

Chapter 16 Personal Selling and Sales Promotion

1) Which of the following elements of the promotion mix involves making personal connections with customers for the purpose of making sales?

- A) personal selling
- B) advertising
- C) e-commerce
- D) publicity
- E) public relations

Answer: A

Diff: 1 Page Ref: 458

Skill: Concept

Objective: 16-1

2) A _____ is an individual acting on behalf of a company who performs one or more of the following activities: prospecting, communicating, servicing, and information gathering.

- A) press agent
- B) sales assistant
- C) marketing director
- D) salesperson
- E) publicist

Answer: D

Diff: 1 Page Ref: 459

Skill: Concept

Objective: 16-1

3) _____ involves two-way, personal communication between salespeople and individual customers, either in person, by telephone, or through Web conferences.

- A) Advertising
- B) Public relations
- C) Personal selling
- D) Telemarketing
- E) Integrated marketing communication

Answer: C

Diff: 1 Page Ref: 459

AACSB: Communication

Skill: Concept

Objective: 16-1

4) What is the role of a chief revenue, or chief customer, officer?

- A) to oversee sales
- B) to oversee marketing
- C) to oversee both marketing and sales
- D) to represent customers to the company
- E) to represent the company to customers

Answer: C

Diff: 2 Page Ref: 460-461

Skill: Concept

Objective: 16-1

5) A company can unite its marketing and sales functions through all of the following activities EXCEPT _____.

- A) assigning a telemarketer the task of visiting a customer
- B) arranging joint meetings to clarify all aspects of communication
- C) appointing a chief customer officer to oversee both departments
- D) having a salesperson preview ads and sales-promotion campaigns
- E) sending brand managers on sales calls with a salesperson

Answer: A

Diff: 3 Page Ref: 460-461

AACSB: Analytic Skills

Skill: Concept

Objective: 16-1

6) When a company sets out to analyze, plan, implement, and control sales force activities, the company is undertaking _____.

- A) sales design
- B) sales force management
- C) group sales efforts
- D) co-op selling and advertising
- E) promotional objectives

Answer: B

Diff: 1 Page Ref: 461

Skill: Concept

Objective: 16-2

7) Of the three typical types of sales force structures, which one is often supported by many levels of sales management positions in specific geographical areas?

- A) territorial
- B) product
- C) customer
- D) complex systems
- E) A and B

Answer: A

Diff: 2 Page Ref: 461

Skill: Concept

Objective: 16-2

8) All of the following are considered advantages of a territorial sales force structure EXCEPT _____.

- A) travel expenses can be minimized
- B) each salesperson's job is clearly defined
- C) accountability is clearly defined for each salesperson
- D) salespeople develop in-depth knowledge of a product line
- E) salespeople have the opportunity and incentive to build strong relationships with customers

Answer: D

Diff: 2 Page Ref: 461

AACSB: Reflective Thinking

Skill: Concept

Objective: 16-2

9) Which of the following is NOT a disadvantage of a product sales force structure?

- A) extra selling costs involved with multiple sales visits from separate divisions
- B) overlapping use of resources with big customers
- C) salespeople spending time to see the same customer's purchasing agents
- D) increased customer delivery time
- E) B and C

Answer: D

Diff: 3 Page Ref: 462

AACSB: Reflective Thinking

Skill: Concept

Objective: 16-2

10) Companies that use a customer sales force structure organize their salespeople by _____.

- A) product
- B) territory
- C) industry
- D) demand
- E) hierarchy

Answer: C

Diff: 2 Page Ref: 462

Skill: Concept

Objective: 16-2

11) Hewlett-Packard's Customer Sales Group (CSG) caused frustration among customers and salespeople. What was the primary problem with the sales force structure of CSG?

- A) The marketing and sales divisions had overlapping responsibilities, which caused friction.
- B) Salespeople developed expertise in only one product area, which limited their sales commissions.
- C) Salespeople specialized in selling only to specific customers and specific industries.
- D) Salespeople were responsible for selling all H-P products instead of specializing in a few products.
- E) The sales department was divided by product lines, which complicated customer service issues.

Answer: D

Diff: 3 Page Ref: 463

AACSB: Analytic Skills

Skill: Concept

Objective: 16-2

12) What do many companies use to determine sales force size?

- A) the workload approach
- B) product availability
- C) demographic characteristics of the sales force
- D) the outside sales force method
- E) profit margin

Answer: A

Diff: 2 Page Ref: 464

Skill: Concept

Objective: 16-2

13) What is the term used to identify the individuals in a company who travel to call on customers in the field?

- A) product sales force
- B) outside sales force
- C) inside sales force
- D) complex sales force
- E) customer sales force

Answer: B

Diff: 1 Page Ref: 464

Skill: Concept

Objective: 16-2

14) Members of a company's _____ conduct business from their offices using telephones, e-mails, or visits from prospective buyers to generate sales.

- A) outside sales force
- B) inside sales force
- C) complex sales force
- D) customer sales force
- E) product sales force

Answer: B

Diff: 1 Page Ref: 464

Skill: Concept

Objective: 16-2

15) To reduce time demands on their outside sales forces, many companies have increased the size of their inside sales forces, which include technical support people, sales assistants, and _____.

- A) retail supervisors
- B) sales managers
- C) telemarketers
- D) accountants
- E) programmers

Answer: C

Diff: 1 Page Ref: 465

AACSB: Use of IT

Skill: Concept

Objective: 16-2

16) A sales assistant working for an outside sales force will most likely have all of the following duties EXCEPT _____.

- A) answering customer's questions when a salesperson is unavailable
- B) providing administrative backup
- C) confirming appointments
- D) following up on deliveries
- E) determining price points

Answer: E

Diff: 2 Page Ref: 465

Skill: Concept

Objective: 16-2

17) According to the opening scenario, the success of CDW Corporation is the direct result of its salespeople _____.

- A) working closely with the marketing department to manage accounts
- B) receiving bonuses based on customer satisfaction surveys
- C) receiving extensive training on complex computer systems
- D) developing close, personal relationships with customers
- E) using Web conferencing and e-mail to assist customers

Answer: D

Diff: 3 Page Ref: 465-466

AACSB: Analytic Skills

Skill: Concept

Objective: 16-2

18) The growing trend of using a group of people from sales, marketing, engineering, finance, technical support, and even upper management to service large, complex accounts is known as _____ selling.

- A) department
- B) multiple
- C) team
- D) personal
- E) simultaneous

Answer: C

Diff: 1 Page Ref: 466

Skill: Concept

Objective: 16-2

19) Which of the following most likely explains why companies are adopting the team selling approach to service large, complex accounts?

- A) Products have become too complicated for one salesperson to support.
- B) Customers prefer dealing with many salespeople rather than one sales representative.
- C) Salespeople prefer working in groups because of the opportunity for flex hours and job sharing.
- D) A group of salespeople assigned to one account is cost effective for corporations.
- E) Fewer skilled salespeople are working in the high-tech industry.

Answer: A

Diff: 3 Page Ref: 466

Skill: Concept

Objective: 16-2

20) All of the following are disadvantages of the team selling approach EXCEPT _____.

- A) Selling teams can overwhelm customers.
- B) Many salespeople are unaccustomed to working with others.
- C) Selling teams increase costs and are time consuming.
- D) Individual contributions and compensations can be difficult to assess.
- E) Most salespeople are trained to excel in individual performance.

Answer: C

Diff: 3 Page Ref: 466

AACSB: Reflective Thinking

Skill: Concept

Objective: 16-2

21) All of the following are problems associated with the poor selection of salespeople EXCEPT _____.

- A) lower sales
- B) costly turnover
- C) less productivity
- D) less office support
- E) disrupted customer relationships

Answer: D

Diff: 2 Page Ref: 466

Skill: Concept

Objective: 16-2

22) According to research, which of the following is one of the four key talents a successful salesperson must possess?

- A) managerial skills
- B) disciplined work style
- C) aggressive personality
- D) technological know-how
- E) fluency in a second language

Answer: B

Diff: 2 Page Ref: 467

Skill: Concept

Objective: 16-2

23) During the hiring process, companies that test sales applicants typically measure all of the following abilities EXCEPT _____.

- A) sales aptitude
- B) organizational skills
- C) accounting skills
- D) analytical skills
- E) personality traits

Answer: C

Diff: 2 Page Ref: 467

Skill: Concept

Objective: 16-2

24) The purpose of a training program for salespeople is to teach them about all of the following EXCEPT _____.

- A) customers' buying habits
- B) customers' buying motives
- C) the company's main competitors
- D) the company retirement benefits
- E) the company's organizational structure

Answer: D

Diff: 2 Page Ref: 467

Skill: Concept

Objective: 16-2

25) What is the primary reason that companies use e-learning to conduct sales training programs?

- A) Customer needs and habits are easily conveyed through e-learning.
- B) Customers appreciate the flexibility of e-learning.
- C) E-learning allows for more employee feedback.
- D) E-learning is the best way to simulate sales calls.
- E) E-learning cuts training costs.

Answer: E

Diff: 2 Page Ref: 467

AACSB: Use of IT

Skill: Concept

Objective: 16-2

26) How do e-learning centers, such as the one developed by International Rectifier, help salespeople make sales?

- A) Salespeople can refresh their knowledge about company products prior to making sales calls.
- B) Salespeople can attend training sessions from their home offices, which saves time and money.
- C) E-learning centers enable salespeople and customers to interact through Web conferencing.
- D) Evaluation diagnostic tools in e-learning centers help managers monitor sales personnel.
- E) E-learning centers provide product information to current customers.

Answer: A

Diff: 3 Page Ref: 468

AACSB: Use of IT

Skill: Concept

Objective: 16-2

27) Commissions or bonuses that a salesperson receives from a company are categorized as the _____.

- A) base salary
- B) fixed amount
- C) variable amount
- D) fringe benefit
- E) pension plan

Answer: C

Diff: 2 Page Ref: 468

Skill: Concept

Objective: 16-2

28) All of the following are a basic type of compensation plan for salespeople EXCEPT _____.

- A) straight commission
- B) straight salary
- C) salary and commission
- D) commission plus bonus
- E) salary plus bonus

Answer: D

Diff: 2 Page Ref: 468

Skill: Concept

Objective: 16-2

29) Companies are increasingly moving away from high commission compensation plans because such plans often lead to salespeople _____.

- A) undermining the work of the inside sales team
- B) ignoring management and marketing objectives
- C) being too pushy and ruining customer relationships
- D) working multiple sales jobs to maximize their income
- E) spend too much time traveling between customers

Answer: C

Diff: 3 Page Ref: 469

Skill: Concept

Objective: 16-2

30) Which sales management tool helps a salesperson know which customers to visit and which activities to carry out during a week?

- A) time-and-duty analysis
- B) sales force automation systems
- C) call plan
- D) sales quota plan
- E) positive incentives plan

Answer: C

Diff: 2 Page Ref: 469

Skill: Concept

Objective: 16-2

31) Companies are always looking for ways to increase face-to-face selling time. All of the following are ways to accomplish this goal EXCEPT _____.

- A) using phones and video conferencing instead of traveling
- B) simplifying record keeping and other administrative tasks
- C) developing better sales-call and routing plans
- D) reducing the number of customers each sales rep must visit
- E) supplying more and better customer information

Answer: D

Diff: 3 Page Ref: 469

AACSB: Analytic Skills

Skill: Concept

Objective: 16-2

32) Which of the following is an advantage created by the use of a sales force automation system?

- A) lower costs for training sales personnel
- B) increased motivation to acquire new customers
- C) decreased need for an inside sales force
- D) stronger organizational climate developed by the sales team
- E) more efficient scheduling of sales calls and sales presentations

Answer: E

Diff: 3 Page Ref: 470

AACSB: Use of IT

Skill: Concept

Objective: 16-2

33) Firms that have adopted sales force automation systems most likely use all of the following tools EXCEPT _____.

- A) customer-contact and relationship management software
- B) time-and-duty analysis software
- C) smart phones
- D) laptop computers
- E) Webcams for videoconferencing

Answer: B

Diff: 2 Page Ref: 470

AACSB: Use of IT

Skill: Concept

Objective: 16-2

34) The process of receiving drug marketing information through product Web sites is known as _____.

- A) e-detailing
- B) e-learning
- C) Web conferencing
- D) Web interfacing
- E) automated selling

Answer: A

Diff: 2 Page Ref: 470

AACSB: Use of IT

Skill: Concept

Objective: 16-2

35) Which of the following is a potential drawback of using Web-based technologies for making sales presentations and servicing accounts?

- A) Salespeople have to invest more time in preparing for this type of interaction with customers.
- B) The cost of the technology outweighs any savings gained by eliminating the need for travel.
- C) The systems can intimidate salespeople who are unfamiliar with the technology.
- D) Customers are less likely to buy the product when a Web conference is used.
- E) Customers lack the technology required to participate in a Web conference.

Answer: C

Diff: 3 Page Ref: 471

AACSB: Use of IT

Skill: Concept

Objective: 16-2

36) A company that treats its salespeople as valuable contributors with unlimited income opportunities has developed a(n) _____ that will have fewer turnovers and higher sales force performance.

- A) sales force system
- B) organizational climate
- C) compensation package
- D) sales structure
- E) workload

Answer: B

Diff: 2 Page Ref: 471

Skill: Concept

Objective: 16-2

37) A sales _____ is the standard that establishes the amount each salesperson should sell and how sales should be divided among the company's products .

- A) goal
- B) task
- C) quota
- D) incentive
- E) contest

Answer: C

Diff: 2 Page Ref: 471

Skill: Concept

Objective: 16-2

38) Sales _____ encourage a sales force to make a selling effort that is above and beyond the normal expectation.

- A) contests
- B) quotas
- C) meetings
- D) reports
- E) plans

Answer: A

Diff: 1 Page Ref: 471

Skill: Concept

Objective: 16-2

39) A salesperson's _____ is often related to how well he or she meets a sales quota.

- A) profit-sharing plan
- B) compensation
- C) call report
- D) sales report
- E) expense report

Answer: B

Diff: 1 Page Ref: 471

Skill: Concept

Objective: 16-2

40) A(n) _____ is a salesperson's write-up of his or her completed sales activities.

- A) call plan
- B) call report
- C) sales report
- D) expense report
- E) time-and-duty analysis

Answer: B

Diff: 2 Page Ref: 471

Skill: Concept

Objective: 16-2

41) Which of the following questions would provide management with the LEAST beneficial information regarding the performance of its sales force?

- A) Is the sales force meeting its profit objectives?
- B) Is the sales force working well with the marketing team?
- C) Are sales force costs in line with sales force outcomes?
- D) Is the sales force accomplishing its customer relationship objectives?
- E) Does the sales force complete its sales reports and expense reports in a timely manner?

Answer: E

Diff: 3 Page Ref: 472

AACSB: Reflective Thinking

Skill: Concept

Objective: 16-2

42) Prospecting is the step in the selling process in which the salesperson _____.

- A) gathers information about a prospective customer before making a sales call
- B) meets the customer for the first time
- C) identifies qualified potential customers
- D) tells the product's "value story" to the customer
- E) clarifies and overcomes customer objections to buying

Answer: C

Diff: 2 Page Ref: 472

AACSB: Communication

Skill: Concept

Objective: 16-3

43) A salesperson in the prospecting stage most likely identifies potential customers through all of the following methods EXCEPT _____.

- A) referrals from competing salespeople
- B) referrals from current customers
- C) referrals from dealers
- D) referrals from suppliers
- E) cold calling

Answer: A

Diff: 2 Page Ref: 472

Skill: Concept

Objective: 16-3

44) Which of the following is the LEAST relevant characteristic that a salesperson should consider when qualifying a prospect?

- A) financial ability
- B) longevity in the market
- C) special needs
- D) location
- E) volume of business

Answer: B

Diff: 3 Page Ref: 472

AACSB: Analytic Skills

Skill: Concept

Objective: 16-3

45) During the prospecting stage, a salesperson needs to discriminate between good leads and poor leads, which is known as _____.

- A) closing
- B) referring
- C) presenting
- D) qualifying
- E) approaching

Answer: D

Diff: 2 Page Ref: 472

Skill: Concept

Objective: 16-3

46) A salesperson who researches a company's buying styles and product line is most likely in the _____ stage of the selling process.

- A) prospecting
- B) preapproach
- C) approach
- D) presentation
- E) closing

Answer: B

Diff: 1 Page Ref: 473

Skill: Concept

Objective: 16-3

47) The salesperson meets the customer for the first time in the _____ step of the selling process.

- A) prospecting
- B) qualifying
- C) preapproach
- D) approach
- E) presentation

Answer: D

Diff: 1 Page Ref: 473

Skill: Concept

Objective: 16-3

48) Technologies such as CDs, DVDs, handheld computers, interactive white boards, and laptop computers enable salespeople to enhance the _____ stage of the selling process.

- A) prospecting and qualifying
- B) preapproach
- C) presentation and demonstration
- D) closing
- E) follow-up

Answer: C

Diff: 2 Page Ref: 474

AACSB: Use of IT

Skill: Concept

Objective: 16-3

49) Which type of sales approach is best for today's customers who expect answers, results, and useful products?

- A) hard-sell
- B) customer-solution
- C) razzle-dazzle
- D) sales development
- E) personal relationship

Answer: B

Diff: 2 Page Ref: 473

Skill: Concept

Objective: 16-3

50) According to a survey of purchasers, _____ and _____ skills are the most important qualities for a salesperson.

- A) listening; problem-solving
- B) presentation; listening
- C) candor; problem-solving
- D) concern; interpersonal
- E) presentation; problem-solving

Answer: A

Diff: 2 Page Ref: 474

AACSB: Communication

Skill: Concept

Objective: 16-3

51) A salesperson should seek out, clarify, and overcome any customer objections during the sales presentation in order to _____.

- A) offer the buyer a discount for placing an order
- B) minimize the buyer's concerns about the product
- C) compliment the buyer for mentioning the objections
- D) turn the objections into reasons for buying
- E) turn the objections into an opportunity for humor

Answer: D

Diff: 3 Page Ref: 474

AACSB: Communication

Skill: Concept

Objective: 16-3

52) The step of _____ is difficult for some salespeople because they lack confidence, feel guilty about asking for an order, or may not recognize the right time to ask for an order.

- A) approaching the prospect
- B) making a presentation
- C) handling objections
- D) closing the sale
- E) following up

Answer: D

Diff: 2 Page Ref: 474

Skill: Concept

Objective: 16-3

53) Salespeople should be trained to recognize _____ signals from the buyer, which can include physical actions such as leaning forward and nodding or asking questions about prices and credit terms.

- A) qualifying
- B) approach
- C) objection
- D) closing
- E) follow-up

Answer: D

Diff: 1 Page Ref: 474-475

AACSB: Communication

Skill: Concept

Objective: 16-3

54) Which step in the sales process is necessary to ensure customer satisfaction and repeat business?

- A) proper approach
- B) professional presentation
- C) handling objections
- D) qualifying prospects
- E) follow-up

Answer: E

Diff: 1 Page Ref: 475

Skill: Concept

Objective: 16-3

55) The sales force of CDW Corporation, as described in the opening scenario, develops strong relationships with customers as part of the _____ stage of the selling process.

- A) prospecting
- B) approach
- C) demonstration
- D) closing
- E) follow-up

Answer: E

Diff: 2 Page Ref: 475

Skill: Concept

Objective: 16-2

56) A _____ consists of short-term incentives to encourage the immediate purchase of a product or service.

- A) patronage reward
- B) segmented promotion
- C) sales incentive
- D) sales promotion
- E) publicity stunt

Answer: D

Diff: 2 Page Ref: 475

Skill: Concept

Objective: 16-4

57) Value merchant salespeople document and demonstrate the superior value of their products and services in hopes of _____.

- A) earning business from customers based on low prices
- B) gaining long-term business from customers
- C) closing deals quickly to meet team sales quotas
- D) gaining short-term sales that increase annual sales volume
- E) challenging customers to find better deals for products and services

Answer: B

Diff: 3 Page Ref: 476

Skill: Concept

Objective: 16-4

58) A salesperson who would be categorized as a value spendthrift has which of the following behaviors?

- A) believes management pursues a value-driven strategy
- B) regularly gains more business at the same price
- C) concedes on price in order to quickly close sales deals
- D) documents claims to customers about superior monetary value
- E) explains to the firm that it needs more evidence of excellent value

Answer: C

Diff: 3 Page Ref: 476

Skill: Concept

Objective: 16-4

59) Value merchant salespeople possess which of the following characteristics?

- A) They give away services for free in order to close sales deals.
- B) They tell the company that customers are only concerned with price.
- C) They focus on revenue and volume components of their compensation plan.
- D) They give price concessions without making changes in the market offering.
- E) They make sales based on cost of ownership comparisons against competitors.

Answer: E

Diff: 3 Page Ref: 476

Skill: Concept

Objective: 16-4

60) Sales promotions are targeted toward all of the following EXCEPT _____.

- A) retailers
- B) investors
- C) final buyers
- D) business customers
- E) members of the sales force

Answer: B

Diff: 2 Page Ref: 477

Skill: Concept

Objective: 16-4

61) The rapid growth of sales promotions in consumer markets is most likely the result of all of the following factors EXCEPT _____.

- A) consumers and large retailers becoming more deal oriented
- B) product managers facing pressure to increase current sales
- C) competing brands attempting to differentiate from each other
- D) consumers using the Internet to search for deals and save money
- E) advertising efficiency on the decline because of rising costs and media clutter

Answer: D

Diff: 3 Page Ref: 477-478

Skill: Concept

Objective: 16-4

62) Consumers are increasingly ignoring promotions and not making immediate purchases because of _____.

- A) advertising specialization
- B) promotion clutter
- C) promotional marketing
- D) advertising clutter
- E) promotion fatigue

Answer: B

Diff: 1 Page Ref: 478

Skill: Concept

Objective: 16-4

63) Sellers use trade promotions for all of the following reasons EXCEPT to _____.

- A) encourage retailers to carry more inventory
- B) convince retailers to advertise the product
- C) gain more shelf space for the product
- D) encourage salespeople to sign up new accounts
- E) persuade retailers to buy products in advance

Answer: D

Diff: 2 Page Ref: 478

Skill: Concept

Objective: 16-4

64) Instead of creating only short-term sales or temporary brand switching, _____ should reinforce a product's position and build long-term customer relationships.

- A) sales promotions
- B) promotion clutter
- C) public relations
- D) trade promotions
- E) advertising

Answer: A

Diff: 2 Page Ref: 478

Skill: Concept

Objective: 16-4

65) Of the main consumer promotion tools, which is the MOST effective for introducing a new product or creating excitement for an existing one?

- A) coupons
- B) samples
- C) cash refunds
- D) price packs
- E) contests

Answer: B

Diff: 2 Page Ref: 479

Skill: Concept

Objective: 16-4

66) Which of the following consumer promotion tools is the MOST costly for companies ?

- A) samples
- B) coupons
- C) premiums
- D) cash refunds
- E) price packs

Answer: A

Diff: 2 Page Ref: 479

Skill: Concept

Objective: 16-4

67) Which consumer promotion tool requires consumers to send a proof of purchase to the manufacturer?

- A) cents-off deals
- B) coupons
- C) samples
- D) cash refunds
- E) promotional products

Answer: D

Diff: 2 Page Ref: 480

Skill: Concept

Objective: 16-4

68) Which of the following involves marking a reduced price directly on a product's packaging and often results in the stimulation of short-term sales?

- A) promotional products
- B) patronage rewards
- C) price packs
- D) samples
- E) rebates

Answer: C

Diff: 2 Page Ref: 480

Skill: Concept

Objective: 16-4

69) _____ are goods offered either free or at low cost as an incentive to buy a product.

- A) Coupons
- B) Premiums
- C) Price packs
- D) Cash refund offers
- E) Point-of-purchase promotions

Answer: B

Diff: 2 Page Ref: 480

Skill: Concept

Objective: 16-4

70) A _____ has the advertiser's name on it and is given as a gift to consumers.

- A) sample
- B) price pack
- C) cents-off deal
- D) promotional product
- E) corporate identity material

Answer: D

Diff: 1 Page Ref: 480

Skill: Concept

Objective: 16-4

71) Which consumer promotion offers consumers the chance to win something by presenting them with an item such as a scratch-off card or a bingo number ?

- A) game
- B) contest
- C) price pack
- D) sweepstakes
- E) point-of-purchase promotion

Answer: A

Diff: 1 Page Ref: 480

Skill: Concept

Objective: 16-4

72) Marathons, concerts, and festivals with corporate sponsors are examples of _____.

- A) point-of-purchase promotions
- B) business promotions
- C) trade promotions
- D) event marketing
- E) personal selling

Answer: D

Diff: 1 Page Ref: 481

Skill: Concept

Objective: 16-4

73) Business promotion tools are used for all of the following reasons EXCEPT to _____.

- A) generate business leads
- B) stimulate purchases
- C) reward customers
- D) motivate salespeople
- E) increase manufacturing

Answer: E

Diff: 2 Page Ref: 481

Skill: Concept

Objective: 16-4

74) Trade shows offer manufacturers the opportunity to do all of the following EXCEPT _____.

- A) establish a sales contest
- B) find new sales leads
- C) contact customers
- D) introduce new products
- E) educate customers

Answer: A

Diff: 2 Page Ref: 482

Skill: Concept

Objective: 16-4

75) Which of the following questions would be the best one to help a marketer evaluate the return on a sales promotion investment?

- A) Did the promotion run too long or too short?
- B) Did customers enjoy the events associated with the promotion?
- C) Did customers search the promotion's Web site for additional product information?
- D) Did the promotion increase purchases from current customers or attract new customers?
- E) Did the distribution of the promotional information match consumer expectations and needs?

Answer: D

Diff: 3 Page Ref: 482

AACSB: Analytic Skills

Skill: Concept

Objective: 16-4

76) Today, most salespeople are well-educated, well-trained professionals who work to build and maintain long-term customer relationships by listening to their customers, assessing their needs, and organizing the company's efforts to solve customer problems.

Answer: TRUE

Diff: 3 Page Ref: 458

Skill: Concept

Objective: 16-1

77) Personal selling is the interpersonal component of the promotion mix.

Answer: TRUE

Diff: 2 Page Ref: 459

AACSB: Communication

Skill: Concept

Objective: 16-1

78) Some corporations have no sales force, while others utilize sales agents, brokers, or manufacturer's reps.

Answer: TRUE

Diff: 2 Page Ref: 459

Skill: Concept

Objective: 16-1

79) Developing sales force strategy and structure is a minor element of sales force management and is an aspect that most companies fail to spend much time considering.

Answer: FALSE

Diff: 1 Page Ref: 461

Skill: Concept

Objective: 16-2

80) Of all the ways to structure a sales force, product sales force structure is most effective in helping the company to become more customer focused and build closer relationships with important customers.

Answer: FALSE

Diff: 2 Page Ref: 461

Skill: Concept

Objective: 16-2

81) The growth of product management has contributed to the increasing adoption of customer sales force structures.

Answer: FALSE

Diff: 2 Page Ref: 461

Skill: Concept

Objective: 16-2

82) Ken Klein is a Superior Frozen Foods salesman responsible for customers in the southwest region of Texas. Superior Frozen Foods most likely uses a territorial sales force structure.

Answer: TRUE

Diff: 3 Page Ref: 461

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

83) Blackstone Tools manufactures screwdrivers, wrenches, and pliers, which are sold at large hardware stores. John Garcia handles the Home Depot account, while Melinda West manages the Lowe's account. Blackstone Tools most likely uses a product sales force structure.

Answer: FALSE

Diff: 3 Page Ref: 461-462

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

84) Complex sales force structures include specialization by customer and territory, by product and territory, by product and customer, and by territory, product, and customer.

Answer: TRUE

Diff: 2 Page Ref: 462

Skill: Concept

Objective: 16-2

85) Hewlett-Packard salespeople spend more time with customers now that their administrative requirements have been decreased.

Answer: TRUE

Diff: 2 Page Ref: 463

Skill: Concept

Objective: 16-2

86) The workload approach to set sales force size is outdated.

Answer: FALSE

Diff: 2 Page Ref: 464

Skill: Concept

Objective: 16-2

87) Blue Star Supply Company wants its outside salespeople to spend more time with customers. One way for Blue Star to accomplish this goal would be for the company to hire additional technical support people and sales assistants.

Answer: TRUE

Diff: 3 Page Ref: 464-465

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

88) As a result of the federal government's Do Not Call Registry, telemarketing is now rarely used.

Answer: FALSE

Diff: 2 Page Ref: 465

AACSB: Communication

Skill: Concept

Objective: 16-2

89) Team selling is ideal when customer problems become more complex and customers become larger and more demanding. Sales teams have the advantage of uncovering problems that an individual would not, and sales teams can develop new opportunities as well.

Answer: TRUE

Diff: 2 Page Ref: 466

AACSB: Communication

Skill: Concept

Objective: 16-2

90) A-1 Pharmaceuticals requires new salespeople to receive training through seminars, sales meetings, and e-learning sessions before they meeting customers. The program used by A-1 is typical for U.S. companies that rely on skilled and knowledgeable salespeople.

Answer: TRUE

Diff: 2 Page Ref: 467

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

91) To discourage a salesperson from ruining a customer relationship by pushing too hard to close a deal in order to earn a commission, companies are designing compensation plans that reward salespeople for building customer relationships and growing the long-run value of each customer.

Answer: TRUE

Diff: 3 Page Ref: 469

AACSB: Communication

Skill: Concept

Objective: 16-2

92) Sales force automation systems have been developed for improving how salespeople feel about their opportunities and value.

Answer: FALSE

Diff: 1 Page Ref: 470

Skill: Concept

Objective: 16-2

93) If Johnny Page's company is like most consumer goods companies today, he can boost sales force morale and performance through his organizational climate, sales quotas, and positive incentives.

Answer: TRUE

Diff: 2 Page Ref: 471

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

94) Formal sales force evaluations require management to develop and communicate clear standards for judging performance, and they provide salespeople with constructive feedback and motivation to perform well.

Answer: TRUE

Diff: 1 Page Ref: 471

AACSB: Communication

Skill: Concept

Objective: 16-2

95) During the presentation step of the selling process, the salesperson tells the customer the "value story" of the product.

Answer: TRUE

Diff: 1 Page Ref: 473

AACSB: Communication

Skill: Concept

Objective: 16-3

96) Because customers almost always have objections during the presentation or closing step of the selling process, all salespeople need special training in how to deal with customer objections.

Answer: TRUE

Diff: 2 Page Ref: 474

Skill: Concept

Objective: 16-3

97) Sales promotion consists of long-term incentives to encourage purchases or sales of a product or service.

Answer: FALSE

Diff: 1 Page Ref: 475

Skill: Concept

Objective: 16-4

98) A product demonstration that occurs in a grocery store or a department store is an example of a point-of-purchase promotion.

Answer: TRUE

Diff: 1 Page Ref: 480

Skill: Concept

Objective: 16-4

99) Manufacturers direct more sales promotion dollars toward final consumers than toward retailers.

Answer: FALSE

Diff: 2 Page Ref: 481

Skill: Concept

Objective: 16-4

100) Manufacturers may offer an allowance in return for the retailer's agreement to feature the manufacturer's products in some way.

Answer: TRUE

Diff: 2 Page Ref: 481

Skill: Concept

Objective: 16-4

101) In a short essay, describe the nature of personal selling and the role of the sales force.

Answer: Today, most salespeople are well-educated and well-trained professionals who work to build and maintain long-term customer relationships by listening to their customers, assessing customer needs, and organizing the company's efforts to solve customer problems. Salespeople act as order takers, order getters, and creative sellers. Personal selling is the interpersonal arm of the promotion mix. The sales force acts as a critical link between a company and its customers. Salespeople represent the company to the customer and the customer to the company to produce customer satisfaction and company profit.

Diff: 2 Page Ref: 458-460

Skill: Application

Objective: 16-1

102) Discuss the differences between the three major sales force structures. What are the potential benefits of each structure?

Answer: In the territorial sales force structure, each salesperson is assigned to an exclusive geographic area and sells the company's full line of products or services to all customers in that territory. This organization clearly defines each person's job, fixes accountability, and increases the person's desire to build local business relationships that improve selling effectiveness. The product sales force structure allows the sales force to sell along product lines; the seller becomes very knowledgeable about products. This method can cause duplication of efforts and several salespersons calling on the same accounts. The customer sales force structure organizes along customer or industry lines; this can help a company to become more customer focused and build closer relationships with important customers.

Diff: 3 Page Ref: 461-462

AACSB: Reflective Thinking

Skill: Application

Objective: 16-2

103) Why are more companies using team selling? What are its pros and cons?

Answer: Team selling is useful to service large, complex accounts. Sales teams can uncover problems, solutions, and sales opportunities that no individual salesperson could. The move to team selling is in part a reaction to similar changes within customers' buying organizations; selling teams now call on buying teams. Some pitfalls exist in the team approach. Selling teams can confuse or overwhelm customers who are used to working with only one salesperson. Some salespersons have trouble working with others. Finally, difficulties in evaluating individual contributions to the team selling effort can create some sticky compensation issues.

Diff: 2 Page Ref: 466

AACSB: Reflective Thinking

Skill: Application

Objective: 16-2

104) How do successful companies recruit and train their salespeople? What are the objectives of most sales force training programs?

Answer: During the recruitment step, a company should assess the sales job itself and the characteristics of its most successful salespeople to determine the traits needed by a successful salesperson in that industry. Some companies give sales applicants formal tests, while others only interview applicants. Following selection, orientation and training must be conducted based upon the knowledge and skill levels of the recruits. Most companies train their new salespeople through seminars, sales meetings, and e-learning sessions. Training programs should teach salespeople about customers, about selling effectively, and about the company's products.

Diff: 3 Page Ref: 466-468

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

105) Describe some of the methods used to supervise salespeople and help them work more efficiently.

Answer: Through supervision, or helping salespeople "work smart," management can help salespeople do the right things in the right way. This includes helping salespeople identify target customers and manage their time. A weekly, monthly, or annual call plan is used in many companies to show salespeople which customers and potential customers to call on within a given time period. And because companies are always looking for ways to make their employees more efficient, they often use a time-and-duty-analysis to identify how salespeople spend their time and how they can spend more time actively selling. To increase efficiency, many companies use sales force automation systems—including laptops, smart phones, videoconferencing, and relationship management software—so that their sales force can work anywhere, anytime.

Diff: 2 Page Ref: 469-470

AACSB: Use of IT

Skill: Application

Objective: 16-2

106) In a brief essay, explain methods of evaluating the performance of a sales force. Why is it important for a sales force to be evaluated?

Answer: To evaluate its sales force, management needs to get regular information about the performance of its salespeople. Sales reports, including weekly or monthly work plans and longer-term marketing plans, are the most important source. Management also uses salespeople's expense reports and call reports to gauge sales call volume and success rates. In addition, management can use sales and profit performance data in each salesperson's territory, along with personal observation and customer surveys, to identify strengths and weaknesses in the sales force. Taking information gathered from these sources into consideration, management should provide salespeople with constructive feedback aimed at helping each salesperson succeed. Evaluating a sales force is important because that is how a company can measure its return on sales investment.

Diff: 2 Page Ref: 471-472

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

107) Provide the seven steps in the selling process. What would be the two most difficult steps for most salespeople and why?

Answer: Prospecting and qualifying begin the process, followed by the preapproach. Next, the salesperson makes an approach to make a presentation or demonstration. Handling objections follows, leading into closing the sale. Each sale requires a follow up to make it complete. For most salespeople, especially new ones, the prospecting and closing steps are the most difficult and require much skill. For a salesperson unfamiliar with how to identify good leads with bad ones, prospecting can be difficult. Closing can be difficult because salespeople may lack the confidence to ask for an order, or they may not recognize the appropriate moment to close a sale.

Diff: 2 Page Ref: 472-475

AACSB: Reflective Thinking

Skill: Application

Objective: 16-3

108) What is the follow-up step of the selling process? Why is it important?

Answer: The follow-up step is important if the salesperson wants to ensure customer satisfaction and repeat business. Right after closing, the salesperson should complete any details on delivery time, purchase terms, and other matters. The salesperson then should schedule a follow-up call when the initial order is received, to make sure there is proper installation, instruction, and servicing. This visit would reveal any problems, assure the buyer of the salesperson's interest, and reduce any buyer concerns that might have arisen since the sale.

Diff: 2 Page Ref: 475

AACSB: Reflective Thinking

Skill: Application

Objective: 16-3

109) What is the relationship between the personal selling process and the management of customer relationships?

Answer: The selling process should be understood in the context of building and maintaining profitable customer relationships, as companies are interested in more than simply securing a one-time sale. Instead, they are interested in winning and keeping major customers, creating ongoing, mutually beneficial relationships. Because they have significant contact with customers, salespeople play an important role in building and managing profitable customer relationships. Salespeople need to think of the first sale as the beginning of a relationship that will involve listening to customers, understanding their needs, and helping to coordinate the company's efforts to create customer value.

Diff: 2 Page Ref: 475

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

110) In a short essay, explain how sales promotion campaigns are developed and implemented.

Answer: Sales promotion campaigns first call for setting sales promotions objectives and selecting consumer, trade, business, and/or sales force promotion tools to achieve those objectives. Other necessary decisions include the size of the incentive, the conditions for participation, how to promote and distribute the promotion package, and the length of the promotion. After the campaign has been implemented, the company evaluates the results.

Diff: 2 Page Ref: 482

Skill: Application

Objective: 16-4

111) Happy Pet is a large petfood company that sells its petfood to retail pet supply stores as well as wholesalers. The sales force at Happy Pet is LEAST likely to do which of the following?

- A) work directly with final customers
- B) build relationships with wholesalers
- C) help retailers effectively sell the company's products
- D) communicate regularly with business customers
- E) represent wholesalers and retailers to the company

Answer: A

Diff: 2 Page Ref: 459

AACSB: Analytic Skills

Skill: Application

Objective: 16-1

112) At Finley's Fine Goods, members of the sales force and marketing department tend to have disagreements when things go wrong with a customer. The marketers blame the salespeople for poorly executing their strategies, while the salespeople blame the marketers for being out of touch with the customer. Which of the following steps should upper-level management at Finley's Fine Goods take to help bring the sales and marketing functions closer together?

- A) establish a customer sales force structure
- B) establish a complex sales force structure
- C) appoint a new sales force manager
- D) adopt a sales force automation system
- E) appoint a chief revenue officer

Answer: E

Diff: 2 Page Ref: 460-461

AACSB: Reflective Thinking

Skill: Application

Objective: 16-1

113) Ultra-Tech, Inc. has decided to switch to a customer sales force structure. Which of the following advantages is the company now LEAST likely to enjoy?

- A) The company can become more customer-focused.
- B) The company can better serve different industries.
- C) The company can build closer relationships with important customers.
- D) The company can better serve current customers and find new customers.
- E) The company can expect salespeople to develop in-depth knowledge of numerous and complex product lines.

Answer: E

Diff: 3 Page Ref: 462

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

114) Johnson Business Solutions, Inc., maintains one sales force for its copy machines and a separate sales force for its computer systems. Johnson Business Solutions utilizes a _____ structure.

- A) product sales force
- B) customer sales force
- C) territorial sales force
- D) a combination of B and C
- E) complex sales force

Answer: A

Diff: 2 Page Ref: 461

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

115) Morrill Motors splits the United States into 10 sales regions. Within each of those regions, the company maintains two sales teams—one for existing customers and one for prospects. What type of sales force structure does Morrill Motors use?

- A) territorial
- B) product
- C) customer
- D) complex
- E) workload

Answer: D

Diff: 2 Page Ref: 462

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

116) J & M Manufacturing has 2,000 Type-A accounts, each requiring 35 calls per year, and 1,000 Type-B accounts, each requiring 15 calls per year. What is the sales force's workload?

- A) 15,000 calls
- B) 35,000 calls
- C) 70,000 calls
- D) 85,000 calls
- E) 95,000 calls

Answer: D

Diff: 3 Page Ref: 464

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

117) Stahl, Inc., has 1,000 Type-A accounts, each requiring 28 calls per year, and 2,200 Type-B accounts, each requiring 15 calls per year. If each salesperson at Stahl, Inc., can make 1,500 sales calls per year, approximately how many salespeople will be needed?

- A) 31
- B) 35
- C) 41
- D) 45
- E) 48

Answer: C

Diff: 3 Page Ref: 464

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

118) East Bay Communications has increased its inside sales force. This will help East Bay in all EXCEPT which one of the following ways?

- A) East Bay salespeople will have more time to sell to major accounts.
- B) East Bay salespeople will have more time to find major new prospects.
- C) East Bay salespeople will have more time to provide after-the-sale customer service.
- D) East Bay customers will have questions answered in a timely manner.
- E) East Bay customers will have full access to sales automation technology.

Answer: E

Diff: 2 Page Ref: 464-465

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

119) You are applying for a position with the inside sales force at Carson Medical Sales. If you earn the job, you will most likely be expected to perform all of the following tasks EXCEPT _____.

- A) confirm appointments for outside salespeople
- B) use the Internet to qualify prospects
- C) use the telephone to find new leads
- D) follow up on product deliveries
- E) travel to visit customers

Answer: E

Diff: 2 Page Ref: 464-465

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

120) The sales force at Messimer Computing recently began telemarketing and Web selling. How will telemarketing and Web selling most likely benefit Messimer Computing?

- A) The inside sales force of Messimer will receive better compensation than the outside sales force.
- B) Messimer sales reps will need to spend less face-to-face time with large, high-value customers.
- C) Messimer sales reps will be able to service hard-to-reach customers more effectively.
- D) Messimer sales reps will be able to work from home offices more regularly.
- E) The outside sales force of Messimer will be freed up to work more with the marketing department.

Answer: C

Diff: 3 Page Ref: 465

Skill: Application

Objective: 16-2

121) An IBM sales representative is giving a product demonstration to a Best Buy representative. Assisting with the demonstration are an engineer, a financial analyst, and an information systems specialist. If IBM wins the Best Buy account, then all four IBM representatives will service the Best Buy account. This is an example of _____.

- A) team selling
- B) territorial selling
- C) inside selling
- D) prospecting
- E) sales promoting

Answer: A

Diff: 1 Page Ref: 466

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

122) Sales have been slow recently at B & B Materials, so management has organized a training program to improve the performance of its sales force. Which of the following would most likely lead to improved sales for B & B Materials?

- A) tests to measure the analytic and organizational skills of the sales force
- B) information about the marketing strategies used by competitors
- C) tests to identify the personality traits of sales force members
- D) a time-and-duty analysis for each salesperson
- E) instructions on completing expense reports

Answer: B

Diff: 2 Page Ref: 467

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

123) The CEO of Comfy Carpet, Rick Hadley, was skeptical about Web-based training until his sales manager explained that online training is _____.

- A) time consuming and difficult to use
- B) used by all small companies
- C) dynamic and interactive
- D) cost competitive and efficient
- E) useful to customers

Answer: D

Diff: 1 Page Ref: 467

Skill: Application

Objective: 16-2

124) At Deck Decor, a manufacturer of outdoor furniture and accessories, the marketing and sales force objectives are to grow relationships with existing customers and to acquire new business. Which of the following compensation plans should management establish to encourage the sales force to pursue both of these objectives?

- A) straight salary
- B) straight commission
- C) salary plus bonus for new accounts
- D) commission plus bonus for new accounts
- E) salary plus commission plus bonus for new accounts

Answer: E

Diff: 3 Page Ref: 468-469

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

125) Mary Conti is sales manager for National Computer Training. She wants to evaluate the performance of her sales force that is responsible for the New England territory. Mary will most likely review all of the following in her evaluation EXCEPT _____.

- A) call plans
- B) sales reports
- C) call reports
- D) expense reports
- E) territorial sales and profit reports

Answer: A

Diff: 2 Page Ref: 471

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

126) The sales force of Conway Pools has qualified a number of leads. Which of the following will most likely occur next?

- A) The outside sales force will call on all prospects.
- B) The outside sales force will close the deal with one of the prospects.
- C) The outside sales force will learn as much as possible about the prospects.
- D) The inside sales force will attend meetings with qualified prospects.
- E) The inside sales force will put together a presentation for the prospects.

Answer: C

Diff: 3 Page Ref: 473

AACSB: Analytic Skills

Skill: Application

Objective: 16-3

127) Marlene Arau is a member of the sales force at Urban Fashions, a clothing manufacturer. Marlene is preparing for a first meeting with a wholesaler who is a potential customer. Marlene is learning as much as she can about the wholesaler's organization. Marlene is in the _____ step of the personal selling process.

- A) prospecting
- B) qualifying
- C) preapproach
- D) approach
- E) handling objections

Answer: C

Diff: 2 Page Ref: 473

AACSB: Analytic Skills

Skill: Application

Objective: 16-3

128) An insert in a Land's End catalog offers free shipping on your next purchase. This is an example of a _____.

- A) sales promotion
- B) POP promotion
- C) trade promotion
- D) price pack
- E) premium

Answer: A

Diff: 2 Page Ref: 475 and 477

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

129) Monty Boyd travels frequently on West Coast Airlines for his job as an account manager. Monty earns points for every mile he flies, and he will soon have enough points to receive a free airline ticket. West Coast Airlines is building a customer relationship with Monty using which of the following?

- A) publicity
- B) POP reward
- C) premium reward
- D) sweepstakes program
- E) frequency marketing program

Answer: E

Diff: 1 Page Ref: 478

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

130) Toro ran a clever preseason promotion on some of its snow blower models, offering some money back if the snowfall in the buyer's market area turned out to be below average. This is an example of a(n) _____.

- A) advertising specialty
- B) premium pack
- C) sweepstakes
- D) price pack
- E) rebate

Answer: E

Diff: 2 Page Ref: 480

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

131) An example of a(n) _____ is a five-foot-high cardboard display of Tony the Tiger next to Frosted Flakes cereal boxes.

- A) sample
- B) POP promotion
- C) POP pack
- D) advertising promotion
- E) premium

Answer: B

Diff: 2 Page Ref: 480

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

132) Kirk Wilkins renewed his cell phone contract with Zip Wireless and purchased a new cell phone through the Zip Web site. If Kirk mails Zip his phone receipt, proof of purchase, and a completed form, he will receive \$50 in the mail. What type of sales promotion is being used by Zip?

- A) point of purchase
- B) advertising specialty
- C) premium
- D) price pack
- E) rebate

Answer: E

Diff: 1 Page Ref: 480

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

Refer to the scenario below to answer the following questions.

Reliable Tool Company is a manufacturer of hubs and axles for the trailer and heavy truck industry. Although Reliable Tool only has fifteen customers, the company is the sole supplier of hub and axle components to those customers. Monthly sales at Reliable Tool are approximately \$1 million. "You might say we have all of our eggs in one basket," says owner Arthur Deetz. Therefore, it is critical that a competent sales force be maintained in order to nurture those few but large accounts. Ninety-five percent of Reliable Tool's customers are located in Michigan, Ohio, and Indiana, which means that travel time to all customers is relatively short. However, given the nature of the industry, time spent with each customer is essential.

133) How would a customer sales force structure benefit Reliable Tool?

- A) It would decrease the amount of travel required of each Reliable Tool salesperson.
- B) It would enable Reliable Tool salespeople to build close relationships with clients.
- C) It would help Reliable Tool salespeople become experts on the specific parts they sell.
- D) It would allow Reliable Tool management to better supervise and evaluate its salespeople.
- E) It would eliminate the need for telemarketers and sales assistants at Reliable Tool .

Answer: B

Diff: 1 Page Ref: 462

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

134) Reliable Tool management is in the process of evaluating its salespeople to make sure they are value merchants instead of value spendthrifts. Which of the following describes a Reliable Tool salesperson who is a value merchant?

- A) The salesperson gives products away for free in order to close a deal.
- B) The salesperson sells primarily on price comparisons with competitors.
- C) The salesperson routinely gains more business at the same price.
- D) The salesperson informs management that customers only care about price.
- E) The salesperson regularly trades more business for lower prices.

Answer: C

Diff: 2 Page Ref: 476

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

135) Which of the following promotions would be most appropriate for Reliable Tool to use in its attempt to promote its products and generate new business leads?

- A) rebates
- B) premiums
- C) specialty advertising items
- D) point-of purchase promotions
- E) conventions and trade shows

Answer: E

Diff: 1 Page Ref: 482

AACSB: Analytic Skills

Skill: Application

Objective: 16-4

136) What type of company would be likely to use the territorial sales force structure?

Answer: A company with only one product line to one industry with customers in many locations would most likely use a territorial sales force structure.

Diff: 2 Page Ref: 461

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

137) What type of company would be likely to use a product sales force structure?

Answer: A product sales force structure will most likely be used by companies that carry extensive product lines with the need to separate customers according to the products they buy.

Diff: 2 Page Ref: 461-462

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

138) Explain how the workload approach helps companies set sales force size.

Answer: Using this approach, the company first groups accounts into different classes according to size, account status, or other factors related to the amount of effort required to maintain them.

The company can then determine the number of salespeople needed to call on each class of accounts the desired number of times.

Diff: 2 Page Ref: 464

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

139) Why might a company need to hire both an inside and an outside sales force?

Answer: Larger accounts may require special nurturing and face-to-face interaction, so an outside sales force can call on those customers. Smaller accounts and harder-to-reach customers may be able to be taken care of by an inside sales force.

Diff: 3 Page Ref: 464-465

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

140) Why do many companies invest in ongoing training for their salespeople?

Answer: Though training is expensive, it can be very effective in helping salespeople learn about the needs and motives of their customers, techniques for effectively selling, the company's objectives, and the strategies of major competitors. With this training, salespeople are able to better do their jobs, resulting in more revenue for the company.

Diff: 2 Page Ref: 468

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

141) Compare the four types of compensation plans available to salespeople.

Answer: A straight salary is a fixed amount that is not dependent on sales performance, while a straight commission is entirely based on sales performance. The two other types, salary plus bonus and salary plus commission, make a portion of the compensation fixed and a portion based on sales performance.

Diff: 3 Page Ref: 468-469

AACSB: Reflective Thinking

Skill: Application

Objective: 16-2

142) Why do sales supervisors provide their salespeople with annual call plans?

Answer: The annual call plan shows which customers and prospects to call on in which months and which activities to carry out, giving supervisors more control over the activities of their salespeople.

Diff: 2 Page Ref: 469

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

143) What does a time-and-duty analysis reveal?

Answer: This tool, which can be used to help sales management determine how to increase selling time, indicates a salesperson's time spent selling, traveling, waiting, eating, taking breaks, and doing administrative chores.

Diff: 2 Page Ref: 469

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

144) Why have firms adopted sales force automation systems?

Answer: Many firms have adopted sales force automation systems to help their salespeople better manage their time, improve customer service, lower sales costs, and increase sales performance.

Diff: 2 Page Ref: 470

AACSB: Analytic Skills

Skill: Application

Objective: 16-2

145) Why is a firm's organizational climate an important part of building a successful sales staff?
Answer: How salespeople feel about their opportunities, value, and rewards for a good performance affects how well salespeople will perform; when salespeople are treated as special contributors and have great opportunities for income and promotion, their sales performance is higher.

Diff: 2 Page Ref: 471

Skill: Application

Objective: 16-2

146) Why does a firm's number of prospects always equal or exceed its number of qualified customers?

Answer: Prospecting identifies the total number of potential customers in an area; qualifying breaks that number of prospects down into the actual group that it is worthwhile for the salesperson to target.

Diff: 2 Page Ref: 472

AACSB: Analytic Skills

Skill: Application

Objective: 16-3

147) Why does a salesperson set call objectives?

Answer: Call objectives might include qualifying the prospect, gathering more or better information, and/or making an immediate sale. With a call objective, a salesperson can be more focused on how to prepare for the sale.

Diff: 3 Page Ref: 473

Skill: Application

Objective: 16-3

148) In what situation would a demonstration be especially critical during a salesperson's presentation?

Answer: A demonstration may be important if the product's use or value can be better understood with a visual demonstration. For example, if comparing Brand A brass cleaner with another leading brand, a demonstration of how much more quickly Brand A works may be more convincing for the prospective buyer.

Diff: 3 Page Ref: 474

AACSB: Reflective Thinking

Skill: Application

Objective: 16-3

149) How does mobile couponing benefit both consumers and marketers?

Answer: Consumers don't have to find and clip coupons. Mobile coupons allow marketers to carefully target customers and eliminate the costs associated with printing and distributing paper coupons.

Diff: 2 Page Ref: 479-480

AACSB: Reflective Thinking

Skill: Application

Objective: 16-4

150) What type of sales promotion would benefit a political candidate the most?

Answer: A political candidate would likely benefit most from using specialty advertising items such as pencils or pens with the candidate's name or T-shirts with the candidate's name and/or photograph.

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AACSB: Reflective Thinking

Skill: Application

Objective: 16-4