

The Evolution of the Sales Process: Relationship Selling Versus the Challenger Sales

Ramon A. Avila, ravila@bsu.edu

Scott A. Inks, sinks@kennesaw.edu

Introduction

Since the late 1800's salespeople have been using a variety of selling approaches to best interact with their customers. Some of these approaches are simple and others are more sophisticated and require that the salesperson play a strategic role to use them successfully. In the early 1900's William Patterson at NCR had his trainers develop scripts that were the result of following their best salespeople on sales calls and transcribing a best practices script that was taught to all of their salespeople. The belief was that every customer would be hearing the most relevant features that might sell the product.

About 50 years ago, four basic approaches to personal selling were identified: stimulus response, mental states, need satisfaction, and problem solving (Gwinner, 1968). About 25 years ago, another approach surfaced, consultative selling. This approach has been readily embraced by many organizations. All five approaches are still practiced today. Many salespeople use a combination of these approaches when selling to their prospects and customers.

Another progression of the selling approach is the development of adaptive selling. Adaptive selling is the ability of a salesperson to alter their sales messages and behaviors during a sales presentation or as they encounter different sales situations and different customers. Because salespeople often encounter buyers with different personalities, communication styles, needs and goals, adaptive selling is an important concept. Adaptive selling is prevalent with the need satisfaction, problem solving, and consultation approaches. It is less prevalent with mental states selling and is non-existent with stimulus response selling.

The sales process has traditionally been described as a series of interrelated steps beginning with locating qualified prospective customers. From there, the salesperson plans the sales presentation, makes an appointment to see the customer, completes the sale, and performs postsale activities.

In this conceptualization of the sales process, salespeople strive to attain lasting relationships with their customers. The basis for such relationships may vary, but the element of trust between the customer and the salesperson is an essential part of enduring relationships. To earn the trust of customers, salespeople should be customer oriented, honest, and dependable. They must also be competent and able to display an appropriate level of expertise to their customers. Finally, the trust-building process is facilitated if salespeople are compatible with their customers; that is, if they get along and work well with each other. The Challenger Sales was introduced in 2011 (Dixon and Adamson). They contend Challengers must have a deep understanding of the customer's business and use that understanding to push the customer's thinking and teach them something new about how their company can compete more effectively. A Challenger is really defined by the ability to do three things: teach, tailor, and take control. The Challenger is focused on pushing the customer out of their comfort zone. Terms like push, debate and tension are part of the Challenger's vocabulary.

A brief review of each selling approach will follow. (See Exhibit 1)

Scripts

As early as 1859, Henry Hyde of Equitable Life Assurance Society used scripts for his agents to rehearse. Canvassers for the American Bible Society carried booklets with helpful scripts in the 1870s. In 1879, Bates Harrington published a book that exposed the techniques of book canvassers, atlas salesman and lightning-rod peddlers. It was not until 1887 that J.H. Patterson published the first N.C.R. Primer. The Primer not only told the salesperson what to say, but also included what they were to do while saying it. In the Primer, asterisks even indicated what item the salesperson was supposed to point to while referring to that item. The premise behind

using scripts is each salesperson would be talking about the most important features of the product and their company, thus leading to more sales (Friedman).

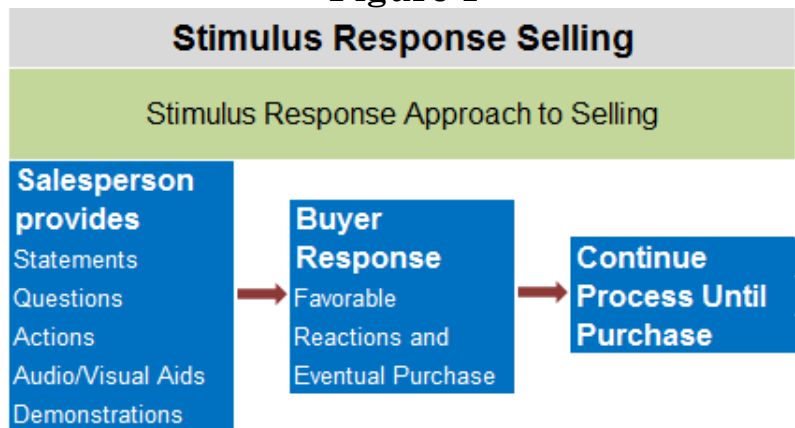
Exhibit 1
Alternative Selling Approaches

- Scripts
- Stimulus Response Selling
- Continued Affirmation
- Mental States Selling
- Adaptive Selling
- Relationship Selling (Trust Based)
- AIDA
- Need Satisfaction Approach
- Problem Solving
- Consultative Selling
- Challenger Selling

Stimulus Response Selling

Of the five views of personal selling, **stimulus response selling** is the simplest. The theoretical background for this approach originated in early experiments with animal behavior. The key idea is that various stimuli can elicit predictable responses. Salespeople furnish the stimuli from the repertoire of words and actions designed to produce the desired response. This approach to selling is illustrated in Figure 1.

Figure 1



Stimulus response sales strategies, particularly when implemented with a canned sales presentation, have some advantages for the seller. The sales message can be structured in a logical order. Questions and objections from the buyer can usually be anticipated and addressed before they are magnified during buyer-seller interaction. Inexperienced salespeople can rely on stimulus response sales methods in some settings, and this may eventually contribute to sales expertise.

The limitations of stimulus response methods, however, can be severe, especially if the salesperson is dealing with a professional buyer. Most buyers like to take an active role in sales dialogue, and the stimulus response approach calls for the salesperson to dominate the flow of conversation. The lack of flexibility in this approach is also a disadvantage, as buyer responses and unforeseen interruptions may neutralize or damage the effectiveness of the stimuli.

Mental States Selling

Mental states selling, or the *formula approach* to personal selling, assumes that the buying process for most buyers is essentially identical and that buyers can be led through certain mental states, or steps, in the buying process. These mental states are typically referred to as AIDA (attention, interest, desire, and action). Appropriate sales messages provide a transition from one mental state to the next (Ley, 1986). The mental states method is illustrated in Exhibit 2.

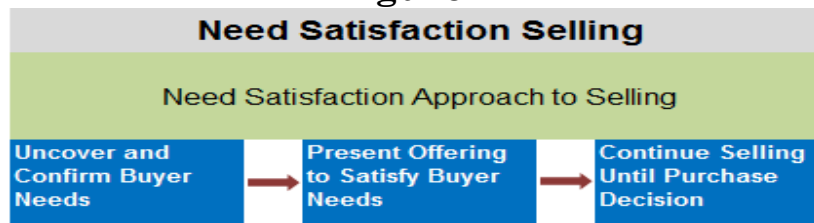
Exhibit 2

Mental States View of Selling		
Mental State	Sales Step	Critical Sales Task
Curiosity	Attention	Get prospects excited, then you get them to like you.
Interest	Interest	Interview: needs and wants
Conviction	Conviction	"What's in it for me?" Product—"Will it do what I want it to do?" Price—"Is it worth it?" "The hassle of change" "Cheaper elsewhere" Peers—"What will others think of it?" Priority—"Do I need it now?" (sense of urgency)
Desire	Desire	Overcome their stall.
Action	Close	Alternate choice close: which, not if!

Need Satisfaction Selling

Need satisfaction selling is based on the notion that the customer is buying to satisfy a particular need or set of needs. This approach is shown in Figure 2. It is the salesperson’s task to identify the need to be met, then to help the buyer meet the need. Unlike the mental states and stimulus response methods, this method focuses on the customer rather than on the salesperson. The salesperson uses a questioning, probing tactic to uncover important buyer needs. Customer responses dominate the early portion of the sales interaction, and only after relevant needs have been established does the salesperson begin to relate how his or her offering can satisfy these needs.

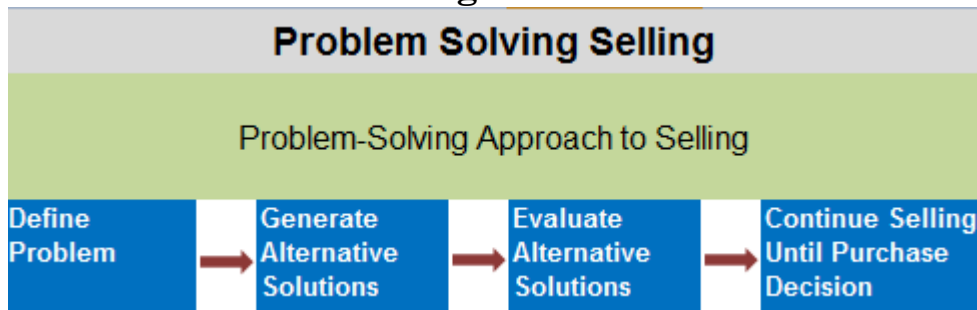
Figure 2



Problem Solving Selling

Problem-solving selling is an extension of need satisfaction selling. It goes beyond identifying needs to developing alternative solutions for satisfying these needs. The problem-solving approach to selling is depicted in Figure 3. Sometimes even competitors’ offering are included as alternatives in the purchase decision. The problem-solving approach typically requires educating the customer about the full impact of the existing problem and clearly communicating how the solution delivers significant customer value.

Figure 3



Consultative Selling

Consultative selling is the process of helping customers reach their strategic goals by using the products, services, and expertise of the sales organization (Hanan, 2011). Notice that this method focuses on achieving strategic goals of customers, not just meeting needs or solving problems. Salespeople confirm their customers' strategic goals, and then work collaboratively with customers to achieve those goals.

In consultative selling, salespeople fulfill three primary roles: strategic orchestrator, business consultant, and long-term ally.

The Relationship Selling Approach

Figure 4
Trust-Based Sales Process



The Trust Based Sales Process versus the Challenger Model

The Trust-Based Sales Process or Relationship Selling has been used by most organizations over the past 10-15 years. The Relationship Process centers on three stages of relationship development: initiating the relationship, developing the relationship, and enhancing the customer relationship. (See Figure 4.)

During the initiation stage the salesperson uses strategic prospecting with the goal of getting in front of the right prospect (i.e., these most likely to buy). Information gathering is paramount, during this stage as assessing the buyer's present situation and discovering relevant needs go hand-in-hand. It is critical at this stage to understand customer value and the salesperson plan and create value-based sales dialogues and presentations.

Stage 2, developing customer relationships includes engaging the prospect and customer through continued sales dialogues by co-creating and validating customer value with the goal of earning customer commitment.

Once the salesperson has earned a commitment, stage three begins by enhancing and cementing the relationship with the buyer. The salesperson now must deliver and increase customer value by overdelivering on all the promises made. Post sale follow-up and creating new value opportunities must be ongoing. The relationship must become a strategic alliance by increasing customer value through self-leadership and teamwork (Ingram, et al 2017).

Recently the Relationship Selling Process has taken a hit by the Challenger Model. A brief review of the concerns made by The Challenger Model will follow.

The initial research by the Challenger team placed salespeople into five buckets. The salespeople were named: The hard worker, the challenger, the relationship builder, the lone wolf, and the reactive problem solver. The characteristics of the relationship builder include: builds strong advocates in the customer organization; generous

in giving time to help others; gets along with everyone. Dixon and Adamson (2011) contend we are seeing the decline of relationship selling. Relationship sellers are too soft and are afraid to ask for the order and won't confront the buyer when they are making a bad decision. Dixon and Adamson's definition of the relationship process are salespeople who go out and hug their customers. This definition is not what relationship salespeople are all about. Most importantly relationship salespeople bring high levels of trust and expertise to the buying organizations they are selling to.

Next, we will review the challenger model and its pros and cons.

The Challenger salesperson as Dixon and Adamson (2011) define them include the following abilities:

- 1) Challengers can offer the customer unique perspectives.
- 2) Has strong two way communication skills.
- 3) Knows the individual customer's value drivers
- 4) Can identify economic drivers of the customer's business.
- 5) Is comfortable discussing money, and
- 6) Can pressure the customer.

Throughout their book Dixon and Adamson contend that Challengers must be good debaters and are not afraid to put pressure on the buyer. The debater is not afraid to share their views even when different and controversial.

The key skills within the challenger selling model include:

- 1) Teach for Differentiation
- 2) Tailor for Resonance
- 3) Take control of the Sale.

In a nutshell, Challenger Reps:

1. Delivers insight that reframes the way the customers think about their business and needs.
2. Communicate sales messages in the context of the customer.
3. Seek to leverage constructive tension to their advantage across all dimension of the sale.
4. Openly pursue goals in a direct but non-aggressive way to overcome increased customer risk aversion.

Pros and Cons of the Challenger Model

There are several positives that may evolve from using the Challenger. First, The Challenger Model does force sales and marketing to work together to frame sales insights by segment and buyer role. Marketing can also help sales develop scripts of key value drivers. The Challenger sales rep can drive strategic demand generation and create a focus on value as defined by the customer.

On the other hand, Challengers can fall into the trap of telling is selling approach. Once the Challenger Rep thinks they know all the answers, the buyer usually has to sit and listen to the Challenger regurgitate all the product features that are going to solve all the buyers problems. A second problem with The Challenger Model is it undervalues the role of relationships in selling. Dixon and Adamson say they don't want to suggest that customer relationships aren't important for sales (p. 25).

If the relationship seller brings trust and expertise to the table, and gets to know all the key stakeholders in the buyer organization, then relationship selling is still the best selling process. Good salespeople must build value laden relationships. The best salespeople know how to effectively communicate and they learn how to identify who are the key players in the buying organization. This is what relationship selling teaches.

Here are several admissions of the Challenger Model:

- 1) P. 21 Challengers are the debaters of the team, challengers are assertive – they tend to “press” customers a little.
- 2) P. 23 Challengers can pressure the customer.
- 3) P. 26 The Challenger rep can win by maintaining a certain amount of constructive tension across the sale.
- 4) P. 26 The Challenger is focused on pushing the customer out of their comfort zone.
- 5) P. 40 Challengers are able to challenge customer’s thinking and pressure the customer’s decision making cycle – both to reach a decision more quickly as well as to overcome that “indecision inertia” that can cause deals to stall indefinitely.

Sales Education at a Crossroads?

Companies have been calling our school and are asking if we are teaching The Challenger method. Our answer is our students are aware of it but we are still concentrating on relationship selling. Here is why:

- 1) We have concerns that The Challenger Model won’t work well with young inexperienced newly hired sales reps.

Terminology like: I’m here to teach you and I’m here to tell you can be a turn offs to buyers.

The Challenger Model authors also believe that teaching is more important than discovery. Young reps have to learn through asking intelligent questions that help them better understand their buyers business. The Challenger Model may be better suited for experienced reps.

Conclusion

The Challenger Selling Method has brought about a number of questions on the direction of how to sell as well as should it replace other well established methods of selling. The Challenger Model has many remnants of traditional selling where high pressure selling tactics may not be in line with building trust with buyers. Great care should be taken not to put young salespeople in a position to use The Challenger Model when they may not have the tools to use it effectively. The Relationship Selling Model that is built on trust is still the best for our college graduate to learn and understand when they graduate from college.

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Relevance to Marketing Educators, Researchers and Practitioners: Some companies and educators are jumping on the Challenger Sales bandwagon. This model may not be in the best interest of inexperienced and young salespeople.

Author Information:

Ramon Avila is the George and Frances Ball Distinguished Professor of Marketing and founding director of the H.H. Gregg Center for Professional Selling. Avila has published more than 80 refereed journal articles and conference papers. He is coauthor of two textbooks, *Professional Selling and Sales Management*.

Scott Inks is an Associate Professor of Marketing and Director of Internal Operations for Kennesaw State University Center for Professional Selling. A Purdue University graduate, Scott began his professional career as an agrichemical salesperson. He pursued an MBA at Ball State University, and a Ph.D. at the University of Memphis.

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