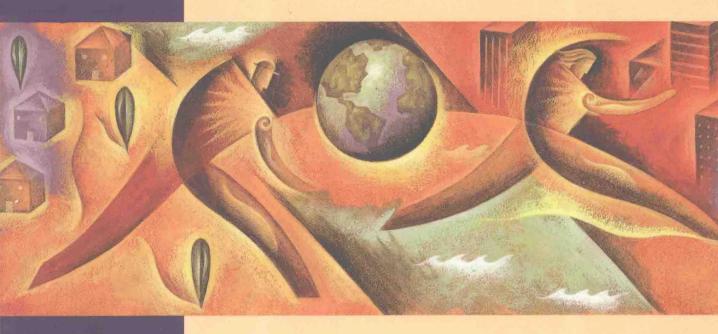
Sixth Edition



ABC'S of RELATIONSHIP SELLING



Charles M. Futrell

ABC'S OF RELATIONSHIP SELLING

CHARLES M. FUTRELL
TEXAS A & M LINIVERSITY



Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco St. Louis Bangkok Bogotá Caracas Lisbon London Madrid Mexico City Milan New Delhi Seoul Singapore Sydney Taipei Toronto

To my wife Sue—the lady who role-played as my buyer when I carried the sales bag

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ABC's OF RELATIONSHIP SELLING

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About the Author

Charles M. Futrell is the Federated Professor of Marketing at Texas A&M University in College Station, Texas. He 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 Averst 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 and has resulted in his being associated with such groups as the national Bank Marketing Association's Sales and Professional Development Council, and the Direct Selling Education Foundation's board of directors.

Professor Futrell served as the American Marketing Association's Chair of the Sales and Sales Management Special Interest Group (SIG) for the 1996–1997 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 spring 2000,

Dr. Futrell serves as the Fulbright-Flad Chair in Marketing at the Portuguese Catholic University, Lisbon.

Dr. Futrell has written or cowritten eight successful books for the college and professional audience. Three of the most popular books are—Sales Management: Teamwork, Leadership, and Technology, sixth edition, The Dryden Press; Fundamentals of Selling: Customers for Life, sixth edition, and ABC's of Relationship Selling, sixth edition, both published by Irwin/McGraw-Hill publishers. These books are used in hundreds of American and international schools. Over 300,000 students worldwide have benefited from Professor Futrell's books.

Professor Futrell has more than 25 years of teaching experience. Noted for being an excellent classroom instructor, he has developed numerous innovative instructional materials, including computer simulations, computerized classroom materials, video and CD-ROM exercises, and Web sites and sales internet 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. He has worked with close to 10,000 students in sales-related classes.

Professor Futrell's books, research, and teaching are based upon 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. The 21st-century business world will unquestionably be a dynamic and changing place. The rapid growth in technology, the globalization of business, and increasing competition make sales and relationship skills more important than ever. In the sixth edition of *ABC's of Relationship Selling*, my goal is to give students the information that they need to compete in the 21st century. This edition has been updated to include more examples of selling in a global environment, more information about the technology available to every salesperson, and most importantly, the ABC's of relationship selling.

ABC's 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 field work 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.

ABC's Approach

ABC's was conceived as a method of providing ample materials for 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 Text

The title should help you understand the philosophy of this book. A student of sales should understand the ABC's—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 faced, the salesperson determines the appropriate actions to take for a particular prospect or customer. No matter what situation is faced, 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 knowhow 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 can help a person be a better communicator throughout life.

Basic Organization of the Text

The publisher and I worked hard to ensure that *ABC's of Relationship Selling* would provide students with the basic foundation—the fundamentals—for understanding all major aspects of selling. The 15 chapters in the text are divided into four parts:

- Selling as a Profession. Emphasizes the 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 that salespeople use to develop their sales presentations.
- The Relationship Selling Process. At the heart of this text, 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.

■ Careers in Selling. The importance of the proper use of managing one's time and sales territory are given thorough coverage. This part also discusses the selling challenge and the excellent career opportunities available in retailing and organizational selling. Coverage of services and nonprofit selling are new to this edition.

What's New

Lots! But the basic core of our sales process remains because reviewers, users, and especially students love it. Added is more about

- World Wide Web
- ACT! Customer Contact
- Technology in selling
- Sales careers
- Relationship selling
- Total quality selling
- Global selling
- The multicultural workplace
- Ethics
- Small business
- Services and nonprofit selling
- Role plays
- Experiential exercises

The following features have been expanded or are new to this edition:

World Wide Web. Throughout the book, these Web exercises introduce prospective salespeople to the use of the WWW.

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

Student Application Learning Exercises (SALE). 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-play.

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 within class or completed outside and discussed within class.

Selling Globally. 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.

Sales World Wide Web Directory. This brand new resource contains the URLs for the Sales World Wide Web Exercises found at the end of each chapter and for organizations with the largest sales forces in the United States.

Text and Chapter Pedagogy

Many reality-based features are included in the sixth 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 faced by sales professionals. 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. They also make effective use of color to enhance their imagery and appeal.

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 to 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 several 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.

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 last one.

Teaching and Learning Supplements

Irwin/McGraw-Hill has spared no expense to make ABC's 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.

Tutor Software. This Windows program allows students to test themselves. It is organized by chapter and offers true/false, multiple-choice, and matching questions.

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.

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. The Test Bank was given special attention during the preparation of the sixth 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 University 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. The test items have been reviewed and analyzed by Texas A & M University's Measurement and Testing Center and class tested to ensure the highest quality. 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.

Computerized Test Bank. A Computerized Test Bank for the IBM PC is available free to adopters. 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.

TeleTest. A favorite of the author, *TeleTest* allows the instructor to select test questions, call Irwin/McGraw-Hill, and have the test typed out and mailed to the instructor. Irwin/McGraw-Hill can supply various versions of the same questions and can randomly select questions for a chapter by difficulty level.

Transparency Masters. The *Instructor's Manual* contains masters of materials within and outside of the book to create transparencies for overhead projection or photocopies for distribution to students.

Acknowledgments

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

In overseeing this revision, Developmental Editor Katharine Norwood worked enthusiastically to ensure a quality product. Sharon Miller, Photo Research Coordinator, oversaw the selection of appropriate new photographs for this edition. Project Manager Patricia Frederickson ably guided the manuscript and page proof 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.

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