

Selling Today: Creating Customer Value, 11e (Manning/Reece/Ahearne)
Chapter 2 Personal Selling Opportunities in the Age of Information

2.1 True/False

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

Answer: TRUE

Diff: 1 Page Ref: 27

Objective: LO1

2) Knowledge workers need selling skills to communicate their knowledge to consumers.

Answer: TRUE

Diff: 1 Page Ref: 28

Objective: LO1

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

Answer: FALSE

Diff: 2 Page Ref: 28

Objective: LO1

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

Answer: FALSE

Diff: 1 Page Ref: 28

Objective: LO1

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

Answer: FALSE

Diff: 1 Page Ref: 29

Objective: LO1

6) A Business Development Manager is in the sales department.

Answer: TRUE

Diff: 1 Page Ref: 31

Objective: LO1

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

Answer: TRUE

Diff: 1 Page Ref: 31

Objective: LO2

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

Answer: FALSE

Diff: 2 Page Ref: 32

Objective: LO2

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

Answer: TRUE

Diff: 2 Page Ref: 32

Objective: LO2

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

Answer: FALSE

Diff: 2 Page Ref: 32

Objective: LO2

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

Answer: TRUE

Diff: 1 Page Ref: 34

Objective: LO2

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

Answer: FALSE

Diff: 2 Page Ref: 35

Objective: LO4

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

Answer: TRUE

Diff: 2 Page Ref: 34

Objective: LO2

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

Answer: TRUE

Diff: 1 Page Ref: 39

Objective: LO2

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

Answer: FALSE

Diff: 2 Page Ref: 41

Objective: LO5

2.2 Multiple Choice

1) Which one of the following people would NOT be considered a "knowledge worker"?

- A) someone who performs research to discover new information
- B) someone who takes current research and uses it to facilitate a task
- C) someone who relays information from one party to another without changing it
- D) someone who puts information in a format that allows others to access it
- E) someone who uses information to solve a problem

Answer: C

Diff: 1 Page Ref: 27

AACSB: Analytic Skills

Objective: LO1

2) Salespeople are considered knowledge workers because:

- A) they position and lay out information in a way that helps buyers understand it
- B) they gain knowledge of the product before they can sell it
- C) they repeat a script that they are given by their managers
- D) they develop understanding of the best practices of sales
- E) they create products themselves before they can sell them

Answer: A

Diff: 2 Page Ref: 28

Objective: LO1

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

- A) Learning selling skills will give Dr. Grindel an alternate career once she retires from medicine.
- B) Learning selling skills will help Dr. Grindel bring new patients to her practice.
- C) Learning selling skills will aid Dr. Grindel in communicating effectively with pharmaceutical reps who show her new medications.
- D) Learning selling skills will show Dr. Grindel how to ensure that her patients take the medications she prescribes them.
- E) Learning selling skills will require Dr. Grindel to understand the financial pressures of running a practice.

Answer: B

Diff: 2 Page Ref: 28-9

Objective: LO1

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

- A) to gather information on customer needs and preferences
- B) to deduct mileage on his vehicle as a way to offset taxes
- C) to undercut the salespeople in underperforming divisions of SwiftLink
- D) to ensure that the salespeople do not give volume discount pricing
- E) to trade information to customers in exchange for information on competitors

Answer: A

Diff: 1 Page Ref: 28

Objective: LO1

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

- A) understand and write a business plan for his company
- B) explain his application to others who can buy it
- C) apply for a patent on his application
- D) maintain the discipline and stamina required to develop such a complicated piece of software
- E) ensure that only corporate users buy his application

Answer: B

Diff: 2 Page Ref: 28

Objective: LO1

6) Convincing potential donors to support charities financially is an example of:

- A) turning the concept of sales on its head
- B) taking from those with financial resources without their realizing it
- C) using selling skills to support philanthropy
- D) taxing the wealthy
- E) performing a sales function without having selling skills

Answer: C

Diff: 2 Page Ref: 30

Objective: LO1

7) Which of the following is NOT an activity that would be performed by a customer service representative (CSR)?

- A) processing paperwork
- B) shipping or delivering products
- C) providing telephone support for installation
- D) calling customers to make sure their product is working
- E) reconciling bank statements with accounting records

Answer: E

Diff: 1 Page Ref: 30

Objective: LO1

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

- A) an increase in commission per sale
- B) an increase in the time spent on personal relationships
- C) an increase in web-based selling channels
- D) a shift from in-person to telephone sales
- E) a shift from "selling" to "consulting"

Answer: E

Diff: 2 Page Ref: 31

Objective: LO2

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

- A) service calls
- B) face-to-face selling
- C) telephone selling
- D) waiting and traveling
- E) administrative tasks

Answer: D

Diff: 2 Page Ref: 31

AACSB: Analytic Skills

Objective: LO1

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

- A) bonuses only
- B) base salary, commissions, and bonuses
- C) commissions and charge-backs
- D) bonuses and dividends
- E) IPOs and base salary

Answer: B

Diff: 1 Page Ref: 32

Objective: LO2

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

- A) feature/benefit
- B) transactional
- C) value-added
- D) solution
- E) directed

Answer: C

Diff: 3 Page Ref: 32

Objective: LO3

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

- A) the visibility provided by working in the sales department
- B) the satisfaction of being on a commission payment plan
- C) the high commissions earned because of successful "intuitive" selling
- D) the opportunity to be a member of the sales team
- E) the job recognition afforded sales personnel

Answer: E

Diff: 2 Page Ref: 32

Objective: LO2

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

- A) Salespeople have limited opportunities for advancement.
- B) Salespeople receive a minimal amount of psychic income.
- C) Salespeople generally do not have good job security.
- D) Salespeople have numerous opportunities to advance to middle-management ranks.
- E) Salespeople have high visibility within companies already relative to other positions.

Answer: E

Diff: 2 Page Ref: 32

Objective: LO2

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

- A) The pay gap in sales is less than the pay gap in the workforce overall.
- B) The pay gap varies from company to company.
- C) The pay gap is only an issue in certain industries.
- D) The psychic income from sales is equivalent to the value of the pay gap.
- E) The psychic income from sales cannot be quantified.

Answer: A

Diff: 3 Page Ref: 33

AACSB: Multicultural and Diversity Understanding

Objective: LO3

15) The duties of inside salespeople may overlap heavily with the duties of all of the following job positions EXCEPT:

- A) outside salespeople
- B) account managers
- C) technical support personnel
- D) customer service representatives
- E) internal auditors

Answer: E

Diff: 2 Page Ref: 33-4

AACSB: Analytic Skills

Objective: LO4

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

- A) an inside sales rep
- B) an outside sales rep
- C) an alignment rep
- D) a distributing rep
- E) an interchange rep

Answer: B

Diff: 1 Page Ref: 34

Objective: LO4

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

- A) compete for sales and customers
- B) duplicate their efforts and increase the company's cost per sale
- C) work together to generate leads, close sales, and provide service
- D) exchange leads depending on what the expected sales will be
- E) combine their monthly sales figures to increase commissions

Answer: C

Diff: 2 Page Ref: 34

Objective: LO4

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

- A) directly from the manufacturer to the consumer
- B) from the distributor to the consumer
- C) bypassing the manufacturer to the distributor
- D) inside the supply chain but not to the consumer
- E) externally from the consumer to the supplier

Answer: D

Diff: 2 Page Ref: 34

Objective: LO4

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

- A) service providers connect directly with consumers
- B) the service industry has a higher growth rate than the product industry does
- C) modern consumers need help with activities that they used to be able to do on their own
- D) the service industry is starting to saturate the market relative to the industrial and product industries
- E) the service industry provides a higher commission rate for salespeople than the other industries also

Answer: B

Diff: 2 Page Ref: 34-5

Objective: LO4

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

- A) hotel, motel, and convention centers
- B) insurance
- C) banking
- D) real estate
- E) chemicals

Answer: E

Diff: 1 Page Ref: 36

Objective: LO4

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

- A) deregulation of telephone service
- B) anti-trust suits brought against the telecommunications industry
- C) financial improprieties in the telecommunications industry discovered by internal auditor
- D) creation of a national regulatory committee for telephone service
- E) development of voice-over-IP (VOIP) technologies

Answer: A

Diff: 3 Page Ref: 37

Objective: LO4

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

- A) provide service on the product after the sale
- B) develop the product as part of the research and development team
- C) communicate the benefits of the product to the customers
- D) have advanced degrees in science or technology
- E) have graduate-level sales training

Answer: C

Diff: 2 Page Ref: 39

Objective: LO4

23) All of the following describe a category of sales personnel in the field of manufacturing EXCEPT:

- A) sales engineer
- B) field salesperson
- C) detail salesperson
- D) technical support representative
- E) customer service representative

Answer: D

Diff: 1 Page Ref: 38-40

Objective: LO4

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

- A) be promoted to management
- B) avoid working traditional hours
- C) have greater flexibility with retirement
- D) make more money
- E) generate pension credits

Answer: D

Diff: 1 Page Ref: 39

Objective: LO4

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

- A) detail salesperson
- B) retail salesperson
- C) inside salesperson
- D) field representative
- E) manufacturer's representative

Answer: A

Diff: 2 Page Ref: 39-40

Objective: LO4

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

- A) personal computers, automobiles and assembly line robotics equipment
- B) photographic equipment, industrial specialties and recreational equipment
- C) fashion apparel, personal computers and recreational vehicles
- D) microchips, musical instruments and automobiles
- E) software back-end integration services, jewelry, and motorcycles

Answer: C

Diff: 2 Page Ref: 40-1

Objective: LO4

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

- A) creates a pyramid with the CEO at the top and the salespeople at the bottom
- B) eschews growth of the salesforce for a given product
- C) relies on an interconnected network of independent salespeople to sell the product directly
- D) focuses on paid advertising instead of word-of-mouth publicity
- E) allies itself with competing products and service providers

Answer: C

Diff: 3 Page Ref: 41

Objective: LO4

28) Corporate-sponsored sales training can include all of the following EXCEPT:

- A) training on CRM software
- B) training in accounting methods and theory
- C) training delivered on the Internet
- D) training that takes months to complete
- E) training that is cost-intensive

Answer: B

Diff: 1 Page Ref: 41

Objective: LO5

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

- A) Universal Sales Theory
- B) the theories of Dale Carnegie and Napoleon Hill
- C) a variety of sales approaches dating back decades
- D) modern sales approaches that have been regression-tested
- E) graduate-level MBA sales work

Answer: C

Diff: 2 Page Ref: 41-2

Objective: LO5

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

- A) university sales methods class
- B) corporate-sponsored training class
- C) internet-based training program
- D) certification program
- E) college concentration

Answer: D

Diff: 1 Page Ref: 43

Objective: LO5

2.3 Completion

1) _____ has no value until it is communicated effectively.

Answer: Information

Diff: 1 Page Ref: 28

Objective: LO1

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

Answer: Psychic

Diff: 2 Page Ref: 32

Objective: LO2

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

Answer: detail

Diff: 2 Page Ref: 34

Objective: LO2

4) Convention center sales managers, investment securities brokers, and real estate salespeople all have one thing in common—they sell a _____.

Answer: service

Diff: 2 Page Ref: 38

Objective: LO4

5) A _____ works for the manufacturer. This salesperson must have detailed and precise technical knowledge.

Answer: sales engineer

Diff: 2 Page Ref: 39

Objective: LO4

2.4 Short Answer

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

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

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

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

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

Diff: 2 Page Ref: 33-41

Objective: LO4

2) List the four sources of sales training.

Answer: 1. Corporate-sponsored training.

2. Training provided by commercial vendors.

3. Certification programs.

4. College and University coursework.

Diff: 2 Page Ref: 41-3

Objective: LO5