

SOLUTIONS MANUAL

INGRAM / LaFORGE / AVILA / SCHWEPKER / WILLIAMS

4

SELL

WHAT'S INSIDE:

STUDENT EDITION

A Student-Tested, Faculty-Approved Approach to Learning **Trust-Based Professional Selling**

Build Selling Skills With Real-World Role Plays, Cases, and Ethical Dilemmas

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SELL

Introduction

The purpose of this section of the manual is to provide materials to assist in planning and implementing interesting class sessions. Each Chapter consists of the following:

- Learning Outcomes
- Chapter Outline
- Developing Professional Selling Knowledge
- Group Activity
- Experiential Exercises
- Video Exercises
- Chapter Case
- Chapter Role Play
- On-Going Case



The **Learning Outcomes** section restates the learning outcomes for each chapter so that you do not have to refer to the text when planning class sessions.

The **Chapter Outline** section presents an outline containing the major headings and subheadings in a chapter. This is intended to make it easier for you to plan the structure and topic sequence for each class.

The **Developing Professional Selling Knowledge** sections provide examples of answers to the end-of-chapter discussion questions.

The **Group Activity** section contains an in-class group activity created to reinforce concepts presented in the chapter.

The **Experiential Exercises** offer various types of in-class exercises that allow the students to put into practice what they are learning from the book and class lecture. Each of these exercises contains a stated learning objective, and most of the exercises contain an estimated time frame and tips for the instructor. The instructor may assign these exercises to individuals or groups and as either an in-class (time permitting) exercises or as homework.

The **Video Exercises** accompany the six video clips found on the book's website (4ltrpress.cengage.com/sell). Successfully answering the questions requires students to watch the corresponding video clips, reflect on the content, and then apply what they've learned from the text.

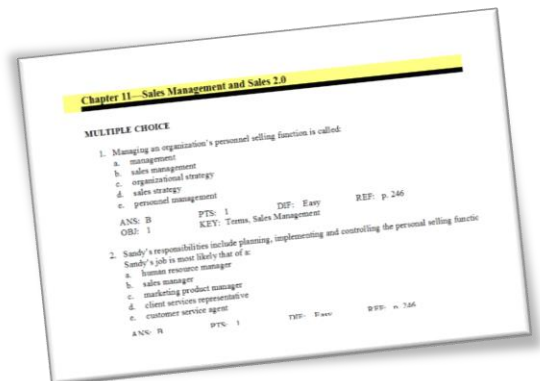
The **Chapter Cases** that accompany each chapter provide a real-world situation involving concepts presented in the corresponding chapter. Working through the case questions will help students get a better grasp on the concepts presented in the corresponding chapters. Note: Many of the cases include a brief role play exercise.

The **Chapter Role Plays** were created to involve students directly in the modeling and learning process. Participating in the role plays will give students the opportunity to “learn-by-doing” and serve to reinforce concepts presented in the chapter.

The **On-Going Cases** at the end of the chapters share the same central character, but each situation is contextually consistent with the material presented in the corresponding chapter. As you progress through the text students will become familiar with the central character which should allow them to better participate in the role plays and learn from each.

Test Bank

The **Test Bank** contains over 1200 multiple-choice, true-false, and fill-in the blank questions. Each question contains the answer choices, the correct answer, the page reference, the associated learning objective, and a difficulty rating. A computerized version of the test bank is available for use with the Microsoft Windows operating system. The computerized version allows you to preview, edit, or add test questions, and to print “scrambled” forms of tests and answer keys.



Sample Course Schedules

Traditional – Following the Chapters as Presented

Week	15 Week Semester	10 Week Quarter	8 Week Summer Session
1	Chapters 1, 2	Chapter 1	Chapters 1, 2
2	Chapter 2	Chapter 2	Chapter 3
3	Chapter 3	Chapter 3	Chapter 4
4	Chapters 3, 4	Chapter 4	Chapter 5
5	Chapter 4	Chapter 5	Chapter 6
6	Chapter 4, 5	Chapter 6	Chapter 7, 7A
7	Chapter 5	Chapter 7	Chapters 8
8	Chapter 5,6	Chapter 7A	Chapters 9, 10
9	Chapters 6	Chapter 8	
10	Chapter 6,7	Chapter 9, 10	
11	Chapter 7		
12	Chapters 7,8		
13	Chapters 8		
14	Chapters 8, 9		
15	Chapter 9, 10		

Sales Process First – The Sales Process First

This sequence covers the sales process first and is an option for faculty who would like to have students conducting sales calls (e.g., role plays) earlier in the semester.

Week	15 Week Semester	10 Week Quarter	8 Week Summer Session
1	Chapters 5	Chapter 5	Chapters 5, 4
2	Chapter 5, 4	Chapter 4	Chapter 6, 7
3	Chapter 4, 6	Chapter 6	Chapter 8, 9
4	Chapters 6	Chapter 7	Chapter 9,2
5	Chapter 7	Chapter 8	Chapter 2, 3
6	Chapter 7, 8	Chapter 9	Chapter 3, 10
7	Chapter 8	Chapter 2	Chapters 10, 11
8	Chapter 9	Chapter 3	Chapters 11, 1
9	Chapters 9, 2	Chapter 10, 11	
10	Chapter 2	Chapter 11, 1	
11	Chapter 3		
12	Chapters 3, 10		
13	Chapters 10, 11		
14	Chapters 11		
15	Chapter 1		

Chapter One — Overview of Personal Selling

Learning Outcomes

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.
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.

Chapter Outline

- I. **Introduction**
- II. **Personal Selling Defined**
- III. **Trust-Based Relationship Selling**
 - A. Importance of Customer Value
 - B. Importance of Sales Dialogue
- IV. **Evolution of Personal Selling**
- V. **Contributions of Personal Selling**
 - A. Salespeople and Society
 1. *Salespeople as Economic Stimuli*
 2. *Salespeople and Diffusion of Innovation*
 - B. Salespeople and the Employing Firm
 1. *Salespeople as Revenue Producers*
 2. *Market Research and Feedback*
 3. *Salespeople as Future Managers*
 - C. Salespeople and the Customer
- VI. **Alternative Personal Selling Approaches**
 - A. Stimulus Response Selling
 - B. Mental States Selling

- C. Need Satisfaction Selling
- D. Problem-Solving Selling
- E. Consultative Selling

VII. The Trust-Based Sales Process

VIII. Sales Careers

A. Characteristics of Sales Careers

1. *Occupational Outlook*
2. *Advancement Opportunities*
3. *Immediate Feedback*
4. *Job Variety*
5. *Independence*
6. *Compensation*

B. Classification of Personal Selling Jobs

1. *Sales Support*
2. *New Business*
3. *Existing Business*
4. *Inside Sales*
5. *Direct-to-Consumer Sales*
6. *Combination Sales Jobs*

C. Qualifications and Skills Required for Success by Salespeople

Exercises

Developing Professional Selling Knowledge

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

The primary difference between personal selling and other forms of marketing communications is that mass markets, are interactive, and occur before during and after the sale.

2. What are the key differences between transaction-focused traditional selling and trust-based relationship selling?

In transaction-focused traditional selling, salespeople are focused on maximizing short-run gain, and are self-oriented rather than customer-oriented. Little attention is given to uncovering needs or providing customized solutions. Instead, selling tactics including a heavy reliance on objection handling and closing techniques. Little to no post sale follow-up is provided by the salesperson unless it is focused on another transaction.

In contrast, trust-based relationship selling strategies focus initiating, developing and enhancing long-run mutually beneficial relationships with the customers. Selling methods are customer-oriented, focusing on need discovery and presentation of customized solutions. Post-sale follow-up is considered an important part of the relationship development process.

3. What factors will influence the continued evolution of personal selling?

The continued evolution of personal selling as a profession is necessary in response to the ever-growing complexity of our dynamic environment. Factors that will influence this evolution include the increased sophistication of buyers, economic uncertainties, and new computer technologies. Other issues include: Intensified competition, more emphasis on improving sales productivity, fragmentation of traditional customer bases, customers dictating quality standards and other procedures, and greater demand for in-depth, specialized knowledge as an input to purchase decisions.

4. How do salespeople contribute to our society? Are there negative aspects of personal selling from a societal perspective?

Salespeople contribute to society's goal of economic growth in two basic ways. First, they act as stimuli for economic transactions by initiating action within the business world. In a fluctuating economy, salespeople make invaluable contributions by assisting during recovery cycles and by helping to sustain periods of relative prosperity.

Salespeople also contribute to our society by playing a critical role in the diffusion of innovation, the process whereby new products, services, and ideas are distributed to the members of society. Consumers who are likely to be early adopters of an innovation often rely on salespeople as a primary source of information. Consumers often exhibit strong resistance to change, but change is necessary in the long run for the continued progress and/or survival of the society. By encouraging the adoption of innovative products and services, salespeople make a positive contribution to society.

The negative aspects of personal selling can become apparent when salespeople allow themselves to exhibit unethical conduct. If salespeople mislead a consumer regarding a product or service for their own or their company's benefit, then society is negatively impacted. Society's perception of personal selling as a professional and ethical occupation is adversely affected and salespeople's credibility as accurate sources of new information is damaged.

5. What are the primary contributions made by salespeople to their employers?

Salespeople make three important contributions to their firms. First, they are the direct producers of revenue in most business firms. Second, they play an important role in market research and in providing feedback to their firms. For instance, salespeople can provide information about customer-requested additions to the product line.

One further contribution that salespeople make to their firm is serving as a pool of candidates for promotion into management positions. The sales job is often considered an entry-level position providing the right foundation for future management assignments.

6. Most businesses would have a difficult time surviving without the benefits of the salespeople who call on them. Do you agree?

Yes, because customers benefit from salespeople in many ways. Buyers expect salespeople to contribute to the success of the buyer's firm. Salespeople do so by providing valuable information to buyers and using their problem-solving skills to benefit the buyer's firm.

7. How are need satisfaction and problem-solving selling related? How do they differ?

Need satisfaction and problem-solving selling are related in that each seeks to uncover and satisfy the needs of the buyer. Problem-solving selling differs from need satisfaction selling in that it seeks to identify a set of alternative solutions, which may include a competitor's product, to satisfy the buyer's needs.

8. How does the consultative selling approach differ from problem-solving and need satisfaction selling? Explain the three key roles of consultative salespersons.

Consultative selling differs from problem-solving selling in that this type of selling is focused on helping customers reach their strategic goals, not merely solving immediate problems or filling immediate needs. To engage in consultative selling, the salesperson must possess a great deal of knowledge about the customer's business and industry. This is necessary so that the salesperson can provide the customer with insight into all areas of his/her business that influence their ability to reach their strategic goals.

The three key roles of consultative salespeople include the strategic orchestrator, the business consultant, and the long-term ally. As the strategic orchestrator, the salesperson's primary job is to utilize the resources of the sales organization to help the customer obtain his/her strategic objectives. As the business consultant, the salesperson's job is to become an expert on the customer's business and industry. This often entails seeking internal and external resources in order to become better educated with respect to the customer's business. As a long-term ally, the salesperson's job is to support the customer even if a sale is not expected in the short term.

9. How important is teamwork between the customer and the sales organization in practicing consultative selling? How does teamwork within the sales organization factor into consultative selling?

Teamwork between the customer and sales organization is essential if consultative selling is to be successful. This is especially true when the salesperson is assuming the role of a strategic orchestrator and a long-term ally. Teamwork within the sales organization is also essential given that internal resources must be directed toward helping the organization's customers achieve their strategic goals.

10. Discuss the final step of the sales process (enhancing customer relationships) as related to the continuing evolution of personal selling.

The final step of the sales process is enhancing customer relationships, and it is an important part of the continuing evolution of personal selling. As personal selling evolves from a transaction-oriented process into a relationship management process, the ability of the salesperson to enhance relationships will become increasingly important.

Group Activity

Word Association: The Image of Salespeople

Before placing students into teams, ask them to spend two minutes thinking of positive and/or negative words that come to mind when they hear the word "salespeople." Instruct the students to make a list of these words. Now put the students into three-person teams. Allow 10 minutes for each team to compare thoughts and develop a list of words associated with the word "salespeople." Next, ask each one team to share their list with the class. Record these responses on the board in two columns, one positive and the other negative. Continue recording responses from each team, then discuss the findings. Many students often negatively stereotype salespeople. This is typically a result of perceptions they have formed about salespeople from their encounters with retail salespeople, movies negatively portraying salespeople, and accounts of salespeople in the popular press. Discussion can focus on the characteristics a professional salesperson should possess and how the negative stereotypes of salespeople can be overcome.

The purpose of this exercise is to bring to the surface negative stereotypes associated with salespeople and selling. Most students will have at least some negative attitudes towards salespeople and selling because of their limited exposure to professional selling. Instructors should use this exercise as an opportunity to assure the students that the focus of the course is on trust-based relationship selling, a type of selling that is markedly different from the stereotypes permeated by the media and door-to-door selling.

Experiential Exercises

Understanding What It Takes to Succeed in Sales

Objective: Build awareness that sales requires a high knowledge and skill levels and that salespeople must be well-prepared when calling on customers.

Time Required: Two hours outside of class (one hour to conduct an interview with a sales professional, one hour to write an interview summary).

Teaching Tip: In some instances, this assignment will be better suited to a team approach with 2-3 students per team. Salespeople from organizations that recruit on campus can be a good source of interview candidates.

Have students interview a salesperson to better understand what it takes to be successful in professional selling. In addition to the following interview questions, require students to develop two additional questions for their interviews.

- 1. What are the key skills required in your job?**
- 2. What do you need to know about your products/services in order to succeed?**
- 3. How has professional selling changed in the past few years?**
- 4. How do you prepare for sales calls with new customers?**

Students should write a summary report of their interviews and be prepared to discuss their key conclusions in class.

Video Exercises

Overview of Personal Selling

Preview all six scenes.

Empathy, ego drive, strong interpersonal communication, and enthusiasm are some of the qualities required to be a successful sales professional. As you progress through this course it will be beneficial to keep some of these qualities as an organizing framework to refine and build your skill set.

Mark – Manager for Player One

Lisa – Sales Rep for Alpha Tech – Security system provider trying to earn the customer away from Goodman

Jim – Sales Rep for Goodman – Current provider of security system

Ask your students:

- 1. Review the videos and comment on the sales professional's performance in areas mentioned above.**

Students answers will vary but should address a couple of key issues. Both salespeople demonstrate some empathy and decent interpersonal communication skills. Jim seems to be assuming he will win the contract because he is the current provider and because he has a good relationship with Mark. As a result, Lisa demonstrates greater enthusiasm than Jim.

- 2. Comment on the role that these sales people contribute to society.**

Students' answers will vary, but should include mention of the diffusion of innovation. For example: Both salespeople are helping with the diffusion of innovation – informing Mark about new security technology. In addition, both are trying to help stimulate the economy by proposing Mark spend 40 – 50 thousand dollars on a new security system.

3. What managerial roles do you see in the clip?

Students are likely to have some difficulty with this question as none of the clips includes managers (other than the customer). However, Jim appears to have greater autonomy than Lisa as he is able to make changes to the proposal (e.g., price discount) without needing managerial approval. Both salespeople seem to be able to manage their respective sales support personnel (i.e., IT folks) to effectively to generate an appropriate solution.

Chapter 1 Case

Specialty Sports Inc.

Summary: Jeff Weatherby, sales representative for Specialty Sports Inc. (SSI), is a California-based supplier of custom-made novelty sports items such as bobble-head figures, caps, sunglasses, and sweatshirts. Jeff was recently relocated to Indianapolis and was eager to grow his territory. By most indications, Jeff was a good salesperson and had received nothing but positive feedback from his sales manager, Felicia Johnson. During his first 60 days in Indianapolis, Jeff had landed some major customers and was optimistic about landing another important account, H2G, a large manufacturer of garden tools.

Jeff did his research on H2G in preparation for his sales call with Greg Cox, Director of Marketing for H2G, but the call did not go well. An unexpected snow storm had created traffic delays throughout the area, and consequently, Jeff was late for his meeting with Greg. As the sales call progressed, Jeff did most of the talking . . . telling Greg about SSI and its capabilities. While Jeff and Greg did discuss H2G's regular use of tradeshow as a tool to stimulate sales, Jeff asked only one question (What works well for you in terms of standing out at those shows?) related to H2G's tradeshow strategy. He did not ask about H2G's tradeshow objectives or budget. Greg's interest in continuing the call waned and he ended the meeting abruptly, indicating he would contact Jeff if H2G developed an interest in what SSI offered. Jeff left without making another appointment.

Discussion Questions

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

- Failed confirm that Greg knew Jeff would be late
- Spent too much time early in the call talking about SSI without asking Jeff what he knew about SSI.
- Did not ask enough questions to determine Greg's needs.
- 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.
- Did not ask about H2G's trade show objectives.
- Did not ask about H2G's trade show budget.
- Did to gain commitment to pressing the sale.

2. If you were Sharon's sales manager, what would you recommend she do to improve her chances of succeeding?

First, Jeff should always pay attention to weather conditions that may create delays and plan accordingly. If he is going to run late, Jeff should make sure his customers know. 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 his goal is to develop a trust-based relationship, and that such a relationship is developed through sales dialogue, not a sales monologue. 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 well-rehearsed contingency plan in place so he can end the meeting professionally and with a some degree of commitment to a "next step."

Role Play

Ask six students to participate in a role play (one playing Jeff, four playing other SSI Sales Representatives, and one playing Jeff's Manager Felicia) in which Jeff describes to his colleagues and his sales manager his sales call with Greg. The description should focus on how his sales call matches up with transaction-focused or trust-based focused selling behaviors (see Exhibit 1.1). When finished, have the class discuss the following:

1. Is Jeff's review of his sales call accurate?
2. What steps should Jeff take to begin to develop a strong relationship with Greg Cox at H2G?

Chapter 1 Role Play

Biomod, Inc.

Summary: Biomod, Inc. is a California-based manufacturer of educational models of the human body. It sells its products primarily to middle schools in the United States. Five years ago it began selling consumer versions of its models through selected specialty educational toy stores and recently began selling on its own Web site. Zack Wilson, a recent graduate who has been employed with Biomod as a sales representative for electronic retailing accounts for the past six months, just landed two big Internet retailers, Hypermart.com and Ed-Toys. Zack is having a problem with Andrea Haughton, a buyer at Ed-Toys, who is upset about Hypermart.com's heavy discounting of Biomod's line. Moreover, one of Zack's colleagues, Barbara Moore, who sells to retail stores, complained to Zack that one of her big customers is upset about Hypermart.com's discounting and she fears she may lose the account and subsequently others. When Zack met with Warren Bryant, Hypermart's buyer for the Biomod line, to discuss the discounting issue, Warren informed him that Hypermart was not concerned about profit margins, but rather market share, and was not interested in raising its prices on the Biomod line. Moreover, he told Zack that Hypermart.com was not happy that Biomod was selling over the Web nor that it was providing software for its retail customers to do the same. Warren left Zack with the impression that he might sever their business relationship.

This case revolves around the issue of channel conflict. Zack's troubles may in part be due to flaws in his prospecting, wherein he did not match the needs of a prospect with the strategy of the organization.

Role Play Activity

Characters: Zack Wilson, Biomod sales representative; Rebecca Stanley, Biomod sales manager.

Scene 1: *Location*—Stanley's office. *Action*—Wilson explains to Stanley what has occurred with the Ed-Toys and Hypermart accounts. Rather than telling Wilson how to deal with Hypermart and Ed-Toys from this point forward, Stanley directs Wilson to devise his own strategy. Rebecca then tells Wilson that she would like to visit both accounts with him within a week, and that she would like to review his strategy for Hypermart and Ed-Toys within 48 hours.

Upon completion of the role play, address the following questions:

1. Is Stanley justified in telling Wilson to devise his own strategy rather than giving him specific direction at this time? What are the advantages and disadvantages of her approach?

Yes, Stanley is justified in telling Wilson to devise his own strategy. The advantage to this approach is that it forces Wilson to think about the issue, learn more about problem-solving, and gives him greater ownership in the solution. The primary disadvantage is Wilson's lack of experience is likely to lead to an unrealistic or otherwise problematic solution.

2. How could this situation have been prevented?

Students' answers will vary. Some ideas include establishing clear expectations with regard to reseller activity (e.g. implementing a retail price maintenance program) and to stop selling the products on Biomod's website.

Scene 2: *Location*—Stanley's office. *Action*—Wilson presents his strategy to Stanley.

Upon completion of the role play, address the following questions:

1. What are the strengths and weaknesses of Wilson's interaction with Ed-Toys and Hypermart?

Students' answers will vary. However, it's worth noting that in both cases, the conversation is somewhat adversarial in nature. Wilson would have benefited from attempting to be more collaborative. Finally, Wilson is candid in both interactions, and perhaps too candid with Bryant. He did not need to share with Bryant the idea that store division is helping its retailers set-up websites.

2. What further suggestions can you make for dealing with Hypermart and Ed-Toys?

Students' answers will vary. However, Wilson needs to work on developing a more collaborative communication style, seeking ways to help each customer identify new opportunities. In any case, Wilson should avoid taking sides while, in the absence of a retail price maintenance program or other control mechanism, negotiating a reasonable solution with Hypermart and Ed-Toys.

Chapter 1 Continuing Case

Introduction

The National Copier Company (NCC) sells a variety of copiers to small and medium-sized businesses. NCC has been in business for five years and has been growing at a steady pace. NCC differentiates itself from other copier companies by customizing its products to meet the specific needs of each customer and by providing excellent customer service. The company's salesforce plays a key role in creating value and managing customer relationships. Brenda Smith has been a NCC salesperson for the past three years. She has steadily improved her sales performance during her time with NCC, and now is in the top one-fourth of all NCC sales representatives as measured by two key metrics: overall sales volume and customer satisfaction. Brenda has been especially successful with small professional firms, such as attorneys, architects, accountants, and medical professionals. She is excited to begin her fourth year with NCC and has established challenging goals to increase sales from existing customers and to generate new customers.

Brenda recently met with Pat Brady, her sales manager and was quite excited about the upcoming year. Pat had told Brenda that she was progressing toward a possible promotion into sales training if she had another good year in her sales position. In addition, Pat gave Brenda this feedback: "Brenda, I think you are doing a fine job with your customers, but I would like to see you become more of a consultative salesperson in the coming year. I would also like for you to sharpen your group communications skills, as that will be important if you are promoted into sales training. We will talk about the specifics more as the year goes along. Meanwhile, thanks for your results to date and good luck with the upcoming year."

Questions

- 1. Brenda had been thinking about Pat Brady's feedback that directed her to become more of a consultative salesperson. In thinking about her own selling approaches, she knew that she had been concentrating on the needs satisfaction and problem-solving approaches. What must Brenda do to become a more consultative salesperson?**

To become more of a consultative salesperson, Brenda needs to shift her focus from helping her customers solve copier-related problems to helping her customers reach their strategic objectives. This will require her to expand her involvement with her customers, looking for opportunities to help her customers obtain their strategic objectives through the products she sells as well as the business expertise and other resources she and her company can provide. Brenda will need to serve as a strategic orchestrator, a business consultant, and a long-term ally. To fill these roles, Brenda will need to become an expert with respect to her company's capabilities and the industries in which her customers compete. She will also need to demonstrate the trustworthiness necessary for organizations to share with her their strategic goals.

- 2. Three months later, Brenda was having mixed results with the consultative selling approach. She was finding that some of her customers just wanted the convenience of having a copier in their offices, and did not seem eager to discuss their strategic goals. She was beginning to wonder about the consultative selling model, thinking it was not such a good idea after all. What recommendations do you have for Brenda?**

First, Brenda needs target for a consultative relationship only those customers with whom she is likely to generate enough revenue (now or in the future) to make the consultative approach profitable (at least in the long-run). Given the appropriate set of customers, Brenda needs to respect and appreciate the relationship-orientation of each of those customers. Some will desire a consultative relationship and others will not. Further, developing and maintaining a consultative relationship requires greater effort and time. It's unlikely she would be able effectively maintain a consultative relationship with all of her customers. Finally, I would suggest that as she gains experience, competence, confidence, and a successful track record in her role as a consultative salesperson, she will be better able to win-over some of the customers currently not interested in that sort of relationship.

- 3. A month before the annual meeting for all NCC sales representatives, Pat Brady told Brenda, “For the upcoming meeting, I want you to prepare a 10 minute presentation about the pros and cons of the basic selling approaches that we use at NCC compared to our competitors.” NCC’s sales training program advocated the use of needs satisfaction, problem-solving, and consultative selling. Many of NCC’s key competitors used the same approaches. However some of the toughest competitors used stimulus response and mental states (AIDA) approaches. This latter category of competitors often stressed lower prices and utilized telemarketing instead of field sales representatives in selling their products. Put yourself in Brenda’s role and prepare the presentation requested by Pat Brady.**

Students’ answers will vary but should include some discussion of the idea that stimulus response and mental states approaches are transaction-focused traditional selling approaches rather than a trust-based relationship approach. These approaches combined with lower prices and less interpersonal interaction tend to produce price-loyal customers. This represents a disadvantage for NCC, especially if the market begins to commoditize copiers (i.e., fails to recognize any difference between competing offers). Another disadvantage of the problem-solving, need satisfaction, and consultative selling approaches is that they require a greater investment in sales training and, subsequently, are more expensive to utilize (relative to telemarketing and other non-interpersonal forms of sales communication).

The primary advantage of the trust-based relationship approaches (i.e. problem solving, need satisfaction, and consultative) is that they tend to build loyal customers and provide a certain degree of insulation against price competition. In addition, by working more closely with their customers through interpersonal interaction, NCC salespeople are in a better position to identify other opportunities (e.g. identify problems of which the customer may not yet be aware) and provide more customized solutions.

- 4. Early in the year, Pat Brady told Brenda that her efforts were needed to gain more exposure for NCC’s college recruiting program: “Brenda, I want you to be part of a two-person team to help with recruiting on two college campuses in your territory. The other team member will be an experienced recruiter who had sales experience before moving into recruiting. The two of you should seek out opportunities as guest speakers for classes and student organizations. Your role will be to talk about how sales can be a great place to start a career, and for some, a great career path. Think about the future of selling and what it takes to be successful and share your thoughts with students.” Acting as Brenda, make note of ten key points you would like to make about the future of professional selling and what it takes to be successful. (Hint: be sure you read the online Appendix to Chapter 1 along with Chapter 1 before you undertake this task.)**

Students’ answers will vary but may include mention of: (Advantages) job security, advancement opportunities, immediate feedback, prestige, job variety, independence, and high compensation. (What it takes to be successful) empathy, strong ego drive, self-motivation, ethical behavior, strong interpersonal communication skills.

Chapter Two — Building Trust and Sales Ethics

Learning Outcomes

1. Explain what trust is.
2. Explain why trust is important.
3. Understand how to earn trust.
4. Know how knowledge bases help build trust and relationships.
5. Understand the importance of sales ethics.

Chapter Outline

- I. Introduction**
- II. What is trust?**
- III. Why is Trust Important?**
- IV. How to Earn Trust**
 - A. Expertise
 - B. Dependability
 - C. Candor
 - D. Customer Orientation
 - E. Compatibility/Likeability
- V. Knowledge Bases Help Build Trust and Relationships**
 - A. Industry and Company Knowledge
 - B. Product Knowledge
 - C. Service
 - D. Promotion and Price
 - E. Market and Customer Knowledge
 - F. Competitor Knowledge
 - G. Technology Knowledge

VI. Sales Ethics

- A. Image of Salespeople and Sales Executives
- B. Deceptive Practices
- C. Illegal Activities
- D. Non-Customer-Oriented Behavior
- E. How Are Companies Dealing with Sales Ethics?

Exercises

Developing Professional Selling Knowledge

1. What is the essence of trust for a salesperson?

Students' answers will vary. The answers should include some description of the buyer relying on the salesperson's words or actions in situations where such reliance involves risk to the buyer.

2. If trust means different things to different buyers, how is a salesperson to determine what trust means for each buyer?

The salesperson must determine what trust means for each buyer by asking questions, listening to the responses, and making general observations. This is the only way the salesperson will be able to learn what trust attributes are critical to relationship-building for a specific buyer.

3. Why is trust important to a salesperson?

Today's customers are more sophisticated, more informed (or at least have access to more information), and more aware of traditional manipulative "sales tactics." In addition, buying organizations are interested in taking advantage of efficiencies associated with using a smaller number of suppliers. Salespeople who understand these characteristics know that the stereotypical type of selling (e.g., manipulative, pushy, aggressive) is ineffective and that building mutually beneficial relationships with their customers is the only way to compete in the new millennium. Trust is important to a salesperson because it is essential for building these long-term relationships.

4. How might a salesperson go about earning trust?

Students' answers will vary, but they should include discussion of the basic building blocks of trust, including expertise, dependability, candor, customer orientation, and compatibility/likeability.

5. What does it mean for a salesperson to have a customer orientation?

Customer orientation means the salesperson is as concerned about their customers' interest as his or her own. It means truly understanding the customer's situation and then presenting fair and balanced solutions addressing the customers' needs. In other words, it means looking out for the customer. This requires salespeople to be honest, candid, and fair when dealing with the customer.

6. How would you rank the five trust builders in order of importance?

Students' answers will vary, but should include each of the five components (expertise, dependability, customer-orientation, candor, compatibility).

7. Explain why expertise is such an important relationship builder.

Expertise is such an important trust builder because it gives the salesperson credibility and is associated with several of the other trust builders. Credibility affords the salesperson a degree of the buyer's trust prior to the salesperson actually earning it. Expertise may help the salesperson earn the buyer's trust through the other trust builders. For example, salespeople with greater expertise are more likely to have greater competence and/or make more significant contributions.

8. How do knowledge bases help build trust and relationships?

Knowledge bases help build trust and relationships because they empower the salesperson to use the trust-building variable more effectively. For example, as salespeople gain more product knowledge, they are better able to demonstrate expertise and customer orientation (by more precise matching of solutions to needs) and make a stronger contribution.

9. Do you think certain knowledge bases are more important than others? Why?

Students' answer will vary but should include appropriate rationale based on the chapter content. Knowledge bases viewed as more important may vary depending up the buyer-seller relationship and the type of selling situation.

10. What are the three areas of unethical behavior? Discuss each.

The three areas of unethical behavior are deceptive practices, illegal activities, and non-customer-oriented behavior. Deceptive practices refer to any attempt by the salesperson to mislead or otherwise deceive the buyer. For example, a salesperson may exaggerate a product's benefits knowing that the buyer's decision will be based on (or that the buyer is relying on) those exaggerations. Illegal activities refer to a variety of activities in which the salesperson knowingly breaks the law. For example, a salesperson padding an expense reimbursement report is breaking the law. Non-customer-oriented behavior refers to actions taken by the salesperson that 1) are in conflict with the buyer's interests, and 2) are done so when other options are available that are more customer-oriented.

Group Activity

Ask students to think about their experiences with salespeople. Have them write down a short list of things salespeople have done that built trust and a short list of things salespeople have done that have damaged trust. Next, divide the class into small groups and have them discuss and combine their lists. Ask each group to present its list.

The purpose of this exercise is help students better understand trust-building and trust-damaging behaviors through shared experiences. Try to get students to share stories and identify how the behaviors described in those stories match one or more of the five components of trust.

Experiential Exercises

Building Relationships after the Sale

Objective: Your students will discover the importance of follow-up activities in building relationships.

Time Required: 10 to 15 minutes, or longer if working in groups.

Teaching Tip: Have students work in small groups to develop answers to the questions. Then let each group present its answers to the rest of the class.

Not many years ago, salespeople often thought that their jobs were complete once the order was signed. Today, for a business to survive, repeat business is critical. A greater emphasis has been placed on the follow-up stage of the selling process. Continued building of the relationship should be your goal well after the sale.

1. Show appreciation after the sale. How might you accomplish this?

Some suggestions include: a thank you card/letter/email, a follow-up phone call, a follow-up visit, or some other small but significant act not only thanking the customer for the business, but reassuring the customer that he/she made the right decision.

2. Monitor delivery and installation. Why is this important?

Answers should include some discussion of the following: First, monitoring delivery and installation demonstrates a customer orientation which helps to build trust. In addition, it gives the salesperson the opportunity to ensure that delivery and implementation are without incident, or the opportunity to quickly address incidents that arise.

3. Learn the names of the switchboard operator, receptionists, office manager, users of the product, etc. How might you accomplish this and why is it important?

A salesperson can learn the names of people in the customer's organization by asking for names, obtaining business cards, reading nametags, reading nameplates, and then keeping good records to ensure retention of the information. Knowing and using people's names helps the salesperson demonstrate customer orientation, dependability, compatibility and competence, each of which helps to build trust. Trust is essential to initiating, developing, and maintaining successful relationships.

Video Exercise

Building the Trust and Sales Ethics

Scene 1A, Meet the Eager Beaver, run time 2:42 minutes.

Professional salespeople will face a number of situations that will require that they make ethical choices throughout their careers. Sales people will relate with a multitude of people who are competitors and may want to use this relationship to gain information and ethical dilemma that Lisa faces.

Mark – Manager for Player One

Lisa – Sales Rep for Alpha Tech – Security system provider trying to earn the customer away from Goodman

Jim – Sales Rep for Goodman – Current provider of security system

Ask your students:

1. Which area of unethical behavior does Mark want Lisa to engage in?

Mark wants Lisa to share with him information about how much one of his competitors paid for its security system software. If Lisa were to share that information, she would be engaging in non-customer-oriented behavior.

2. Discuss how Lisa's answer can institute trust in her relationship with Mark as well as avoid her engaging in unethical behavior.

Lisa's avoidance of breaching the confidentiality she shares with her other customer, serves to ensure Mark that she can be trusted with his company's information. It is important to note that while sharing such information may seem useful in the short run (i.e., help get a sale), it is unlikely that prospective clients would ever truly trust a salesperson who does so. In fact, the buyer could have been testing the salesperson's integrity, and not really concerned about the information.

Chapter 2 Case

Kelly Meyers' Dilemma

Background

Kelly Myers has spent the past three months trying to gather all the information she needs to submit a bid on an order that is very important to her company. Bids are due tomorrow and the decision will be made within a week. She has made a great impression on the purchasing agent, Janet Williams, and she has just ended a conversation with her sales manager who believes Kelly needs to make one more call on Williams to see if she can find out any additional information that might help her prepare the bid. Kelly's boss specifically wants to know who the other bidders are.

Current Situation

Later that day, Kelly visited with Janet Williams. During the course of the conversation with Williams, Kelly asked who the other bidders were. Williams beat around the bush for a while, but she did not reveal the other bidders. She did mention the other bids were in and pulled the folder out of the filing cabinet where they were kept. Janet opened the file and looked over the bids in front of Kelly.

There was a knock on the door and Janet's boss asked if he could see her for a minute and she walked down the hall with her boss. Kelly realized all the bids were left out in front of her. There was a summary sheet of all of the bids on top and she could easily see all the bids. When Williams returned she returned the folder to the file and the two made some small talk and ended their conversation.

Kelly returned to her office and completed her bid and turned it in to Janet Williams the next morning. Kelly knew her bid would be the lowest by \$500.00. One week later Kelly learned she won the bid.

Discussion Questions:

- 1) What are the ethical issues involved in this situation?
- 2) If you were Kelly Myers, do you think Janet Williams intended for you to see the competitive bids? What would you have done given this situation? Why?

Chapter 2 Role Play

Brisbane Uniform Company

Case Background

Brisbane Uniform Company (BUC) specializes in providing uniforms to hotels and restaurants. BUC is a new company from Australia trying to break into the U.S. market. They have had trouble breaking into larger accounts (Marriott, Hilton, Sheraton) because as a new company, they don't have the name recognition in the United States.

As the Account exec in the area, you have been working on a new Hilton hotel with over 5,000 rooms and 500 employees. Recently you submitted a proposal and the buyer, Mark Dunn, has told you he is leaning your way with the order. He also told you that this order must come off without a hitch as his hide is on the line if things go wrong. You know there could be a problem down the road as one of your unions has been negotiating a contract that is about to expire. The last time this contract came up, there was a strike and orders were backlogged for weeks. The hotel has many customized uniforms and has to have these for their grand opening in three months. What is your obligation to the hotel having this information? This order will make your year and probably send you on a trip to Rome for exceeding quota.

Role Play Activity

Location—Mark Dunn's Office; *Action*—Role play a sales call with Mark Dunn addressing the issue in the case.

SELL

Chapter 2 Continuing Case

Because the National Copier Company (NCC) has only been in business for five years, Brenda Smith is concerned that most of her competitors are older than she is. The prospective customers she has been calling on state they know they can count on her competitors because they have a long track record. As NCC expands into new markets some of her prospects are not familiar with her company. One prospective customer, who works for one of the most prestigious and largest medical offices (30 doctors) in the area, told her he has been buying copiers from the same company for over twenty-five years. He also told her his sales representative for the company has been calling on him for over seven years, and he knows when he calls on his copier supplier for advice he can count on him for a solid recommendation. Brenda realizes these are going to be tough accounts to crack.

Brenda does have an advantage due to the high quality of NCC products. In a recent trade publication, NCC's copiers tied for first in the industry on ratings of copier quality and dependability. NCC was also given a high rating for service. Brenda has had this information for two weeks now and has brought it up in conversations with her prospective customers without much success. To make matters worse, one of her competitors must have started rumors about NCC. In the past month, she has heard the following rumors:

- "NCC is going out of business because of financial troubles."
- "NCC has missed several delivery deadlines with customers."
- "NCC's copiers have a software glitch that cannot be corrected."
- "NCC has cut its service staff."

Brenda knows these rumors are not true, but prospects might believe the rumors. At a recent sales meeting, Brenda's manager suggested that their competitors must be getting nervous about NCC's success, causing them to start such vicious rumors. Brenda is sitting at her desk trying to figure out what to do next and she is not exactly sure how to proceed.

Questions

1. What would you recommend Brenda do to handle the challenges she faces?

Students' answers will vary but should focus on trust-building activities. In particular, Brenda needs to build her knowledge base, including knowledge of her industry, company, products, services, prices, markets, customers, competitors, and technology. Do so will give her confidence and improve her credibility within her territory.

2. Brenda appears to have an advantage with her products and services. Develop a plan for Brenda to build trust in NCC with prospective customers.

Again, students' answers will vary. However, the plans students develop should include a heavy reliance on activities designed to demonstrate competence, dependability, and customer orientation.

3. What do you recommend Brenda do to compete effectively against competitors that have a long and successful track record?

First, Brenda needs to engage in activities designed to develop a sense of compatibility with her customers. This will help her gain access and build trust. In addition, Brenda needs to become an expert in her industry and market, knowing exactly how her products compare with those of her competitors. Using this information, Brenda needs to look for opportunities arising based on her product's (and company's) competitive advantages, and/or her customers' dissatisfaction with their copier providers.

4. How should Brenda go about handling the rumor mill?

Because the text contains no specific recommendations or guidelines for this sort of situation, students' answers will vary. However, the recommendations should center on strategies for correcting the misinformation and building trust. Recommendations should not include any behavior that may be considered unethical, like making disparaging statements regarding the competitors.

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