

GLOBAL  
EDITION



# Selling Today

*Partnering to Create Value*

FIFTEENTH EDITION



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# **Selling Today**

**PARTNERING TO CREATE VALUE**

**Fifteenth Edition**

**Global Edition**

- 6-12** Select a multinational company you would like to work for. Research its mission statement and organizational culture. Identify the values and practices that make it a great place to work. Why do great places to work ultimately benefit the customer?

## Role-Play Exercise

Study the convention center information in Part 1, Developing a Sales-Oriented Product Strategy, in Appendix 3, paying special attention to pricing on the meals and meeting rooms. Using the online sales proposal form (which your instructor can access for you at [www.pearson.com](http://www.pearson.com) under Additional Resources for *Selling Today* 15e), configure a sales proposal for your instructor (using your school name and address) who is responsible for setting up a student-awards meeting. The meeting includes a banquet-style meal of Chicken Wellington for 26 attendees from 5:30 P.M. to 8:00 P.M. on the last Wednesday of next month. The meal will be served at 5:45 P.M., and the awards session is scheduled from 6:45 P.M. to 8:00 P.M. in the same room. The seating should be banquet style. Present the completed proposal to another student (acting as your customer) and communicate the features and benefits of your proposal.

## ▶ Reality Selling Video Case Problem—Bolaji Ayodele/Autodesk



Source: Courtesy of Michael Ahearne

Autodesk is an American multinational software corporation that makes software products and services for architecture, engineering, construction, and other industries.

Today, Bolaji Ayodele, a senior business development representative for Autodesk, is meeting with the construction manager for the Woodlands Town Center, a major community-development organization. The Woodlands is a planned community outside of Houston. The recently added Woodlands Town Center includes restaurants, shops, and a hotel and convention center.

The construction manager's goal is to manage the construction of the Woodlands Town Center as efficiently as possible. Up to this point, the construction team has relied mainly on Excel sheets and competitors' software; now, the construction manager is interested in using *Autodesk* software and has scheduled this meeting with Bolaji to learn more about the possibilities of using software from Autodesk.

As a rule, Bolaji uses relatively informal presentations on his sales calls. The most significant part of his presentation is a demo of Autodesk software; showing potential customers a demo allows them to see the software's overall look and feel and to have a good look at the technology. Over the course of the informal presentation, Bolaji also shows the customer statistics on the customer base of Autodesk as well as a price sheet for various license types for the software.

After listening to what the construction manager needs, Bolaji proposes a range of software. Although the price depends on the number of stand-alone licenses ordered, he estimates that the software cost would be about \$50,000. The construction manager and Bolaji agree on a timeline for a more formal proposal that can be shared with the rest of the construction team, and Bolaji moves on to the rest of his day. (See the chapter opener and Reality Selling Today Role-Play in Appendix 1 for more information.)

## Questions

- 6-13** Explain how Bolaji Ayodele can use the three prescriptions for a product-selling strategy in preparing and presenting product solutions.
- 6-14** What are the major benefits that Bolaji incorporates into his presentation?
- 6-15** What are the most likely objections that the construction company might raise?
- 6-16** In addition to the actual product strategy, how important will information about *Autodesk* (its history, mission, past performance, etc.) be in closing the sale?

## Partnership Selling: A Role-Play (see Appendix 3)

### Developing a Product Strategy

Read Employment Memorandum 1 in Appendix 3, which introduces you to your new training position with the Hotel Convention Center. You should also study the product strategy materials that follow the memo to become familiar with the company, product, and competitive knowledge you need in your new position.

Read the Customer Service/Sales Memorandum in Part I of Appendix 3 and complete the two-part customer/service assignment provided by your sales manager. In item 1, you are to configure a price/product sales proposal; in item 2, you are to write a sales cover letter for the sales proposal. Note that the information presented in the price/product sales proposal consists of product facts/features, and the information presented in your sales cover letter should present specific benefit statements. These forms should be custom-fitted to meet the specific needs of your customer, B. H. Rivera. All the product information you need is in the product strategy materials provided as enclosures and attachments to Employment Memorandum 1.



Park Shores Resort and  
Convention Center.

*Source:* Ken Howard/Alamy  
Stock Photo

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## Product-Selling Strategies That Add Value

### Learning Objectives

When you finish reading this chapter, you should be able to

**7.1** Describe positioning as a product-selling strategy.

**7.2** Explain the 3-D product solutions selling model.

**7.3** Discuss product-positioning options.

**7.4** Explain how to sell your product with a price strategy.

**7.5** Explain how to sell your product with a value-added strategy.



Source: Prostock-studio / Alamy Stock Photo

### ▶ Introduction

You have just finished paying off your college loans, and it's time to replace that old rust bucket with a new leased car. You have looked at the sport-compact cars available, but they all seem so small. Now you are eagerly looking at cars in the sports-sedan category. The cars in this niche offer a good blend of comfort, attractive design, and performance. However, there are almost too many choices. **Road & Track** says there are 11 different automobiles in this group. The list price for these cars ranges from \$33,000 to \$60,000. Many now, including the Cadillac CT4, Audi A4, Infiniti Q60, and Volvo S60, offer all-wheel drive. As you learn more about the choices available, it becomes clear that each manufacturer has taken steps to differentiate its product.<sup>1</sup>

Several years ago, automobile manufacturers from around the world began to develop and position cars for the sports-sedan segment. Research indicated that demand for these cars would increase. The result was the introduction of 11 different marques, each with its own unique characteristics. At the dealer level, the process of product differentiation continues. If you want something more than standard equipment, the salesperson can describe a variety of options that can add \$7,000 to \$10,000 to the price. Each car can be accessorized to meet your personal needs. The dealer can also help position this product with modern facilities, customer-friendly service policies, and a reputation for honesty and integrity.

Some automobile manufacturers see the sports-sedan category as critical to their success. At BMW, the 3 Series sports sedan accounts for nearly half of the company's sales worldwide. Sports sedans can be very profitable because many buyers select expensive options such as special wheel and tire packages, antiskid electronics, ground-effects trim, and top-of-the-line audio systems. ●





Salespeople at the dealer level can play an important role in positioning the automobile for competitive advantage. They can describe the quality control process that ensures the build quality of the Audi A4 or demonstrate the sportscar driving characteristics of the Cadillac CTS. Adding value depends on the salesperson's ability to provide a competitive analysis using knowledge of the manufacturer, the automobile, and the dealership.

Source: Grzegorz Czapski/Alamy Stock Photo

## Product Positioning—In a Competitive Marketplace

Long-term success in today's dynamic global economy requires the continuous positioning and repositioning of products.<sup>2</sup> **Positioning** involves those decisions and activities intended to create and maintain a certain concept of the product in the customer's mind. It requires developing a sales and marketing strategy aimed at influencing how a particular market segment perceives a product in comparison to the competition.<sup>3</sup> In a market that has been flooded with various types of sport-utility vehicles (SUVs), Land Rover has been positioned as a dependable vehicle that can climb a steep, rock-covered hillside with ease. Every effort has been made to create the perception of safety, durability, and security. To give sales representatives increased knowledge to share with clients to effectively position the Land Rover against its competitors, the company has arranged plant tours and the opportunity to observe actual testing of the Land Rover vehicles under extremely demanding conditions.

Good positioning means that the product's name, reputation, and niche are well recognized and respected. However, an effective positioning strategy cannot be accomplished solely by the company. The positioning process must be continually configured and custom fitted by the salesperson to match each customer's specific wants and needs.<sup>4</sup>

### Essentials of Product Positioning

Most salespeople use a combination of marketing and sales strategies to position their products, based on the unique needs of each of their customers. Therefore, every salesperson needs a good understanding of the fundamental practices that contribute to product positioning. The chapter begins with a brief introduction to the concept of product differentiation. This is followed by an explanation of how products have been redefined in the age of information. The remainder of the chapter is devoted to three product-selling strategies that can be used to position a product. Emphasis is placed on positioning your product with a value-added strategy. In the age of information, salespeople who cannot add value to the products they sell will diminish in number and influence.

**7.1** Describe positioning as a product-selling strategy.

## Salesperson's Role in Product Differentiation

With so much publicly available product and competitive information, one of the basic tenets of sales and marketing is the principle of product differentiation. **Differentiation** refers to your ability to separate yourself, your product, and/or your company from that of your competitors. It is the key to building and maintaining a competitive advantage.<sup>5</sup> The competitors in virtually all industries are moving toward differentiating themselves on the basis of quality, price, convenience, economy, or some other factor. Salespeople, who are on the front line interacting with customers, assume one of the most important roles in the product differentiation process.

Differentiating your product helps you stand out from the crowd. It often allows you to distance yourself from the competition. In many cases, the process of differentiation creates barriers that make it difficult for the buyer to choose a competing product simply on the basis of price.<sup>6</sup>

## Custom Fitting and Communicating the Value Proposition

A well-informed customer will usually choose the product that offers the most value. Therefore, salespeople need to position their product with a value proposition. A **value proposition** is the set of benefits and values the salesperson configures to meet and exceed their customers' specific needs. The value proposition presented by Porsche promises driving performance and excitement.<sup>7</sup> Kinko's, which is now part of FedEx, is attempting to differentiate itself from Sir Speedy, AlphaGraphics, and print shops found at Office Depot, OfficeMax, and Staples. The new value proposition promises that 1,200 FedEx Kinko's locations offer a breadth of services unparalleled in the industry. These new centers leverage the traditional strengths and brand awareness of FedEx and Kinko's.<sup>8</sup> Salespeople have an important responsibility to custom-fit and then attractively communicate aspects of the value proposition that meet the specific needs of the customer.

**Quantifying the Value Proposition** In many situations, salespeople must quantify the value proposition. This is especially true in B2B when the customer is a business buyer. (Business buyer behavior will be discussed in Chapter 8.) The value quantification process raises customers' comprehension levels as they discover the merits of buying your product or service.<sup>9</sup> Let's assume you are selling Kenworth trucks and one of your customers is Contract Freighters, Inc., based in Joplin, Missouri. This large company is planning to purchase 700 new trucks. Your Kenworth diesel trucks cost 10 percent more than rivals' trucks. Within your proposal, you will need to quantify the benefits of buying Kenworth trucks, which may include greater reliability, higher trade-in value, lower maintenance costs, and the plush interiors that will help the buyer attract

## SELLING IN ACTION

### How Do Customers Judge Service Quality?

In the growing service industry, there is intense price competition. From a distance, one gets the impression that every buyer decision hinges on price alone. However, a closer examination of service purchases indicates that service quality is an important factor when it comes to developing a long-term relationship with customers.

How do customers judge service quality? Researchers at Texas A&M University have discovered valuable insights about customer perceptions of service quality. They surveyed hundreds of customers in a variety of service industries and discovered that five service-quality dimensions emerged:

1. **Tangibles:** Details the customers can see, such as the appearance of personnel and equipment
2. **Reliability:** The ability to perform the desired service dependably, accurately, and consistently

3. **Responsiveness:** The willingness of sales and customer service personnel to provide prompt service and help customers
4. **Assurance:** The employees' knowledge, courtesy, and ability to convey trust and confidence
5. **Empathy:** The provision of caring, individualized attention to customers

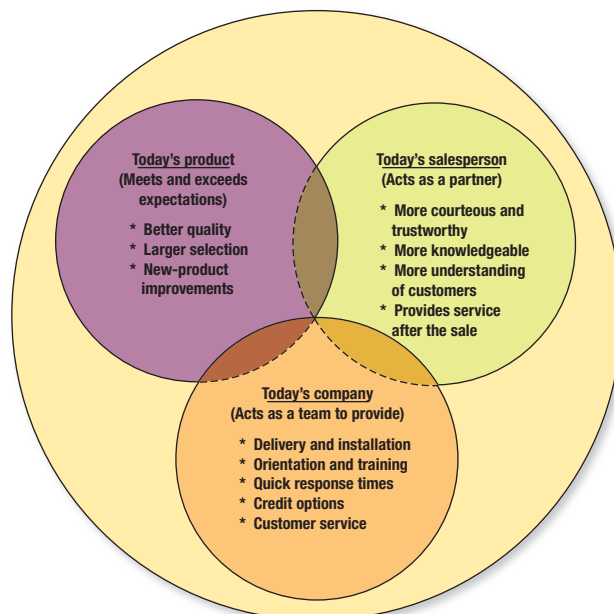
Customers judge the quality of each service transaction in terms of these five quality dimensions. Companies need to review these service-quality dimensions and make sure that each area measures up to customers' expectations. Salespeople should recognize that these dimensions have the potential to add value to the services they sell.<sup>a</sup>

better drivers.<sup>10</sup> Understanding the Three-Dimensional (3-D) Product Solutions Selling Model concept discussed next enables a salesperson to position and differentiate the most valuable parts of the value proposition.

## The Three-Dimensional (3-D) Product Solutions Selling Model

Ted Levitt, former editor of the *Harvard Business Review*, once wrote that products are problem-solving tools. People buy products if they fulfill a problem-solving need. Today's better-educated and more demanding customers are seeking a *cluster of satisfactions*. **Satisfactions** arise from the product itself, from the company that makes or distributes the product, and from the salesperson who sells and services the product.<sup>11</sup> As noted in Chapter 6, many companies are attempting to transform themselves from *product selling* to *solution selling*. Figure 7.1 provides a description of the **Three-Dimensional (3-D) Product Solutions Selling Model**. The 3-D Product Solutions Selling Model illustrates the product, company, and salesperson features available to satisfy the customer's potential 3-D cluster of satisfactions. To develop and sell solutions with many competitive "look-alike" products, salespeople must be familiar with the unique satisfactions that meet the needs of each customer.

To illustrate how the 3-D Product Solutions Selling Model works in a business setting, let us examine a complex buying decision. Elaine Parker, a sales representative for Elmore Industries Incorporated, sells metals for manufacturing operations. Over a period of six months, she frequently called on a prospect who had the potential to become a valued customer. During every call, the buyer's administrative assistant told her they were happy with their current supplier. She refused to give up and finally the buyer agreed to see her. At first, she was greeted with cool silence, so she decided to ask him some questions about his business: "How's the slow economy affecting your sales?" The buyer's answers focused on materials costs. He said his company could not raise prices or cut quality. He wanted to lower costs but was unsure how it could be done. Parker, offering product developments the buyer wasn't familiar with, suggested he consider trying some new alloys that were less expensive than the standard metals he had been purchasing. As she described the new alloys, which exceeded the buyer's expectations, interest began to build. She offered to bring in two of her company's best product engineers to help make a full presentation



**7.2** Explain the 3-D product solutions selling model.

**FIGURE 7.1**  
**The Three-Dimensional (3-D) Product Solutions Selling Model**

A successful product strategy should include a cluster of satisfactions that meets the needs of today's better-educated and more demanding customers. Drawing from this cluster, with the 3-D Product Solutions Selling Model the salesperson can configure value-added solutions that meet and potentially exceed individual customer's needs.