

Student: _____

1. The purpose of business is to increase the general well-being of humankind through the sale of goods and services.
True False
2. Selling is synonymous with marketing.
True False
3. Before the Great Depression, few firms had actual sales departments.
True False
4. A transaction is a trade of values between two parties.
True False
5. The selling concept was the business philosophy adopted when consumer demand was weak.
True False
6. One of the fundamental beliefs of the marketing concept is that all company planning and operations should be customer oriented.
True False
7. The difference between the selling and marketing concepts is that in selling the emphasis is on customers' wants.
True False
8. A company practicing the marketing concept bends consumer demand to fit the company's supply.
True False
9. The basic role of marketing in a business is to generate revenues for the company.
True False
10. Marketing helps generate sales by providing the quality of service customers expect.
True False
11. A firm's marketing mix consists of production, price, place, and promotion.
True False
12. The typical salesperson sells either goods or services, but not both.
True False
13. A "product" is a bundle of tangible attributes, while intangible attributes are called a "service."
True False
14. There are two types of products: consumer and industrial.
True False
15. The corporate marketing department determines each product's initial price.
True False
16. "Price" refers to an arbitrary value placed upon a product by a corporation.
True False
17. "Household" refers to a decision-making unit buying for personal use.
True False

18. Nonprofit organizations are called "charities."
True False
19. "Government" is an organization that supplies goods and services to households and firms.
True False
20. Wholesalers are in the distribution channels for both consumer and industrial products.
True False
21. The promotional element of the marketing mix is designed to increase company sales by communicating product information to potential customers.
True False
22. The company's sales force is the primary segment of any firm's promotional effort.
True False
23. Firms typically spend more money on advertising and promotion than on the sales force.
True False
24. The emphasis in relationship marketing is on selling customers today rather than on what will happen tomorrow.
True False
25. The trend in relationship marketing today is away from creating customers for tomorrow to selling well to customers today.
True False
26. Relationship marketing is the creation of customer loyalty.
True False
27. A major issue in an organization's relationship marketing program is the role of its corporate lawyers.
True False
28. Relationship marketing is based on an idea that important customers need continuous attention.
True False
29. The main function of personal selling is to build relationships with customers.
True False
30. Personal selling is an essential element in an organization's marketing mix.
True False
31. Virtually every product you see in any retail store was sold to it by a salesperson.
True False
32. Advertisements do not close any sales.
True False
33. Service quality is a subjective satisfaction assessment that customers arrive at by comparing the service level they perceive being delivered to a service level established in the industry.
True False
34. The ultimate outcome of relationship marketing is the building of a transaction relationship between the seller and the buyer.
True False
35. Relationship marketing and the marketing concept are derived from distinctly different philosophies.
True False

36. In transaction selling, the seller contacts customers after the purchase to determine if they are satisfied and have future needs.
True False
37. Most companies focus upon the single transaction with each customer.
True False
38. Transaction selling is practiced by firms producing low-profit, low-priced products.
True False
39. The goal of partnering is that the profits are shared by the buyer and seller but the risk is borne by the buyer alone.
True False
40. When a company defines its own business as growing the business of its partner, it actually becomes a subsidiary of its partner.
True False
41. Today the typical sales call focuses on a specific product, and is tightly controlled by the salesperson.
True False
42. Consultative selling is the process of helping the customer achieve strategic goals using the seller's goods and/or services.
True False
43. In the role of team leader, the salesperson coordinates all of the information, resources, and activities needed to support customers before, during, and after the sale.
True False
44. One of the most important roles played by a salesperson using consultative selling is service provider.
True False
45. Customers are under great pressure to grow their sales and profits.
True False
46. Salespeople who fulfill the consultative role of long-term ally work to eliminate the relationship gap.
True False
47. Technology has advanced so rapidly that it has become a burden to sales managers and sales representatives.
True False
48. Marketing's main customer contacts are salespeople.
True False
49. The promotional variable increases demand by communicating information from the customer to the firm.
True False
50. The new consultative selling requires the salesperson to take on the roles of team leader, business consultant, and long-term ally.
True False
51. According to the text, what are the two major functions of a business firm?
A. Strategies and tactics
B. Production and marketing
C. Production and selling
D. Selling and marketing
E. Buying and selling

52. You are giving a tour of businesses to several classical musicians from China. One of the Chinese in the tour group has asked you to define the purpose of business. How should you answer this question?
- A. Produce goods and then wait for consumers to buy them.
 - B. Make consumers buy the products they may not want.
 - C. Speed up changes in the economic environment.
 - D. To create large profit-oriented organizations.
 - E. To increase the general well-being of people by selling goods and services.
53. _____ is defined as the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges that satisfy individual and organizational objectives.
- A. Consumerism
 - B. Profit maximization
 - C. Marketing
 - D. Salesmanship
 - E. Professional selling
54. Which of the following statements about transactions and exchanges is true?
- A. Selling-oriented businesses have exchanges but no transactions.
 - B. Marketing-oriented businesses have transactions but no exchanges.
 - C. The completion of an exchange is unrelated to the occurrence of a transaction.
 - D. Once a transaction has occurred, the exchange is complete.
 - E. The terms "transaction" and "exchange" can be used as synonyms.
55. A bartering relationship, such as when Chyna agrees to take care of Smythe's horses and receives in return free riding lessons, is an example of:
- A. an exchange.
 - B. top-to-top partnering.
 - C. a sales promotion.
 - D. transactional partnering.
 - E. consultative selling.
56. Before the Great Depression of the 1930s, companies were typically:
- A. production-oriented.
 - B. barter-oriented.
 - C. sales-oriented.
 - D. marketing-oriented.
 - E. social responsibility-oriented.
57. The headline of an advertisement for a 1930s automobile manufacturer read, "We know what our customers want! They want our new luxury sedan!" You can infer from reading this headline that the manufacturer had a _____ orientation.
- A. customer
 - B. selling
 - C. marketing
 - D. production
 - E. promotion
58. Travis is an excellent cook and cooking is his passion. He recently quit his job as an engineer to open a restaurant in a small rural town. Travis serves the most exquisite cuisine in an elegant atmosphere. But sales have been so slow that it looks like he may have to close. Travis' only competitor is a very successful café that serves your choice of one meat, three vegetables, and dessert cooked "country style" with tea or coffee for under \$6.00 per person. Travis seems to have a _____ orientation.
- A. customer
 - B. selling
 - C. marketing
 - D. production
 - E. promotion

59. Businesses that have a selling orientation:
- A. emphasize the product over all other marketing mix elements.
 - B. train their salespeople by providing them extensive customer, industry, and product knowledge.
 - C. emphasize long-term planning.
 - D. assume the wants of their customers is as important as the satisfaction of those customers.
 - E. pursue consumer satisfaction as their primary objective.
60. Businesses that have a _____ orientation place more emphasis on advertising than personal selling and view their salespeople as order-takers.
- A. customer
 - B. selling
 - C. marketing
 - D. production
 - E. promotion
61. During the American Civil War, peddlers often followed armies as they moved across the North and the South. These peddlers carried products that they believed would sell, and they were concerned more about how many sales they would make in a day rather than their sales in upcoming months. These peddlers had a _____ orientation.
- A. customer
 - B. selling
 - C. marketing
 - D. production
 - E. promotion
62. According to the text, the marketing concept is a philosophy of business that supports both:
- A. the production of what a company wants to make and the sales of it through whatever methods are necessary.
 - B. the minimization of government regulation and the maximization of customer satisfaction.
 - C. supply goals and demand objectives.
 - D. the satisfaction of customers and the achievement of a profitable sales volume.
 - E. the assumption of social responsibility duties and the creation of contingency plans.
63. The major thrust of the marketing concept is to:
- A. sell the product at a low cost to customers.
 - B. satisfy customers, no matter what the costs.
 - C. satisfy customer wants, while still making a profit.
 - D. distribute products more equitably.
 - E. maximize stakeholder relationships.
64. Which of the following statements would be LEAST descriptive of a firm that is marketing-oriented?
- A. The company's emphasis is on customers' wants.
 - B. The company first makes the product, then figures out how to sell it.
 - C. The management is profit and customer-oriented.
 - D. The company encourages salespeople to be long-term allies of customers.
 - E. The company is concerned with tomorrow's markets.
65. A marketing-oriented firm:
- A. emphasizes the needs of the seller.
 - B. first makes the product and then figures out how to sell it.
 - C. has a profit-oriented management.
 - D. uses short-term planning.
 - E. does not financially support products that are in the decline stage of their product life cycle.

66. In order for a business enterprise to realize the full benefits of the marketing concept, that philosophy must be translated into action. This means marketing activities must be fully coordinated, well managed, and:
- A. the mission statement must be time-sensitive.
 - B. management must have a sales volume orientation.
 - C. the company must rely on short-term strategic windows.
 - D. the chief marketing executive must be given an important role in company planning.
 - E. marketing goals must be customer-oriented, nonspecific, flexible, and quantitative.
67. In order for a business enterprise to realize the full benefits of the marketing concept, the CEO must be given an important role in company planning, and:
- A. the mission statement must be time-sensitive.
 - B. marketing activities must be fully coordinated and well managed.
 - C. company must stress on the needs of the seller.
 - D. the company must be organized around its products.
 - E. marketing goals must be customer-oriented, nonspecific, flexible, and quantitative.
68. Which of the following is NOT one of the four basic objectives that marketers typically have to accomplish?
- A. Maximizing the sales of existing products in existing markets.
 - B. Developing and selling new products.
 - C. Developing new markets for existing or new products.
 - D. Creating a product and then allocating resources to sale it.
 - E. Providing the quality of service needed for customers to engage in repeat purchases.
69. _____ is the link between customers and organizations.
- A. Marketing group
 - B. Quality control group
 - C. Production group
 - D. Human resource group
 - E. The corporate mission statement
70. The main role of marketing in an organization is to:
- A. use revenues to create new products.
 - B. manage financial resources.
 - C. generate sales so the company can stay in business.
 - D. serve as a conduit between the organization and its stakeholders.
 - E. control supply and demand.
71. The elements of the marketing mix are:
- A. promotion, price, place, and product.
 - B. product, presentation, place, and promotion.
 - C. price, production, presentation, and place.
 - D. planning, price, product, and promotion.
 - E. price, presentation, profit, and planning.
72. Which of the following is an example of a good?
- A. A porch swing
 - B. Plumbing
 - C. Legal advice
 - D. Teaching
 - E. Emergency helpline
73. Which of the following statements about "product" as an element of the marketing mix is true?
- A. The term "product" only refers to tangible objects.
 - B. Value-added is not important when selling services.
 - C. Salespeople do not sell products, they sell goods and services.
 - D. "Product" is a term that refers to both goods and services.
 - E. Product refers to value-added benefits that are part of the purchase price of the product.

74. Which of the following statements about products, goods, and services is true?
- A. Products are a bundle of only intangible attributes.
 - B. Services are tangible products.
 - C. Goods are physical objects that can be purchased.
 - D. Salespeople do not sell services.
 - E. Products only refer to physical objects.
75. _____ refers to benefits a customer receives that are not included in the purchase price of the individual product.
- A. Value-added
 - B. Bundling
 - C. Product differentiation
 - D. Selling service
 - E. Discount
76. When Etienne purchased a jet ski personal watercraft for \$4999, he was also given free financing and three hours of free lessons on how to safely enjoy jet skis. Neither the financing nor the lessons were included in the price of the jet ski; both are examples of:
- A. value-added benefits.
 - B. bundling.
 - C. profit maximization.
 - D. discounts.
 - E. add-on pricing.
77. The development of package design, brands, and service policies is associated with the _____ element of the marketing mix.
- A. product
 - B. presentation
 - C. price
 - D. place
 - E. promotion
78. Which of the following is an example of a consumer product purchase?
- A. Flour purchased by a bakery to bake muffins for its customers.
 - B. Cut-flowers purchased by a florist to make wedding arrangements.
 - C. Crayons and paper purchased by a retailer for making sale signs.
 - D. Iron purchased by a blacksmith for making horseshoes.
 - E. A bread maker bought by a housewife to make bread for her family.
79. During the late 19th century when peddlers and their wagons were fairly common sights, it was not uncommon for a peddler to charge a very rural customer \$.50 for a mirror and to charge another customer who lived nearer to town \$.15 for the same mirror. This example describes how early salespeople dealt with the _____ element of the marketing mix.
- A. price
 - B. presentation
 - C. product
 - D. production
 - E. promotion
80. The marketing manager of NevaFlat Tire Company must make the firm's products available to customers in convenient locations. This activity is associated with the _____ element of the marketing mix.
- A. production
 - B. presentation
 - C. direction
 - D. distribution
 - E. promotion

81. Customers fall into one of three groups. They are:
- A. households, firms, and governments.
 - B. stakeholders, governments, and nonprofit organizations.
 - C. individuals, households, and other businesses.
 - D. prospects, nonprospects, and leads.
 - E. governments, stakeholders, and other publics.
82. Which of the following statements about customers is true?
- A. There are only two categories of customers—individuals and businesses.
 - B. The nonprofit Salvation Army and for-profit General Mills are both members of the customer group called firms.
 - C. An individual is defined as a customer that has the authority, desire, and financial means to make a profit.
 - D. According to the definition of customer, a household is a type of firm.
 - E. Sales to the government are categorized as sales to firms.
83. As a customer, a government is an organization that:
- A. provides goods and services to households and firms.
 - B. provides billions of dollars to households and firms to purchase products.
 - C. does not directly interact with either households or firms.
 - D. does not buy industrial products.
 - E. monitors the exchange process.
84. Resellers are a key component of the _____ element of the marketing mix.
- A. product
 - B. presentation
 - C. sales promotion
 - D. distribution
 - E. promotion
85. _____ purchase products and then sell to organizations and/or individuals.
- A. Transactional intermediaries
 - B. Resellers
 - C. Value-added specialists
 - D. Manufacturers
 - E. End-users
86. All marketing managers know that personal selling is a part of the _____ element of the marketing mix.
- A. product
 - B. publicity
 - C. price
 - D. place
 - E. promotion
87. The appearance of actress Sarah Jessica Parker in commercials for The Gap, a retail store, is an example of the use of the _____ element of the marketing mix.
- A. price
 - B. destination
 - C. product
 - D. profit
 - E. promotion
88. Which of the following is a characteristic of publicity?
- A. When there is a personal communication of information to persuade a consumer to buy a product.
 - B. When there is nonpersonal communication of information paid for by an identified sponsor.
 - C. When trade sales promotion and consumer sales promotion is used to sell aggressively.
 - D. When nonpersonal information that is not paid for by an individual appears in newspapers.
 - E. When personal information is provided by salespeople in consumer trade shows.

89. Which of the following statements about personal selling is true?
- A. It falls under the marketing mix category of promotional activities.
 - B. It is a good example of nonpersonal communication.
 - C. It is used to aggressively sell customers products they do not want.
 - D. It is the communication of information that is not paid for by the firm.
 - E. It is divided into consumer and trade personal selling.
90. In terms of their promotional budgets, businesses typically spend more money on _____ than on:
- A. distribution; promotion.
 - B. sales force; advertising and promotion.
 - C. publicity; discounts and allowances.
 - D. publicity; sales force.
 - E. advertising; personal selling.
91. The text defines _____ as "personal communication of information to unselfishly persuade a prospective customer to buy something that satisfies an individual's needs."
- A. promotion
 - B. personal selling
 - C. publicity
 - D. sales promotion
 - E. advertising
92. When Ford Motor Company pays to use nonpersonal communication to present information to potential buyers, it is using which promotional activity?
- A. Multilevel marketing
 - B. Personal selling
 - C. Publicity
 - D. Direct selling
 - E. Advertising
93. _____ is defined as the nonpersonal communication of information that is not paid for by an individual or organization.
- A. Promotion
 - B. Personal selling
 - C. Publicity
 - D. Sales promotion
 - E. Advertising
94. _____ involves activities or materials used to create sales for goods and services.
- A. Direct selling
 - B. Personal selling
 - C. Publicity
 - D. Sales promotion
 - E. Advertising
95. The goal of an organization when creating its _____ is to create the right product, at the right price, at the right time, with the right promotional effort.
- A. sales mix
 - B. mission statement
 - C. operational plan
 - D. vision
 - E. marketing mix

96. Which marketing mix activity is being used when the salesperson participates in a trade show or uses telemarketing?
- A. Pricing
 - B. Distribution
 - C. Direct sales
 - D. Product
 - E. Promotion
97. _____ marketing is the creation of customer loyalty.
- A. Transaction
 - B. Relationship
 - C. Value-added
 - D. Continuous
 - E. Covenant
98. Relationship marketing:
- A. creates social responsibility.
 - B. creates a gap between buyer and seller.
 - C. is another term for reciprocal selling arrangements.
 - D. creates customer loyalty.
 - E. only occurs with transaction selling.
99. Relationship marketing is based on the idea that:
- A. important customers need continuous attention.
 - B. a salesperson can never really know too many people.
 - C. the burden of quality rests with the seller of the product.
 - D. a salesperson should first identify prospects from his/her friends and family and then seek referrals from them.
 - E. your buyer's competitors may be your best prospects.
100. Which of the following questions is NOT an example of the basic questions that must be answered in order to define the role of the sales force?
- A. How much selling effort is necessary to gain and hold customers?
 - B. Is the sales force the best marketing tool in terms of costs and results?
 - C. What type of sales activity will be necessary?
 - D. Can the firm gain strength relative to its competition with its sales force?
 - E. How involved is the sales force in research and development activities?
101. When you consider all the promotional elements, only personal selling:
- A. cannot arouse buying action or complete a sale.
 - B. is a low cost method of promotion.
 - C. cannot deliver profitable sales.
 - D. can adjust the information on the spot during a sale.
 - E. reaches mass audiences very effectively.
102. The subjective assessment customers arrive at by comparing the service level they believe an organization ought to deliver to the service level they perceive they received is how _____ is defined.
- A. the marketing concept.
 - B. total quality management.
 - C. service leveling.
 - D. service quality.
 - E. total system management.

103. Hope is unhappy about her experience with All-Brand Appliance Store. When she purchased a new refrigerator on Monday, she explained that her old one had stopped functioning and that speedy delivery of the new one was vital because she was trying to keep her food fresh in an ice chest. It is late Thursday afternoon and her refrigerator has not yet arrived. Hope is unhappy with All-Brand's:
- A. social responsibility.
 - B. ethical ombudsmanship.
 - C. marketing strategy.
 - D. sales quotas.
 - E. service quality.
104. The marketing manager for a large furniture store has received numerous complaints about the store's delivery personnel. While the manager believes his delivery personnel do a good job because the deliveries are made quickly and generally at their scheduled time, customers find the delivery personnel rude. The marketing manager must deal with problems associated with:
- A. social responsibility.
 - B. promotional integrity.
 - C. marketing strategy.
 - D. value-added pricing.
 - E. service quality.
105. When Addison sold a computer network to a Fortune 500 company, he often called on the company's purchasing department to see if employees were satisfied with the network and to see if the company had any need for an upgrade or additional software. This is an example of:
- A. transformational selling.
 - B. aggressive selling.
 - C. relationship selling.
 - D. transaction selling.
 - E. sales promotion.
106. With _____, customers are sold to and not contacted again.
- A. benefit selling
 - B. relationship marketing
 - C. partnering
 - D. consultative selling
 - E. transaction selling
107. When you visit a gift shop while on vacation, your purchase of a T-shirt would be an example of _____ selling.
- A. team
 - B. relationship
 - C. partnership
 - D. consultative
 - E. transaction
108. With _____, the seller does not contact customers after the purchase to determine if they are satisfied and have future needs.
- A. benefit selling
 - B. relationship selling
 - C. partnering
 - D. organizational synergy
 - E. transaction selling

109. The 80/20 principle:
- A is a territorial management concept that favors a salesperson putting 80 percent of his/her time on . planning and 20 percent on action.
 - B. refers to the fact that 80 salespeople require 20 sales managers to keep the appropriate 4:1 ratio of supervisors to employees.
 - C. indicates that no matter how hard a salesperson tries, 80 percent of the customers' potential business ends up going to competitors.
 - D is a territorial management concept which favors a salesperson putting 80 percent of his/her time on . action and 20 percent on planning.
 - E. refers to the idea that a small portion of a firm's customers account for a large portion of its profitable sales.
110. Through use of _____, marketers can determine the customers with whom they wish to build a partnering relationship.
- A. the principle of unbundling
 - B. benefit maximization
 - C. the 80/20 principle
 - D. value-driven marketing
 - E. the iceberg principle
111. _____ is the process of helping the customer achieve strategic short- and long-term goals through use of the seller's good and/or service.
- A. Consultative selling
 - B. Transactional selling
 - C. Aggressive selling
 - D. Telemarketing selling
 - E. One-time selling
112. In the role of team leader, the consultative salesperson:
- A. can be called a "lone ranger."
 - B. encourages business that is not in the customer's long-term interest.
 - C. brings together all the organization's resources for the customer.
 - D. expects customers to provide all the confidential information before making purchase recommendations.
 - E. considers his/her job complete once the sale is over.
113. _____ are composed of multifunctional specialists who ensure that their organizations accurately convey their complex needs to the seller and thoroughly assess the accuracy of the supplier's recommendations.
- A. Buying teams
 - B. Focus groups
 - C. Executive juries
 - D. Customer advisors
 - E. Selling teams
114. In the role of business consultant, the consultative salesperson:
- A. can be called a "lone ranger" because he/she "saves the day."
 - B. is a persuasive peddler who is only interested in convincing customers to buy his/her product.
 - C. is a primary contact between the management and team members of the seller's organization.
 - D. expects the customer to educate him/her about deeper issues surrounding the customer's organization.
 - E. uses internal and external resources to understand customer's business and marketplace.
115. Which of the following skills will NOT help a salesperson become a business consultant?
- A. Demonstrating and refining his/her understanding of the customer's big picture.
 - B. Creating an atmosphere of professionalism that fosters the exchange of information and ideas.
 - C. Continually strengthening his/her business knowledge.
 - D. Unselfishly persuading a customer to buy something that will satisfy his/her needs.
 - E. Finding out confidential information about the customer in the course of the sales presentation.

116. As a long-term ally, the consultative salesperson:
- A. can be called a "lone ranger" because his/her job is to "save the day."
 - B. accurately conveys his/her needs to the seller and assesses the accuracy of the supplier's recommendation.
 - C. asks the customer for confidential data and information before making purchase recommendations.
 - D. recommends business even if it is not in the customer's long-term interests to maximize profits.
 - E. helps customers carry out fact-finding missions within the customer's company.
117. How are modern day salespeople different from those in past?
- A. Modern day salespeople are required to be product-oriented.
 - B. In the past, most salespeople believed that their job was over once the sale was completed.
 - C. Modern day salespeople have to pay very little attention to postsale service due to technology advances.
 - D. In the past, most salespeople had access to any conceivable data due to explosion in technology.
 - E. Global competition is pushing most salespeople to be persuasive peddlers to maximize profit.
118. A supermarket chain was negotiating with a manufacturer of different types of meat grinders. Before the sale, the chain's management was impressed with the service they received from the salesperson. After the sale, however, when the blade on the frozen block grinder broke, it took them two weeks to locate the sales representative. This is a good example of:
- A. a long-term ally.
 - B. a relationship gap.
 - C. value-added benefit.
 - D. a partnership.
 - E. benefit selling.
119. Which of the following statements about the use of technology in personal selling is false?
- A. Technology has exploded the boundaries of today's knowledge frontiers.
 - B. The use of technology can improve a salesperson's sales and service performance.
 - C. Technology used in personal selling is expensive.
 - D. Computer technology helps salespeople gather and organize information.
 - E. Overload of information is not allowing salespeople to provide accurate information.
120. According to the text, the key to profitable company performance is:
- A. knowing and satisfying target customers with competitively superior products and service.
 - B. relying on publicity to create awareness about the product and minimizing sales force.
 - C. a commitment by corporate leaders to curb the instincts of capitalism.
 - D. the good luck of having popular products in a non-recessional economy.
 - E. low investment in technology and relying on traditional methods of gathering information.

Cases

Coca-Cola

For decades, people in Rome, Georgia, drank more Coca-Cola per capita than anywhere else in the world. That success has been attributed to the Barron family who were the local bottlers for Coke products. The Barrons believe that their success was due to customer loyalty. Through most of the 20th century, the bottler cultivated small retailers. They worked hard, selling Coke from stores to schools to doorsteps. The personal service is remembered by people who grew up in Rome. When someone passed away, the Coke guy would go by and put a couple of cases on the deceased's family's front porch.

121. Because the Rome Coke bottler stressed the wants of the buyers, it is obvious that it was a supporter of:
- A. the selling concept.
 - B. zero profit.
 - C. the marketing concept.
 - D. the production concept.
 - E. nonconsumer marketing.

122. In Rome, the small retailers that carried Coke products in their stores were an important part of the _____ element of the marketing mix.
- A. price
 - B. production
 - C. product
 - D. promotion
 - E. publicity
123. In Rome, the Coke guy/route salesperson was an important activity in the _____ element of the marketing mix.
- A. price
 - B. production
 - C. product
 - D. promotion
 - E. distribution
124. The Coke bottlers in Rome instructed its sales force to use:
- A. transactional marketing.
 - B. relationship marketing.
 - C. loyalty exchanges.
 - D. distribution licensing.
 - E. transformational selling.
125. The gift of cases of Cokes to families is one indication of how the Rome bottler provided a high level of _____ that led the citizens of Rome to become loyal Coke drinkers.
- A. service quality
 - B. empowerment
 - C. sales partnering
 - D. post-sale service
 - E. relationship gap
126. According to the text, what is the purpose of business?
127. According to the American Marketing Association, what is "marketing"?
128. Briefly explain the following statement: "Marketing is not limited to business."

129. Differentiate between an exchange and a transaction.

130. Explain the evolution of consumer-oriented attitude.

131. List the three fundamental beliefs that underlie the marketing concept as a business philosophy.

132. List the four basic objectives of marketers.

133. Will believes a car is a car, and it does not matter where you buy it—he is still simply buying a method of transportation. How should a marketer respond to Will's beliefs?

134. The text divides customers into three general categories. List and explain them.

135. Why is the design of a marketing mix so important to organizations?

136. List and briefly explain the four components of promotion.

137. What is the goal of relationship marketing?

138. As contrasted with "advertising", how does personal selling generate revenue?

139. Define service quality.

140. Explain the three levels of relationship marketing.

141.Explain the 80/20 principle and how it affects the organizations.

142.The roles of a salesperson centers around what customers want from him/her. Explain the roles of a consultative salesperson.

143.As a business consultant, a salesperson gives advice and service. Why is it important for a consultant to come to the first meeting prepared to discuss "deeper issues?"

144.What can be done to make salespeople become business consultants?

145.Why is it important for the salesperson to function as a "long-term ally?"

146.What are the key ingredients in functioning like a long-term ally?

147. What is the "relationship gap?"

148. What is the primary value of technology to the salesperson?

149. What is a salesperson worth to an organization?

150. What is the key to an organization's success?

ch02 Key

1. (p. 44) TRUE
2. (p. 44-45) FALSE
3. (p. 45) TRUE
4. (p. 45) TRUE
5. (p. 46) FALSE
6. (p. 46) TRUE
7. (p. 46) FALSE
8. (p. 46) FALSE
9. (p. 48) TRUE
10. (p. 48) TRUE
11. (p. 48) FALSE
12. (p. 48) FALSE
13. (p. 49) FALSE
14. (p. 49) TRUE
15. (p. 49) TRUE
16. (p. 50) FALSE
17. (p. 50) TRUE
18. (p. 50) FALSE
19. (p. 50) TRUE
20. (p. 50) TRUE
21. (p. 51) TRUE
22. (p. 51) FALSE
23. (p. 51) FALSE
24. (p. 53) FALSE
25. (p. 53) FALSE
26. (p. 53) TRUE
27. (p. 53) FALSE
28. (p. 53) TRUE
29. (p. 53) TRUE
30. (p. 53) TRUE
31. (p. 54) TRUE
32. (p. 54) TRUE
33. (p. 55) FALSE
34. (p. 56) FALSE
35. (p. 55) FALSE
36. (p. 56) FALSE

- 37. (p. 56) TRUE
- 38. (p. 56) TRUE
- 39. (p. 56) FALSE
- 40. (p. 57) FALSE
- 41. (p. 57) FALSE
- 42. (p. 57) TRUE
- 43. (p. 58) TRUE
- 44. (p. 57-58) FALSE
- 45. (p. 59) TRUE
- 46. (p. 60) TRUE
- 47. (p. 60) FALSE
- 48. (p. 62) TRUE
- 49. (p. 63) FALSE
- 50. (p. 63) TRUE
- 51. (p. 44) B
- 52. (p. 44) E
- 53. (p. 44) C
- 54. (p. 45) D
- 55. (p. 45) A
- 56. (p. 45) A
- 57. (p. 45) D
- 58. (p. 45) D
- 59. (p. 46) A
- 60. (p. 46) B
- 61. (p. 46) B
- 62. (p. 46) D
- 63. (p. 46) C
- 64. (p. 46) B
- 65. (p. 46) C
- 66. (p. 47) D
- 67. (p. 47) B
- 68. (p. 47) D
- 69. (p. 47) A
- 70. (p. 48) C
- 71. (p. 48) A
- 72. (p. 48) A
- 73. (p. 49) D
- 74. (p. 49) C

75. (p. 48) A
76. (p. 48) A
77. (p. 49) A
78. (p. 49) E
79. (p. 49-50) A
80. (p. 50) D
81. (p. 50) A
82. (p. 50) B
83. (p. 50) A
84. (p. 51) D
85. (p. 51) B
86. (p. 51) E
87. (p. 51) E
88. (p. 51) D
89. (p. 51) A
90. (p. 51) B
91. (p. 51) B
92. (p. 51) E
93. (p. 51) C
94. (p. 51) D
95. (p. 52) E
96. (p. 52) E
97. (p. 53) B
98. (p. 53) D
99. (p. 53) A
100. (p. 53) E
101. (p. 54) D
102. (p. 55) D
103. (p. 55) E
104. (p. 55) E
105. (p. 56) C
106. (p. 56) E
107. (p. 56) E
108. (p. 56) E
109. (p. 56) E
110. (p. 56) C
111. (p. 57) A
112. (p. 58) C

113. (p. 58) A

114. (p. 59) E

115. (p. 59) E

116. (p. 59) E

117. (p. 59-60) C

118. (p. 60) B

119. (p. 60) E

120. (p. 62) A

121. (p. 46) C

122. (p. 51) D

123. (p. 51) D

124. (p. 53) B

125. (p. 55) A

126. (p. 44) The purpose of business is to increase the general well-being of humankind through the sale of goods and services. This requires making a profit in order to operate the business and continue to provide beneficial products to the marketplace.

127. (p. 44) Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

128. (p. 45) Whenever anyone tries to persuade somebody to do something,—donate to the Salvation Army, fasten a seat belt, vote for a candidate, or buy a raffle ticket—he/she is engaged in a marketing activity. Nonprofits who do not consider themselves to be businesses are also engaged in marketing.

129. (p. 45) An exchange refers to the act of obtaining a desired product from someone by offering something in return. A transaction is a trade of value between two parties. A transaction is the basic unit of exchange. When the transaction is over, the exchange is complete.

130. (p. 45-46) Before the Great Depression of the 1930s, few firms had marketing departments and many did not even have a formal sales department. Production and engineering shaped a company's objectives and planning. America bought what was produced. By the 1940s, it was clear that the attitude and needs of the consumer had changed. World War II created shortage of goods and services. A few years after the war, consumers had many products to choose from and firms found they had to go to the consumer instead of waiting for consumers to buy. Salespeople, armed with very unsophisticated selling techniques, were asked to contact potential customers and take their orders. Salespeople had to rely on natural ability to give sales presentations. However, as time passed, businesses found that they had to become market oriented rather than sales oriented.

131. (p. 46) The marketing concept has three fundamental beliefs: (1) All company planning and operations should be customer-oriented. (2) The goal of the firm should be profitable sales volume and not just volume for the sake of volume alone. (3) All marketing activities in a firm should be organizationally coordinated.

132. (p. 47) Marketing people typically have these four basic objectives to accomplish: (1) Maximize the sales of existing products in existing markets, (2) develop and sell new products, (3) develop new markets for existing or new products, and (4) provide the quality of service necessary for customers to continue doing business with the organization.

133. (p. 48) Will is viewing the car as a good—that is, a tangible object that can be purchased. He is ignoring the concept of value-added. There are benefits provided by the seller that are not included in the purchase price. These benefits include dealer reputation, service quality, guarantees, financing, and location.

134. (p. 50-51) Customers fall into one of three groups: (1) households, (2) firms, and (3) governments. (1) Households: A household refers to a decision-making unit buying for personal use. Every individual in the economy belongs to a household. (2) Firms: A firm is an organization that produces goods and services. All producers are called firms, no matter how big they are or what they produce. Firms can be for-profit or nonprofit. (3) Government: A government is an organization that has two functions: the provision of goods and services to households and firms and the redistribution of income and wealth. Government buys billions of dollars each year of all types of products. Thus, a firm and government are both organizations.

135. (p. 52) The goal of marketing mix is simple. The organization's marketing group strives to create a marketing mix containing the right product, at the right price, at the right place, at the right time, with the right promotional effort.

136. (p. 51) (1) Personal selling: Personal communication of information to unselfishly persuade a customer to buy something that satisfies an individual's needs. (2) Advertising: Nonpersonal communication of information paid for by an identified sponsor such as an individual or an organization. (3) Publicity: Nonpersonal communication of information that is not paid for by an individual or organization. (4) Sales promotion: Involves activities or materials used to create sales for goods or services. The two types of sales promotion are consumer and trade sales promotion.

137. (p. 53) Relationship marketing is the creation of customer loyalty. An organization using relationship marketing wants to demonstrate to the customer that it has the capabilities to serve the account's need in a superior way. The type of selling needed to establish a long-term collaborative relationship is complex.
138. (p. 54) Because personal selling is "face-to-face," salespeople can customize their presentations to the individual needs of specific people and organizations. Salespeople can observe individual reactions to their presentations and make adjustments accordingly. But perhaps most importantly, advertisements do not close any sales, personal selling does.
139. (p. 55) Service quality is a subjective satisfaction assessment that customers arrive at by comparing the service level they believe an organization ought to deliver to the service level that they perceive being delivered. The two key words in this definition are "subjective" and "comparison."
140. (p. 56) The three general levels of selling relationships with customers are: 1) Transaction selling: customers are sold to and not contacted again. 2) Relationship selling: the seller contacts customers after the purchase to determine if they are satisfied and have future needs. 3) Partnering: the seller works continually to improve its customers' operations, sales, and profits.
141. (p. 56) The 80/20 principle states that 80 percent of sales often come from 20 percent of a company's customers. Organizations now realize the need to identify their most important customers and designate them for their partnering programs. The organization's best salespeople are assigned to sell and service these customers.
142. (p. 58-60) (1) Team leader: In the role of team leader, the salesperson coordinates all of the information, resources, and activities needed to support customers before, during, and after the sale. The team leader works to bring together all of the organization's resources for the customer. The salesperson serves as the primary contact between the buyer's and seller's organizations and makes the customer aware of the network of resources that stand behind the salesperson. (2) Business consultant: As a business consultant, the salesperson gives advice and service. The salesperson uses internal and external resources to gain an understanding of the customer's business and marketplace. They often must collect confidential information and data before being able to make purchase recommendations. (3) Long-term ally: In the role of long-term ally, the salesperson acts as a helper in meeting the customer's needs. The salesperson's goal is to create a win-win situation. As the customer's sales and profits grow, so do the salesperson's. Thus, the salesperson presents goods and services honestly and turns down business that is not in the customer's long-term interest. The salesperson "goes to bat" for customers with the seller's employer whenever necessary and helps customers carry out fact-finding missions within the customer's company.
143. (p. 59) The customer cannot be expected to educate the salesperson about his firm. He does not have the time. Further, there are competitors who are willing to do their homework, so that the unprepared salesperson appears unprofessional. Consultants are expected to be aware of confidential information in order to make purchase recommendations.
144. (p. 59) Several of the things that help salespeople become business consultants are: 1) Demonstrating and refining knowledge of the customer's big picture. 2) Creating an atmosphere of trust, integrity, reliability, and professionalism that fosters the exchange of information and ideas. 3) Continually strengthening business knowledge. 4) Following the Golden Rule.
145. (p. 59-60) It is important for the salesperson to function as a long-term ally because not doing so would limit the value of the sale in the direction of a transaction, rather than making it a win-win relationship in which the salesperson will probably increase sales and the customer receives needed value.
146. (p. 59) The salesperson presents goods and services honestly, turns down business that is not in the long-term interest of the customer, and "goes to bat" for the customer with his/her boss if necessary. The salesperson helps the customer determine facts within the customer's company.
147. (p. 60) The difference between the salesperson's pre and postsale concern for the customer is referred to as the relationship gap. Yet the customer's interest in using the product increases rapidly after the purchase. This is one of the reasons service after the sale is so important to the long-term relationship.
148. (p. 60) Technology can increase the speed by which the salesperson can find and qualify leads, gather information prior to a customer presentation, reduce paperwork, report new sales to the company, and provide better customer service.
149. (p. 60) It depends on what the sales person cost, what she sells, and the profit margin on the products sold. Selling closes the deals and generates the revenues that keep the organization in business.
150. (p. 62) Companies cannot survive today by simply doing a good job. They must do an excellent job if they are to succeed in the increasingly competitive global marketplace. Consumer and business buyers face an abundance of suppliers seeking to satisfy their every need. The key to profitable company performance is knowing and satisfying target customers with competitively superior products and service. Marketing is the company function that defines not only customer targets but also the best way to satisfy their needs and wants competitively and profitably.

ch02 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty: Easy	80
Difficulty: Medium	70
Futrell - Chapter 02	151
Learning Objective: A	21
Learning Objective: B	10
Learning Objective: C	9
Learning Objective: D	35
Learning Objective: E	30
Learning Objective: F	23
Learning Objective: G	22