

FUNDAMENTALS OF SELLING

Customers for Life

5th
EDITION



Charles M. Futrell

FUNDAMENTALS OF SELLING

Customers for Life

Seventh Edition

Charles M. Futrell

Texas A & M University



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Modern Retailing, 6/E
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Retailing, 5/E
Mason & Perreault
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Peter & Donnelly
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Understanding Consumer Behavior, 1/E
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Cases in Product Management, 1/E
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Cases in European Marketing Management, 1/E
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To my wife Sue—the lady who role-played as my buyer when I carried the sales bag

About the Author

Charles M. Futrell is Professor of Marketing at Texas A & M University in College Station, Texas. He received his B.B.A., M.B.A., and Ph.D. in marketing. Charles is a 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. During that time, he developed and gave thousands of sales presentations to retailers, wholesalers, and industrial buyers.

Dr. Futrell serves as a frequent reviewer for several academic journals, and he is on the editorial board of the *Journal of Personal Selling and Sales Management*. His research in sales and marketing management has appeared in numerous national and international journals. An article in the Summer 1991 issue of the *Journal of Personal Selling & Sales Management* ranked Charles as one of the top sales researchers in America. This work has earned him several research awards and 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.

Charles has written or cowritten seven successful texts for the college and professional audience—including the popular *Sales Management*. These books are used in hundreds of American and international schools.

Professor Futrell has over 20 years of teaching experience. Noted for being an excellent classroom instructor, he has developed numerous innovative instructional materials including computer simulations, computerized classroom materials, and video exercises.

With over 6,000 full-time business majors, TAMU's new College of Business Administration is the third largest business program in America. Over 500 students enroll in both

the personal selling and sales management courses each year. Dr. Futrell has worked with thousands of students over the years in his sales courses. Due to the popularity of the sales course, Professor Futrell expanded it in 1985. Now, with both a class lecture and a lab program, more students receive his training. Halfway into the course, his graduate students operate the labs up to 24 hours a week so students can create their own video-taped role plays.

Since the previous edition was published, Professor Futrell has visited over 25 organizations to learn more about their personal selling and sales management practices. Half of these were in Canada and Europe. Companies included Coca-Cola (London), L'Oréal Cosmetics (Paris), Parfumerica Fragonard (Nice), Migros (Zurich), BMW (Munich) and ABN AMRO Bank (Amsterdam). Charles also worked on several research projects—Ford Motor Company, for example—and used this book in company sales programs to train salespeople and sales managers. In addition, he helped one \$400 million company develop its complete personal selling and sales management program over a two-year period.

When asked why he stays so active, Charles said, "I have the privilege of working for a great university that has the resources and reputation to open many doors. Students and colleagues around the world expect me to provide them the best information available. My life's professional mission is to learn and get the word out to people on what's involved in sales. Then they can better determine if a sales career is right for them. I'm convinced that sometime in everyone's life they will be selling something, plus they need to recognize when they are being sold."

This broad and rich background has resulted in his being invited to be a frequent speaker, researcher, and consultant to industry. Charles enjoys writing, exercise, photography, and teaching.

Preface

The best way to describe our world in the 1990s is as 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 fifth edition of *Fundamentals of Selling: Customers for Life*, 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, how to win customers for life.

Fundamentals of Selling is written by a salesperson turned professor. For eight years I worked in sales with Colgate, Upjohn, and Ayerst. As a professor, I have taught selling to thousands of college students, business people, and industry sales personnel, developing and using the strategies, practices, and techniques presented in this text. Moreover, each year I spend time in fieldwork with sales personnel. In my classes and programs, I stress “learning by doing” examples and exercises and video-tape role playing of selling situations. This text 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 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 textbook for use in preparing sales presentations and role-playing exercises.

The Philosophy behind This Text

The title of the book should help you understand the philosophy of this text. 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 faced, the salesperson determines the appropriate actions to take for that 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 problemsolver, a helper, and an advisor for the customer. If the customer has no need, the salesperson should accept it 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 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 *Fundamentals of Selling* would provide students with the basic foundation—the fundamentals—for understanding all major aspects of selling. The 17 chapters in the text are divided into five parts:

- **Selling as a Profession.** Emphasizes the history, career, rewards, and duties of the professional salesperson and il-

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 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.** 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.
- **Managing Yourself, Your Career, and Others.** The importance of the proper use of managing one's time and sales territory are given thorough coverage. Two chapters cover the fundamentals of managing salespeople.

What's New

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

- Sales careers
- Relationship selling
- Total quality selling
- Technology in selling
- Global selling
- The multicultural workplace
- Ethics
- Small business
- Services and nonprofit selling
- Role-plays

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

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 new 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 new 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 fifth edition to stimulate learning. One major goal of this book is to offer better ways of using the textbook to convey sales knowledge to the reader. To do this, the book includes numerous special features:

Photo Essays. The book features many full-color 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 roleplays. 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. Sec-

ond, 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. End-of-chapter 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 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 illustrate role-plays and how industry trains their salespeople. *ProSelling Video* helps to show students how to prepare their role-plays and shows how course content relates to the sales world.

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 fifth edition because instructors desire test questions that accurately and fairly assess student competence in subject material. Prepared by Dr. Thomas K. Pritchett and 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. 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 computer 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's, *TeleTest* allows the instructor to select test questions, call Irwin, and have the test typed out and mailed to the instructor. Irwin can supply various versions of the same questions and can randomly select questions for a chapter by difficulty level.

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.

Video and Computer Notes. Within the *Instructor's Manual* are comments on the use of each video segment, plus computer exercises. You will find titles, running time, teaching objectives, and comments on the use of each video segment.

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 Richard D. Irwin, Inc., who were determined to produce the best personal selling book ever, was a gratifying experience.

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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 text. 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

Contents in Brief

PART I

Selling as a Profession 1

- 1 The Life, Times, and Career of the Professional Salesperson 2
- 2 Relationship Marketing: Where Personal Selling Fits 38
- 3 Social, Ethical, and Legal Issues in Selling 64

PART II

Preparation for Relationship Selling 93

- 4 The Psychology of Selling: Why People Buy 94
- 5 Communication and Persuasion: It's Not All Talk 130
- 6 Sales Knowledge: Customers, Products, Technologies 156

PART III

The Relationship Selling Process 189

- 7 Find Your Prospect, Then Plan Your Sales Call 190
- 8 Select Your Presentation Method, Then Open It Strategically 226
- 9 Elements of Making a Great Sales Presentation 270
- 10 Welcome Your Prospect's Objections 302

- 11 Closing Begins the Relationship 336

- 12 Service and Follow-up for Customer Retention 368

PART IV

Careers in Selling 389

- 13 Retail Selling: Challenging and Rewarding 390
- 14 Organizational Selling: Business, Services, and Nonprofit 418

PART V

Managing Yourself, Your Career, and Others 439

- 15 Time, Territory, and Self-Management: Keys to Success 440
- 16 Planning, Organizing, Staffing of Successful Salespeople 464
- 17 Motivation, Compensation, Leadership, and Evaluation of Salespeople 498

Notes 530

Glossary of Selling Terms 538

Photo Credits and Acknowledgments 547

Name Index 549

Company Index 551

Subject Index 553

Contents

PART I

Selling as a Profession 1

1 *The Life, Times, and Career of the Professional Salesperson* 2

Learning Objectives 2

What Is Selling? 3

Everybody Sells! 4

Why Choose a Sales Career? 5

A Variety of Sales Jobs Are Available 5

Freedom of Action: You're on Your Own 12

Job Challenge Is Always There 13

Opportunities for Advancement Are Great 13

Rewards: The Sky's the Limit 14

You Can Move Quickly into Management 15

Is a Sales Career Right for You? 16

A Sales Manager's View of the Recruit 16

Success in Selling—What Does It Take? 17

Love of Selling 17

Willingness to Work Hard, Work Smart

Then Work Some More 17

Need to Achieve 17

Have an Optimistic Outlook 19

Be Knowledgeable 20

Be Ruthless about Time 21

Ask Questions and Then Listen to Uncover

Customer Needs 22

Serve Your Customer 22

Be Physically and Mentally Prepared 22

Relationship Selling 23

What Does a Professional Salesperson Do? 24

The Future for Salespeople 27

Learning Selling Skills 27

Preparing for the Year 2000 and Beyond 28

Selling Is for Large and Small Organizations 30

The Plan of Your Textbook 31

Building Relationships through the

Sales Process 31

Summary of Major Selling Issues 32

Key Terms for Selling 33

Sales Application Questions 33

Further Exploring the Sales World 33

Selling Experiential Exercise 34

Are you a Global Traveler? 34

CASES

1-1 What They Didn't Teach Us in
Sales Class 34

1-2 Women in Sales: Is It for You? 36

2 *Relationship Marketing: Where Personal Selling Fits* 38

Learning Objectives 38

What Is Marketing? 39

Marketing's Definition 39

Marketing's Not Limited to Business 40

Exchange, Transactions, Relationships 40

Customer Orientation's Evolution 40

The Production Concept 40

The Selling Concept 40

The Marketing Concept 41

Marketing's Importance in the Firm 42

Marketing Generates Sales 42

Marketing Provides Quality Service 43

Essentials of a Firm's Marketing Effort 43

Product: It's More Than You Think 43

Price: It's Important to Success 44

Distribution: It Has to Be Available 44

Promotion: You Have to Tell People about It 45

Are American Organizations Listening
to Customers? 47

The Cost of Lost Customers 47

American Business Gets a Wake-Up Call 48

Total Quality Management 48

Relationship Marketing 51

Levels of Customer Relationship Marketing 51

Partnering with Customers 52

Technology Builds Relationships and Partners 53

Relationship Marketing and the Sales Force 54

Personal Selling Builds Relationships 54

Salespeople Implement Relationship Marketing	56
What's a Salesperson Worth?	56
The Key to Success	57
Summary of Major Selling Issues	57
Key Terms for Selling	58
Sales Application Questions	58
Further Exploring the Sales World	59
Selling Experiential Exercise	59
What Should Your Children's College Majors Be?	59
Case:	
2-1 Zenith Computer Terminals, Inc.	
(B) Development of a Total Business Plan	60

3 *Social, Ethical, and Legal Issues in Selling* 64

Learning Objectives	64
Management's Social Responsibilities	65
Organizational Stakeholders	66
An Organization's Main Responsibilities	66
How to Demonstrate Social Responsibility	67
What Influences Ethical Behavior?	68
The Individual's Role	68
The Organization's Role	68
Management's Ethical Responsibilities	69
What Is Ethical Behavior?	69
What Is an Ethical Dilemma?	69
Ethics in Dealing with Salespeople	70
Level of Sales Pressure	70
Decisions Affecting Territory	70
To Tell the Truth?	72
The Ill Salesperson	72
Employee Rights	72
Salespeople's Ethics in Dealing with Their Employers	75
Misusing Company Assets	75
Moonlighting	75
Cheating	75
Affecting Other Salespeople	75
Ethics in Dealing with Customers	75
Bribes	76
Misrepresentation	76
Price Discrimination	81
Tie-In Sales	81
Exclusive Dealership	81
Reciprocity	82
Sales Restrictions	82
The International Side of Ethics	82
Managing Sales Ethics	83
Follow the Leader	83

Leader Selection Is Important	83
Establish a Code of Ethics	84
Create Ethical Structures	84
Encourage Whistle-Blowing	84
Create an Ethical Sales Climate	85
Establish Control Systems	85
Summary of Major Selling Issues	85
Key Terms for Selling	86
Sales Application Questions	86
Further Exploring the Sales World	87
Selling Experiential Exercise	87
CASES	
3-1 Fancy Frozen Foods	88
3-2 Sports Shirts, Inc.	89

PART II

Preparation for Relationship Selling 93

4 *The Psychology of Selling: Why People Buy* 94

Learning Objectives	94
Why People Buy—The Black Box Approach	95
Psychological Influences on Buying	96
Motivation to Buy Must Be There	96
Economic Needs: The Best Value for the Money	96
Awareness of Needs: Some Buyers Are Unsure	96
A FABulous Approach to Buyer Need	
Satisfaction	98
The Product's Features: So What?	98
The Product's Advantages: Prove It!	98
The Product's Benefits: What's in It for Me?	99
Order Can Be Important	100
How to Determine Important Buying Needs— A Key to Success	101
Your Buyer's Perception	104
Perceptions, Attitudes, and Beliefs	106
Examples of a Buyer's Misperceptions	106
The Buyer's Personality Should Be Considered	107
Self-Concept	107
Adaptive Selling Based on Buyer's Style	108
Personality Typing	108
Adapt Your Presentation to the Buyer's Style	108
You Can Classify Buying Situations	111
Some Decisions Are Routine	111
Some Decisions Are Limited	112
Some Decisions Are Extensive	112

Technology Provides Information	113
View Buyers As Decision-Makers	114
Need Arousal	114
Collection of Information	114
Information Evaluation	115
Purchase Decision	116
Postpurchase	117
Satisfied Customers Are Easier to Sell	118
To Buy or Not to Buy—A Choice Decision	118
Summary of Major Selling Issues	120
Key Terms for Selling	121
Sales Application Questions	121
Further Exploring the Sales World	125
Selling Experiential Exercise	125
What's Your Style—Senser, Intuitior, Thinker, Feeler?	125
CASES	
4-1 Economy Ceiling Fans, Inc.	128
4-2 McDonald's Ford Dealership	128
5 <i>Communication and Persuasion: It's Not All Talk</i>	130
Learning Objectives	130
Communication: It Takes Two	131
Salesperson-Buyer Communication Process Requires Feedback	132
Nonverbal Communication: Watch for It	133
Concept of Space	134
Communication through Appearance and the Handshake	135
Body Language Gives You Clues	138
Barriers to Communication	141
Master Persuasive Communication to	
Maintain Control	143
Feedback Guides Your Presentation	143
Empathy Puts You in Your Customer's Shoes	144
Keep It Simple	145
Creating Mutual Trust Develops Friendship	145
Listening Clues You In	145
Your Attitude Makes the Difference	149
Proof Statements Make You Believable	150
Summary of Major Selling Issues	150
Key Terms for Selling	151
Sales Application Questions	152
Further Exploring the Sales World	153
Selling Experiential Exercise	153
Listening Self-Inventory	154
CASES	
5-1 Skaggs Manufacturing	154
5-2 Alabama Office Supply	155
6 <i>Sales Knowledge: Customers, Products, Technologies</i>	156
Learning Objectives	156
Sources of Sales Knowledge	157
Knowledge Builds Relationships	158
Knowledge Increases Confidence in Salespeople . . .	158
. . . and in Buyers	158
Relationships Increase Sales	158
Know Your Customers	158
Know Your Company	158
General Company Information	160
Know Your Product	161
Know Your Resellers	162
Conflict and Cooperation in Distribution Channels	162
Service Results in Cooperation	162
Advertising Aids Salespeople	162
Types of Advertising Differ	164
Why Spend Money on Advertising?	165
Sales Promotion Generates Sales	165
Point-of-Purchase Displays: Get Them Out There	165
Shelf Positioning Is Important to Your Success	166
Premiums	166
What's It Worth? Pricing Your Product	167
Types of Prices	167
Discounts Lower the Price	168
Markup Represents Gross Profit	171
Markup and Unit Price	172
Markup and Return on Investment	173
Know Your Competition, Industry, and Economy	174
Personal Computers and Selling	175
Knowledge of Technology Enhances Sales and Customer Service	176
Personal Productivity	177
Communications with Customers and Employers	180
Customer Order Processing and Service Support	181
Global Technology Provides Service	182
Summary of Major Selling Issues	182
Key Terms for Selling	183
Sales Application Questions	183
Further Exploring the Sales World	186
Selling Experiential Exercise	186
How Is Your Self-Confidence?	186

CASES

- 6-1** Claire Cosmetics 187
6-2 McBath Women's Apparel 187

PART III

The Relationship Selling Process 189

7 *Find Your Prospect, Then Plan Your Sales Call* 190

- Learning Objectives 190
- The Sales Process Has 10 Steps 191
- Steps Before the Sales Presentation 192
- Prospecting—Lifeblood of Selling 192
 - Where to Find Prospects 193
 - Planning a Prospecting Strategy 194
 - Prospecting Methods 194
 - Endless Chain—Customer Referral 195
 - Orphaned Customers 196
 - Sales Lead Clubs 197
 - Get Lists of Prospects 198
 - Become an Expert—Get Published 198
- What Is the Best Prospecting Method? 203
 - Referrals Used in Most Prospecting Methods 204
- Call Reluctance Costs You Money 204
- Obtaining the Sales Interview 204
 - The Benefits of Appointment Making 204
- Customer Sales Planning—The Preapproach 209
 - Reasons for Planning the Sales Call 210
 - Elements of Sales Call Planning 211
 - Always Have a Sales Call Objective 211
- Technology Keeps Up with Customer Information 216
- The Prospect's Mental Steps 216
 - Attention 217
 - Interest 217
 - Desire 217
 - Conviction 217
 - Purchase or Action 217
- Overview of the Sales Process 217
- Summary of Major Selling Issues 219
- Key Terms for Selling 220
- Sales Application Questions 221
- Further Exploring the Sales World 222
- Selling Experiential Exercise 223
 - Plan Your Appearance—It Projects Your Image 223

CASES

- 7-1** Canadian Equipment Corporation 223

- 7-2** Ms. Hansen's Mental Steps in Buying Your Product 224
7-3 Machinery Lubricants, Inc. 225

8 *Select Your Presentation Method, Then Open It Strategically* 226

- Learning Objectives 226
- The Right to Present 227
- Sales Presentation Strategy 228
- Sales Presentation Methods—Select One Carefully 229
 - The Memorized Sales Presentation 229
 - The Formula Presentation 232
 - The Need-Satisfaction Presentation 234
 - The Problem-Solution Presentation 236
 - The Group Presentation 237
 - Negotiating So Everyone Wins 240
 - What Is The Best Presentation Method? 244
- Sales Presentations Go High Tech 244
 - Select the Presentation Method, Then the Approach 244
- The Approach—Opening the Sales Presentation 245
 - Your Attitude During the Approach 245
 - The First Impression You Make Is Critical to Success 246
 - Small Talk Warms 'Em Up 248
 - The Situational Approach 248
 - Opening with Statements 249
 - Demonstration Openings 250
 - Opening with Questions 252
- Using Questions Results in Sales Success 258
 - The Direct Question 258
 - The Nondirective Question 258
 - The Rephrasing Question 259
 - The Redirect Question 259
 - Three Rules for Using Questions 259
- Is the Prospect Still Not Listening? 260
- Be Flexible in Your Approach 261
- Summary of Major Selling Issues 261
- Key Terms for Selling 262
- Sales Application Questions 262
- Further Exploring the Sales World 265
- Selling Experiential Exercise 266
 - Developing Your Role—Play Sales Presentation (Part 1 of 4) 266

CASES

- 8-1** The Thompson Company 266
8-2 Electronic Office Security Corporation 267
8-3 Negotiating with a Trend 269

9	<i>Elements of a Great Sales Presentation</i>	270
	Learning Objectives	270
	The Purpose of the Presentation	271
	Three Essential Steps within the Presentation	273
	The Sales Presentation Mix	274
	Persuasive Communication	274
	Participation Is Essential to Success	279
	Proof Statements Build Believability	279
	The Visual Presentation—Show and Tell	281
	Visual Aids Help Tell the Story	281
	Dramatization Improves Your Chances	283
	Demonstrations Prove It	284
	A Demonstration Checklist	286
	Use Participation in Your Demonstration	286
	Reasons for Using Visual Aids, Dramatics, and Demonstrations	287
	Guidelines for Using Visual Aids, Dramatics, and Demonstrations	287
	Technology Can Help!	288
	The Trial Close—A Major Step in the Sales Presentation	288
	SELL Sequence	290
	The Ideal Presentation	290
	Be Prepared for Presentation Difficulties	291
	How to Handle Interruptions	291
	Should You Discuss the Competition?	292
	Be Professional	293
	Where the Presentation Takes Place	293
	Diagnose the Prospect to Determine Your Sales Presentation	293
	Summary of Major Selling Issues	294
	Key Terms for Selling	295
	Sales Application Questions	295
	Further Exploring the Sales World	296
	Selling Experiential Exercise	297
	Developing Your Role-Play Sales Presentation (Part 2 of 4)	297
	CASES	
	9-1 Dyno Electric Cart Company	297
	9-2 Major Oil, Inc.	298
10	<i>Welcome Your Prospect's Objections</i>	302
	Learning Objectives	302
	Welcome Objections!	303
	What Are Objections?	303
	When Do Prospects Object?	304
	Objections and Sales Process	304
	Basic Points to Consider in Meeting Objections	304
	Plan for Objections	305
	Anticipate and Forestall	306
	Handle Objections as They Arise	307
	Be Positive	307
	Listen—Hear Them Out	307
	Understand Objections	307
	Six Major Categories of Objections	310
	The Hidden Objection	310
	The Stalling Objection	311
	The No-Need Objection	314
	The Money Objection	314
	The Product Objection	317
	The Source Objection	318
	Techniques for Meeting Objections	319
	The Dodge Neither Denies, Answers, nor Ignores	319
	Don't Be Afraid to Pass Up an Objection	320
	Rephrase an Objection as a Question	320
	Postponing Objections Is Sometimes Necessary	321
	Send It Back with the Boomerang Method	322
	Ask Questions to Smoke Out Objections	324
	Use Direct Denial Tactfully	326
	The Indirect Denial Works	327
	Compensation or Counterbalance Method	328
	Let a Third Party Answer	328
	Technology Can Effectively Help Respond to Objections!	329
	After Meeting the Objection—What to Do?	329
	First, Use a Trial Close—Ask for Opinion	329
	Move Back into Your Presentation	320
	Move to Close Your Sale	330
	If You Cannot Overcome the Objection	330
	Summary of Major Selling Issues	331
	Key Terms for Selling	332
	Sales Application Questions	332
	Further Exploring the Sales World	334
	Selling Experiential Exercises	334
	Developing Your Role Play Presentation (Part 3 of 4)	334
	CASES	
	10-1 Ace Building Supplies	334
	10-2 Electric Generator Corporation (B)	335
11	<i>Closing Begins the Relationship</i>	336
	Learning Objectives	336
	When Should I Pop the Question?	337
	Reading Buying Signals	338
	What Makes a Good Closer?	340
	Ask for the Order and Be Quiet	340