

# **Sales Management Principles, Process and Practice**

**Third Edition**

**Bill Donaldson**

**palgrave  
macmillan**

# Contents

" List of figures	xi
List of tables	xiii
f Preface to the first edition	xiv
. Preface to the third edition	xvi
> Acknowledgements	xvii

## Part 1 The philosophy of s

### 1 The role of selling

1.1 Overview	3
<b>1.2</b> Learning objectives	3
1.3 Definitions	3
1.4 Selling in the business and marketing context	4
1.5 Marketing and sales strategy	5
<b>1.6</b> Relationship marketing	6
<b>1.7</b> The sales environment	7
1.8 The cost of selling	8
1.9 The role of the salesperson	9
1.10 The role of the sales manager	12
<b>1.11</b> The study of sales management	14
1.12 Summary	16
Questions	16
Case study - Dell Computers	17
Key terms	18
References	18

### 2 Theories of buying and selling **20**

2.1 Overview	20
2.2 Learning objectives	20
2.3 Definitions	20
<b>2.4</b> Economic and behavioural theories	21
2.5 Stimulus and response	23
2.6 Formula selling	23

2.7	Needs-satisfaction/problem solving	24
2.8	The SPIN model	25
2.9	Process and task models	26
2.10	The buying centre or DMU	28
2.11	Interaction model (IMP)	30
2.12	Relationship marketing	33
2.13	Summary	36
	Questions	37
	Case study	37
	Key terms	38
	References	38
	<b>Types; of selling</b>	<b>40</b>
3.1	Overview	40
3.2	Learning objectives	40
3.3	Definitions	40
3.4	Why a classification of selling types is important	40
3.5	Conditioned versus insight response	41
3.6	New business versus service selling	43
3.7	Traditional classifications of types of selling	44
3.8	Sales jobs in today's business environment	47
3.9	Key account and global account management	54
3.10	Summary	56
	Questions	56
	Case study - C R Smith	57
	Key terms	57
	References	57
	<b>Salespeople and selling skills</b>	<b>59</b>
4.1	Overview	59
4.2	Learning objectives	60
4.3	Definitions	60
4.4	Personal attributes of salespeople	60
4.5	Knowledge	62
4.6	Skills	64
4.7	The sales process	68
4.8	Negotiation	71
4.9	Contracts and tendering	74
4.10	Status of salespeople	75
4.11	Role conflict	76
4.12	Summary	77
	Questions	78
	Case study - Clerical Medical	78
	Key terms	79
	References	79

## Part II    The selling process

### (The mobilisation of resources behind a customer)

Sales force organisation	83
5.1 Overview	83
5.2 Learning objectives	83
5.3 Definitions	83
5.4 Principles of organisation	84
5.5 Inside versus outside sales	87
5.6 Traditional types of sales force organisation	91
5.7 Determining sales force size	93
5.8 Territory management	97
5.9 Summary	108
Questions	108
Case study - Scotia Ltd	108
Key terms	109
References	109
Technology and sales	111
6.1 Overview	111
6.2 Learning objectives	111
6.3 Definitions	111
6.4 Customer relationship management (CRM)	112
6.5 Sales force automation	114
6.6 Uses of sales information systems (SIS)	118
6.7 Database marketing	120
6.8 Telemarketing and call centre management	121
6.9 Internet-based selling	124
6.10 Electronic commerce (eCommerce)	125
6.11 Summary	127
Questions	128
Case study - Agere Systems	128
Key terms	129
References	129
Sales forecasting and setting targets	132
7.1 Overview	132
7.2 Learning objectives	132
7.3 Definitions	133
7.4 Sales forecasting	133
7.5 Basic rules of sales forecasting	135
7.6 Methods of forecasting	137
7.7 Sales budgets	139

7.8	Sales targets	140
7.9	Quantitative sales targets	143
7.10	Qualitative sales targets	146
7.11	Summary	147
	Questions	148
	Case study - Scottish Paper Products	148
	Key terms	149
	References	149
<b>8</b>	<b>Selling in international markets</b>	<b>150</b>
8.1	Overview	150
8.2	Learning objectives	150
8.3	Definitions	150
8.4	The international marketing environment	151
8.5	Agency law in the European Union	154
8.6	The choice and forms of selling organisation	155
8.7	The management of exporter-intermediary relationships	162
8.8	Pricing	164
8.9	Summary	166
	Questions	166
	Case study - AB chemicals	167
	Key terms	168
	References	168

## **Part III Selling in practice (the management of sales operations)**

The selling process in practice		171
9.1	Overview	171
9.2	Learning objectives	171
9.3	Definitions	172
9.4	Current theoretical perspectives in selling	172
9.5	The change from transactional to relationship selling	172
9.6	From marketing strategy to customer account management	175
9.7	Implementing the sales strategy	177
9.8	Legal and other issues affecting sales in practice	180
9.9	Summary	185
	Questions	185
	Case study - JohnsonDiversey	186
	Key terms	186
	References	186

<b>10</b>	<b>Recruitment and selection</b>	<b>188</b>
10.1	Overview	188
10.2	Learning objectives	188
10.3	Definitions	188
10.4	The recruitment process	189
10.5	Sources of sales recruits	196
10.6	Problems in screening applicants	199
10.7	The assessment centre	203
10.8	Summary	203
	Questions	204
	Case study — The Car Phone Warehouse	204
	Key terms	205
	References	205
<b>11</b>	<b>Training, coaching and leading the sales team</b>	<b>206</b>
11.1	Overview	206
11.2	Learning objectives	206
11.3	Definitions	206
11.4	Training	207
11.5	Forms of training	210
11.6	Evaluating sales training	214
11.7	Leadership	215
11.8	Leadership styles in sales management	219
11.9	Coaching	222
11.10	Summary	226
	Questions	226
	Case study — Edmunson Electrical Distributors	227
	Key terms	228
	References	228
<b>12</b>	<b>Motivation and rewards</b>	<b>230</b>
12.1	Overview	230
12.2	Learning objectives	230
12.3	Definitions	230
12.4	Remuneration	231
12.5	Assessment of pay and performance	236
12.6	Motivation theory	239
12.7	Motivation and job performance	244
12.8	Summary	248
	Questions	248
	Case study - Denham pharmaceuticals	249
	Key terms	249
	References	249

13	Monitoring and measurement	251
13.1	Overview	251
13.2	Learning objectives	251
13.3	Definitions	251
13.4	Evaluation of salespeople	252
13.5	Sources of information for evaluation	253
13.6	Total quality management in the sales process	257
13.7	Benchmarking and best practices	259
13.8	Dimensions and determinants of sales performance	260
13.9	Summary	263
	Questions	263
	Case study - A G Barr	264
	Key terms	264
	References	264
14	Ethical issues in sales	266
14.1	Overview	266
14.2	Learning objectives	266
14.3	Definitions	266
14.4	Scope of ethical issues	267
14.5	Ethics and sales operations	269
14.6	The sales manager and salespeople	271
14.7	Managing ethics	272
14.8	Summary	274
	Questions	274
	Case study - Grampian Leasing	275
	Key terms	277
	References	277
	Case study 1 - Longfellow Office Supplies	278
	Case study 2 - Score Ltd	281
	Case study 3 - Fortis	288
	<i>Author index</i>	291
	<i>Subject index</i>	294