Selling Today

PARTNERING TO CREATE VALUE

GERALD L. MANNING

Des Moines Area Community College

MICHAEL AHEARNE

University of Houston

BARRY L. REECE

Virginia Polytechnic Institute and State University

Global Edition contributions by

ANITA GOYAL

Indian Institute of Management Lucknow (Noida Campus)

THIRTEENTH

EDITION

GLOBAL

EDITION

PEARSON

Boston Columbus Indianapolis New York San Francisco Upper Saddle River

Amsterdam Cape Town Dubai London Madrid Milan Munich Paris Montreal Toronto

Delhi Mexico City São Paulo Sydney Hong Kong Seoul Singapore Taipei Tokyo

Brief Contents

Subject Index 545

Preface 19 Acknowledgme About the Auth	
PART 1 Deve Chapter 1 Chapter 2	Relationship Selling Opportunities in the Information Economy 36 Evolution of Selling Models That Complement the Marketing Concept 61
Chapter 4 Chapter 5	Ethics: The Foundation for Partnering Relationships That Create Value 80 Creating Value with a Relationship Strategy 103 Communication Styles: A Key to Adaptive Selling Today 121
PART 3 Deve Chapter 6 Chapter 7	Creating Product Strategy 145 Creating Product Solutions 146 Product-Selling Strategies That Add Value 164
PART 4 Deve Chapter 8 Chapter 9	Ploping a Customer Strategy 183 The Buying Process and Buyer Behavior 184 Developing and Qualifying Prospects and Accounts 204
Chapter 10 Chapter 11	Approaching the Customer with Adaptive Selling 232 Determining Customer Needs with a Consultative Questioning Strategy 255
Chapter 12 Chapter 13 Chapter 14 Chapter 15	Creating Value with the Consultative Presentation 279 Negotiating Buyer Concerns 303 Adapting the Close and Confirming the Partnership 325 Servicing the Sale and Building the Partnership 343
Chapter 16 Chapter 17 Appendix 1 Appendix 2 Appendix 3	agement of Self and Others 363 Opportunity Management: The Key to Greater Sales Productivity 364 Management of the Sales Force 382 Reality Selling Today Role-Play Scenarios and Videos 401 Regional Accounts Management Case Study 425 Partnership Selling: A Role-Play/Simulation for Selling Today 449
Endnotes 517 Glossary 535 Name Index 54	11

Contents

Preface 19 Acknowledgments 27 About the Authors 31						
PART 1 Developing a Parassal C. III.						
Chapter 1 Relationship Selling Opportunities in the Information						
economy 36	Economy 36					
Personal Selling Today—A Definition and a Philosophy 37						
Major Advances in Information Technology and Electronic Commerce 38 Strategic Resource Is Information 38 Business Is Defined by Customer Relationships 38 Sales Success Depends on Creating and Adding Value 39						
Considerations for a Future in Personal Selling 39						
Wide Range of Employment Opportunities 39 Activities Performed by Salespeople 40						
Freedom to Manage One's Own Time and Activities 41						
Titles Used in Selling Today 41 Above-Average Income 41						
Above-Average Psychic Income 42						
Opportunity for Advancement 42						
	Opportunities for Women 42					
	Employment Settings in Selling Today 43					
Career Opportunities in the Service Channel 45	Career Opportunities in the Service Chappel 45					
Career Opportunities in the Business Goods Channel 46	Career Opportunities in the Business Goods Channel 46					
Career Opportunities in the Consumer Goods Channel 47	Career Opportunities in the Consumer Goods Channel 47					
Selling Skills—One of the "Master Skills for Success" in the Information Age 4' Knowledge Workers in the Information Economy 49 Managerial Personnel 50 Professionals 50	Selling Skills—One of the "Master Skills for Success" in the Information Age 49 Knowledge Workers in the Information Economy 49 Managerial Personnel 50 Professionals 50					
Entrepreneurs and Small Business Owners 51						
Learning to Sell 52	Marketing Personnel and Customer Service Representatives 52					
Corporate-Sponsored Training 53						
Training Provided by Commercial Vendors 53						
Certification Programs 55						
College and University Courses 56						
Chapter Learning Activities 57 • Reviewing Key Concepts 57 • Key Terms 57 • Review Questions 58 • Application Exercises 58 • Role-Play Exercise 59 • Reality Selling Case Problem—Alex Homer/Tom James Company 59 • Partnership Selling: Role-Play/Simulation 60						
Chapter 2 Evolution of Selling Models That Complement the Marketing Concept 61						
Marketing Concept Requires New Selling Models 62						

Evolution of the Marketing Concept 62

	Important Role of Personal Selling 64						
	Evolution of Consultative Selling 64						
	Evolution of Strategic Selling 65 Strategic/Consultative—Selling Model 66						
	Evolution of Partnering 70 Strategic Selling Alliances—The Highest Form of Partnering 71 Partnering Is Enhanced with High Ethical Standards 72 Partnering Is Enhanced with Customer Relationship Management 73						
	Value Creation—The New Selling Imperative 73						
	Chapter Learning Activities 74 • Reviewing Key Concepts 74 • Key Terms 75 • Review Questions 75 • Application Exercises 75 • Role-Play Exercise 76 • Reality Selling Video Case Problem—Marcus Smith/Liberty Mutual 76						
PART 2 Dev	veloping a Relationship Strategy 79						
Chapter 3	Ethics: The Foundation for Partnering Relationships That Create Value 80						
	Developing a Relationship Strategy for Partnering Style Selling 81						
	Issues Challenging the Ethics of Salespeople 82						
	Factors Influencing Ethical Decision Making of Salespeople 83						
	Influences in a Global Economy 83						
	Influence of Senior Management 84 Influence of Company Policies and Practices 85						
	Influence of the Sales Manager 89						
	Influence of the Salesperson's Personal Values 89						
	Influence of Laws, Contracts, and Agreements 90						
	Building Trust with the Transactional, Consultative and Strategic Alliance Buyer 92						
	Making Ethical Decisions That Build Selling Relationships 93						
	Influence of Character in Ethical Decision Making 93						
	The Erosion of Character on Ethical Decision Making 93 Povologing a Personal Code of Ethics That Adds Value 95						
	Developing a Personal Code of Ethics That Adds Value 95 Chapter Learning Activities 96 • Reviewing Key Concepts 96 • Key Terms 97 • Review Questions 97 • Ethics Application Exercises 98 • Role-Play Exercise 100 • Reality Selling Video Case Problem: Edith Botelo/Mattress Firm 100						
Chapter 4	Creating Value with a Relationship Strategy 103						
	Relationships Add Value 103						
	Partnering—The Highest-Quality Selling Relationship 104						
	Relationship Strategies Focus on Four Key Groups 105 Adapting the Relationship Strategy 106						
	Thought Processes That Enhance Your Selling Relationship Strategy 107						
	Self-Concept—An Important Dimension of the Relationship Strategy 107						
	The Win-Win Philosophy 108						
	Empathy and Ego Drive 108						
	Verbal and Nonverbal Strategies That Add Value to Your Selling						
	Relationships 109						
	Adding Value with Nonverbal Messages 109 Impact of Appearance on Relationships 112						
	Impact of Appearance on Relationships 112						
	Impact of Etiquette on Your Relationships 113						
	Conversational Strategies That Enhance Relationships 114 Comments on Here and Now Observations 115						

Marketing Concept Yields Marketing Mix 63

	Compliments 115	
	Search for Mutual Acquaintances or Interests 115	
	Self-Improvement Strategies That Add Value 115	
	Chapter Learning Activities 116 • Reviewing Key Concepts 116 • Key Terms • Review Questions 117 • Application Exercises 117 • Role-Play Exercise • Reality Selling Video Case Problem—Susana Rosas/CB Richard Ellis 119	117 119
Chapter 5	Communication Styles: A Key to Adaptive Selling Today	121
•	Communication Styles—An Introduction to Adaptive Selling 122	
	Communication Style Bias 122	
	Communication Style Principles 123	
	Improving Your Relationship Selling Skills 123	
	Communication Style Model 124 Dominance Continuum 124	
	Sociability Continuum 125	
	Four Styles of Communication 126	
	Popularity of the Four-Style Model 132	
	Determining Your Communication Style 133	
	An Online Assessment of Your Communication Style 133	
	Minimizing Communication Style Bias 133	
	How Communication Style Bias Develops and Erodes Partnering Relationships 134 Adaptive Selling Requires Versatility That Builds Strong Relationships 134	
	Building Strong Relationships Through Style Flexing 137	
	Building Relationships with Emotive Customers 138	
	Building Relationships with Directive Customers 138	
	Building Relationships with Reflective Customers 139	
	Building Relationships with Supportive Customers 139	
	Word of Caution 139	
	D ' O ' 144 A I' I D I	140 142
	Reality Selling Case Problem—Ray Perkins/Grant Real Estate 142	142
PART 3 Dev	veloping a Product Strategy 145	
Chapter 6	Creating Product Solutions 146	
	Developing Product Solutions That Add Value 147	
	Selling Solutions 147	
	Explosion of Product Options 148	
	Creating Solutions with Product Configuration 148 Preparing Written Proposals 149	
	Product Development and Quality Improvement Processes 150	
	Performance Data and Specifications 151	
	Maintenance and Service Contracts—Servicing the Sale 151	
	Pricing and Delivery 151	
	Become a Company Expert 153	
	Company Support for Product 153	
	Company Support for Product 154	
	Become the Industry Expert—Know Your Competition 154 Develop and Communicate a Healthy Attitude toward Your Competition 155	
	Sources of Product, Company and Industry Information 155	
	Web-Based Sources, Catalogs, and Marketing-Related Sales Support Information 156	
	Engage in Plant Tours 156	
	Build Strong Relationships with Internal Sales and Sales Support Team Members 156	
	Today's Wired Customers Have a Lot of Product, Competitive, and Industry Knowledge 156	

CONTENTS	
	Researching and Using Products 157 Reading and Studying Publications 157 Word of Caution 157
	Creating Value with a Feature–Benefit Strategy 157 Distinguish between Features and Benefits 158 Use Bridge Statements 158 Identify Features and Benefits 159 Avoiding Information Overload 159 Chapter Learning Activities 160 • Reviewing Key Concepts 160 • Key Terms 161 • Review Questions 161 • Application Exercises 161 • Role-Play Exercise 162 • Reality Selling Video Case Problem—Amy Vandaveer/Texas Monthly 162
	Partnership Selling: A Role-Play/Simulation 163
Chapter 7	Product-Selling Strategies That Add Value 164
	Product Positioning—In a Competitive Marketplace 165 Essentials of Product Positioning 165 Salesperson's Role in Product Differentiation 165 Custom-Fitting and Communicating the Value Proposition 166
	The Three-Dimension (3-D) Product Solutions Selling Model 167
	Product-Positioning Strategies to Sell New – (vs. Mature), and Low-Priced (vs. Value-Added) Products 168 Selling New Products Versus Well-Established Products 169
	Selling Products with a Price Strategy 172
	Selling Your Product with the Value-Added Product Selling Model 174
	Value Creation Product Strategies for Transactional, Consultative, and Strategic Alliance Buyers 177
	Chapter Learning Activities 178 • Reviewing Key Concepts 178 • Key Terms 178 • Review Questions 178 • Application Exercises 179 • Role-Play Exercise 179 • Reality Selling Case Problem: Selling New Products at Steelcase 180
PART 4 De	veloping a Customer Strategy 183
Chapter 8	The Buying Process and Buyer Behavior 184
	Developing a Customer Strategy 185
	Adding Value with a Customer Strategy 185 Complex Nature of Customer Behavior 186
	Consumer Versus Business Buyers 186
	Types of Business Buying Situations 187
	Types of Consumer Buying Situations 188
	Achieving Alignment with the Customer's Buying Process 188 Steps in the Typical Buying Process 189
	Understanding the Buying Process of the Transactional, Consultative, and Strategic Alliance Buyer 191 Transactional Process Buyer 191 Consultative Process Buyer 191 Strategic Alliance Process Buyer 192
	The Buyer Resolution Theory 192
	Understanding Buyer Behavior 193 Basic Needs That Affect Buyer Behavior 193 Group Influences That Affect Buying Decisions 195 Perception—How Customer Needs Are Formed 196
	Buying Motives 197 Chapter Learning Activities 200 • Reviewing Key Concepts 200 • Key Terms 200
	 Chapter Learning Activities 200 • Reviewing Key Concepts 200 • Key Terms 200 Review Questions 201 • Application Exercises 201 • Role-Play Exercise 201 Reality Selling Video Case Problem—Ashley Pineda/PulteGroup 202

Chapter 9	Developing and Qualifying Prospects and Accounts Prospecting and Account Development—an Introduction 205 Importance of Prospecting and Account Development 206 Prospecting and Account Development Requires Planning 207 Account Development and Prospecting Plans Must Be Assessed Often 208 Sources of Prospects and Accounts 208 Referrals 208 Centers of Influence, Friends, and Family Members 209 Directories 209 Trade Publications 210 Telemarketing and E-Mail 211 Direct-Response Advertising and Sales Letters 212 Website 212 Computerized Database 213 Cold Calling 214 Networking 214 Educational Seminars 215 Prospecting and Account Development by Nonsales Employees 216 Combination Approaches 216 Qualifying Prospects and Accounts 216 Collecting and Organizing Account and Prospect Information 218 Sales Intelligence 219 Managing the Account and Prospect Base 220 Portfolio Models 221 Sales Process Models 221 Siepeline Management, Pipeline Analytics, and Pipeline Dashboards 222 Chapter Learning Activities 224 • Reviewing Key Concepts 224 • Key Terms 224 Review Questions 225 • Application Exercises 225 • Role-Play Exercise 225 Reality Selling Video Case Problem—Dave Levitt/Salesforce.com 226 • Regional
	Accounts Management Case Study 227
PART 5 De	eveloping a Presentation Strategy 231
Chapter 10	Approaching the Customer with Adaptive Selling 232 Developing the Presentation Strategy 233 Presentation Strategy Adds Value 234 Planning the Preapproach 234 Establishing Presentation Objectives 235 Team Selling Presentation Strategies 235 Strategies for Selling to a Buying Committee 237 Adaptive Selling: Builds on Four Strategic Areas of Personal Selling 237 Developing the Six-Step Presentation Plan 238 Planning the Presentation 239 Adapting the Presentation Plan to the Customer's Buying Process 240 The Approach 240 The Telephone Contact 241 The Social Contact—Building Rapport 243 The Business Contact 245 Converting the Prospect's Attention and Arousing Interest 245 Agenda Approach 246 Product Demonstration Approach 246 Referral Approach 246

Customer Benefit Approach 246

Chapter 12

Summarize Major Points 287

	Question Approach 247 Survey Approach 247 Premium Approach 248 Combination Approaches 249 Coping with Sales Call Reluctance 249 Selling to the Gatekeeper 250 Chapter Learning Activities 250 • Reviewing Key Concepts 250 • Key Terms 251 • Review Questions 251 • Application Exercises 251 • Role-Play Exercise 252 • Reality Selling Video Case Problem—Alim Hirani/Hilti Corporation 252 • Regional Accounts Management Case Study 253 • Partnership Selling: A Role-Play/Simulation 254
Chapter 11	Determining Customer Needs with a Consultative Questioning Strategy 255
	The Consultative Sales Process Adds Value 256
	The Four-Part Need-Satisfaction Model 257 Part One—Need Discovery 257 Part Two—Selection of the Solution 258 Part Three—Need Satisfaction Through Informing, Persuading, or Reminding 258 Part Four—Servicing the Sale 259 Creating Value with Need Discovery 259
	Need Discovery—Asking Questions 260
	The Four-Part Consultative Questioning Strategy 261
	Qualifying to Eliminate Unnecessary Questions 266
	Need Discovery—Listening and Acknowledging the Customer's Response 267 Need Discovery—Establishing Buying Motives 268
	Selecting Solutions That Create Value 268 Selecting Solutions—Match Specific Benefits with Buying Motives 269 Selecting Solutions—Broduct Configuration 270
	Selecting Solutions—Product Configuration 270 Selecting Solutions—Make Appropriate Recommendations 271
	Need Discovery and the Transactional Buyer 271
	Involving the Prospect in the Need Discovery 272
	Transitioning to the Presentation 272
	Planning and Execution—Final Thoughts 273
	Chapter Learning Activities 274 • Reviewing Key Concepts 274 • Key Terms 274 • Review Questions 275 • Role-Play Application Exercises for "Questioning" Video Series 275 • Reality Selling Case Problem—Debora Karish/Amgen 276 • Regional Accounts Management Case Study 277 • Partnership Selling: A Role-Play/Simulation 278
hapter 12	Creating Value with the Consultative Presentation 279
inapter 12	Need Satisfaction—Selecting a Consultative Presentation Strategy Need Satisfaction—The Informative Presentation Strategy Need Satisfaction—The Persuasive Presentation Strategy Need Satisfaction—The Reminder Presentation Strategy 281
	Adapt the Presentation to Meet Unique Needs of the Customer 283 Cover One Idea at a Time and Use an Appropriate Amount of Detail 284 Use Proof Devices to Demonstrate Buyer Benefits 284 Appeal to as Many Senses as Appropriate 285 Balance Telling, Showing, and Involvement 285 Develop Creative Presentations 285 Consider the Use of Humor—in Moderation 286 Choose the Right Setting 286 Document the Value Proposition 286 Quantify the Solution 287 Check Sales Tools 287

Guidelines for a Persuasive Presentation Strategy That Adds Value 287 Place Special Emphasis on the Relationship 288 Target Emotional Links and Use a Persuasive Vocabulary 288 Sell Specific Benefits and Obtain Customer Reactions 289 Use of Showmanship 289 Minimize the Negative Impact of Change 290 Place the Strongest Appeal at the Beginning or End 290 Use the Power of Association with Metaphors, Stories, and Testimonials 290 Guidelines for a Group Sales Presentation 290 Enhancing the Group Presentation with Mental Imagery 291 Audiovisual or Media Enhanced Presentation Fundamentals 292 Selling Tools for Effective Demonstrations 292 Product and Plant Tours 293 Models 293 Photos, Illustrations, and Brochures 293 Portfolios 293 Reprints 294 Catalogs 294 Graphs, Charts, and Test Results 294 Bound Paper Presentations 295 Tablets, Laptop Computers and Demonstration Software 295 Rehearse the Presentation 296 Plan for the Dynamic Nature of the Consultative Sales Presentation 296 Chapter Learning Activities 298 • Reviewing Key Concepts 298 • Key Terms Review Questions 298 • Application Exercises 299 • Role-Play Exercise Reality Selling Case Problem—Chris Wylie/Ecolab 299 • Regional Accounts Management Case Study 300 • Partnership Selling: A Role-Play/Simulation 301 **Negotiating Buyer Concerns 303** Formal Integrative Negotiation—Part of the Win-Win Relationship Strategy 304 Negotiation Is a Process 305 Planning for Formal Negotiations 306 Conducting the Negotiation Session 308 Know When to Walk Away 310 Common Types of Buyer Concerns 311 Concerns Related to Need for the Product 311 Concerns About the Product or Services 311 Concerns Related to Source 311 Concerns Related to Time 312 Concerns Related to Price 312 Specific Methods of Negotiating Buyer Concerns 313 Direct Denial 313 Indirect Denial 313 Questions 314 Superior Benefit 314 Demonstration 314 Trial Offer 315 Third-Party Testimony 315 Postpone Method 315 **Creating Value During Formal Negotiations 316** How to Deal with Price Concerns 316 Negotiating Price with a Low-Price Strategy 318 Working with Buyers Trained in Formal Negotiation 318 Budget Limitation Tactic 318

Take-It-or-Leave-It Tactic 318

Let-Us-Split-the-Difference Tactic 318

Chapter 13

Chapter 15

```
"If ... Then" Tactic 318
                     "Sell Low Now, Make Profits Later" Tactic 318
                 Chapter Learning Activities 319 • Reviewing Key Concepts 319 • Key Terms 320
                    Review Questions 320 • "Negotiations: Solving the Tough Problems" Virteo Application
                 Exercises 320 • Role-Play Exercise 321 • Reality Selling Video Case Problem
                 Heather Ramsey/Marriott International 289 • Regional Accounts Management Case
                 Study 322 • Partnership Selling: A Role-Play/Simulation 323
                 Adapting the Close and Confirming the Partnership 325
Chapter 14
                 Adapting the Close—An Attitude That Adds Value 325
                    Review the Value Proposition From the Prospect's Point of View 326
                    Closing the Sale—The Beginning of the Partnership 327
                 Guidelines for Closing the Sale 327
                    Focus on Dominant Buying Motives 327
                    Longer Selling Cycles and Incremental Commitments 328
                   Negotiating the Tough Points Before Attempting the Close 328
                   Avoid Surprises at the Close 329
                   "Tough-Mindedness"—Displaying a High Degree of Self-Confidence at the Close 329
                   Ask for the Order More Than Once 329
                Recognize Closing Clues 329
                Specific Methods for Closing the Sale 331
                   Trial Close 331
                   Direct Appeal Close 332
                   Assumptive Close 332
                   Summary-of-Benefits Close 333
                   Special Concession Close 334
                  Multiple Options Close 334
                  Balance Sheet Close 334
                  Management Close 335
                  Impending Event Close 335
                  Combination Closes 335
                  Adapting to the Customer's Communication Style 335
                  Practice Closing 336
               Confirming the Partnership When the Buyer Says Yes 336
                  What to Do When the Buyer Says No 337
               Chapter Learning Activities 338 • Reviewing Key Concepts 338 • Key Terms
                  Review Questions 339 • Application Exercises 340 • Role-Play Exercise
                  Case Problem—Gretchen Parr-Silver/Universal Studios 340 • Regional Accounts
              Management (RAM) Case Study 309 • Partnership Selling: A Role-Play/Simulation
              Servicing the Sale and Building the Partnership
              Building Long-Term Partnerships with Customer Service 344
                 Achieving Successive Sales 344
                 Responding to Increased Postsale Customer Expectations 345
                 High Cost of Customer Attrition 346
              Current Developments in Customer Service 346
                 Computer-Based Systems 347
              Customer Service Methods That Strengthen the Partnership 347
                 Adding Value with Follow-Through 347
                 Preventing Postsale Problems 350
                Adding Value with Customer Follow-Up 351
             Adding Value with Expansion Selling 352
                Preplan Your Service Strategy 354
                Partnership-Building Strategies Should Encompass All Key People 355
             Partnering with an Unhappy Customer 355
             Chapter Learning Activities 356 • Reviewing Key Concepts 356 • Key Terms
                Review Questions 357 • Application Exercises 357 • Role Play Exercise
```

0	Reality Case Problem-	-Body	Glov	e International	358	0	Regional Accour	nts
Ma	nagement Case Study	359	0	Partnership Se	lling: A	Role-	Play/Simulation	360

PART 6 Management of Self and Others 363

Chapter 16 Opportunity Management: The Key to Greater Sales Productivity 364

Opportunity Management—A Four-Dimensional Process 365

Time Management 366

Time-Consuming Activities 366

Time Management Methods 367

Saving Time with Meetings in Cyberspace and Other Methods of Communication 370

Territory Management 370

What Does Territory Management Involve? 371

Sales Call Plans 372

Records Management 373

Common Records Kept by Salespeople 374

Maintaining Perspective 376

Stress Management 376

Develop a Stress-Free Home Office 377

Maintain an Optimistic Outlook 377

Practice Healthy Emotional Expression 377

Maintain a Healthy Lifestyle 378

Chapter Learning Activities 378 • Reviewing Key Concepts 378 • Key Terms 379

• Review Questions 379 • Application Exercises 380 • Role-Play Exercise 380

Reality Case Problem—Jose Melara 381

Chapter 17 Management of the Sales Force 382

Applying Leadership Skills to Sales Management 383

Structure 385

Consideration 386

Situational Leadership 386

Coaching for Peak Performance 387

Recruitment and Selection of Salespeople 388

Determine Actual Job Requirements 388

Search Out Applicants from Several Sources 389

Select the Best-Qualified Applicant 389

Personality and Skills Testing 390

Orientation and Training 390

Sales Force Motivation 392

Effective Use of External Rewards 392

Compensation Plans 394

Strategic Compensation Planning 394

Assessing Sales Force Productivity 395

Chapter Learning Activities 396 • Reviewing Key Concepts 396 • Key Terms 397 • Review Questions 397 • Application Exercises 397 • Role-Play Exercise 398

Appendix 1 Reality Selling Today Role-Play Scenarios and Videos 401

Appendix 2 Regional Accounts Management Case Study 425

Appendix 3 Partnership Selling: A Role-Play/Simulation for Selling Today 449

Endnotes 517 Glossary 535 Name Index 541 Subject Index 545