How do salespeople spend their time?



# Personal Selling – Newly Defined

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

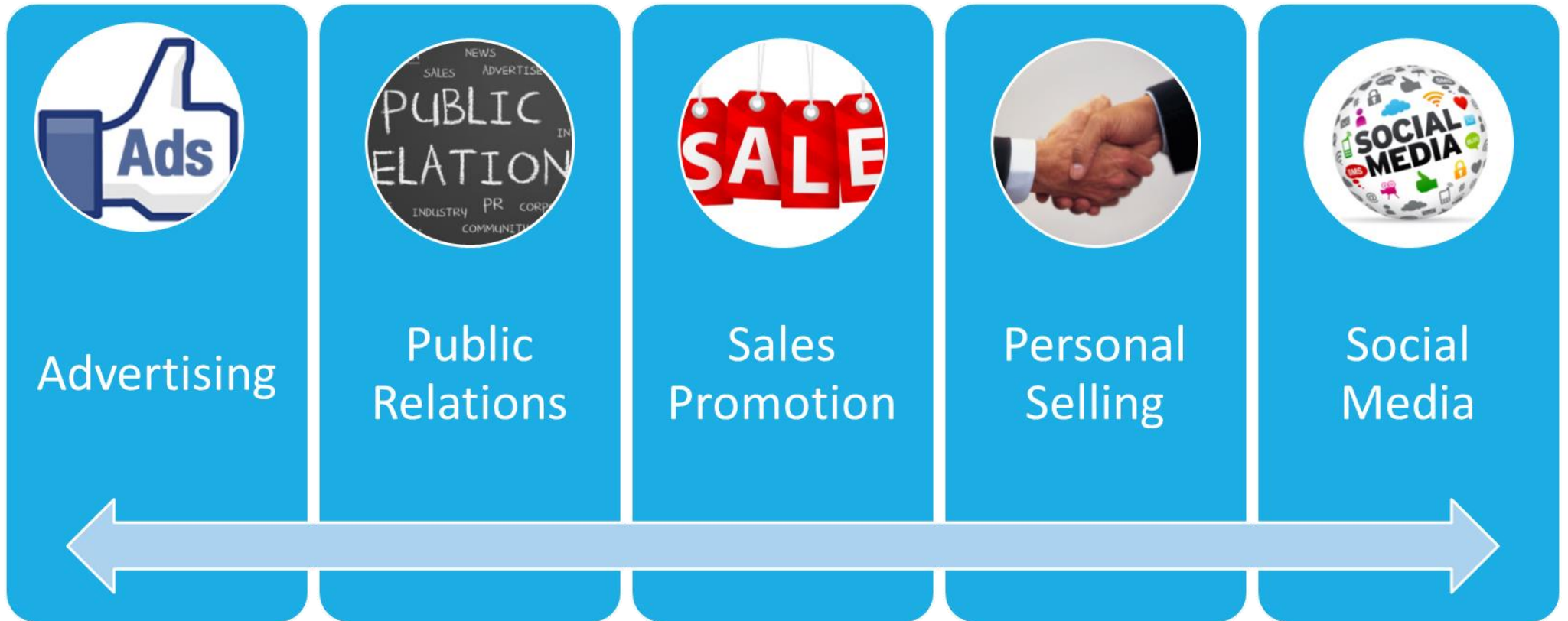
Course Definition: Selling is the process of **persuading** others that what you have to offer will benefit them, so that they will make a buying decision.





Product	FUNCTIONALITY, APPEARANCE, QUALITY, PACKAGING, BRAND, WARRANTY, SERVICE/SUPPORT
Price	LIST PRICE, DISCOUNTS, ALLOWANCES, FINANCING, LEASING OPTIONS
Place	CHANNEL MEMBERS, CHANNEL MOTIVATION, MARKET COVERAGE, LOCATIONS, LOGISTICS, SERVICE LEVELS
Promotion	ADVERTISING, PERSONAL SELLING, PUBLIC RELATIONS, MESSAGE, MEDIA, BUDGET

# Marketing Mix



# Promotional Tools

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How is personal selling different from other forms of marketing communications?

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The primary difference is that it is not directed at **mass markets**.

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It involves salespeople talking with their buyers before, during, and after the sale.

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Allows for a high degree of immediate feedback.

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Strongest form of marketing communications.

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# Transaction-Focus vs. Trust-Based Relationship Selling

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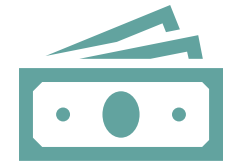
In transaction-focused traditional selling, salespeople are focused on maximizing sales in the short run and are self-oriented rather than customer-oriented.



Little attention is given to uncovering the needs or providing customized solutions. Selling tactics focus on closing the sales and getting order volume.



Trust Based requires salespeople to earn trust, meet customer needs, and contribute to the creation, communication, and delivery of customer value



More money is spent on personal selling than on any other form of marketing communications.





Trust-Based Selling is an attitude that values the **relationship** over the transaction



builds trust during the sales process



and focuses on doing what is right for the customer



In order to do this, salespeople must genuinely care about their customers.

# Trust Based Sales Process

# Comparison of Transaction-Focused Traditional Selling vs. 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"> <li>• Ensure customer satisfaction</li> <li>• Keep customer informed</li> </ul>

# Customer Value

Customers' perception of what they obtain in exchange for what they have to give up

- What contributes to adding value:
- Does the salesperson do a good job in helping the customer?
- Is the salesperson dependable?
- Is the salesperson's company easy to work with?
- Does the sales representative understand the customer's business and his/her industry?



# Sales Dialogue

Today sales organizations are far more interested in establishing a productive dialogue with customers that in simply pitching products that customer may or may not want or needs. In our highly competitive world, professional buyers have little tolerance for aggressive, pushy salespeople.

Business conversation between buyers & sellers that occur as salespeople attempt to initiate, develop, & enhance customer relationships.



# Sales Dialogue with a Prospective Customer

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ALLOWS FOR MORE  
THOROUGH QUALIFYING.



CLARIFY THE PROSPECT'S  
SITUATION AND BUYING  
PROCESS.



HELPS DETERMINE  
PROSPECTIVE CUSTOMER'S  
UNIQUE NEEDS.



DETERMINE PRIORITIES



COMMUNICATING HOW  
THE SALES ORGANIZATION  
CAN CREATE AND DELIVER  
CUSTOMER VALUE



NEGOTIATING A BUSINESS  
DEAL AND EARNING A  
COMMITMENT FROM THE  
CUSTOMER



MAKING THE CUSTOMER  
AWARE OF ADDITIONAL  
OPPORTUNITIES TO  
INCREASE THE VALUE  
RECEIVED



ASSESSING SALES  
ORGANIZATION  
PERFORMANCE TO ENSURE  
CONTINUOUS  
IMPROVEMENT



# Sales Professionalism

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

# Evolution of Personal Selling – Is Sales a TRUE profession?

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# Five Basic Alternative Personal Selling Approaches:

For professional Salespeople to choose from to best interact with their customers

1. Stimulus Response Selling
  - a) Continued affirmation
2. Mental States Selling
3. Need Satisfaction Selling
4. Problem Solving Selling
5. Consultative Selling

All  
involve →

***Adaptive Selling:***  
*the ability of a salesperson to alter his/her sales messages and behaviors during a sales presentation or as they encounter different sales situations and different customers.*



# 1. Stimulus Response Selling

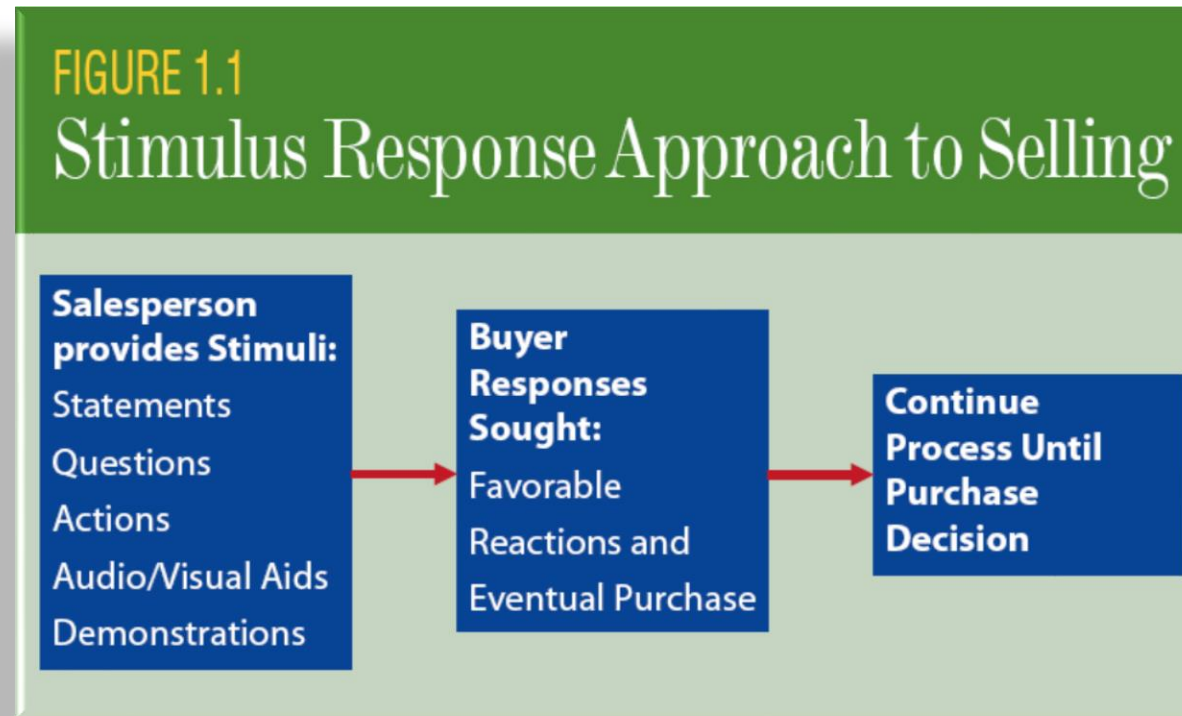
- An approach to selling where the key idea is that various stimuli can elicit predictable responses from customers.
- Salespeople furnish the stimuli from a repertoire of words and actions designed to produce the desired response.



- Stimulus response selling is the simplest.
- Originated in early experiments with animal behavior.
- Idea is that various stimuli can elicit predictable responses.

# Stimulus Response Selling

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*Simple in design; assumes conditioned response improves likelihood of success; a risky and unreliable strategy.*

# 1a. Continued Affirmation Selling

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

### EXHIBIT 1.3

## Mental States View of Selling

Mental State	Sales Step	Critical Sales Task
Curiosity	Attention	Get prospects excited, then you get them to like you.
Interest	Interest	Interview: needs and wants
Conviction	Conviction	"What's in it for me?" Product—"Will it do what I want it to do?" Price—"Is it worth it?" "The hassle of change" "Cheaper elsewhere" Peers—"What will others think of it?" Priority—"Do I need it now?" (sense of urgency)
Desire	Desire	Overcome their stall.
Action	Close	Alternate choice close: which, not if!

## 2. Mental States Selling

Assumes 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.

**AIDA:** Mental states

- Attention
- Interest
- Desire
- Action



# 3. Need Satisfaction Selling

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**Need satisfaction:** Assumes that the customer is buying to satisfy a particular need or set of needs

- Involves the salesperson using a probing tactic to uncover important buyer needs
- Interact with the buyer to determine existing needs; present solutions to those needs; solutions are limited to the seller's products.



## 4. Problem-Solving Selling

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**Problem solving:** Extension of need satisfaction selling

- Involves finding alternative solutions for satisfying buyer needs
- Interact with buyer to determine existing and potential needs; present multiple solutions not limited to seller's products.





## 5. Consultative Selling

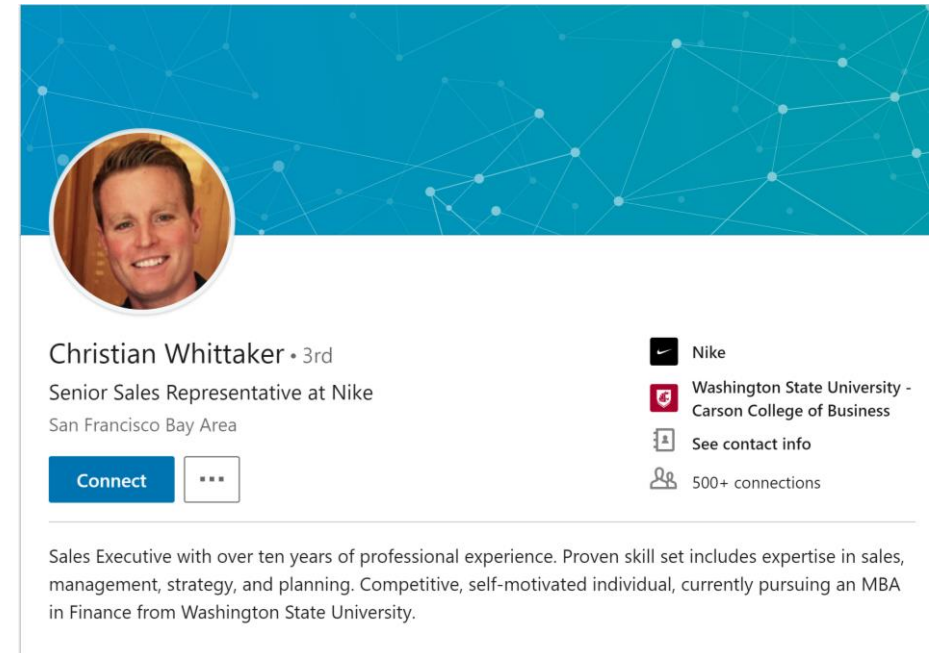
Helping customers attain strategic goals by using products, services, and expertise of the selling organization

Role of salespeople

- **Strategic orchestrator:** Arranges the use of the organization's resources to satisfy the customer
- **Business consultant:** Uses external and internal sources to gather expertise on the customer's business
- **Long-term ally:** Supports the customer even without the possibility of an immediate sale





# Senior Sales Rep at Nike

*“The key to having productive **relationships** with our customers is genuine **trust**. From day one, I work to earn the customer’s trust by consistently **doing** what I will **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.”*



Christian Whittaker • 3rd  
Senior Sales Representative at Nike  
San Francisco Bay Area

[Connect](#) [...](#)

 Nike  
 Washington State University - Carson College of Business  
 See contact info  
 500+ connections

Sales Executive with over ten years of professional experience. Proven skill set includes expertise in sales, management, strategy, and planning. Competitive, self-motivated individual, currently pursuing an MBA in Finance from Washington State University.

# Characteristics of Sales Career

Although individual opinions will vary, the ideal career for most individuals offers a bright future, including good opportunities for financial rewards and job advancement.

Job security

Advancement  
opportunities

Immediate  
feedback

Prestige

Job variety

Independence

Compensation

# Common Types of Sales Positions

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## **Sales Support**

- Missionary Salespeople
- Detailers
- Technical Support Salespeople



## **New Business**

- Pioneers
- Order-Getters



## **Existing Business**

- Order-Takers
- Route Salespeople

# Types of Sales Positions (continued)



## Inside sales

- *Nonretail salespeople who remain in their employer's place of business while dealing with customers*

## Direct-to-consumer sales

- *Ranges from temporary salesperson to a highly educated person*

## Combination sales jobs

- *Perform multiple functions while staying in the same position*



- |     |  |
|-----|--|
| 1.  | Active listening—to include asking appropriate questions and not interrupting at inappropriate times.  |
| 2.  | Service orientation—actively seeking ways to help customers.   |
| 3.  | Oral communications skills—including persuasive communications.  |
| 4.  | Coordination and problem solving—to include bringing others together and reconciling differences.      |
| 5.  | Written communications skills—including computer and other technologically facilitated communications. |
| 6.  | Logical reasoning resulting in rational reasons to take action.  |
| 7.  | Strategic and organizational skills so that work can be planned and executed efficiently.              |
| 8.  | Dependability and attention to detail.   |
| 9.  | Motivation and persistence in the face of obstacles.   |
| 10. | Integrity—honest and ethical.  |
| 11. | Initiative—willing to take on responsibilities and challenges.   |
| 12. | Adaptability—open to change and devoted to continual learning.   |

## Skills and Qualifications Required for Successful Salespeople

# Advancement Opportunities

Successful salespeople display some of the key attributes necessary for success in executive positions, including:

- Good communicators (including persuasive communication)
- Self Confident
- Motivated
- Determined
- Sound judgment



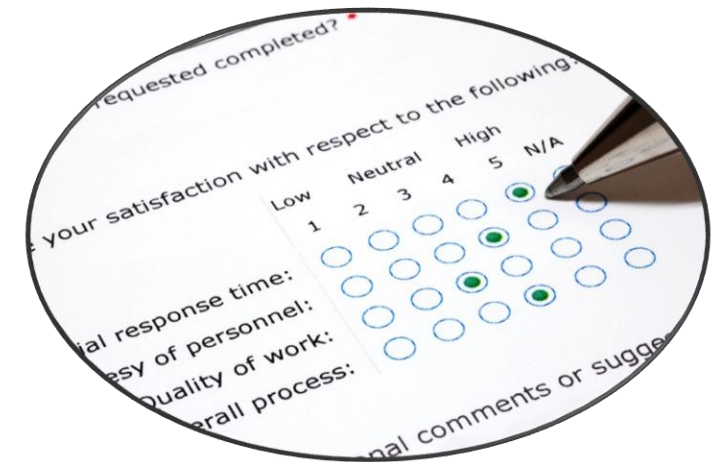
# Immediate Feedback

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Constant feedback on their job performance from:

- Analysis of results
- Sales managers
- Customers

Immediate feedback from customers is beneficial because it allows the salesperson to adjust the message as needed during the communication process.



# Job Variety and Independence

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Professional selling is rarely the same from day-to-day. The word “routine” doesn’t apply.

Usually, salespeople are accountable for attaining certain goals...how they get there is up to them. There is no “time-clock” and no taskmaster.





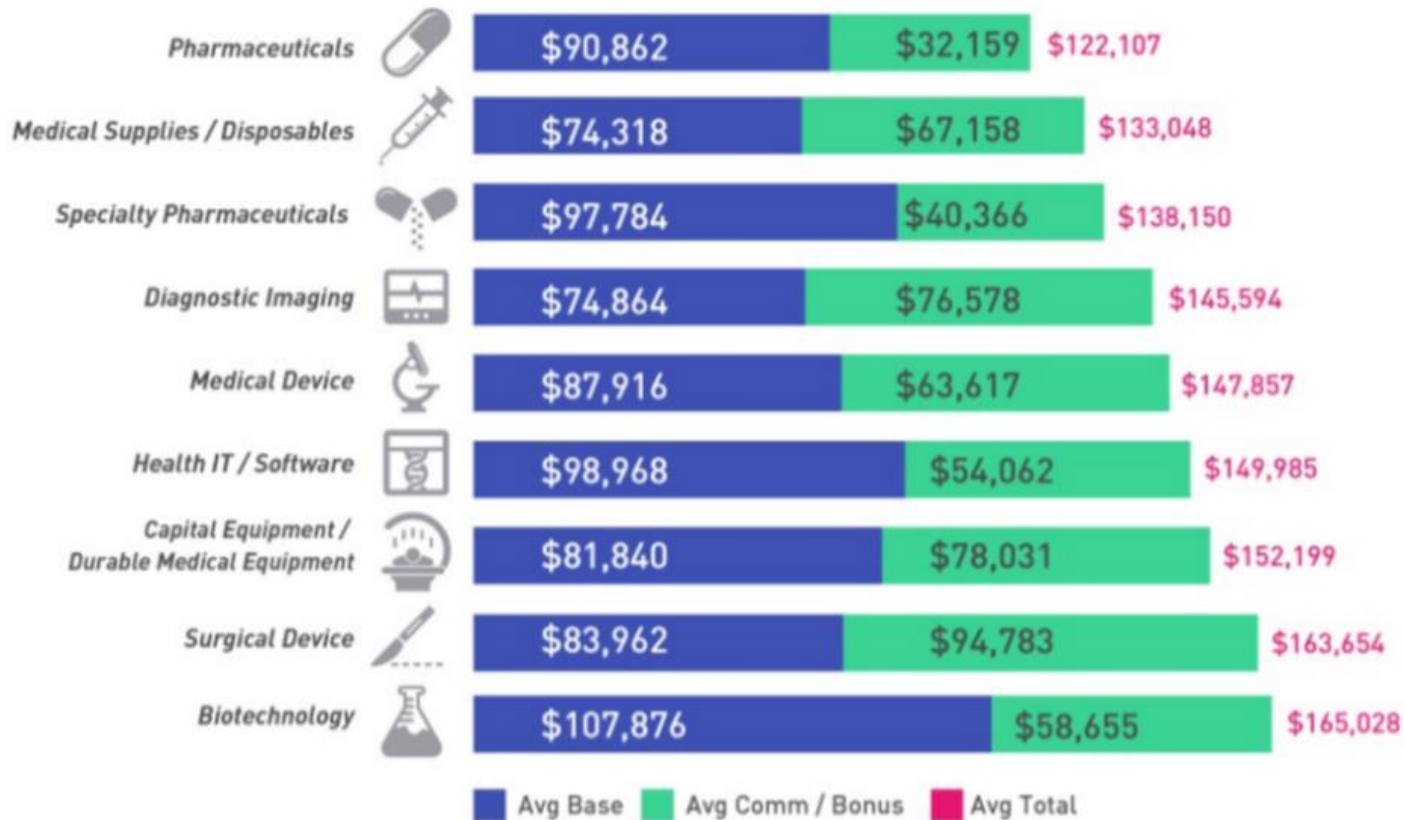


# Compensation

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- Good salespeople usually earn an income well above the national average.
- Many salespeople earn six figure incomes (or higher).
- Income is most often tied directly to performance.
- Starting salaries average \$45,000 (more with bonus and commissions)
- More experienced and earn between \$85,000 – 135,000.
- Top can exceed \$1MM

# Salary range by Industry



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**Do you have the personality of a successful salesperson? To find out, answer the four questions below, with marks of 1 for strongly disagree through to 7 for strongly agree. Then add up your scores:**

- 1) I am the life of the party**
- 2) I talk a lot**
- 3) I don't stay in the background**
- 4) I talk to a lot of different people at parties**



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## Chapter 1 Case

### Specialty Sports Inc.

#### Background

Specialty Sports Inc. (SSI) is a California-based supplier of custom-made novelty sports items such as bobble-head figures, caps, sunglasses, and sweatshirts. Most of SSI's sales are to medium-sized businesses that use SSI products in employee motivation programs or as specialty advertising giveaways. SSI has been in business for 40 years, and has an excellent reputation as a reliable, competitive supplier. SSI has built a successful business across the United States. SSI sales representatives are knowledgeable and can advise their customers about how to use specialty advertising to build employee morale, introduce new products, and reinforce brand images.

Jeff Weatherby had recently been assigned to the Indianapolis territory. Although this was his first sales job, he felt confident and was eager to begin. Jeff had just completed SSI's training program and had a good understanding of SSI's products and the sales process. For most sales situations, SSI's sales trainers had recommended the use of an organized sales presentation in which the salesperson organizes the key points into a planned sequence that allows for adaptive behavior by the salesperson as the sales call progresses.

Jeff had been in his territory for 60 days, and he was enjoying his job. Days passed quickly, and he was never bored. He had landed some major customers but was frustrated at how long it took some customers to make a buying decision. Overall, he thought he was doing a good job and the feedback from Felicia Jameson, his sales manager, had been consistently positive. Jeff tried to be honest with himself as a way of improving his performance, and he was not happy as he reviewed today's last sales call.

Jeff had called on H2G, a large manufacturer of garden tools. He intended to sell H2G several specialty advertising items to be used as giveaways at major trade shows in the coming year. After researching H2G on the Internet, he arranged a 4:00 pm meeting with Greg Cox, the director of marketing. Throughout the day, Jeff was running late due to an unexpected snow storm and heavy traffic.

He called to let Greg know that he would be late, but the best he could do was to leave a message. Jeff arrived 15 minutes late and was relieved to be shown into Greg's office without delay.

Jeff apologized to Greg about running late and was surprised to learn that Greg had not received his message. Jeff was irritated that his message had not been passed along, but Greg did not seem to mind, indicating that he had plenty of time to meet with Jeff. Given this signal, Jeff decided to

give Greg an overview of SSI's capabilities and success stories. Fifteen minutes later, Greg interrupted Jeff and the following dialogue ensued.

Greg: Thanks for the overview, Jeff. I had a pretty good idea what SSI offers, but some of what you told me might be helpful. What have you learned about H2G that makes you think that SSI would be a good fit for our trade show programs?

Jeff: Well, I know that H2G participates in two national shows and several regional shows every year.

Greg: That's right, and we work really hard to stand out at those shows.

Jeff: What works well for you in terms of standing out at the shows?

Greg: Having a terrific, eye-catching product display is key. Doing a lot of pre-show communications to be sure key buyers visit our booths and being sure we have enough people on hand to sustain a high-energy atmosphere during the show.

Jeff: How about specialty advertising to spice things up, maybe add to the fun element?

Greg: I am not sure what you mean. We have wasted a lot of money on giveaways in the past and I don't believe that it differentiates us from our competitors.

Jeff: That's because you haven't worked with SSI. We're the best and I can fill you in on how we can add sizzle to your trade shows.

Greg: O.K., but I just remembered that I need to pick my daughter up after her piano lesson. With the snow and traffic, that leaves us about 15 minutes.

Jeff proceeded to describe how SSI works with most of their customers to supplement trade show communications. He felt rushed, as there were a lot of alternatives depending on the customer's budget and objectives for each trade show. About 10 minutes into his monologue, Greg told Jeff: "Thanks for coming today. We will talk about this internally and I will get back with you if we decide to do more with specialty advertising this year. I really do have to run now. Sorry."

As Jeff drove home, he realized that he had never asked Greg about H2G's trade show objectives or their budget. With the abrupt end to the meeting, he also failed to try to get another appointment with Greg Cox. Jeff realized that his call with H2G was not his best performance.

#### Questions

1. What problems do you see with Jeff's H2G sales call?
2. If you were Jeff's sales manager, what would you recommend he do to improve his chances of succeeding?

# Case Study: SSI and H2G

## 1. What problems do you see with Jeff's H2G sales call?

Following are the problems seen in Jeff's H2G sales call:

- He failed to confirm if the message to Greg was delivered.
- He spent too much time early in the call talking about SSI without asking Jeff what he knew about SSI.
- He did not ask enough questions to determine Greg's needs.
- He did not ask Greg to discuss why he felt they had "wasted a lot of money on giveaways in the past," or why it was important for H2G to differentiate itself from its competitors during the tradeshow.
- He did not ask about H2G's trade show objectives.
- He did not ask about H2G's trade show budget.
- He failed to try to get another appointment.

## 2. If you were Jeff's sales manager, what would you recommend he do to improve his chances of succeeding?

First, Jeff should pay attention to conditions that may create delays and plan accordingly. If he is going to run late, Jeff should make sure his customers know about the delay. Jeff should reschedule appointments if he believes doing so is necessary for him to have adequate time to conduct his sales call.

Jeff needs to remember that his goal is to develop a trust-based relationship and that such a relationship is developed through a sales dialogue, not a sales monolog. During the early stages of the sales process, Jeff should make sure that he asks the customer questions that will help him learn about the customer's unique needs. This means the customer should be doing most of the talking early on. It is only after he understands the customer's unique needs that he will be able to discuss how his company can deliver customer value. Finally, Jeff should be prepared for abrupt endings to meetings resulting from unforeseen circumstances. He should have a well-rehearsed contingency plan in place so that he can end the meeting professionally and with a certain degree of commitment to a "next step."