

SECTION 2

CHAPTER-BY-CHAPTER

CHAPTER 1

SELLING AND SALESPEOPLE

Outline of Chapter

- I. Why Learn About Personal Selling?
 - A. Everyone Sells
- II. Creating Value: The Role of Salespeople in A Business
- III. What Do Salespeople Do?
 - A. Client Relationship Manager
 - B. Account Team Manager
 - C. Supply Chain Logistics and Channel Manager
 - D. Information Provider to their Firm
- IV. Types of Salespeople
 - A. Selling and Distribution Channels
 - 1. Business-to-Business Channels
 - 2. Consumer Channels
 - B. Describing Sales Jobs
 - 1. Stage of Buyer-Seller Relationship: New or Continuing?
 - 2. Salesperson's Role: Taking Orders or Creating New Solutions
 - 3. Importance of the Purchase to the Customer
 - 4. Location of Salesperson-Customer Contact: Field or Inside Sales
 - 5. The Nature of the Offering Sold by the Salesperson: Products or Services
 - 6. Salesperson's Role in Securing Customer Commitment: Information or Placing an Order
 - C. The Sales Jobs Continuum
 - D. Examples of Sales Jobs
- V. Characteristics of Successful Salespeople
 - A. Self- Motivated
 - B. Dependability and Trustworthiness
 - C. Integrity and Ethical Sales Behavior
 - D. Customer and Product Knowledge
 - E. Analytical Skills and the Ability to Interact With Information Technology
 - F. Communication Skills
 - G. Flexibility and Agility
 - H. Creativity
 - I. Confidence and Optimism
 - J. Emotional Intelligence
 - K. Are Salespeople Born or Made?
- VI. Rewards in Selling

- A. Independence and Responsibility
- B. Financial Rewards
- C. Management Opportunities
- VII. The Building Partnerships Model
- VIII. Selling Yourself
- IX. Summary

Teaching Suggestions

An alternative would be to use the PowerPoint slides provided with the text.

1. Begin the first class by asking students "Why are you enrolled in this course?" and write their answers on the board. You will probably find that the students will offer several reasons for enrolling in this class, but most of their answers will fall into several categories, including: **vocational interest** - they plan to go into selling as a career or as a first job after graduation; **management interest** - plan to use the information in this course to improve their background in business management; **required course** - the course is required by their program or they need an additional elective; **exploratory interest** - they are using the course to explore the sales field or might be interested in a sales job; or the class time may simply fit into their schedule. Then poll the class and, by a show of hands, determine the number enrolled for different reasons. In particular, you may want to comment on the number of students who enrolled for intrinsic reasons (vocational, management, or exploratory interests) versus those who enrolled for extrinsic reasons (required course or convenient scheduling). You could make note of this information now and refer back to it later in the discussion when you discuss the motivational characteristics of successful salespeople. This introduction gets students talking about themselves, and it also stimulates interest in the course. It is also a nice lead into a discussion of how learning selling skills is really useful for everyone.
2. You can continue this discussion about why the information in this course is valuable for everyone, even students that do not plan to go into sales by posing the following question: "Should a production manager have a basic knowledge of selling? Why or why not?" This question provides an opportunity to discuss the importance of selling principles to everyone. Production managers need to have a basic knowledge of the selling principles for two reasons. First, to do their job effectively, production managers must be able to present the needs of their functional area to other executives in the firm. For example, production managers use "selling" principles to influence management that new production equipment should be bought, or new manufacturing policies instituted. They also "sell" or negotiate with suppliers to provide raw materials or components at low prices. Production managers, like all managers, use selling principles to influence their subordinates to perform in the appropriate manner. Second, a knowledge of selling principles helps production managers develop a better understanding of the marketing concept and the need for **all** firm employees to be customer oriented. By understanding the nature of selling and a salesperson's job, production managers realize the importance of assisting salespeople in satisfying customer needs, meeting delivery commitments, maintaining high quality standards, building long-term relationships, etc. Of course, this approach could also be expanded to include almost any other vocational interests your students may have such as becoming a lawyer or an accountant. In any case, it should not be difficult to demonstrate that selling is useful for everyone. A discussion of your students'

career interests provides a nice bridge into the advantages and disadvantages of sales careers.

3. You can begin the discussion of **the advantages and disadvantages of sales jobs** by asking those students who expressed an interest in taking a job in selling, "Why are you interested in a selling job?" Write their responses on the board and then follow up by asking if there are any students who are definitely **not** interested in a selling career. Ask them, "Why are you not interested in a sales job?" By also writing these responses on the board you can generate a list of the benefits and drawbacks of a selling job.
4. Having discussed the benefits and drawbacks of a sales career, you are now ready to discuss the role of salespeople in businesses. You may start this discussion by talking about the different methods firms use to communicate with their customers. You can stimulate class discussion by telling your students that the cost of a face-to face customer contact with a salesperson can be 10,000 times more expensive than some other methods (radio, social media). Why is personal selling so expensive? The answer to this question is that it is more effective at conveying messages to customers. Then ask why is personal selling more effective in conveying messages?
Another approach is to simply ask your students what the advantages and disadvantages of each type of communication are. You can further enhance the discussion by specifically asking about differences in cost, flexibility, amount of information conveyed, etc. and summarize the discussion of the strengths and weaknesses of each type.
Ask, "Why is advertising and social media more important for marketing consumer products?" The more extensive use of personal selling for business-to-business products can be related to the strengths of personal selling versus advertising for communicating complex messages.
At this point, you can talk about the concept of integrated marketing communication programs in which the elements of the communication program work together synergistically.
5. You can begin the discussion about the activities of salespeople by mentioning that how salespeople spend their time depends upon the type of selling job they perform, but certain basic activities are common to all types of selling. In addition to reviewing how the average salesperson spends his or her time, you could also discuss differences by asking students how they would expect the allocation of time to be different for various sales jobs, including:
 - Procter & Gamble or Frito Lay salesperson calling on supermarkets.
 - Cincinnati Milacron salesperson selling numerical control production equipment to a manufacturing company.
 - Johnson & Johnson pharmaceutical salesperson calling on doctors.
 - Merrill Lynch stockbroker.

Now describe how the text is organized in terms of the activities performed by a salesperson.

Part I discusses the knowledge and skills needed for successful selling, including such topics as legal and ethical considerations, the buying process, how to communicate effectively, and methods of adapting to customers.

Part II focuses on the how-to of face-to-face selling and account servicing.

Finally, Part III looks at the salesperson as a manager and focuses on improving efficiency by reducing waiting time, by using the telephone effectively, by dealing effectively with other people in your company and by managing your career.

6. Here, you can emphasize that there are many different types of selling jobs. You may want to emphasize that retail salespeople, the salespeople consumers have most contact with, are just the tip of the iceberg. You can further develop this thought by discussing the function of salespeople in a channel of distribution and the different types of firms that salespeople can work for and call on. You might also discuss independent agents at this point. A position as a sales agent offers a person interested in sales an opportunity to be an entrepreneur as well as a salesperson.
7. Next, we want to talk a little about the creative aspect of selling. Tell your students that the amount of vision that they can apply to their sales career is limited only by their creativity. After discussing these aspects of sales jobs, you might ask students which jobs they find most interesting and why. Use this discussion to illustrate that different jobs require different skills and people should select the job that matches their skills, abilities, and interests.
8. This last discussion about creativity flows nicely into the Characteristics of Successful Salespeople. As you present each of the characteristics, you might ask if these characteristics are more important in some sales jobs and less important in other sales jobs.
The presentation of these characteristics can lead to a discussion of whether salespeople are made or born. You might ask students whether they feel they would be a good salesperson or not, and why. You could then ask them whether the skills they feel they have now or the skills they are lacking could be taught to them.

9. To conclude this class, you might want to ask students why they think building partnerships are becoming more important in business. Also ask them, "What do buyers and sellers have to do to build an effective partnership?" And finally, "How will building partnerships affect the role of salespeople?"

Suggested Answers to Ethics Problems

1. *Let's assume that as a salesperson for a graphic design company you are a key channel manager and work with a number of supply chain vendors to help make sure your client, L.L. Bean, gets excellent value. While working closely with one channel member, Midfield Platform, you learned exactly how that company designs webpages for maximum returns. Given your newfound knowledge, should you suggest to your firm that it does the web design situation analysis itself, thus negating the need to work with Midfield Platform entirely? Basically, you would be using the knowledge that you gained through your observations of Midfield Platform. You did not sign a nondisclosure agreement with that firm.*

Since you didn't sign a nondisclosure agreement, it would not be illegal to take the action proposed. But would it be ethical? That depends upon several factors. What do your firm's ethical policies state about using information gained from vendors? Do they allow this kind of use? And even if they do, is it an ethical thing to do, personally? One might ask, for example, would the world be a better place if everyone acted that way, and took intellectual property at will? These are issues that students are encouraged to grapple with as they work through this problem.

2. *As a salesperson, two traits you have been trained to display are dependability and trustworthiness. Let's say that Doug, one of your clients asked you, "I'm getting a little worried about your new packaging system. I thought we were going to see a prototype of it by April, and here it is late June and we've not seen anything. I need to start hiring some additional workers to help with installing the new system later this fall. Is it going to be designed on time?" As the salesperson, you know that the new packaging system has hit some significant snags, primarily due to patent issues, and there is not a definite timeline for its release at present. What will be your reply to Doug's question?*

Student answers will, obviously, vary. It is important to let students express their viewpoints. Some follow-up questions might include:

What will happen if Doug finds out that you knew it was not going to be ready on time, but that you failed to tell him that information? What might that do to his long-term trust in you and your company?

Let's say you confess to the delay. What are the implications of telling all? Will you lose this sale? Will it help enhance your credibility, or just make you and your firm look bad?

If you know there is no way it is going to be ready on time, how can lying at this point possibly increase long-term perceptions of trustworthiness?

Suggested Answers to Questions and Problems

1. *There are many different go-to-market strategies. For which of the following products and services do you think a sales force-intensive strategy would probably not be used? Why? Make any assumptions needed and list your assumptions in your answer.*

- a. *An auto-repair shop located near a freeway.*

Would probably not be used much, as auto owners would stop here only if they have an emergency on the freeway.

- b. *An industrial cleaning and restoration service shop.*

Would probably use a sale force-intensive strategy, assuming there are competitors and that the company has some unique value propositions to offer customers.

- c. *A check-cashing and quick-loan shop for lower-income individuals.*

Would probably not be used.

- d. *A plumber that specializes in residential plumbing.*

Would probably not be used.

2. *In From the Buyer's Seat 1.1 you read about how a buyer suffered disaster by only considering the actual cost of the contract itself. The buyer indicated that in the future they would consider other important factors as well. How can a salesperson help buyers avoid similar problems?*

One thing the seller can do is to help the buyer create a list of criteria with which to evaluate potential vendors. During this process, the seller can help the buyer understand the ramifications of a vendor not being located nearby.

3. *Comment on each of the following statements:*

- a. *Salespeople should always be trying to end the conversation as soon as possible and just get the prospect to sign the contract for the sale.*

Salespeople do serve a useful role in society. They increase the benefits that customers get out of products by providing information on how to use the products. They also develop programs with distributors and customers to make products available at convenient locations when and where the customers need them. Salespeople help customers solve problems, inform customers about new products, and help firms develop new products.

- b. *Salespeople should treat those who have the ability to influence a purchasing decision with respect and courtesy.*

This is true. While it seems like common sense, too often salespeople can act like some people (like receptionists, office managers, shop employees, etc.) are not worthy of their respect and courtesy.

- c. A successful salesperson should walk into an account, vowing to never take no as an answer from a buyer.*

Salespeople must satisfy the needs of their companies and their customers. Companies want their salespeople to make sales and so salespeople need to be persistent. However, companies also want salespeople to satisfy customer needs and build long-term relationships. Thus, salespeople need to accept situations in which their products will not effectively satisfy a customer's need and accept a "no sale" in these situations.

- d. A good salesperson can sell anything to anybody.*

Some skills possessed by good salespeople such as working hard, working smart, dependability, and emotional maturity are useful when selling all products to all types of customers. However, salespeople need technical product knowledge and knowledge about customers to be effective. Thus, the effectiveness of salespeople in different situations is limited until they acquire this knowledge required in the specific selling situation. Also, most salespeople would not enjoy selling just any product or service, and instead would tend to prefer to sell products that they believe in themselves.

- 4. Kate Pederson has been working as a retail clerk at a store that sells activewear and sneakers for three years and is considering taking a field sales job with Bloch (see <https://us.blochworld.com/>). The job involves calling on retailers selling the benefits of Bloch's footwear and dancewear products. What are the similarities and differences between her retail clerk job and the selling job she is considering?*

Similarities: She will still have to be concerned about details and follow-up. She will still have to be involved with paperwork. She will still need to have the knowledge she has developed about dance supplies.

Differences: She will not be working in the same office day after day. She will have to use more creativity. She will have to increase knowledge of the firm's products and how they will solve customers' problems. She may also do some entertaining. She will not have the physical presence of her superior right next to her all day. There won't always be cut and dried answers to all her questions about how to sell or interact with customers. She will have to deal with rejection and disappointment. She will have to develop skills in time and territory management. She will have to do more verbal communication and more reading of nonverbals.

- 5. Shane Winnes worked his way through his community college degree by selling*

house painting services to residential homes, primarily by knocking on doors of homes in Madison, Wisconsin that looked like they needed a new coat of paint. He has done well in the job and is one of the top salespeople in his district. Last week STIHL offered him a job selling chainsaw products to resellers as well as calling on the ultimate users (fire departments, landscape contractors, etc.) in a five-state midwestern area. Explain the differences between Shane's selling of house painting services and the STIHL sales job.

There are differences along several dimensions between door to door selling and outside selling. The nature of the customer, the nature of the salesperson's duties, the importance of the buying decision to the customer, the location of selling activity, and the closing skills required by the salesperson all differ between these two levels of sales jobs. Selling house painting services door to door can be more simple than outside selling.

6. *Poll three students who are not taking your selling course (preferably those who are studying a different area in college) to solicit their answers to the following question: What are your opinions about salespeople? Write up the results and briefly discuss how accurate you believe their opinions are, based on what you've read in this chapter.*

Answers will vary. Expect that some students will have negative opinions, based partly on the types of issues discussed in Question 3. Be prepared to discuss these openly and honestly.

7. *Think about what you want in your first job out of college. Based on what you know so far from this chapter, how well does selling match your desires in a job?*

Answers will vary.

8. *According to the text, many sales jobs are located as inside sales instead of field sales. List five advantages that inside salespeople could experience over field salespeople.*

Some people value structure and some need more accountability (having someone see them working, as opposed to trusting them to do their jobs without direct supervision). Both can happen more easily with inside sales jobs. Plus, inside salespeople don't have to spend time travelling, and spend time waiting for appointments to begin. Some people would rather be responsible for taking orders, rather than actively securing orders from potentially disinterested parties.

9. *In Building Partnerships 1.1 you learned what happens when a salesperson is determined to go through all their slides in a predetermined order in every sales call. Think about a time when you were in a lecture and a professor seemed to do that to you and your classmates. How did it make you feel?*

Student answers will vary. A common theme is that it makes them feel like they aren't special and that the professor didn't do anything to try and relate the material directly to their own needs and interests.

10. Assume you are a sales manager and you need to recruit someone for the following sales positions. For each position, list the key qualities you would want in the recruit:

a. Salesperson selling packaging materials (carboard boxes, tape, etc.) to manufacturers.

Someone who understands how what issues manufacturers are facing with packaging materials.

b. Salesperson calling on retailers of rock climbing supplies, selling antiskid/breathable/tear-resistant gloves.

Someone who understands rock climbing and the value of solid supplies and tools.

c. Salesperson selling sponsorship advertising signs at a semi-pro Wisconsin State League stadium to businesses and non-profits in the area.

Someone who understands sports marketing. Someone who is familiar with the state league stadium business, specifically.

Suggested Answers to Case Problems

Case 1.1 Digital Max

Questions

1. Based on what you've read in this chapter, create a reply to Sena that outlines why Digital Max might need to consider hiring a salesperson.

Salespeople could perform many functions for Digital Max. They can create and maintain relationships with clients and potential clients. They can discover client needs and share that information with the owners. They can also serve as account managers, to coordinate the activities within Digital Max.

2. Should Digital Max seek an inside salesperson or field salesperson for this need? Why? You might want to review the section titled "Describing Sales Jobs" as you answer this question.

Student answers will vary and the purpose of the case is to generate discussion around roles salespeople play and the ways in which those roles might be accomplished. For example, if Digital Max is going to be gaining new customers where the solutions are not

already being sought, it might help to have field salespeople. Since the seller will be selling services, higher creativity might be required to be displayed, and this might be easier with field salespeople. However, all of this can also be accomplished with an inside salesperson, using interactive, live web presentations.

Case 1-2 Wembley Stadium

Questions

1. *As the text says, salespeople are the eyes and ears of the company in the marketplace. Being an information provider to their firm is an important thing that salespeople do. If you were Sydney, how would you do that for Wembley Stadium?*

Sydney needs to let the Wembley director know of lost sales and lost sales opportunities due to not having all the video equipment on-site. By doing so, she is helping to change the product/service mix at Wembley, making it more appealing to potential clients.

2. *This chapter introduces the notion of customer relationship management (CRM) systems. These systems can maintain records of almost anything dealing with interactions between salespeople and prospects/clients. How might Wembley Stadium use its CRM system to help avoid a situation like the one that occurred with Chloe?*

Student answers will vary. Certainly if the CRM system tracks reasons for lost sales, then the data to help understand how to improve the situation at Wembley Stadium will be readily available for any decision makers looking to make improvements. In other words, information won't get lost in the shuffle.

End Of Chapter Role Play Case

In this role play, students will interview for a job with Fastenal. The purposes of this role play are to encourage students to think about what the sales jobs they may want to explore and to begin understanding what Fastenal is and does for future role plays. For more information, visit www.fastenal.com.

To do this case in class, divide the class into pairs. Copy the next two pages and distribute Hiring Manager 1 OR Hiring Manager 2 to each student. They take turns interviewing the other. They are not to share what they have been given.

To debrief this role play, begin by noting that these are actual Fastenal positions and the requirements were taken from the website shown above. Neither of these positions requires going out and capturing new customers but both have heavy service and sales responsibilities. Who would prefer that type of position? Why? You may want to talk a little about compensation – these are likely to be primarily salary plus bonus, which means there may be a cap on earnings. Both of these positions can lead to an Executive Partner – which do students think will move them up faster? Why? Review the types of positions from the book – what types of sales positions are these? Of the other types, what are the advantages and disadvantages?

Hiring Manager 1: You are hiring for a Sales Development Representative. This position involves supporting the outside sales representative by identifying leads and handling customer inquiries.

RESPONSIBILITIES

Communicating with target accounts and leads via telephone, e-mail, marketing campaigns and social selling platforms such as LinkedIn Sales Navigator
Identifying and qualifying prospective contract customers and key decision makers
Performing organizational research and discovery of prospective customers
Securing introductory business meetings with decision makers for our outside sales representatives on a daily basis
Maintaining a cadence of communication with target accounts and leads that allow you to maintain and exceed your monthly goals
Recording all activity in Microsoft Dynamics CRM
Collaborating with internal teams to develop lead intelligence and profile opportunities

REQUIRED POSITION QUALIFICATIONS:

The following skills and qualifications are required for this position:
Possess or are working towards a degree related to Communications, Marketing, Sales, Business or a related field of study OR possess work experience in sales development, inside sales or customer service
Excellent written and oral communication skills
Proficient using Microsoft Office Suite
Highly motivated, self-directed and customer service oriented
Demonstrate strong organization, planning and prioritizing abilities
Exhibit strong problem solving, deductive reasoning and decision making skills
Demonstrate strong math aptitude, attention to detail and sense of urgency
Work independently as well as in a team environment
Learn and perform multiple tasks in a fast paced environment
Demonstrate our core values of ambition, innovation, integrity and teamwork

As hiring manager, you should ask questions such as:

Tell me about a job in which you had to interact with customers. What did you like?

What did you dislike?

What is your role when groups are formed for coursework?

In your classes or in student organizations, how do you build collaborative relationships?

Have you ever been faced with a tough problem? Describe how you went about solving it.

Make up a few questions of your own, as well.

Manager 2: You are hiring a Client Services Associate (CSA). This person works with an Executive Partner on only 1 account. A CSA is assigned to one of the largest accounts there is, and is responsible for all customer support. The CSA has to sell add-on services and ensure the highest customer satisfaction, retention, and growth.

RESPONSIBILITIES:

The duties and responsibilities of this position include, but are not limited to:

- o Developing and executing a sales plan in a local territory to reach and exceed sales goals
- o Supporting the day-to-day needs of the branch's key accounts
- o Working directly with key accounts
- o Growing and maintaining an assigned book of business
- o Performing other duties as needed to ensure branch success

REQUIRED POSITION QUALIFICATIONS:

Possess a current full valid driver's license issued in the country where the job is located (including successful completion of any applicable graduated license program for your state or province) as well as the ability to meet our driving record requirements to use a company vehicle, as needed

Possess or are working towards a degree in Business/Marketing OR have related industry experience and knowledge of the local market

Excellent written and oral communication skills

Proficient using Microsoft Office Suite

Demonstrate strong organization, planning and prioritizing abilities

Exhibit strong problem solving, deductive reasoning and decision making skills

Highly motivated, self-directed and customer service oriented

Learn and perform multiple tasks in a fast paced environment

Work independently as well as in a team environment

Demonstrate our core values of ambition, innovation, integrity and teamwork

Lift, slide, carry and lower packages that typically weigh 25lbs-50lbs and may weigh up to 75lbs

Prepare a list of questions, including some such as:

How can you demonstrate that you are highly motivated? Self-directed?

What are some examples in your life where your attention to detail paid off?

What type of supervision do you prefer?

Do you stay pretty busy? If so, with what activities and responsibilities? How do you juggle those?

Have you ever had any conflict with members of a work group in school or colleagues at work? Tell me how you handled it, and how you communicated with those individuals?

Make up a few questions of your own, as well.

EXERCISE 1-1 YOUR ATTITUDES TOWARDS SALES

~~1. In the space below list twenty adjectives that you think describe salespeople~~

2. Did you draw on any experiences with any specific salespeople or type of salespeople that justify those adjectives? If so, describe them.

3. At this point, most students have listed mostly negative adjectives and experiences. Some students, especially those whose parents are salespeople or who may be salespeople themselves, have a more positive list. But everyone has had some good experiences with salespeople. How did those experiences make you feel?

What behaviors did the salesperson engage in that resulted in your good experience?

4. Where does the negative stereotype of salespeople come from?

EXERCISE 1-2 HOW ARE SALESPEOPLE PORTRAYED?

1. Search the internet (or identify characters in movies, shows, etc.) for five portrayals of salespeople. Do these sources reinforce a negative image of salespeople? If so, how?

2. Call and interview someone who buys from salespeople as part of his or her job. For example, you could visit a physician (or other health care practitioner) at the health center, a pharmacist, a locally owned retailer who is a dealer for one or more lines (like a car dealer, a farm equipment dealer, a tire dealer, etc.), a manager of a department store, or the manager of a grocery store. Ask the following questions

- A. How do salespeople help the interviewee accomplish his or her job objectives?

- B. What is it that the interviewee likes about his or her favorite salespeople?

- C. What is it that the interviewee likes least about salespeople in general? About his or her least favorite salesperson?

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3. Compare the portrait drawn of salespeople shown on the internet with that of your interviewee.

Connect Activities

Understand the Activities that Salespeople Perform

- **Activity Type:** Video Case
- **Learning Objectives:** Understand the activities that salespeople perform
- **Difficulty:** 2 Medium
- **Activity Summary:** This activity has a video with three questions that helps the student understand the activities that a salesperson might perform.

Activity

- **Introduction:** There are many activities that a salesperson might engage in during a normal day. In this activity, students will watch a video of a salesperson interacting with a customer. As students watch the interaction, they should think about the types of activities the seller is doing.

Candace, the salesperson, is attempting to sell Bare Performance Nutrition Field Bars to a grocery store buyer at Walmart, Jessica. Jessica has purchased other products from Bare Performance Nutrition in the past (e.g., collagen protein powder, In-Focus cognitive enhancer pills, Strong Greens packs to improve digestion), but not directly from Candace. This is the first time Candace has called on Walmart. The call is taking place in Jessica's conference room at her company's regional headquarters in Atlanta.