***Selling Today, 13e* (Manning/Ahearne/Reece)**

**Chapter 1 Relationship Selling Opportunities in the Information Economy**

1.1 True/False Questions

1) Knowledge workers are people who succeed by adding value to information.

Answer: TRUE

Diff: 1

Objective: LO5

2) Knowledge workers need selling skills to communicate information to consumers.

Answer: TRUE

Diff: 1

AACSB: Written and Oral Communication

Objective: LO5

3) Managers do not need sales skills because they need to obtain information from clients, not communicate information to clients.

Answer: FALSE

Diff: 2

AACSB: Written and Oral Communication

Objective: LO5

4) Firms that hire professionals such as accountants and engineers always hire separate sales staff so the professionals do not have to sell.

Answer: FALSE

Diff: 1

Objective: LO5

5) Once an entrepreneur's company is successful, the entrepreneur no longer has to sell.

Answer: FALSE

Diff: 1

Objective: LO5

6) Another name for missionary salespeople is "detail salespeople."

Answer: TRUE

Diff: 1

Objective: LO3

7) Salespeople today need to have more education and skills than salespeople did in the past.

Answer: TRUE

Diff: 1

Objective: LO3

8) Salespeople who are promoted to management make more money than do their coworkers who stay in sales.

Answer: FALSE

Diff: 2

Objective: LO3

9) Sales positions can be a good track for promotion to supervisory-management positions.

Answer: TRUE

Diff: 2

Objective: LO3

10) The highest compensation for salespeople generally goes to those focusing on transactional sales.

Answer: FALSE

Diff: 2

Objective: LO3

11) Examples of industries in the service channel include convention centers, banking, and advertising.

Answer: TRUE

Diff: 1

Objective: LO4

12) The growth rate for service companies continues to be much higher than the growth rate for companies that are product-led.

Answer: TRUE

Diff: 2

Objective: LO4

13) The primary goal of a detail salesperson is to develop goodwill and stimulate demand for products.

Answer: TRUE

Diff: 2

Objective: LO4

14) A sales representative for Dell who is selling a new form of sophisticated routing-to-server software would probably be classified as a sales engineer.

Answer: TRUE

Diff: 1

Objective: LO4

15) Born salespeople have an advantage over people who learn selling skills through training.

Answer: FALSE

Diff: 2

Objective: LO5

1.2 Multiple-Choice Questions

1) Which one of the following people would LEAST likely be considered a "knowledge worker"?

A) someone who performs research to discover new information

B) someone who takes current research and uses it to facilitate a task

C) someone who relays information from one party to another without changing it

D) someone who puts information in a format that allows others to access it

E) someone who uses information to solve a problem

Answer: C

Diff: 1

AACSB: Analytical Thinking

Objective: LO5

2) Salespeople are most likely considered knowledge workers because they:

A) position and lay out information in a way that helps buyers understand it

B) gain knowledge of the product before they can sell it

C) repeat a script that they are given by their managers

D) develop an understanding of the best practices of sales

E) create products themselves before they sell them

Answer: A

Diff: 2

Objective: LO5

3) Tamara Grindel is a doctor who practices with a group of other physicians with the same specialty. She is considering taking a course on selling skills. What is the most important way in which this will help her medical practice?

A) Learning selling skills will give Dr. Grindel an alternate career once she retires from medicine.

B) Learning selling skills will help Dr. Grindel bring new patients to her practice.

C) Learning selling skills will aid Dr. Grindel in communicating effectively with pharmaceutical reps who show her new medications.

D) Learning selling skills will show Dr. Grindel how to ensure that her patients take the medications she prescribes them.

E) Learning selling skills will require Dr. Grindel to understand the financial pressures of running a practice.

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO5

4) The CEO of SwiftLink spends one week each month going to sales appointments with various salespeople in the company. In addition to assisting the salespeople with presentations, a likely reason the CEO goes on sales calls is to:

A) gather information on customer needs and preferences

B) deduct mileage on his vehicle as a way to offset taxes

C) undercut the salespeople in underperforming divisions of SwiftLink

D) ensure that the salespeople do not give volume discount pricing

E) trade information to customers in exchange for information on competitors

Answer: A

Diff: 1

AACSB: Analytical Thinking

Objective: LO5

5) Peter Kumar has developed a software application that will reduce costs and increase server speed for corporations of all sizes. Even with this useful application, Peter still needs to develop personal selling skills in order to:

A) understand and write a business plan for his company

B) explain his application to potential buyers

C) apply for a patent on his application

D) maintain the discipline and stamina required to develop such a complicated piece of software

E) ensure that only corporate users buy his application

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO5

6) Salespeople use social media to:

A) design web pages with product features

B) learn to use administrative software

C) create and maintain customer contact

D) set up mobile offices from their vehicles

E) automate selling so they do not have to make client contact

Answer: C

Diff: 2

AACSB: Information Technology

Objective: LO2

7) Which of the following is an activity that would most likely be performed by a customer service representative (CSR)?

A) processing employee paperwork

B) delivering supplies to the factory floor

C) providing telephone support for installation

D) calling on prospects to sell them the product

E) reconciling bank statements with accounting records

Answer: C

Diff: 1

AACSB: Analytical Thinking

Objective: LO4

8) Which of the following trends in sales has led to an increase in both the education and skills a salesperson needs?

A) an increase in commission per sale

B) an increase in the time spent on personal relationships

C) an increase in web-based selling channels

D) a shift from in-person to telephone sales

E) a shift from "selling" to "consulting"

Answer: E

Diff: 2

Objective: LO3

9) Of the following activities routinely performed by salespeople, which one contributes LEAST financially to both the salesperson and the company?

A) service calls

B) face-to-face selling

C) telephone selling

D) waiting and traveling

E) billing clients

Answer: D

Diff: 3

AACSB: Analytical Thinking

Objective: LO3

10) Some top-performing salespeople earn more than their managers. This compensation is most likely made up of:

A) bonuses only

B) base salary, commissions, bonuses, and incentives

C) commissions and charge-backs

D) bonuses and dividends

E) IPOs and base salary

Answer: B

Diff: 1

Objective: LO3

11) On average, an experienced, high-performing salesperson will find the highest compensation opportunities with which approach?

A) feature/benefit

B) transactional

C) value-added

D) solution

E) directed

Answer: C

Diff: 3

Objective: LO3

12) Psychic income in selling most likely refers to which one of the following?

A) visibility provided by working in the sales department

B) satisfaction of being on a commission payment plan

C) high commissions earned because of successful "intuitive" selling

D) opportunity to be a member of the sales team

E) job recognition afforded sales personnel

Answer: E

Diff: 2

Objective: LO3

13) Salespeople have an advantage over workers in other positions when being considered for promotion to positions of greater responsibilities because salespeople:

A) have limited opportunities for advancement in the sales department

B) are compensated primarily through psychic income

C) have worked for many companies in their careers

D) have numerous opportunities to advance to middle-management ranks

E) have high visibility within companies already relative to other positions

Answer: E

Diff: 2

Objective: LO3

14) There is a pay gap between men and women in the field of sales, with men earning more than women do. Despite this, sales represents an excellent financial opportunity for women for which of the following reasons?

A) The pay gap in sales is less than the pay gap in the workforce overall.

B) The pay gap varies from company to company.

C) The pay gap is only an issue in certain industries.

D) The psychic income from sales is equivalent to the value of the pay gap.

E) The psychic income from sales cannot be quantified.

Answer: A

Diff: 3

AACSB: Multicultural and Diversity Understanding

Objective: LO3

15) The duties of inside salespeople may overlap heavily with the duties of:

A) sales managers

B) account managers

C) product developers

D) supply buyers

E) internal auditors

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO4

16) Alan Karbashian spends all day driving from customer site to customer site for sales meetings in his job with a national medical parts manufacturer. Alan is considered a/an:

A) inside sales rep

B) outside sales rep

C) alignment rep

D) distributing rep

E) interchange rep

Answer: B

Diff: 1

AACSB: Analytical Thinking

Objective: LO4

17) In a well-structured sales department, inside and outside salespeople often:

A) compete for sales and customers

B) duplicate their efforts and increase the company's cost per sale

C) work together to generate leads, close sales, and provide service

D) exchange leads depending on what the expected sales will be

E) combine their monthly sales figures to increase commissions

Answer: C

Diff: 2

Objective: LO4

18) Trade selling and missionary (detail) sales are both examples of sales:

A) directly from the manufacturer to the consumer

B) from the distributor to the consumer

C) bypassing the manufacturer to the distributor

D) inside the supply chain but not to the consumer

E) externally from the consumer to the supplier

Answer: D

Diff: 2

Objective: LO4

19) Sales opportunities in the service sector are most likely expanding because:

A) service providers connect directly with consumers

B) the service industry has a higher growth rate than the product industry does

C) modern consumers need help with activities that they used to be able to do on their own

D) the service industry is starting to saturate the market relative to the industrial and product industries

E) the service industry provides a higher commission rate for salespeople than other industries

Answer: B

Diff: 2

Objective: LO4

20) Which of the following sectors would NOT be considered to be part the service industry?

A) hotel

B) insurance

C) banking

D) real estate

E) chemicals

Answer: E

Diff: 1

Objective: LO4

21) What event contributed most to the increased need for telecommunications salespeople?

A) deregulation of telephone service

B) anti-trust suits brought against the telecommunications industry

C) financial improprieties in the telecommunications industry

D) creation of a national regulatory committee for telephone service

E) development of voice-over-IP (VOIP) technologies

Answer: A

Diff: 3

Objective: LO4

22) Sales engineers are people with extensive knowledge of their product who also:

A) provide service on the product after the sale

B) develop the product as part of the research and development team

C) communicate the benefits of the product to the customers

D) have advanced degrees in science or technology

E) have graduate-level sales training

Answer: C

Diff: 2

Objective: LO4

23) Which of the following describes a category of sales personnel in the field of manufacturing?

A) sales engineer

B) field researcher

C) comptroller

D) technical support representative

E) research and development director

Answer: A

Diff: 1

Objective: LO4

24) Salespeople in the U.S. report that they work in sales primarily to:

A) be promoted to management

B) avoid working traditional hours

C) have greater flexibility with retirement

D) make more money

E) generate pension credits

Answer: D

Diff: 1

Objective: LO4

25) Terri Milano, employed by a manufacturer of home electronics, offers assistance to retailers in such areas as credit policies, pricing display and store layout. She also collects information regarding acceptance of her firm's products. She is performing the duties of a(n):

A) detail salesperson

B) retail salesperson

C) inside salesperson

D) field representative

E) manufacturer's representative

Answer: A

Diff: 2

AACSB: Analytical Thinking

Objective: LO4

26) Well-trained salespeople can add value to the traditional retail shopping experience. Selling for a retailer might involve which of the following products?

A) personal computers, automobiles and assembly line robotics equipment

B) photographic equipment, industrial specialties and recreational equipment

C) fashion apparel, personal computers and recreational vehicles

D) microchips, musical instruments and automobiles

E) software back-end integration services, jewelry, and motorcycles

Answer: C

Diff: 2

Objective: LO4

27) Network (multilevel) marketing is different from traditional sales in that it:

A) creates a pyramid with the CEO at the top and the salespeople at the bottom

B) eschews growth of the salesforce for a given product

C) relies on an interconnected network of independent salespeople to sell the product directly

D) focuses on paid advertising instead of word-of-mouth publicity

E) allies itself with competing products and service providers

Answer: C

Diff: 3

Objective: LO4

28) Corporate-sponsored sales training usually includes training on:

A) CRM software

B) accounting methods and theory

C) shipping systems and logistics

D) operating production machinery

E) competitors' products

Answer: A

Diff: 1

Objective: LO6

29) Commercial vendors who provide sales training offer courses based on:

A) Universal Sales Theory

B) the theories of Dale Carnegie and Napoleon Hill

C) a variety of sales approaches dating back decades

D) modern sales approaches that have been regression-tested

E) graduate-level MBA sales work

Answer: C

Diff: 2

Objective: LO6

30) A training and education initiative with specific requirements delivered by an industry oversight organization to salespeople in that industry is an example of a(n):

A) university sales methods class

B) corporate-sponsored training class

C) Internet-based training program

D) certification program

E) college concentration

Answer: D

Diff: 1

Objective: LO6

1.3 Short Answer Questions

1) \_\_\_\_\_\_\_\_ has no value until it is communicated effectively.

Answer: Information

Diff: 1

AACSB: Written and Oral Communication

Objective: LO5

2) \_\_\_\_\_\_\_\_ income helps satisfy our need for recognition and security.

Answer: Psychic

Diff: 2

Objective: LO3

3) The \_\_\_\_\_\_\_\_ salesperson is usually not compensated on the basis of the orders obtained, but receives recognition for indirectly increasing sales.

Answer: detail

Diff: 2

Objective: LO3

4) Convention center sales managers, investment securities brokers, and real estate salespeople all have one thing in common–they sell a(n) \_\_\_\_\_\_\_\_.

Answer: service

Diff: 2

Objective: LO4

5) A(n) \_\_\_\_\_\_\_\_ works for the manufacturer. This salesperson must have detailed and precise technical knowledge.

Answer: sales engineer

Diff: 2

Objective: LO4

1.4 Essay Questions

1) List and describe the four major employment settings for sales personnel.

Answer:

Selling for a retailer - Retailers sell to the final consumer, so final consumer goods such as vehicles, apparel, appliances, furniture, and personal computers fit this category.

Selling for a wholesaler - Wholesalers employ over a million salespeople in the United States. Responsibilities of wholesale salespeople might include determining and granting credit, maintaining inventories, and helping with promotional activities.

Selling for a manufacturer - These are highly technical sales. The category includes sales engineers, "detail" salespeople, field sales representatives, and inside salespeople.

Selling a service - This includes hotel and convention center services, financial services, advertising sales, business services, real estate, and insurance.

Diff: 2

Objective: LO4

2) List the four sources of sales training.

Answer:

1. Corporate-sponsored training.

2. Training provided by commercial vendors.

3. Certification programs.

4. College and University coursework.

Diff: 2

Objective: LO6

1.5 Applied Multiple Choice Questions

Ray Sanchez began as a junior sales rep at industrial products maker DECA Corporation 10 years ago, and has worked his way up steadily to Senior Regional Sales Director for the entire Southwest region. He is good at his job, and his greatest personal satisfaction—also the cause of his steady rise in the company—is his ability to understand customers and their needs and to sell them appropriate solutions. As a manager and now Senior Regional Director, Sanchez injects his department with this same commitment to understanding the customer's needs as the key to long-term, profitable sales relationships.

1) Sanchez's success is due largely to the fact that:

A) he was born with the personality of a successful salesperson and capitalized on that

B) he understood the key factors involved in becoming an excellent salesperson and worked to develop skills to support those factors

C) he has unlimited energy and makes more cold calls than any other salesperson at his level in the company

D) he knows how to persuade prospects to buy the products he is selling

E) men tend to be more successful at selling industrial products than women do

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO1, LO5

2) To become a successful salesperson, Sanchez had to adopt a personal selling philosophy. Which of the three prescriptions of that philosophy is not only a mindset but a skill that he has practiced and honed to become successful?

A) adopt the marketing concept

B) value personal selling

C) assume the role of problem solver or partner in helping customers make informed and intelligent buying decisions

D) focus on product knowledge and everything else will follow

E) develop the ability to create rapport with customers so they are buying from a friend

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO1

3) Sanchez and his department are most likely using which of the following sales methods?

A) unified selling

B) value-added selling

C) transactional selling

D) traditional selling

E) economy selling

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO2

4) Which of the following would be a reason for Sanchez to remain in his Senior Regional Sales Director position instead of moving to executive management?

A) Upper management makes a much larger salary than a Senior Regional Sales Director does.

B) The Senior Regional Sales Director position spends a significant amount of time traveling the territory every month.

C) He would be one of the only Latino members of the upper management team.

D) He has more freedom to direct his own business strategy in sales than he does in upper management.

E) The company likes to promote employees with sales backgrounds into upper management.

Answer: D

Diff: 3

AACSB: Application of Knowledge

Objective: LO3

5) Sanchez decides to try something new in the Southwest Region. He had been following the model of sending outside sales reps to follow up with prospects who expressed interest in the product by various prospecting methods. Now he will augment those efforts by hiring teams of sales reps to show the product to managers and buyers at stores that do not carry the DECA line but sell complimentary products, and to call these managers on the phone based on qualifying work the sales reps in the store have done. What two types of sales reps will Sanchez most likely hire to comprise these teams?

A) missionary salespeople and inside salespeople

B) outside salespeople and inside salespeople

C) competing salespeople and detail salespeople

D) missionary salespeople and detail salespeople

E) trade salespeople and detail salespeople

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO4

Roni Harris is a college student in the business department of her local university. She came in to college thinking she wanted to become an Accounting major, but discovered that she is interested in product marketing and in sales.

6) What essential quality will Roni need to have to be successful in sales?

A) She will need to enjoy interacting with potential customers and customers.

B) She will need to enjoy making money.

C) She will need to enjoy creating branding and marketing campaigns for products.

D) She will need to enjoy servicing customers who have purchased the product from the company.

E) She will need to enjoy competing fiercely with other salespeople for sales and commissions.

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO1, LO5

7) Roni is taking a time management class as an elective in college because she feels she occasionally struggles with managing her time and tasks. What effect do time management skills have on a career in sales?

A) Time management skills are the key to sales, so someone who is not extremely organized cannot succeed in this career.

B) Time management skills are necessary to be able to set priorities and manage the various tasks of sales while setting one's own schedule.

C) Time management skills are difficult to learn if one is not born with them, so it is unlikely that someone without an internal sense of organization will be successful in sales.

D) Time management skills are not a huge issue for salespeople because the sales manager sets the list of tasks and priorities, so the salesperson just needs to follow the list and execute.

E) Time management skills do not intersect significantly with the tasks required to be good at sales.

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO5

8) Despite her interest in sales, Roni is concerned when she learns that, on average, female salespeople make less money than male salespeople do. Which one of the following statements is most likely true?

A) Male salespeople have controlled the industry for almost a century, so there is no reason to think female salespeople will ever be able to equal male earnings.

B) Male salespeople would like to earn salaries equal to the salaries of female salespeople, but industry regulations have set their starting salaries at unequal rates.

C) Female salespeople will never earn as much as male salespeople will in certain industries, such as heavy industry and transportation.

D) Female salespeople make less money than male salespeople do because they must take care of their families and therefore cannot be as focused on their jobs as men are.

E) The difference between the average earnings of female and male salespeople is less than the difference between the average earnings of female and male workers in other professions.

Answer: E

Diff: 3

AACSB: Application of Knowledge

Objective: LO3

9) Roni sees a job posting for a "Business Development Manager in the hospitality industry." Which of the following most accurately describes the duties of this position?

A) soliciting donations from charitable donors and foundations for an organization that promotes hospitality

B) selling guest and conference hotel rooms and other hotel services to organizations

C) working as a front desk clerk at a hotel

D) servicing requests from guests at an upscale resort

E) managing the banquet hall at a large restaurant/catering facility

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO4

10) Right before graduation, Roni receives two job offers. One is for a sales position and offers a base salary of $30,000 plus commissions. The other is for a marketing assistant position and offers a straight salary of $40,000. Which of the following is likely to be true about the two positions?

A) The sales job could end up paying more than the marketing job if Roni does well and makes more than $10,000 in commissions.

B) The sales and marketing positions will have roughly equivalent duties, but different salaries.

C) Roni will need more training to do the marketing job than to do the sales job.

D) The marketing job pays more in salary because it is more demanding than the sales job is.

E) The sales job relies more on personality and the marketing job relies more on skills.

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO3

A start-up has developed a business-to-business product that allows for integration of inventory, billing, shipping, teleconferencing, and webinar functions. This allows salespeople to demonstrate, check inventory, close a sale, and ship the product during a presentation with the client in person or by webinar.

11) Considering the product and the target market, what would be the best sales model for the company to most likely use?

A) Sell the product exclusively via self-service online, as it is a technology product.

B) Have the CEO of the company sell the product to prospects because he understands the importance of making sales.

C) Hire a salesperson with some experience understanding and selling technology products to sell the product.

D) Hire a highly experienced sales manager from the publishing industry to set up a sales department.

E) Sell the product through a telemarketing agency.

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO4

12) To effectively and efficiently sell the product, what type of salespeople should the company hire?

A) inside sales reps

B) outside sales reps

C) detail reps

D) missionary reps

E) direct sales reps

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO4

13) How does a sales rep most likely create value for the customer with this product?

A) Sell the customer the exact components that will integrate with the customer's current system.

B) Speed the transaction along so that the customer can purchase quickly.

C) Offer a lower price if the customer buys more than one system.

D) Offer to demonstrate the product in the customer's office.

E) Allow the customer to see a demo of the product online to see how they will be able to use the product.

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO5

14) To train the sales reps, the company should most likely:

A) ask the sales reps to read three classic sales texts and engage in a role-playing workshop

B) hire a trainer who understands sales techniques to train the sales reps in groups of three

C) send the sales reps to a standardized course that teaches sales theory

D) develop an in-house training course focused on product knowledge supplemented by a refresher in sales techniques delivered by a hired company

E) send the sales reps to shadow the product developers to learn how they develop products for the company

Answer: D

Diff: 3

AACSB: Application of Knowledge

Objective: LO6

15) The customer service representatives employed by the company for after-sales support are likely to need:

A) training to learn to speak standard American English and lose accents they have

B) to be instructed in basic telephone manners and standards of politeness

C) mileage allowances for the time they will spend visiting client sites to physically install the software

D) special sales skills that allow them to close particularly difficult sales

E) specialized technical skills to assist customer companies in installing and implementing the software

Answer: E

Diff: 3

AACSB: Application of Knowledge

Objective: LO5