

Chapter 4

The Selling Process

Chapter Outline

- ▶ Updating The Roles Of Salespeople
- ▶ What Salespeople Do: Stages Of The Personal Selling Process
- ▶ Applying CRM To The Personal Selling Process



Learning Objectives

After reading this chapter, you should be able to:



1. Evaluate the benefits and opportunities available in a sales career.
2. Compare and contrast today's sales professional with yesterday's.
3. Describe the seven stages of the personal selling process (PSP).
4. Use various searching methods to find new prospects.
5. Apply several sales presentation strategies.
6. Overcome prospect objections and resistance through negotiation.
7. Demonstrate closing techniques from each of five closing categories.
8. Explain how to empower salespeople for customer relationship management (CRM) roles.

Updating The Roles Of Salespeople

- ▶ With readily available information, customers have become empowered.
- ▶ They expect greater value at lower prices while demanding better service.
- ▶ Salespeople face sophisticated buyers with high expectations
- ▶ Present-day salespeople are also developing a new level of professionalism as they face sophisticated buyers with high expectations.



Updating The Roles Of Salespeople

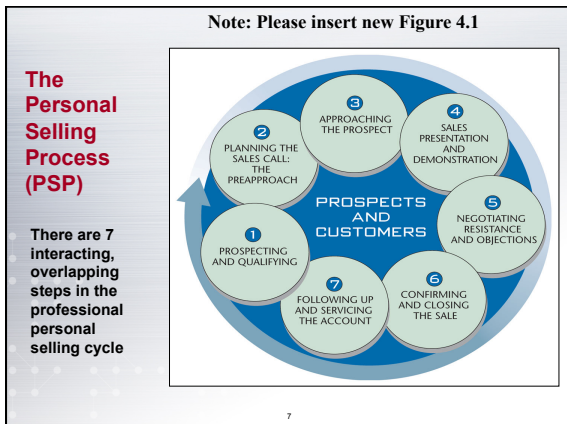
- ▶ Opportunities in personal selling
 - high demand for salespeople
 - receive six-figure signing bonuses
 - top performers can earn over \$1 million a year
- ▶ Sales careers for different types of individuals from different:
 - cultural backgrounds
 - ethnic group
 - demographic variables (gender, education level)
 - personality
- ▶ Everyone sells something
 - all engage in persuasive two-way communication to convince (sell) others in various situations



Customer Relationship Management (CRM)

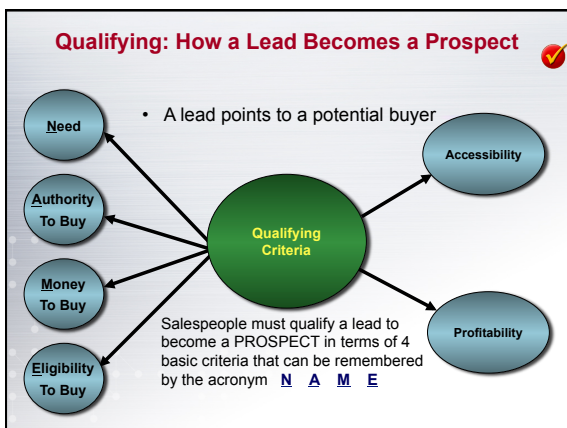
- ▶ With effective CRM, salespeople can reduce customer defection by creating customer loyalty.
- ▶ The contemporary salesperson:
 - Is customer oriented
 - Focuses on *servicing* customers
 - Listens to and communicates meaningfully with customers
 - Stresses customer benefits and service
 - Develops long-term, mutually beneficial relationships with customers by solving their problems
 - Follows up with customers to provide service and ensure satisfaction leading to customer loyalty





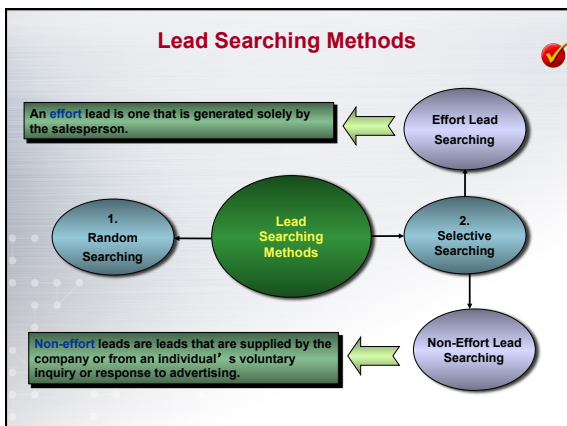
Step 1: Prospecting and Qualifying

- ▶ **Prospects:** potential new customers
- ▶ **Leads:** the name and address and details of a person or organization that may have a need for a product or service
- ▶ To become a prospect, a lead must be qualified in terms of four basic criteria that can be remembered by the acronym **N A M E**, as follows:
 1. **N**eed or want
 2. **A**uthority to buy
 3. **M**oney or ability to buy
 4. **E**ligibility to buy



The Importance of Prospecting

- ▶ Prospecting, the initial stage, is necessary for several reasons:
 - ▶ Need to increase total sales.
 - ▶ Customers switch to other suppliers.
 - ▶ Customers' businesses are taken over by another company.
 - ▶ Customers have only a one-time need for the product.
 - ▶ Relationships with some customers deteriorate, and they stop buying from you.
 - ▶ Your buying contacts are promoted, demoted, transferred, or fired, or they retire or resign.
 - ▶ Customers move out of your territory.
 - ▶ Customers go out of business.
 - ▶ Customers die.



Random-Lead Searching

- ▶ Sometimes called "blind" searching, generates leads by randomly calling on businesses.
- ▶ Examples of random-lead searching include:
 1. **Door-to-door canvassing and cold calls**

Random-Lead Searching

2. **Territory blitz of organizations**
 - ▶ A **territory blitz** refers to an intensified version of door-to-door canvassing in which several salespeople join efforts to call on every organization in a given territory or area.
3. **Advertising**
 - ▶ Using broadcast, interactive or print media.
4. **Electronic mail, websites, social media**
 - ▶ Sending emails and using websites and social media to look for leads.



Selective-Lead Searching: Direct Sources

- ▶ This refers to systematic strategies to generate leads from predetermined target markets.
 - ▶ Friends, neighbors, and acquaintances
 - ▶ Satisfied customers and former customers
 - ▶ Junior salespeople and sales associates
 - ▶ Professional sales organizations
 - ▶ Mailing lists and directories
 - ▶ Personal observation
 - ▶ Centers of influence
 - ▶ Spotters, or "bird dogs"
 - ▶ Endless chain
 - ▶ Networking
 - ▶ Internet (e-mails), social media
 - ▶ Newsletters
 - ▶ Surveys



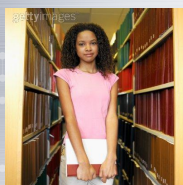
Selective-Lead Searching: Indirect Sources

- ▶ General announcements or calls to potential markets, hoping that prospects will come forward and identify themselves.
- ▶ Examples of indirect sources of selective-lead searching include:
 - Postal or electronic sales letters
 - Trade shows, fairs, and exhibits
 - Professional seminars and workshops
 - Contests
 - Free gifts
 - Unsolicited inquiries
 - Telemarketing for proposals



Sales and Marketing Executives Marketing Library

- ▶ For prospecting or any other stage in the PSP, *Sales and Marketing Executives Marketing Library* is an outstanding source of information and help for salespeople.
- ▶ The library offers:
 - More than 200,000 searchable articles on sales and marketing
 - Discussions by top marketing/sales leaders about their latest strategies and ideas
 - Access to the world's first knowledge base in sales and marketing.
 - Company and industry profiles
 - The latest compensation data for salespeople, sales managers, and marketing managers, plus much more



Step 2: Planning for the Sales Call: Seven Steps to Preapproach Success

1. Prepare the prospect for the initial sales call
2. Sell the sales call appointment by prenotification
3. Gather and analyze all relevant information about the prospect
4. Identify the prospect's problems and needs
5. Identify the product features, advantages, and benefits
6. Choose the best sales presentation strategy
7. Plan and rehearse your approach

Planning for the Sales Call: Seven Steps to Preapproach Success

1. Prepare the prospect for the initial sales call
- ▶ Use "Seeding"
2. Sell the sales call
- ▶ Sell the sales call appointment by prenotification using:
 - ▶ Cold call
 - ▶ E-mail
 - ▶ Fax
 - ▶ Mail
 - ▶ Telephone



Planning for the Sales Call: Seven Steps to Preapproach Success

3. Gather and Analyze Information

▶ Gather information on prospects such as:

- The prospect's name and its pronunciation
- Job title
- Duties
- Superior
- Education
- Work experience
- Level of technical expertise
- Purchasing authority
- Personality
- Prospect's family
- After-work activities, hobbies and interests



Planning for the Sales Call: Seven Steps to Preapproach Success

3. Gather and Analyze Information

▶ Gather information on prospects from:

- Trade Associations
- Chambers of Commerce
- Credit Bureaus
- Mailing List Companies
- Government and Public Libraries
- Investment Firms




Planning for the Sales Call: Seven Steps to Preapproach Success

3. Gather and Analyze Information

▶ Gather information on prospects from websites, such as:

- Thomas Register www.thomasnet.com
- Yellow Pages www.yellowpages.com
- Fortune Magazine www.fortune.com
- Forbes Magazine www.forbes.com
- Inc. Magazine www.inc.com
- U.S. Census Bureau www.census.gov



Planning for the Sales Call: Seven Steps to Preapproach Success

4. Identify the prospect's problems and needs

▶ Identify prospects problems and needs:

- Problems with:
 - Products previously purchased
 - Production difficulties
 - Productivity inefficiencies
- Needs, such as:
 - Increasing market share
 - Lowering cost of production



Planning for the Sales Call: Seven Steps to Preapproach Success

5. Identify the product features, advantages, and benefits (FAB)

- ▶ Identify the **features** of the products being considered for this sale.
- ▶ Enumerate the **advantages** of your products relative to competitors' products.
- ▶ Determine **benefits** to the prospect of each product feature and/or advantage

FAB strategy for sales presentation and demonstration



Planning for the Sales Call: Seven Steps to Preapproach Success

6. Choose the best sales presentation strategy


- ▶ Customer-oriented salespeople identify and solve customer problems by skillfully observing, listening, and asking probing questions.
- ▶ Most successful salespeople learn how to "flex" (adapt) their communication styles in accordance with their prospects' communication styles.



Planning for the Sales Call: Seven Steps to Preapproach Success

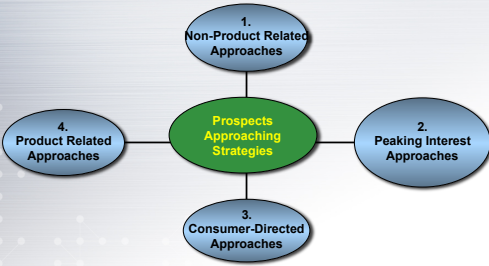
7. Plan and rehearse your approach

- ▶ Rehearse, rehearse, rehearse until you have mastered your total sales presentation and feel comfortable and confident about it.
- ▶ Do not memorize a canned spiel, but keep in mind the key points you want to make in each of the stages of the selling process.
- ▶ Carefully planning, preparing, and rehearsing each sales call will spell success.

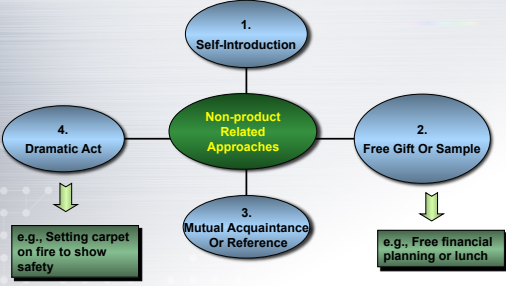


Step 3: Approaching the Prospect

Four strategies for approaching prospects include:



Non-Product Related Approaches



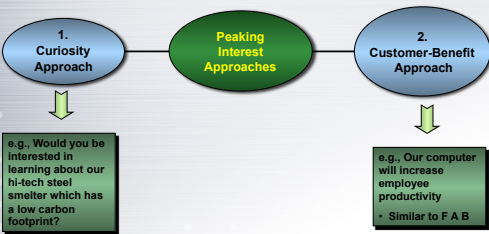
1. Self-Introduction

2. Free Gift Or Sample
e.g., Free financial planning or lunch

3. Mutual Acquaintance Or Reference

4. Dramatic Act
e.g., Setting carpet on fire to show safety

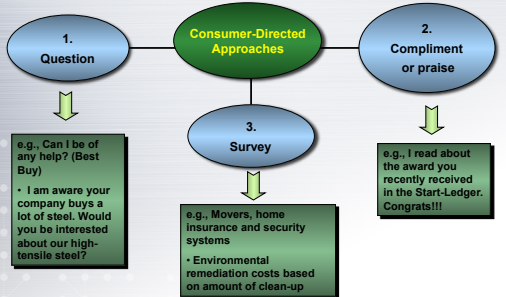
Peaking Interest Approaches



1. Curiosity Approach
e.g., Would you be interested in learning about our hi-tech steel smelter which has a low carbon footprint?

2. Customer-Benefit Approach
e.g., Our computer will increase employee productivity
• Similar to F A B

Consumer-Directed Approaches




1. Question
e.g., Can I be of any help? (Best Buy)
• I am aware your company buys a lot of steel. Would you be interested about our high-tensile steel?

2. Compliment or praise
e.g., I read about the award you recently received in the Star-Ledger. Congrats!!!

3. Survey
e.g., Movers, home insurance and security systems
• Environmental remediation costs based on amount of clean-up

Product-Related Approaches



1. Product demonstration
e.g., Demonstrate product or statistical software for CRM or Data Mining

2. Product or Ingredient
e.g., Carry sample or catalog
Show product

Establishing Sales Call Objectives

▶ When establishing objectives for a sales call, set:




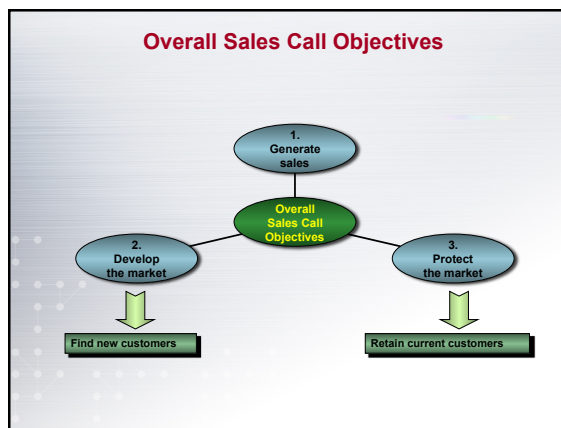
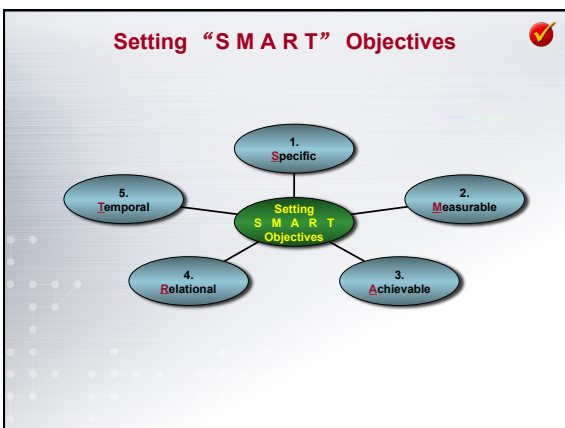
**Primary objectives
(targeted outcome)**

**Minimum objectives
(lowest acceptable outcome)**

**Optimal objectives
(best possible outcome)**


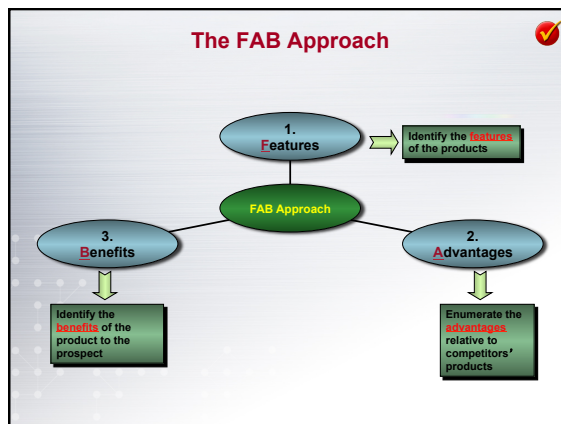
Setting “S M A R T” Objectives

- ▶ **Specific:** Establish a specific, major objective for the sales call.
- ▶ **Measurable:** Ensure that your major objective is measurable or quantifiable, e.g., a certain number of units or dollar sales volume.
- ▶ **Achievable:** Make sure the goals you set are realistic and achievable.
- ▶ **Relational:** Always try to develop a long-term relationship with the prospect even if the major objective on this sales call is not achieved.
- ▶ **Temporal:** If you can, establish with the prospect a specific timeframe for achieving the major objective.

Step 4: The Sales Presentation and Demonstration


- ▶ Ask qualifying questions to uncover needs
- ▶ Present products and services that will satisfy needs
- ▶ Stimulate desire for offerings with the demonstration
- ▶ Highlight their **features, advantages, and benefits:**
 - **F—Features** are the obvious characteristics of the product.
 - **A—Advantages** are the performance traits of the product that show how it can be used to help the customer better solve a problem than present products can.
 - **B—Benefits** are what the customer wants from the product.

Sales Presentation Strategies


▶ Several alternative sales presentations, include:

- 1. Stimulus-response**
 - ▶ Salesperson asks a series of positive leading questions
- 2. Formula**
 - ▶ Salesperson leads the prospect through the mental states of buying (attention, interest, desire, and action)
- 3. Need satisfaction**
 - ▶ Salesperson tries to find dominant buying needs




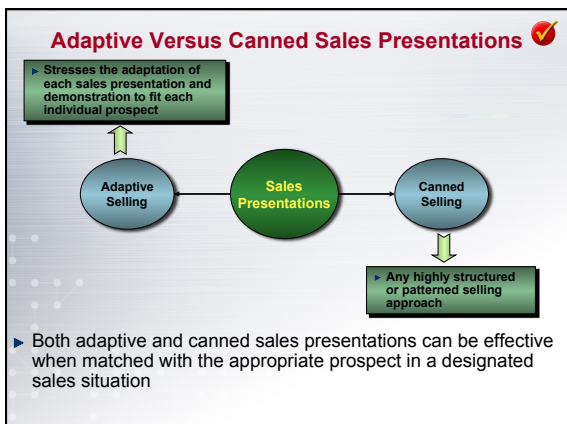
Sales Presentation Strategies

- 4. Consultative problem solving**
 - ▶ Most successful sales presentation strategy
 - Focus on the prospect's problems, not the seller's products
 - Emphasize the partnership of buyer and seller and stresses "win-win" outcomes in negotiations
- 5. Depth selling**
 - ▶ Employs a combination of several sales presentation methods
- 6. Team selling**
 - ▶ Presentation made to a group of decision makers from different functional areas





Adaptive Versus Canned Sales Presentations

- ▶ **Adaptive selling:**
 - Stresses the adaptation of each sales presentation and demonstration to fit each individual prospect
- ▶ **Canned selling:**
 - Is any highly structured or patterned selling approach
- ▶ Both adaptive and canned sales presentations can be effective when matched with the appropriate prospect in a designated sales situation

Step 5: Negotiating Sales Resistance or Buyer Objections

- ▶ **Objections** are statements, questions, or actions by the prospect that indicate resistance or an unwillingness to buy . . . at least not yet
- ▶ Without sales resistance, there wouldn't be any need for salespeople
 - ▶ The first person who reached the prospect would make the sale
 - ▶ Serious negotiations seldom begin until the prospect's objections surface



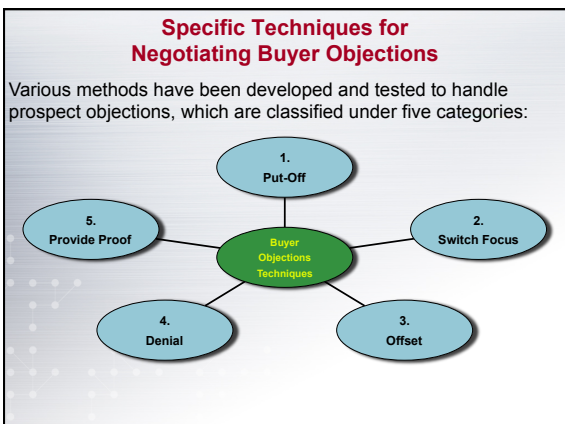
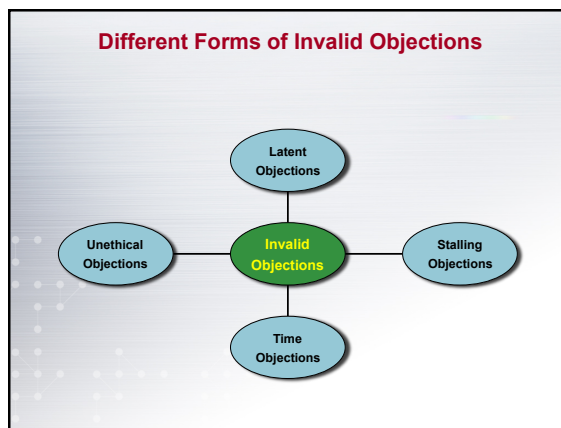
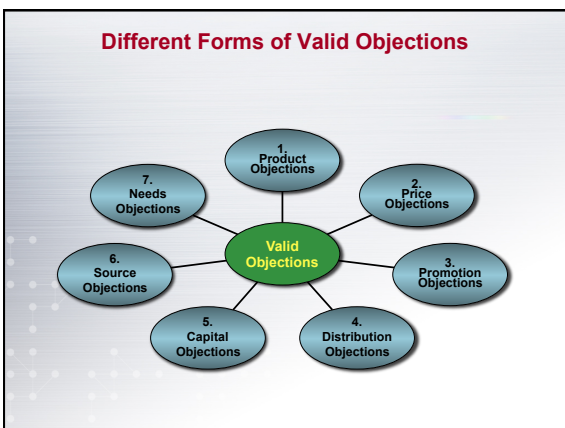
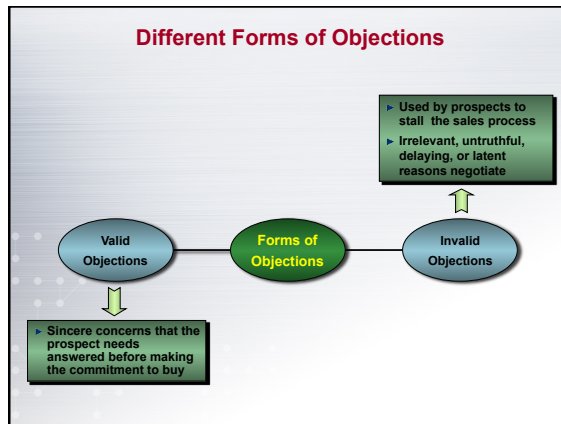
Video on Coaching Salespeople to Handle Objections



▶ To see a video on how to coach an inside salesperson to recognize and handle objections, go to:


- ▶ <http://www.sellingpower.com/video/index.asp?date=5/31/2007>

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Put Off Strategies

1. **I' m coming to that:** put off things like price until the end so you don' t turn off the prospect early
2. **Pass-off:** keep a pleasant expression but say nothing



Switch Focus Strategies

1. **Alternative product:** switch focus to another model
2. **Feel, felt, found:** trace own experience with product
3. **Comparison or contrast:** compare product with another
4. **Answer with a question:** what do you think?
5. **Humor:** use lighthearted humor to ease tension and redirect the focus
6. **Agree and neutralize:** give some level of agreement, then explain benefit



Offset Strategies

1. **Compensation or counterbalance:** counter an objection that cannot be denied by citing an even more important buying benefit



2. **Boomerang:** turn the objection into a reason for buying

Denial Strategies

1. **Indirect denial:** agree with prospect's objection but follow with a disclaimer



2. **Direct denial:** tackle the false rumor head-on

Provide Proof Strategies

1. **Case history:** tell experience of a satisfied customer.
2. **Demonstration:** dramatize major advantages and benefits.
3. **Propose trial use:** offer free trial use.



Step 6: Confirming and Closing the Sale

- ▶ The more closing strategies the salesperson knows and can effectively apply, the greater his or her chances for closing the sale.
- ▶ Five widely used closing techniques include:



1. **Clarification Closes**
2. **Psychologically Oriented Closes**
3. **Straightforward Closes**
4. **Concession closes**
5. **Lost Sale Closes**

Clarification Closes

1. Assumptive Close

- ▶ Assume that the purchase decision has already been made so that the prospect feels compelled to buy

2. Choice Close

- ▶ Offer the prospect alternative products from which to choose

3. Counterbalance Close

- ▶ Offset an objection that cannot be denied by balancing it with an important buying benefit

4. Success Story Close

- ▶ Tell a story about a customer with a similar problem who solved it by buying the product

Clarification Closes

5. Contingent Close

▶ Get the prospect to agree to buy if the salesperson can demonstrate the benefits promised

6. Boomerang Close

▶ Turn an objection around so that it becomes a reason for buying

7. Future Order Close

▶ If a prospect does not have a current need, but may have one in the future, the salesperson can ask for a commitment from the prospect to purchase at a future time

Clarification Closes

8. If-When Close

▶ Ask the prospect to provide a clarification as to when an order will be placed, as opposed to if an order will be placed.


9. Probability Close

▶ Although similar to the “if-when close” described above, the probability closing technique asks the prospect to assign a quantified likelihood of signing a sales contract in the near future.

10. Suggestion Close

▶ Imply that the prospect should accept the salesperson’s suggestion to buy without giving it a great deal of thought. A salesperson, for example, might state that customers who have purchased the product have reported high levels of satisfaction, thereby the prospect should purchase it, also.

Psychological-Oriented Closes



1. Stimulus-Response Close

▶ Use a sequence of leading questions to make it easier for the prospect to say “yes” when finally asked for the order.


2. Minor Points Close

▶ Obtain favorable decisions on several minor points leading to eventual purchase decision

3. Standing-Room Only Close

▶ Suggest that the opportunity to buy is brief because demand is great and the product is in short supply

Psychological-Oriented Closes



4. Impending Event Close

▶ Warn the prospect about some upcoming event that makes it more advantageous to buy now.

5. Advantage Close

▶ This variation of the impending event close emphasizes the specific advantages of making a timely decision, while still stressing a sense of immediacy

6. Reserve Advantage Close

▶ In this slight variation of the advantage close described above, salespeople identify a number of merits for purchasing a product, but save a few to use if the prospect exhibits resistance yet again

Psychological-Oriented Closes

7. Puppy dog Close

▶ Let the prospect take the product home for a while and, as with a puppy, an emotional attachment may develop, leading to purchase


8. Compliment Close

▶ Commend prospects for raising interesting and intelligent questions which subtly flatters their egos then ask them to sign the sales order

9. Dependency Close

▶ Used to break the “choke-hold” that a competing firm has over a prospect’s business by suggesting that the prospect have an alternative supplier to reduce the risk of being dependent on one supplier

Straightforward Closes



1. Ask for the Order Close

▶ Ask for the order directly or indirectly.

2. Order Form Close

▶ While asking the prospect a series of questions, start filling out basic information on the contract or order blank, then hand the order form and a pen to the prospect

3. Summary Close

▶ Summarize the advantages and disadvantages of buying the product before asking for the order

Straightforward Closes

4. Repeated "Yes" Close

- ▶ This variation of the summary close requires a salesperson to pose several leading questions to which the prospect has little choice but to respond in an affirmative manner

5. Benefits Close

- ▶ Also a variation of the summary close, it requires the salesperson to identify and present a synopsis of the various salient benefits that the sales solution offers

6. Action Close

- ▶ The salesperson simply hands the prospect a pen along with the contract, and frequently the prospect, almost by reflex, will sign

Straightforward Closes

9. Negotiation Close

- ▶ Both the buyer and the salesperson negotiate a compromise, thus ensuring a "win-win" agreement.

10. Technology Close

- ▶ The salesperson more impactfully and effectively summarizes key value-added benefits for the prospect by using technologies such as PowerPoint, Excel, or other multi-media tools.



Concession Closes



1. Special-Deal Close

- ▶ Offer a special incentive to encourage the prospect to buy now.

2. No-Risk Close

- ▶ Agree to take the product back and refund the customer's money if the product doesn't prove satisfactory.

Concession Closes


3. Management Close

- ▶ When salespeople do not have the authority to make the prospect's requested commitments or concessions, they can elicit the assistance of a senior sales manager who has the authority to make the necessary decisions to close the sale no-risk close sale.

4. Takeaway Close

- ▶ Used as an emotional fear appeal to cause anxiety that the prospect may lose out on a special deal or incentive. A salesperson may suggest that the special offer to provide an ancillary product or service free of charge is available only for another week, thereby evoking an immediate purchase

Lost Sale Closes



1. Turnover Closes

- ▶ Turn the prospect over to another salesperson with a fresh approach or better chance to make the sale.

2. Pretend-to-Leave Close

- ▶ Start to walk away, then "remember" another benefit or special offer after the prospect has relaxed his or her sales defenses

3. Ask For Help Close

- ▶ When the sale seems lost, apologize for not being able to satisfy the prospect and ask what it would have taken to get him or her to buy; then offer that


Step 7: Following Up and Servicing the Account

- ▶ To maximize customer satisfaction after a sale, salespeople should consider the following basic service strategies:
 - ▶ Express appreciation for the customer's business
 - ▶ Make sure products are delivered and installed on time
 - ▶ Assist customers with credit arrangements
 - ▶ Help customers with warranty or service contracts



Step 7: Following Up and Servicing the Account

- ▶ After making the sale, top salespeople don't disappear.
- ▶ Maintain close contact with the customer to handle any complaints.



- ▶ It's much less costly to keep present customers satisfied than to search out and acquire new customers.
- ▶ Frequent and comprehensive **follow-up** is a primary means of retaining long-run, satisfied, loyal, and profitable customers
- ▶ Follow-up keeps the *personal selling process wheel* revolving.

Handling Customer Complaints

- ▶ Some guidelines for handling customer complaints are:



- ▶ **Anticipate** customer complaints and resolve them before the customer expresses them
- ▶ **Listen closely** and patiently to the customers' complaint without interrupting
- ▶ **Never belittle** a customer's complaint
- ▶ **Encourage** customers to talk and fully express their feelings
- ▶ **Never argue** with customers or take their complaints personally
- ▶ **Record the facts** as the customer sees them
- ▶ Let customers know you **understand their complaints**

Handling Customer Complaints



- ▶ **Empathize** with the customer and see the problem from his or her viewpoint
- ▶ **Don't make excuses** for service problems nor criticize service personnel
- ▶ **Resolve problems quickly and fairly** even if that means the sale will become unprofitable
- ▶ **Reassure customers** that you will resolve their problems promptly and get back to them regularly to report progress
- ▶ **Thank customers** for voicing their complaint
- ▶ **Follow up** after the customer's complaint has been resolved to make sure that everything is okay
- ▶ **Keep a record** of all customer complaints and their outcomes

Ethical Situation: What Would You Do?

Discussion Question:

It's your first three months in your new sales job after graduating from college, and one of your prospects needs a reliable source for about \$250,000 worth of various products each month for their "just-in-time" inventory system. They like your company's new line of products and have indicated that they would make your company their new supplier if you can deliver orders on three days notice. You know that it usually takes your company at least five days notice to deliver orders. But you don't want to lose this large account to a competitor because you may not have another chance for years, so you say: "Yes, we can deliver on three days notice." You feel certain that you can get your sales manager to put pressure on the company's shipping department to speed up deliveries for this large account. Moreover, you feel it's your job to sell the products and it's headquarters' job to deliver when the customer wants them.

Ethical Situation: What Would You Do?

Discussion Question:

After making your sales presentation, you give the prospect—who has newly been appointed to head buyer at his company—an opening price which you know is much higher than the price at which you normally expect to sell the product. You expect him to try to negotiate price but, surprisingly, the prospect says: "Okay, he would like to place an order for 500 at \$100 each." Other companies in your sales territory have paid only about \$75 for the product when bought in such large quantities from your company.

Key Terms

- ▶ **Wheel Of Personal Selling**—Depiction of the seven stages of the personal selling process (PSP) as a continuous cycle of stages carried out by professionals in the field of sales.
- ▶ **Prospecting**—First step in the PSP, wherein salespeople find leads and qualify them on four criteria: need, authority, money, and eligibility to buy.
- ▶ **Lead**—The name and address or telephone number of a person or organization potentially needing the company's products or services
- ▶ **Preapproach**—The approach-planning stage of the PSP.
- ▶ **Approach**—The first face-to-face contact with the prospect.

Key Terms

- ▶ **SMART Objectives**—A method of setting sales call objectives that are specific, measurable, achievable, relational, and temporal.
- ▶ **Adaptive Selling**—Modifying each sales presentation and demonstration to accommodate each individual prospect.
- ▶ **Canned (or programmed) Selling**—Any highly structured or patterned selling approach.
- ▶ **Objection**—Anything that the prospect or customer says or does that impedes the sales negotiations.

Key Terms

- ▶ **Valid Objections**—Sincere concerns that the prospect needs to have addressed before he or she will be willing to buy.
- ▶ **Invalid Objections**—Irrelevant, untruthful delaying actions or hidden reasons for not buying.
- ▶ **Close**—The stage in the PSP where the salesperson tries to obtain the prospect's agreement to purchase the product.
- ▶ **Trial Close**—Any well-placed attempt to close the sale; can be used early and often throughout the PSP.
- ▶ **Follow-Up**—Customer service provided not just after the sale is closed, but throughout the PSP.

Review And Application Exercises

1. Why do you think so many successful CEOs of top companies have come up through sales? [LO 1]
2. What qualities do you think are needed by top-performing salespeople of today and tomorrow? [LO 2]
3. Describe the seven stages in the professional personal selling process (PSP). Why are they depicted as a revolving wheel? [LO 3, 4, 5, 6, 7]
4. Salespeople spend more time on prospecting than on any other of the seven PSP stages. Why do you think this is so? [LO 4]
5. Describe the different sales presentation strategies, including the advantages and disadvantages associated with each one. [LO 5]

Review And Application Exercises

6. How should salespeople view buyer objections and resistance? [LO 6]
7. Identify the five basic techniques for handling buyer objections, and give examples of each one. [LO 6]
8. What is a trial close? Give some examples of trial closes. When should they be used? [LO 5, 7]
9. Name and explain as many closing strategies as you can. [LO 7]
10. Why should salespeople be empowered in their dealings with prospects and customers? [LO 8]

Internet Exercise

1. You have been appointed to work as a U.S. sales representative for Airbus Industrie, which has just developed the Airbus 380—a state-of-the-art, double-decker aircraft that carries from 550 to 900 passengers. Using the websites provided in Table 4.4, conduct a Web-based search for detailed information about the airline industry. More specifically, to help you plan the sales call and make your approach successful, find the following information:
 - Addresses and locations of the headquarters of major players in the airline industry (passenger airlines and cargo carriers)
 - Sales, market share, profits, and size of each major competitor
 - Regions of the United States, and of the world, where each airline operates
 - Type of aircraft the airline currently uses
 - Names, addresses, e-mail addresses, and telephone numbers of purchasing managers for all of the airlines and cargo carriers

Case 4.1 Solex-Digital: Effective Negotiation Strategies

1. Is it worthwhile for Marilyn to negotiate with Mr. Logan when his demands are so unreasonable—and unprofitable, if she agrees to the 20 percent discount? Explain.
2. Should Marilyn do like most salespeople who “win” orders from Mr. Logan—simply cut back on product quality and/or service and be relatively unresponsive to complaints, so that her company can make a little profit? If she follows this strategy, Marilyn realizes that she probably won't get any orders from Mr. Logan next year, and it may hurt her company's reputation—not only with NCC, but with other companies through negative word of mouth.

Case 4.1
Solex-Digital: Effective Negotiation Strategies

3. Marilyn wants to keep NCC as a customer because it could become a valued account when Mr. Logan retires. So, she's thinking about calling her sales manager to ask if she can offer the 20 percent discount and accept a loss on the contract in order to keep the customer relationship going with NCC. As her sales manager, what advice would you give Marilyn?
4. What role, if any, does customer relationship management play when dealing with difficult buyers like Mr. Logan?

Case 4.2
Dasseaux Pharmaceuticals:
Relationship versus Transactional Selling

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