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NINTH EDITION

# fundamentals OF SELLING

CUSTOMERS FOR LIFE THROUGH SERVICE

CHARLES M. FUTRELL

N I N T H   E D I T I O N

# FUNDAMENTALS OF SELLING

C U S T O M E R S   F O R   L I F E  
T H R O U G H   S E R V I C E

CHARLES M. FUTRELL

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# About the Author

Charles M. Futrell is the Federated Professor of Marketing in the Mays Business School at Texas A&M University in College Station, Texas. Texas A&M University has approximately 44,000 students with 6,000 business majors and 800 marketing majors. Dr. Futrell has a B.B.A., M.B.A., and Ph.D. in marketing. Dr. Futrell is a former salesperson turned professor. Before beginning his academic career, Professor Futrell worked in sales and marketing capacities for eight years with the Colgate Company, The Upjohn Company, and Ayerst Laboratories.

Dr. Futrell serves as a frequent reviewer for several academic journals. He is on the editorial board of *The Journal of Personal Selling & Sales Management* and the editorial advisory board of *The Journal of Marketing Theory and Practice*. His research in personal selling, sales management, research methodology, and marketing management has appeared in numerous national and international journals, such as the *Journal of Marketing* and the *Journal of Marketing Research*. An article in the summer 1991 issue of *The Journal of Personal Selling & Sales Management* ranked Charles as one of the top three sales researchers in America. He was also recognized in *Marketing Education*, Summer 1997, as one of the top 100 best researchers in the marketing discipline. His work has earned him several research awards.

Professor Futrell served as the American Marketing Association's Chair of the Sales and Sales Management Special Interest Group (SIG) for the 1996–97 Academic year. He was the first person elected to this position. Charles was elected Finance Chair for the Sales SIG's 1998–99 term. In 1999, The Association of Former Students awarded him the Lowry Mays College and Graduate School of Business Distinguished Teaching Award. Mu Kappa Tau, the National Marketing Honor Society, recognized Charles for exceptional scholarly contributions to the sales profession in 2000. This is only the fourth time this recognition has been bestowed since its creation in 1988.

In the spring of 2001, Dr. Futrell was chosen as a Fish Camp (Texas A&M University's Freshman Orientation Camp) Namesake. Fish Camps are named after faculty members who have made a significant impact on Texas A&M, and nominations for the award are made by students, which makes it a very prestigious honor for instructors.

Dr. Futrell has written or co-written eight successful books for the college and professional audience. Three of the most popular books are *Sales Management: Teamworks, Leadership, and Technology*, sixth edition, South-Western Thomson Learning College Publishers; *Fundamentals of Selling: Customers for Life through Service* eighth edition, and *ABC's of Relationship Selling through Service*, ninth edition, both published by McGraw-Hill/Irwin. These books are used in hundreds of American and international schools. Over 300,000 students worldwide have learned from Professor Futrell's books.

In 1997 Dr. Futrell began using his Web site and group e-mails in his sales classes that at that time often had 100 students in each section. Students sign up for both a lecture period and lab time. In each semester's six labs, students are videotaped in activities such as making a joint sales call, panel interview, selling oneself on a job interview, product sales presentations, and various experiential exercises.

TAMU's College of Business Administration and Graduate School of Business is one of the largest business programs in America, with more than 6,000 full-time business majors. Approximately 50 percent of the Marketing Department's 800 majors are in Charles's personal selling and/or sales management classes at various times. He has worked with close to 10,000 students in sales-related classes.

Professor Futrell's books, research, and teaching are based on his extensive work with sales organizations of all types and sizes. This broad and rich background has resulted in his being invited to be a frequent speaker, researcher, and consultant to industry.

# Preface

Your textbook title includes the word *service*. Service refers to making a contribution to the welfare of others. Why? It is time to make the bold statement that salespeople exist to help others.

In recent years we have seen the worst of American business. Gallup (one of America's leading pollsters) has found that some categories of salespeople's jobs are the lowest-rated job categories for perceived honesty and ethical standards. Chances are, the majority of students have a negative attitude about salespeople.

We can correct this image by illustrating the wonderful things professional salespeople do. This edition emphasizes helping others through the application of the Golden Rule of Personal Selling. This simple sales philosophy is based upon treating others unselfishly, as you would like to be treated.

*Fundamentals of Selling* is written by a salesperson turned teacher. For eight years I worked in sales with Colgate, Upjohn, and Ayerst. As an academic, I have taught selling to thousands of college students, businesspeople, and industry sales personnel, developing and using the strategies, practices, and techniques presented in this textbook. Moreover, each year I continue to spend time in fieldwork with sales personnel. In my classes and programs, I stress "learning by doing" examples and exercises and videotape role playing of selling situations. This book is the result of these experiences.

When students ask me why I moved out of sales, I always reply, "I really haven't. I'm just selling a different product in a different industry." We are all selling, whether it's a product, an idea, our parents, a friend, or ourselves—as when interviewing for a job.

## **Fundamentals' Approach**

*Fundamentals of Selling* was conceived as a method of providing ample materials that allow readers to construct their own sales presentations after studying the text. This allows the instructor the flexibility of focusing on the "how-to-sell" approach within the classroom. Covering the basic foundations for understanding the concepts and practices of selling in a practical, straightforward, and readable manner, it provides students with a guide to use in preparing sales presentations and role-playing exercises.

## **The Philosophy behind This Book**

The title should help you understand the philosophy of this book. A student of sales should understand the fundamentals—the

basics—of personal selling. All of them. I do not advocate one way of selling as the best route to success! There are many roads to reaching one's goals.

I *do* feel a salesperson should have an assortment of selling skills and should be very knowledgeable, even an expert, in the field. Based on the situation, the salesperson determines the appropriate actions to take for a particular prospect or customer. No matter what the situation, however, the basic fundamentals of selling can be applied.

There is no place in our society for high-pressure, manipulative selling. The salesperson is a problem solver, a helper, and an advisor to the customer. If the customer has no need, the salesperson should accept that and move on to help another person or firm. If the customer has a need, however, the salesperson should and must go for the sale. All successful salespeople I know feel that once they determine that the customer is going to buy someone's product—and that their product will satisfy that customer's needs—it is their job to muster all their energy, skill, and know-how to make that sale. That is what it's all about!

It is my sincere hope that after the reader has studied this book, he or she will say, "There's a lot more to selling than I ever imagined." I hope many people will feel that this material can help them earn a living and that selling is a great occupation and career.

At the end of the course, I hope all the students will have learned how to prepare and give a sales presentation by visually, verbally, and nonverbally communicating their message. I know of no other marketing course whose class project is so challenging and where so much learning takes place.

Finally, I hope each student realizes that these new communication skills can be applied to all aspects of life. Once learned and internalized, selling skills will help a person be a better communicator throughout life.

## **Basic Organization of the Book**

The publisher and I worked hard to ensure that *Fundamentals of Selling* would provide students with the basic foundation for understanding all major aspects of selling. The 17 chapters in the text are divided into four parts:

- **Selling as a Profession.** Emphasizes the history, career, rewards, and duties of the professional salesperson and illustrates the importance of the sales function to the organization's success. It also examines the social, ethical, and legal issues in selling.

- **Preparation for Relationship Selling.** Presents the background information salespeople use to develop their sales presentations.
- **The Relationship Selling Process.** At the heart of this book, this part covers the entire selling process from prospecting to follow-up. State-of-the-art selling strategies, practices, and techniques are presented in a “how-to” fashion.
- **Managing Yourself, Your Career, and Others.** The importance of the proper use and management of one’s time and sales territory is given thorough coverage. Two chapters cover the fundamentals of managing salespeople. For many students, this is their only exposure to what a sales manager does in this challenging job.

## In This Edition

**Expanded Emphasis.** Unselfish and ethical service to the customer underscores the Golden Rule of Personal Selling—a sales philosophy of unselfishly treating others as you would like to be treated without expecting reciprocity. This is how to build long-term relationships with customers.

**The Tree of Business Life Icon.** Beginning with Chapter 3, The Tree of Business Life icon is used to remind the reader of one of the main themes of the book. This theme emphasizes that by providing ethical service you build true relationships. This section was developed in hopes of having the reader consider how a salesperson would incorporate ethical service into the chapter’s topic.

**The Golden Rule Icon.** The Golden Rule icon appears in each chapter to help reinforce the Tree of Business Life. The combination of the Golden Rule and the “Tree” guidelines for business and selling form the core theme of this textbook. Unselfishly treating prospects/customers as you would like to be treated without expecting something in return results in ethical service which builds true long-term relationships. If you think about it, this is how you build true personal friendships. Why not build your business relationships on this rock?

**Comprehensive Cases.** At the end of the book are comprehensive sales cases. These cases approach sales from the broader sales management perspective.

**Video Cases.** Cases 3-1, 3-2, 5-3, 6-5A, 8-3, 11-3, 13-4, 14-3 can be used independently or with eight of the videos accompanying this book. Each of the eight cases highlights a tough ethical dilemma often faced by sales personnel in today’s competitive marketplace. Use any or all of these cases to emphasize ethics in your sales class.

**Sales Call Role-Plays and Videos.** The first three of the four role-plays in Appendix A have videos created incorporating our selling process. The two people featured in the three role-plays

completed my selling course. The professional selling materials in Chapters 8, 9, 10, 11, 12, and 13 do a great job in illustrating. Actually used in my classes by hundreds of students, these role-plays are created from information used by today’s top sales forces.

**Sell Yourself on a Job Interview.** This all-time favorite role-play is in Appendix B with other experiential exercises. For years I have used this student pleaser in both my personal selling and sales management classes. When students see themselves on video they quickly realize what needs to be done for a professional interview. You have to try this exercise one time!

**ACT! Customer Contact.** Using software to maintain contact with customers and prospects is a necessity in the 21st century.

**Student Application Learning Exercises (SALES).** Chapters directly related to creating the role-play have SALES that aid students in better understanding how to construct this popular class project. These were first used in Professor Futrell’s classes in the fall of 1997. Students unanimously felt they were great in helping them correctly construct their role-plays.

**Sales Careers.** Career information has been expanded throughout so students will better understand that there are sales jobs in *all* organizations—business, service, and nonprofit.

**Selling Experiential Exercises.** These end-of-chapter exercises help students to better understand themselves and/or the text material. Many can be done in class or completed outside and discussed in class.

**Selling Globally Appendix.** Many of these new box items were written by friends and colleagues from countries around the world.

**Technology in Selling.** A central theme within each chapter shows the use of technology and automation in selling and servicing prospects and customers.

## Text and Chapter Pedagogy

Many reality-based features are included in the ninth edition to stimulate learning. One major goal of this book is to offer better ways of using it to convey sales knowledge to the reader. To do this, the book includes numerous special features:

**Photo Essays.** The book features many photographs accompanied by captions that describe sales events and how they relate to chapter materials.

**Chapter Topics and Objectives.** Each chapter begins with a clear statement of learning objectives and an outline of major chapter topics. These devices provide an overview of what is to come and can also be used by students to see whether they understand and have retained important points.

**Sales Challenge/Solution.** The text portion of each chapter begins with a real-life challenge sales professionals face. The challenge pertains to the topic of the chapter and will heighten students' interest in chapter concepts. The challenge is resolved at the end of the chapter, where chapter concepts guiding the salespersons' actions are highlighted.

**Making the Sale.** These boxed items explore how salespeople, when faced with challenges, use innovative ideas to sell.

**Selling Tips.** These boxes offer the reader additional selling tips for use in developing their role-plays.

**Artwork.** Many aspects of selling tend to be confusing at first. "What should I do?" and "How should I do it?" are two questions frequently asked by students in developing their role-plays. To enhance students' awareness and understanding, many exhibits have been included throughout the book. These exhibits consolidate key points, indicate relationships, and visually illustrate selling techniques.

**Chapter Summary and Application Questions.** Each chapter closes with a summary of key points to be retained. The application questions are a complementary learning tool that enables students to check their understanding of key issues, to think beyond basic concepts, and to determine areas that require further study. The summary and application questions help students discriminate between main and supporting points and provide mechanisms for self-teaching.

**Key Terms for Selling/Glossary.** Learning the selling vocabulary is essential to understanding today's sales world. This is facilitated in three ways. First, key concepts are boldfaced and completely defined where they first appear in the text. Second, each key term, followed by the page number where it was first introduced and defined, is listed at the end of each chapter. Third, a glossary summarizing all key terms and definitions appears at the end of the book for handy reference.

**Ethical Dilemma.** These challenging exercises provide students an opportunity to experience ethical dilemmas faced in the selling job. Students should review Chapter 3's definition and explanation of ethical behavior before discussing the ethical dilemmas.

**Further Exploring the Sales World.** These projects ask students to go beyond the textbook and classroom to explore what's happening in the real world. Projects can be altered or adapted to the instructor's school location and learning objectives for the class.

**Cases for Analysis.** Each chapter ends with brief but substantive cases for student analysis and class discussion. These cases provide an opportunity for students to apply concepts to real events and to sharpen their diagnostic skills for sales problem solving. Comprehensive cases are found in the back of the book.

As you see, the publisher and I have thoroughly considered how best to present the material to readers for maximizing their interest and learning. Teacher, reviewer, and student response to this revision has been fantastic. They are pleased with the readability, reasonable length, depth, and breadth of the material. You will like this edition better than the previous one.

## Teaching and Learning Supplements

McGraw-Hill/Irwin has spared no expense to make *Fundamentals of Selling* the premier text in the market today. Many instructors face classes with limited resources, and supplementary materials provide a way to expand and improve the students' learning experience. Our learning package was specifically designed to meet the needs of instructors facing a variety of teaching conditions and for both the first-time and veteran instructor.

**ProSelling Video.** Several hours of student role-plays, exercises, examples of selling techniques, and industry sales training programs show students how to prepare their role-plays and how course content relates to the sales world.

**Inc. Business Resources Video Package.** A new feature from Inc. demonstrates key features of relationship selling.

**Instructor's Manual.** Loaded with ideas on teaching the course, chapter outlines, commentaries on cases, answers to everything—plus much more—the *Instructor's Manual* is a large, comprehensive time-saver for teachers.

**Test Bank.** The most important part of the teaching package is the *Test Bank*. We gave the *Test Bank* special attention during the preparation of the ninth edition because instructors desire test questions that accurately and fairly assess student competence in subject material. Prepared by Dr. Thomas K. Pritchett, Dr. Betty M. Pritchett of Kennesaw State College and myself, the *Test Bank* provides hundreds of multiple-choice and true/false questions. Professor Tom Pritchett also uses the book for his selling classes. Each question is keyed to chapter learning objectives, has been rated for level of difficulty, and is designated either as factual or application so that instructors can provide a balanced set of questions for student exams.

**Instructor CD-Rom:** A course preparation CD including:

- **A PowerPoint Presentation.** A state-of-the-art program offering hundreds of lecture slides. These slides can be customized for any course. They are great!
- **Computerized Test Bank.** The Computerized Test Bank allows instructors to select and edit test items from the printed Test Bank and to add their own questions. Various versions of each test can be custom printed.

### ■ Electronic Version of the Instructor's Manual.

**Course Web Site.** At <http://www.mhhe.com/futrell>, you can access downloadable versions of instructor support materials, as well as a student tutorial and student self-assessment quizzes.

**ACT! Express Software.** For many businesspeople, staying in touch with prospects, customers, clients, vendors, and suppliers—people outside the company—is critical to success. And that success depends on managing those contacts for highly productive business relationships.

Included with this textbook is ACT!™ Express, a tool that will help students entering the business world. Based on the best-selling ACT! contact management system, ACT! Express shows students how to become more productive—resulting in better business relationships and greater business opportunities.

Whether in sales, a small or start-up company, a consulting practice, a professional services firm, or another business setting, students will become more proficient at effectively managing their contacts.

But what *is* a contact manager?

A contact manager will help the student manage all of the tasks and information critical to building effective business relationships such as these:

- Finding and contacting prospects.
- Following up with prospects and clients.
- Sending product information, proposals, and quotes.
- Scheduling meetings.
- Generating correspondence.
- Managing customers' postsale activities and requests.
- Keeping a history of previous customer interactions.
- Generating reports of activities and client/account status.

Effective contact management means making the most of contacts with prospects, customers, clients, vendors, and suppliers.

ACT! Express includes the following features:

- **Complete contact and calendar management.** Seventy pre-defined fields for contact information, notes, tasks, schedules, history, and more.
- **Search capabilities.** Quickly locate any information in the database by name, ZIP code, phone number, or keyword.
- **Groups.** Sort contacts into groups by company, interests, or other commonalities.
- **Activity reminders.** Set alarms for upcoming activity reminders.
- **Basic e-mail functions.** Send and track e-mail correspondence—and attach e-mails directly to specific contact records.
- **Basic contact reporting.** Easily generate basic reports such as Activity History, Task List, Source of Referrals, and more.
- **Built-in word processor.** Includes prewritten letters that can be easily personalized.
- **Data synchronization with Palm Powered™ Handhelds.** Take contact information, notes, and history anywhere.

Students who become proficient with ACT! Express may want to explore more advanced functions available in the full ACT! contact management system.

Students desiring more information about either ACT! Express or ACT! are encouraged to visit [www.act.com/students](http://www.act.com/students).

# Acknowledgments

Working with the dedicated team of professionals at McGraw-Hill/Irwin, who were determined to produce the best personal selling book ever, was a gratifying experience.

In overseeing this revision, Sponsoring Editor Barrett Koger and Editorial Coordinator Scott Becker offered ideas for improvements to the ninth edition package. Jeremy Chesharck and Robin Sand oversaw the selection of new photographs for this edition. Project Manager Kristin Puscas ably guided the manuscript and page proofs through the production process.

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Finally, I wish to thank the sales trainers, salespeople, and sales managers who helped teach me the art of selling when I carried the sales bag full time. I hope I have done justice to their great profession of selling.

I hope you learn from and enjoy the book. I enjoyed preparing it for you. Readers are urged to forward their comments on this text to me. I wish you great success in your selling efforts. Remember, it's the salesperson who gets the

customer's orders that keeps the wheels of industry turning. America cannot do without you.

**Charles M. Futrell**  
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**<http://futrell-www.tamu.edu>**

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