Professional Selling

A Trust-Based Approach

Ingram • LaForge • Avila

Schwepker Jr. • Williams

Professional Selling:
A Trust-Based Approach

2nd Edition

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To Jacque
—Thomas N. Ingram

To Susan, Alexandra, Kelly, and
in memory of my Mom and Dad
—Raymond W. LaForge

To Terry, Sarah, Anne, Ryan,
Laura, Kate, and my parents
—Ramon A. Avila

To Laura, Charlie III, Anthony, my Mom,
and in memory of my Dad, "Big C"
—Charles H. Schwepker Jr.

To Marilyn, Aimee and Rodney, Kerri and Bart,
my Mom, and in memory of my Dad
—Michael R. Williams

PREFACE

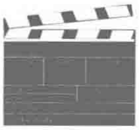
The basic objective of the second edition of *Professional Selling: A Trust-Based Approach*, is to provide students with comprehensive coverage of contemporary professional selling in an interesting and challenging manner. This objective is achieved by integrating recent sales research with leading personal selling practice in an effective, time-tested pedagogical format. The major professional selling topics are addressed in separate modules. These modules are then presented in a logical sequence from the perspective of a professional salesperson. Each module contains similar pedagogical approaches to facilitate student learning.

This text is targeted to the undergraduate student enrolled in a one-semester or one-quarter personal selling class. However, it is sufficiently rigorous for use at the MBA level, if supplemented with additional materials. The 10-module format provides in-depth coverage of professional selling, but also allows sufficient time for role playing and other active learning processes so popular in sales classes.

CHANGES IN THIS EDITION

Several noteworthy changes have been made in the second edition of *Professional Selling: A Trust-Based Approach*. It has become increasingly clear to the author team that most professors want to introduce their students to the sales process and alternative selling models at the beginning of the course. Further, most professors find it necessary to build a foundation for selling that precedes in-depth material in the areas of sales strategy and sales techniques. With this in mind, we made these changes in the text organization:

- The 10 modules now include an expanded Overview module and nine remaining modules organized into four parts. Module 1 provides additional coverage on personal selling, introducing the sales process and various approaches to selling. Consultative selling is among the approaches to selling covered in Module 1.
- Following the Overview of Personal Selling, the text is organized into four parts. This organization, new to this edition, includes three modules as the Foundations of Professional Selling (Part I). Part I gives in-depth coverage to trust-building and sales ethics; understanding buyers, and communications skills. Part II, Initiating Customer Relationships, is comprised of two modules. Topics in Part II include prospecting, the preapproach, presentation planning, and approaching the customer. The two modules in Part III, Developing Customer Relationships, focus on sales presentation delivery, addressing customer concerns, and earning commitment. Part IV, Enhancing Customer Relationships, concludes the text with two modules on how salespeople can add value to customer relationships. Key topics include adding value through follow-up, self-leadership, and teamwork.



ROLE PLAY

- We have added many role plays throughout the book. Each role play is indicated by the icon in the margin: Many of the ethical dilemmas have been set up as role plays in the Building Professional Selling Skills section of each module. Almost all of the short cases appearing at the end of each module have also been translated into role play situations. These appear at the end of each case in the Making Professional Selling Decisions section of each module. The role plays offer an opportunity to get students actively involved in realistic portrayals of professional selling activities.

- We have added additional exercises to the Building Professional Selling Skills section of most modules. Many of these exercises require the use of the Internet. Others emphasize various types of selling activities and some involve role plays.
- All of the Opening Vignettes used to introduce a module are new. These vignettes are intended to generate student interest by presenting professional salespeople and sales executives on the job.
- The "Professional Selling in the 21st Century" boxes in each module have been revised. Several new salespeople and sales executives have been added to our Professional Selling Panel. These panelists created "best practices" comments for specific modules. In other cases, panelists updated and revised comments made for our last edition.

MODULE PEDAGOGY

The following pedagogical format is used for each module to facilitate the student learning process.

Objectives. Specific learning objectives for the module are stated in behavioral terms so that students will know what they should be able to do after the module has been covered.

Opening Vignettes. All modules are introduced by an opening vignette that typically consists of a recent, real-world company example addressing many of the key points to be discussed in the module. These opening vignettes are intended to generate student interest in the topics to be covered and to illustrate the practicality of the module coverage.

Key Words. Key words are highlighted in bold type throughout each module and summarized in Understanding Professional Selling Terms at the end of the module to alert students to their importance.

Boxed Inserts. Each module contains two boxed inserts titled "Professional Selling in the 21st Century." The comments in these boxes are provided by members of our Professional Selling Panel and were made specifically for our text.

Figure Captions. Every figure in the text includes a summarizing caption designed to make the figure understandable without reference to the module discussion.

Module Summaries. A module summary recaps the key points covered in the module by restating and answering questions presented in the learning objectives at the beginning of the module.

Developing Professional Selling Knowledge. Ten discussion questions are presented at the end of each module to review key concepts covered in the module. Some of the questions require students to summarize what has been covered, while others are designed to be more thought provoking and extend beyond module coverage.

Building Professional Selling Skills. Application exercises are supplied for each module, requiring students to apply what has been learned in the module to specific personal selling situations. Many of these exercises allow students to record responses directly in the book. This encourages active learning in a workbook format.

Making Professional Selling Decisions. Each module concludes with two short cases. Most of these cases represent realistic and interesting professional selling situations. Many are designed so that students can role play their solutions.

SUPPLEMENTS

Instructor's Resource CD (IRCD)

The Instructor's Resource CD delivers all the traditional instructor support materials in one handy place: a CD. Electronic files are included on the CD for the complete

Instructor's Manual, Test Bank, computerized Test Bank and computerized Test Bank software (ExamView), and chapter-by-chapter PowerPoint presentation files that can be used to enhance in-class lectures.

- **Instructor's Manual**
  The Instructor's Manual for the second edition of *Professional Selling: A Trust-Based Approach* contains many helpful teaching suggestions and solutions to text exercises to help instructors successfully integrate all the materials offered with this text into their class. Each module includes the following materials designed to meet the instructor's needs.
  - Learning objectives
  - Module outline and summary
  - Ideas for student involvement
  - Possible answers to review sections in the text, Developing Professional Selling Knowledge and Building Professional Selling Skills
  - Ideas for how to incorporate the role play exercises found in the text into the classroom setting, as well as suggestions for conducting the Role Plays

  The Instructor's Manual files are located on the IRCD in Microsoft Word 2000 format.

- **Test Bank**
  The revised and updated Test Bank includes a variety of multiple choice and true/false questions, which emphasize the important concepts presented in each chapter. The Test Bank questions vary in levels of difficulty so that each instructor can tailor his/her testing to meet his/her specific needs. The Test Bank files are located on the IRCD in Microsoft Word 2000 format.

- **ExamView (Computerized) Test Bank**
  The Test Bank is also available on the IRCD in computerized format (ExamView), allowing instructors to select problems at random by level of difficulty or type, customize or add test questions, and scramble questions to create up to 99 versions of the same test. This software is available in DOS, Mac, or Windows formats.

- **PowerPoint Presentation Slides**
  Created by an expert in the field of sales, Scott Inks of Ball State University, this package brings classroom lectures and discussions to life with the Microsoft PowerPoint 2000 presentation tool. Extremely professor-friendly and organized by chapter, these chapter-by-chapter presentations outline chapter content. The eye-appealing and easy-to-read slides are, in this new edition, tailored specifically to the *Professional Selling* text from the Ingram author team. The PowerPoint presentation slides are available on the IRCD in Microsoft 2000 format and as downloadable files on the text support site (http://ingram-sales.swlearning.com).

Web site

Visit the text web site at http://ingram-sales.swlearning.com to find instructor's support materials as well as study resources that will help students practice and apply the concepts they have learned in class.

- **Student Resources**
  - Online quizzes for each chapter are available on the web site for those students who would like additional study materials. After each quiz is submitted, automatic feedback tells the students how they scored and what the correct answers are to the questions they missed. Students are then able to email their results directly to their instructor if desired.
  - Crossword quizzing of glossary terms and definitions arranged by chapter is also available for extra review of key terms found in the text.
  - Students can download the PowerPoint presentation slides from the web site.

- **Instructor Resources**
  - Downloadable Instructor's Manual files are available in Microsoft Word 2000 format and Adobe Acrobat format.
  - Downloadable PowerPoint presentation files are available in Microsoft PowerPoint 2000 format.

Videos

A video package has been assembled to provide a relevant and interesting visual teaching tool for the classroom. Two distinct selling series headline this video package. *Direct Selling on the Global Frontier* presents an overview of the global sales operation of direct selling companies and has a specific case situation for a particular company. *Inc. Magazine* videos portray "real" salespeople and sales calls with "real" clients in a variety of occupations. Companies represented include: Shearson-Lehman, 3M Health Care, and Ben & Jerry's.

ACKNOWLEDGMENTS

The writing of a book is a long and arduous task that requires the dedicated efforts of many individuals. The contributions of these individuals are greatly appreciated and deserve specific recognition. We are especially grateful for the efforts of the 98 instructors who participated in the market survey.

A great deal of credit for this book should go to all of the wonderful people at South-Western. Their expertise, support, and constant encouragement turned an extremely difficult task into a very enjoyable one. We would like to recognize specifically the tremendous efforts of the following professionals and friends: Steve Hazelwood, Erin Joyner, Nicole Moore, and Lora Arduser. Without their efforts this edition would not have seen the light of day. However, we also want to thank the many individuals with whom we did not have direct contact but who assisted in the development and production of this book.

We are also very appreciative of the support provided by our colleagues at Colorado State University, the University of Louisville, Central Missouri State University, Ball State University, and Illinois State University, and the following people who served as reviewing of the first edition and whose helpful comments have made this an even better text.

Craig Kelley, *California State University—Sacramento*

Mark Johlke, *University of North Carolina—Wilmington*

Michael J. Swenson, *Brigham Young University*

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Scott A. Inks, *Ball State University*

Suzanne Tilleman, *Montana State University—Northern*

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Michael R. Williams

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MODULE FORMAT

Professional Selling: A Trust-Based Approach was written for students. Therefore, its aim is to provide comprehensive coverage of professional selling in a manner that you will find interesting and readable. Each module blends recent research results with current professional selling practice in a format designed to facilitate learning.

At the beginning of each module, "Objectives" highlight the basic material that the student should expect to learn. These learning objectives are helpful in reviewing modules for future study. An opening vignette then illustrates many of the important ideas to be covered in the module, using examples of companies in various industries to illustrate the diversity and complexity of professional selling. Most of the companies described in the vignettes are well known, and most of the situations represent recent actions by these firms.

Key words in the body of each module are printed in bold letters, and figures and exhibits are used liberally to illustrate and amplify the discussion in the text. Every figure contains an explanation so that it can be understood without reference to the text.

Each module contains two boxed inserts entitled **Professional Selling in the 21st Century**. The examples in both boxes have been provided specifically for this textbook by sales executives from various companies whom we recruited to serve as a **Professional Selling Panel**. To ensure that the textbook includes the latest practices from leading sales organizations, each executive was asked to provide specific examples of "best practices" in their company. Backgrounds of each executive are provided at the end of this section.

Sales managers are confronted with various ethical issues when performing their job activities. Many of these ethical issues are addressed in An Ethical Dilemma boxes that appear throughout the modules. You will be presented with realistic ethical situations faced by sales managers and asked to recommend appropriate courses of action.

A module summary is geared to the learning objectives presented at the beginning of the module. **Understanding Professional Selling Terms** lists the key words that appear in bold throughout the module. **Developing Professional Selling Knowledge** presents 10 questions to help you develop an understanding of important professional selling issues and relationships. **Building Professional Selling Skills** consists of three exercises in which you can apply the professional selling knowledge learned in the module. **Making Professional Selling Decisions** includes two interesting case situations that allow you to make important professional selling decisions. If you understand professional selling terms, develop professional selling knowledge, and build professional selling skills, you will be prepared to make successful professional selling decisions. Opportunities for student role plays are identified with the icon.

ROLE PLAY

PROFESSIONAL SELLING PANEL

Tom Avila's title of sales engineer for Davis and Davis has him representing approximately 20 different companies in protected territories in the process-control industry. Based in Denver, Colorado, Tom holds a B.S. in business with a focus in finance, management, and marketing from Ball State University.

Darrell Beaty is manager of business development for Ontario Systems. In his position, he provides leadership and direction to members of the business development group. The primary responsibility of the group is to build strong relationships with strategic clients and assist with strategic goals of Ontario Systems. Darrell attended Ball State University.

Jennifer Blessin is a marketing representative for Caterpillar. She graduated from Illinois State University as a marketing major with a concentration in professional selling and sales management. Jennifer was awarded the distinguished honor of Outstanding Marketing Senior at Illinois State University. At Caterpillar, Jennifer works directly with the dealer network and is part of a marketing team charged with the responsibility for the introduction, sales, and marketing of a new line of products.

Greg Burchett is a district sales manager for Wallace Computer Services in Ft. Wayne, Indiana. He supervises four salespeople who sell commercial printing and supplies to businesses and organizational customers. Greg has a B.S. in marketing from Indiana University, Bloomington.

Kim Davenport is a senior district sales manager for Shering-Plough Labs. He manages 16 pharmaceutical sales representatives in Arizona and New Mexico. Kim holds a B.S. in marketing and general business administration from Ball State University.

Jennifer DeMarco has achieved a solid record of success in sales and marketing at Chicago-based CDW Computer Centers. As a salesperson, Jennifer distinguished herself as a top performer in selling computer technology solutions to a diverse account list of business customers. This record of achievement has propelled her into sales management where she currently serves as sales recruiting supervisor. She graduated from Illinois State University.

Jay Deragon is chairman of Nashville-based XSVoice Corporation. In this position, Jay manages the operations of this telecommunications company with a primary focus on organizational assessment, strategic planning, marketing, and sales. In addition to his work at the University of Southern Maine, Jay has also studied advanced business management at Wharton College and the University of California.

John Haack is the senior vice president of sales and marketing for Ball Foster Glass. He has held various sales and marketing management positions in the packaging industry throughout his career. John holds a B.S. in business from Ball State University.

Jerry Heffel started with The Southwestern Company as a college student salesperson in 1965, and has been president of the company since 1980. He is responsible for current profitability and setting the future direction for the company. Jerry has a B.A. in history from Oklahoma State University, and an M.B.A. from the University of Oklahoma.

John Jenkins, technical sales executive for STL Technology Partners, graduated from Illinois State University with a degree in applied computer science. In his sales management position, John works directly with the organization's salesforce and a broad range of corporate clients. He is charged with the strategic responsibility for marketing and customer fulfillment and has just been honored as the recipient of *The Commitment to Excellence Award*, STL Technology Partners' distinguished award for sales and service achievement.

John Klich is a financial representative and college unit director for Northwestern Mutual Financial Network. Based in Rolling Meadows, Illinois, John has established a successful career in life insurance, investments, and financial planning. he is also active in and responsible for the development of career agents and manages a top-ranked college internship program.

Steve Kehoe, CFP, CLU, is president of Kehoe Financial Services LLC in Cincinnati, Ohio. Steve provides financial services to over 1,300 clients. He has a B.S. from Ball State University and a Master's of Science from Indiana University.

Nick LaRoche is currently an account executive for SKKR, the sales agency for Weber Grills and a variety of outdoor consumer goods. As an account executive, he serves as a buying and merchandising consultant to large "big-box" organizations such as Lowes and Home Depot as well as independent retail establishments throughout his territory. Based in Park Ridge, Illinois, Nick holds a B.S. in business with a major in marketing and sales from Illinois State University.

John K. Marcum, CFM, is vice president, senior financial advisor, or Merrill Lynch in Indianapolis, Indiana, John has a Bachelor's of Science from Ball State University.

L.A. Mitchell is sales planner, business management, for Lucent Technologies. She works with the sales team as a strategic financial partner with the sales directors, which involves financial analysis, forecasting, and the identification of sales opportunities. L.A. has B.S.B.A. in marketing and an M.S. in marketing from Colorado State University.

Todd Reffett is director of sales and marketing for the Market Driven Quality Group, LLC. Todd has accumulated a rich background of sales and marketing experience in the business services industry. In his position, Todd works with a diverse mixture of clients ranging from established Fortune 500 companies to small business start-ups. Todd holds a B.B.A. in marketing and management and an M.B.A. from Illinois State University.

Aaron Simmons is an agent for State Farm Insurance. He has succeeded in establishing and building a highly successful insurance and financial services business. With full responsibility for all sales and marketing strategies and activities related to his central Illinois-based agency, Aaron works closely with a wide variety of consumer as well as business clients. Prior to joining State Farm, Aaron was a top performing salesperson and district manager with Wallace. His combined experiences in sales and marketing provide him with a rich background of valuable business experience, which he readily shares with others in training programs and university level classes. Aaron is a graduate of Illinois State University.

Missy Harbit Rust is an executive sales representative for Glaxo Wellcome, Inc. Her pharmaceutical accounts territory is in central Indiana. Missy attended Ball State University and has a B.S. in marketing and fashion merchandising.

Stephanie Urich is an area manager for Hormel Foods Corporation. Her unit is responsible for food-service sales to institutional customers in the Chicago area. Stephanie has a B.S. in marketing from Ball State University.

Ramon A. Avila (Ph.D., Virginia Tech University) is the George and Frances Ball Distinguished Professor of Marketing at Ball State University. Before coming to Ball State, he worked in sales with the Burroughs Corporation. He has held two visiting professorships at the University of Hawaii and another at the Kelley School of Business at Indiana University. In April 2002, Ramon received a Leavey Award. This award was given for innovation in the classroom with his advanced selling class. Ramon was presented the 1999 Mu Kappa Tau's Outstanding Contributor to the Sales Profession. He is only the third recipient of this award. Ramon has also received the University's Outstanding Service award, the University's Outstanding Junior Faculty award, the College of Business Professor of the Year, and the Dean's Teaching award every year since its inception in 1987. Ramon also sits on four editorial review boards. Ramon's primary research is in personal selling and sales management. His work has appeared in the *Journal of Marketing Research*, *Journal of Personal Selling & Sales Management*, *The Journal of Management*, *Industrial Marketing Management*, *The Marketing Management Journal*, and the *Journal of Marketing Theory & Practice*, among others. He is the co-author of *The Professional Selling Skills Workbook.*

Michael R. Williams (Ph.D., Oklahoma State University) is professor of marketing and director of the Professional Sales Institute at Illinois State University. Prior to his academic career, Mike established a successful 30-plus year career in industrial sales, market research, and sales management and continues to consult and work with a wide range of business organizations. He has co-authored *The Professional Selling Skills Workbook*, *Professional Selling: A Trust-Based Approach*, and a variety of executive monographs and white-paper on sales performance topics. Mike's research has been published in many different national and international journals including *Journal of Personal Selling & Sales Management*, *International Journal of Purchasing and Materials Management*, *Journal of Business and Industrial Marketing*, *Quality Management Journal*, and *Journal of Industrial Technology*. His work has also received numerous honors, including Outstanding Article for the Year in *Journal of Business and Industrial Marketing*, the AACSB's Leadership in Innovative Business Education Award, and the Marketing Science Institute's Alden G. Clayton Competition. Mike has also been honored with numerous university, college, and corporate teaching and research awards including Old Republic Research Scholar, the presentation of a seminar at Oxford's Braesnose College, Who's Who in American Education, and Who's Who in America. Mike has and continues to serve in leadership roles as an advisor and board member for sales and sales management associations and organizations including the University Sales Center Alliance, National Conference in Sales and Sales Management, and Vector Marketing.

ABOUT THE AUTHORS

Thomas N. Ingram (Ph.D., Georgia State University) is professor of marketing at Colorado State University. Before commencing his academic career, he worked in sales, product management, and sales management with Exxon and Mobil. Tom is a recipient of the Marketing Educator of the Year award given by Sales and Marketing Executives International (SMEI). He was honored as the first recipient of the Mu Kappa Tau National Marketing Honor Society recognition award for Outstanding Scholarly Contributions to the Sales Discipline. On several occasions, he has been recognized at the university and college level for outstanding teaching. Tom has served as the editor of *Journal of Personal Selling & Sales Management*, chair of the SMEI Accreditation Institute, and as a member of the Board of Directors of SMEI. He is the former editor of *Journal of Marketing Theory & Practice.* Tom's primary research is in personal selling and sales management. His work has appeared in the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Personal Selling & Sales Management*, and *Journal of the Academy of Marketing Science*, among others. He is the co-author of one of the "Ten Most Influential Articles of the 20th Century" as designated by the Sales and Sales Management Special Interest Group of the American Marketing Association.

Raymond W. (Buddy) LaForge is the Brown-Forman Professor of Marketing at the University of Louisville. He is the founding executive editor of the *Marketing Education Review*, founding executive editor of the Sales Educator Network, has served as associate editor, Sales Education and Training section of the *Journal of Personal Selling & Sales Management*, has co-authored *Marketing: Principles & Perspectives*, *Sales Management: Analysis and Decision Making*, *Professional Selling: A Trust-Based Approach*, *The Professional Selling Skills Workbook*, and co-edited *Emerging Trends in Sales Thought and Practice*. His research is published in many journals including the *Journal of Marketing*, *Journal of Marketing Research*, *Decision Sciences*, *Journal of the Academy of Marketing Science*, and *Journal of Personal Selling & Sales Management*. Buddy has served as vice president/marketing for the Academy of Business Education, vice president of marketing, teaching, and conferences for the American Marketing Association Academic Council, chair of the American Marketing Association Sales Interest Group, and on the Direct Selling Education Foundation Board of Directors and Academic Program Committee, DuPont Corporate Marketing Faculty Advisory Team for the Sales Enhancement Process, Family Business Center Advisory board, and Strategic Planning Committee for the National Conference on Sales Management. He currently serves as vice chair for awards and recognition for the AMA Sales SIG and administers the AMA Sales SIG/DSEF Sales Dissertation Grants.

Charles H. Schwepker Jr. (Ph.D., University of Memphis) is professor of marketing at Central Missouri State University. He has experience in wholesale and retail sales. His primary research interests are in sales management, personal selling, and marketing ethics. His articles have appeared in the *Journal of the Academy of Marketing Science*, *Journal of Business Research*, *Journal of Public Policy and Marketing*, *Journal of Personal Selling & Sales Management*, and *Journal of Business Ethics*, among other journals, various national and regional proceedings, and books including *Marketing Communications Classics* and *Environmental Marketing*. He has received both teaching and research awards. He is on the editorial review boards of the *Journal of Personal Selling & Sales Management*, *Journal of Marketing Theory & Practice*, *Journal of Business & Industrial Marketing*, *Journal of Relationship Marketing*, and *Southern Business Review*, and has won awards for outstanding reviewer. He is a co-author of *Sales Management: Analysis and Decision Making.*

BRIEF CONTENTS

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