Marketing: An Introduction, 13e (Armstrong)
Chapter 13  Personal Selling and Sales Promotion

1) Which of the following statements is true of salespeople?
A) They do not work with wholesalers and retailers.
B) They are employed mostly in click-only companies.
C) They do not represent the customers to the company.
D) They represent a company to its customers by communicating and selling.
E) They represent a new class of professionals who have emerged as part of the steep rise in retailing.
Answer:  D
Diff: 2
LO:  13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

2) The concept of _______ lends even more importance to the salesperson's customer-relationship-building abilities.
A) sales-force territory
B) sales promotion
C) sales-force management
D) salesperson-owned loyalty
E) sales-force structure
Answer:  D
Diff: 2
LO:  13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

3) Order getters typically participate in creative selling, social selling, and relationship building.
Answer:  TRUE
Diff: 1
LO:  13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

4) Sales promotions constitute the interpersonal arm of the promotional mix.
Answer:  FALSE
Diff: 2
LO:  13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

5) In consumer product companies such as P&G or Nike, the sales force works directly with customers.
Answer:  FALSE
Diff: 1
LO:  13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships
AACSB:  Analytical thinking
6) Salespeople represent customers to a company and represent a company to customers.
Answer: TRUE
Diff: 2
LO: 13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

7) Explain how salespeople link a company with its customers.
Answer: The sales force serves as a critical link between a company and its customers. First, they represent the company to customers. They find and develop new customers and communicate information about the company's products and services. They sell products by approaching customers, presenting their offerings, answering objections, negotiating prices and terms, closing sales, and servicing accounts. At the same time, salespeople represent customers to the company, acting inside the firm as "champions" of customers' interests and managing the buyer-seller relationship. Salespeople relay customer concerns about company products and actions back inside to those who can handle them. They learn about customer needs and work with other marketing and non-marketing people in the company to develop greater customer value.
Diff: 2
LO: 13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships

8) Why is it beneficial for a firm to coordinate its marketing and sales efforts? What actions can a company take to bring its marketing and sales functions closer together?
Answer: The sales force and other marketing functions (marketing planners, brand managers, and researchers) should work together closely to jointly create value for customers. A company can take several actions to help bring its marketing and sales functions closer together. At the most basic level, it can increase communications between the two groups by arranging joint meetings and spelling out communications channels. It can create opportunities for salespeople and marketers to work together. Brand managers and researchers can tag along on sales calls or sit in on sales planning sessions. In turn, salespeople can sit in on marketing planning sessions and share their firsthand customer knowledge. A company can also create joint objectives and reward systems for sales and marketing teams or appoint marketing — sales liaisons — people from marketing who "live with the sales force" and help coordinate marketing and sales-force programs and efforts. It can appoint a high-level marketing executive to oversee both sales and marketing. Such a person can help infuse marketing and sales with the common goal of creating value for customers to capture value in return.
Diff: 3
LO: 13-1: Discuss the role of a company's salespeople in creating value for customers and building customer relationships
AACSBB: Analytical thinking
9) A company that sells only one product line to one industry with customers in many locations would typically use a ________.
A) product sales-force structure  
B) territorial sales-force structure  
C) market sales-force structure  
D) customer sales-force structure  
E) complex sales-force structure  
Answer: B  
Diff: 1  
LO:  13-2: Identify and explain the six major sales-force management steps.

10) Which of the following is true of a territorial sales-force structure?
A) It clearly defines each salesperson's job and establishes accountability.
B) It benefits firms with many technological products requiring technically skilled salespeople.
C) It is used by firms that organize their sales forces along customer or industry lines.
D) It requires salespeople to sell a wide variety of products over a broad geographic area.
E) It differentiates the sales force solely on the basis of product expertise.
Answer: A  
Diff: 2  
LO:  13-2: Identify and explain the six major sales-force management steps.

11) Rug Designs Inc, a manufacturer of large area rugs, markets its products throughout the United States using a network of regional sales offices. They are using a ________ sales-force structure.
A) market  
B) customer  
C) product  
D) regional  
E) territorial  
Answer: E  
Diff: 2  
LO:  13-2: Identify and explain the six major sales-force management steps.

12) Which of the following statements is true of a product sales-force structure?
A) A product sales-force structure is characterized by specialization along product lines.
B) A product sales-force structure is used when a company has only one product line.
C) A product sales-force structure requires every salesperson to be an expert in all the product categories of the company.
D) A product sales-force structure organizes the sales force along customer or industry lines.
E) A product sales-force structure uses a single sales force across different product lines.
Answer: A  
Diff: 2  
LO:  13-2: Identify and explain the six major sales-force management steps.
13) Loretta Inc., a U.S.-based watch manufacturer, sells its products in France, China, Russia, and India. To manage sales, Loretta appoints a number of sales representatives to each location. Sales representatives report to area managers, and area managers coordinate sales in their respective areas before reporting to regional managers. Loretta has most likely adopted a ______ sales-force structure.
A) customer  
B) product  
C) complex  
D) distributor  
E) territorial  
Answer: E  
Diff: 3  
LO: 13-2: Identify and explain the six major sales-force management steps.  
AACSB: Analytical thinking

14) GE employs different sales forces within different product and service divisions of its major businesses. For example, within GE Infrastructure, the company has separate sales forces for aviation, energy, transportation, and water processing products and technologies. GE has most likely adopted a ______ sales-force structure.
A) market  
B) product  
C) customer  
D) territorial  
E) complex  
Answer: B  
Diff: 3  
LO: 13-2: Identify and explain the six major sales-force management steps.  
AACSB: Analytical thinking

15) Which of the following examples represents a product sales-force structure?
A) Venson's produces frozen dinners at its factory in Ohio, and it sells them across the country through a network of sales representatives organized into regional and territorial tiers.  
B) AmWeb produces an expensive brand of herbal cosmetics called "Green You" that are sold in select boutiques and beauty parlors by selling teams assigned to serve small groups of key customers.  
C) Verra Designers operates from its landmark store in uptown New York and customers from all over the world come to this store to buy original merchandise at steep prices.  
D) Carlton Computers sells its range of highly specialized computers through special teams, each of which has received training in the configuration, uses, and USPs of a single model in the range.  
E) Nutters Inc., producers of cookies and other baked goods, markets its products throughout the country through a network of area and regional sales officers.  
Answer: D  
Diff: 3  
LO: 13-2: Identify and explain the six major sales-force management steps.  
AACSB: Analytical thinking
16) In which of the following structures does a company organize its sales force along customer or industry lines?
A) demographic sales-force structure
B) service sales-force structure
C) market sales-force structure
D) territorial sales-force structure
E) product sales-force structure
Answer: C
Diff: 1
LO: 13-2: Identify and explain the six major sales-force management steps.

17) Appliance maker Whirlpool assigns individual teams of salespeople to big retail customers such as Sears, Lowe's, Best Buy, and Home Depot. Each Whirlpool sales team aligns with the large customer's buying team. Whirlpool has most likely adopted a ________ sales-force structure.
A) product
B) team-based
C) territorial
D) market
E) complex
Answer: D
Diff: 3
LO: 13-2: Identify and explain the six major sales-force management steps.
AACSB: Analytical thinking

18) If a company assigns individual teams of salespeople to big retail customers, it most likely has a(n) ________ sales-force structure.
A) undifferentiated
B) product
C) market
D) territorial
E) demographic
Answer: C
Diff: 1
LO: 13-2: Identify and explain the six major sales-force management steps.

19) Companies that organize their sales force by customer and territory; product and territory; product and customer; or territory, product, and customer are using a ________ sales-force structure.
A) market
B) simple
C) product
D) territorial
E) complex
Answer: E
Diff: 1
LO: 13-2: Identify and explain the six major sales-force management steps.
20) Sleek Designs markets a wide range of kitchen cabinets, counter tops, and ceramic tile. Its salespeople are initially divided on the basis of their expertise in a product category. They're then further divided into teams addressing large home improvement retailers, kitchen and bath suppliers, and specialty home improvement stores. Which of the following sales-force structures has most likely been combined to form this complex sales-force structure?

A) territorial and market  
B) product and market  
C) product and territorial  
D) geographical and product  
E) market and customer  
Answer: B  
Diff: 3  
LO: 13-2: Identify and explain the six major sales-force management steps.  
AACSB: Analytical thinking

21) Lemony Inc. sells its popular bottled lemonade — the company's only product — in various geographic locations through tie-ups and agreements with retailers. Each location is represented by two salespersons, one of whom serves current customers while the other finds new ones. Which of the following sales-force structures has most likely been combined to form the complex sales-force structure at Lemony Inc.?

A) market and territorial  
B) market and customer  
C) product and territorial  
D) market and product  
E) geographical and product  
Answer: A  
Diff: 3  
LO: 13-2: Identify and explain the six major sales-force management steps.  
AACSB: Analytical thinking

22) Which of the following is a characteristic of an inside sales force?

A) It travels to make sales calls on customers in the field.  
B) It receives administrative backup from outside sales forces.  
C) It cannot sell or service accounts directly.  
D) It eliminates the need to have an outside sales force.  
E) It conducts business from an office via telephone.  
Answer: E  
Diff: 1  
LO: 13-2: Identify and explain the six major sales-force management steps.
23) Which of the following is most likely true about a sales force in the field?
A) They build relationships with customers through face-to-face collaboration.
B) They make most sales from their offices via media interactions.
C) They provide administrative backup for outside salespeople.
D) They rely on telemarketing efforts to gain leads and clients.
E) They are prohibited to sell or service accounts directly.
Answer: A
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

24) ________ use the phone, Internet, and social media to find new leads, learn about customers and their business, or sell and service accounts directly.
A) Outside salespeople
B) Sales managers
C) Sales assistants
D) Technical sales-support people
E) Telemarketers and online sellers
Answer: E
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

25) Which of the following statements is most likely true of team selling?
A) It is used most often when the group of target customers is small and homogeneous.
B) It consists of experts from a single area of the selling firm such as marketing or finance.
C) It can unearth problems and provide solutions that no individual salesperson could.
D) It is most often implemented when products are simple and distribution costs are low.
E) It simplifies the process of evaluating the individual contributions of sales team members.
Answer: C
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

26) Which of the following is most likely true of a sales force?
A) The performance difference between an average salesperson and a top salesperson is generally substantial.
B) The cost of replacing a salesperson is usually low because minimal training is necessary.
C) A sales force with many new people is typically more productive than one whose members have been around for a long time.
D) Individuals within a sales force generally perform at the same level of efficiency.
E) On-site sales training is more efficient and less costly than e-learning programs.
Answer: A
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.
27) A(n) ________ is the variable amount in a salesperson's compensation.
   A) bonus
   B) commission
   C) salary
   D) incentive
   E) profit-sharing plan
   Answer:  B  
   Diff:  1
   LO:  13-2: Identify and explain the six major sales-force management steps.

28) Sales managers use a ________ that shows which customers and prospects to pursue and which activities to carry out.
   A) call plan
   B) sales quota
   C) sales contest
   D) bonus plan
   E) straight commission
   Answer:  A  
   Diff:  1
   LO:  13-2: Identify and explain the six major sales-force management steps.

29) What is the purpose of a sales manager using a time-and-duty analysis?
   A) compensating salespeople
   B) prospecting customers
   C) recruiting salespeople
   D) forming sales teams
   E) supervising salespeople
   Answer:  E  
   Diff:  1
   LO:  13-2: Identify and explain the six major sales-force management steps.

30) ________ are the standards stating the amount salespersons should sell and how sales should be divided among the company's products.
   A) Sales promotions
   B) Sales quotas
   C) Display allowances
   D) Time-and-duty analyses
   E) Sales reports
   Answer:  B  
   Diff:  1
   LO:  13-2: Identify and explain the six major sales-force management steps.
31) Weekly or monthly work plans used by management to get information about salespeople are referred to as ________.
A) sales quotas
B) ROI plans
C) call objectives
D) sales reports
E) call plans
Answer: D
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

32) Salespeople write up their completed activities in a(n) ________.
A) sales quota report
B) profit-sharing plan
C) call plan
D) call report
E) expense report
Answer: D
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

33) How have social media tools most likely affected personal selling?
A) reducing the use of person-to-person selling efforts
B) increasing the costs of selling products and services
C) changing the basic fundamentals of interpersonal selling
D) increasing the number of product reports given to customers
E) slowing the sales-force response rate to customers' problems
Answer: A
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

34) The fastest-growing sales trend is ________ that involves the use of online, mobile, and social media to engage customers, build stronger customer relationships, and augment sales performance.
A) personal selling
B) online selling
C) social selling
D) teleselling
E) videoconferencing
Answer: C
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.
35) In a 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 area. 
Answer: TRUE 
Diff: 2 
LO: 13-2: Identify and explain the six major sales-force management steps.

36) The use of an inside sales force has grown due to the surge in online, mobile, and social media technologies. 
Answer: TRUE 
Diff: 1 
LO: 13-2: Identify and explain the six major sales-force management steps.

37) In today's digital, mobile, and social media environments, many buyers are more receptive to — or even prefer — phone and online contact versus the high level of face-to-face contact once required. 
Answer: TRUE 
Diff: 1 
LO: 13-2: Identify and explain the six major sales-force management steps.

38) Commissions and bonuses are variable amounts of compensation. 
Answer: TRUE 
Diff: 2 
LO: 13-2: Identify and explain the six major sales-force management steps.

39) A compensation plan with a larger base-salary component and a smaller commission component is most effective for driving salespersons to acquire new businesses. 
Answer: FALSE 
Diff: 2 
LO: 13-2: Identify and explain the six major sales-force management steps.

40) Sales-force automation systems enable salespeople to profile prospects, forecast sales, and prepare expense reports. 
Answer: TRUE 
Diff: 1 
LO: 13-2: Identify and explain the six major sales-force management steps. 
AACS: Information technology

41) Many companies motivate their salespeople by setting sales quotas. 
Answer: TRUE 
Diff: 1 
LO: 13-2: Identify and explain the six major sales-force management steps.

42) Sales managers use sales reports, personal observations, and customer surveys to assess the performance of sales-force members. 
Answer: TRUE 
Diff: 2 
LO: 13-2: Identify and explain the six major sales-force management steps.
43) Shopard publishes *FBerry*, America's longest running fashion magazine, from one central location in Los Angeles. *FBerry* is the only product that Shopard handles. The magazine is bought by millions of readers in the United States and Europe. Which type of sales-force structure is most appropriate for Shopard? Why?
Answer: (Students' answers may vary. The answer given below is indicative.)
If the company sells only one product line to one industry with customers in many locations, it should use a territorial sales-force structure. 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 salesperson's job and fixes accountability. It also increases the salesperson's desire to build local customer relationships that, in turn, improve selling effectiveness. Because each salesperson travels within a limited geographic area, travel expenses are relatively small.
Diff: 3
LO: 13-2: Identify and explain the six major sales-force management steps.
AACSB: Application of knowledge

44) Vintage, one of the largest companies in the United States, produces a vast range of goods which includes cameras, home appliances, and personal-care products. The company also competes vigorously in the services market by managing a number of hotels and hospitals. Vintage entered the real-estate industry in the last decade and proved to be a success in that field too. Considering the vast range of products and services Vintage sells, which sales-force structure would you consider appropriate for the company? Explain the reasons for your answer.
Answer: (Students' answers may vary. The answer given below is indicative.)
If a company has numerous and complex products, it can adopt a product sales-force structure, in which the sales force specializes along product lines. Vintage should employ different sales forces within different product and service divisions of its major businesses. Within Vintage, for instance, the company should have separate sales forces for energy, transportation, and water processing products and technologies. As no single salesperson can become an expert in all of these product categories managed by Vintage, product specialization is required. In all, it is best if a company as large and complex as Vintage has dozens of separate sales forces serving its diverse product and service portfolio.
Diff: 3
LO: 13-2: Identify and explain the six major sales-force management steps.
AACSB: Application of knowledge

45) How do companies use the workload approach to set sales-force size?
Answer: Sales forces may range in size from only a few salespeople to tens of thousands. Many companies use some form of workload approach to set sales-force size. Using this approach, a company first groups the accounts into different classes according to size, account status, or other factors related to the amount of effort required to maintain the account. It then determines the number of salespeople needed to call on each class of accounts the desired number of times.
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.
AACSB: Analytical thinking
46) Explain how an inside sales force should provide support to an outside sales force.
Answer: A company may have an outside sales force, an inside sales force, or both. Outside salespeople travel to call on customers in the field. In contrast, inside salespeople conduct business from their offices via telephone, online and social media interactions, or visits from buyers. Some inside salespeople provide support for the outside sales force, freeing them to spend more time selling to major accounts and finding new prospects. For example, technical sales-support people provide technical information and answers to customers' questions. Sales assistants provide research and administrative backup for outside salespeople. They track down sales leads, call ahead and confirm appointments, follow up on deliveries, and answer customers' questions when outside salespeople cannot be reached. Using such combinations of inside and outside salespeople can help serve important customers better. The inside rep provides daily access and support, whereas the outside rep provides face-to-face collaboration and relationship building.
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

47) What are the four elements of salesperson compensation? Give an example to show how these elements motivate salespeople in different situations.
Answer: Compensation consists of four elements: a fixed amount, a variable amount, expenses, and fringe benefits. The fixed amount, usually a salary, gives the salesperson some stable income. The variable amount, which might be commissions or bonuses based on sales performance, rewards the salesperson for greater effort and success. Management must determine what mix of these compensation elements makes the most sense for each sales job. A sales-force compensation plan can both motivate salespeople and direct their activities. Compensation should direct the sales force toward activities that are consistent with the overall sales-force and marketing objectives. For example, if the strategy is to acquire new business, grow rapidly, and gain market share, the compensation plan might include a larger commission component, coupled with a new-account bonus to encourage high sales performance and new account development. In contrast, if the goal is to maximize current account profitability, the compensation plan might contain a larger base-salary component with additional incentives for current account sales or customer satisfaction.
Diff: 2
LO: 13-2: Identify and explain the six major sales-force management steps.

48) Salespeople need to know how to ______ leads, that is identifying good leads and screening out poor ones, at the beginning of the selling process.
A) approach
B) qualify
C) consolidate
D) generate
E) manage
Answer: B
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
9) In which step of the selling process does a salesperson or company identify qualified potential customers?
A) demonstration
B) preapproach
C) prospecting
D) approach
E) presentation
Answer: C
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

50) Karen Rogers is a salesperson for Solar Panels Inc. She attends builder trade shows to identify potential customers in an effort to build long-term profitable relationships. Karen Rogers is engaging in which step of the selling process?
A) demonstration
B) preapproach
C) prospecting
D) approach
E) presentation
Answer: C
Diff: 3
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
AACSB: Analytical thinking

51) In which step of the selling process does a salesperson learn as much as possible about a prospective customer before making a sales call?
A) approach
B) follow-up
C) demonstration
D) handling objections
E) preapproach
Answer: E
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
52) In which step of the selling process does a salesperson set call objectives?
A) preapproach
B) approach
C) presentation
D) qualifying
E) prospecting
Answer: A
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

53) The salesperson should know how to meet and greet the buyer and get the relationship off to a good start in which step of the selling process?
A) prospecting
B) preapproach
C) presentation
D) qualifying
E) approach
Answer: E
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

54) Harry Potts is a salesperson for a national pet food company. He meets Karen Sharp, a buyer for a large, specialty pet retailer, and speaks to her at length about the product categories and brands of pet food the retailer currently carries as well as future needs. At which step of the selling process is Harry Potts in the above scenario?
A) approach
B) preapproach
C) qualifying
D) prospecting
E) closing
Answer: A
Diff: 3
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
AACSBS: Analytical thinking
55) The presentation stage of the selling process most likely involves ________.
A) cold calling in the absence of potential leads
B) fixing the final meeting with a customer to close a deal
C) gathering information about an organization and its buyers
D) showing how a company’s products can solve a customer's problems
E) requesting an order from the customer after handling any minor objections
Answer: D
Diff: 2
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

56) Howard Genks works as a sales representative for Med-Tex, a firm that manufactures hospital supplies. Recently, a prospective buyer walked into the Med-Tex store seeking beds for the children's ward in his private clinic. Howard quickly showed the client the range of beds available that were designed specifically for children. In which of the following steps of the selling process was Howard?
A) prospecting
B) qualifying
C) follow-up
D) handling objections
E) presentation and demonstration
Answer: E
Diff: 3
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
AACSB: Analytical thinking

57) In which of the following steps of the selling process does a salesperson seek out, clarify, and overcome any customer disapproval to buying?
A) handling objections
B) closing
C) follow-up
D) prospecting and qualifying
E) preapproach
Answer: A
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
58) In which of the following steps of the selling process does a salesperson ask a buyer for an order?
A) preapproach
B) qualifying
C) closing
D) prospecting
E) approach
Answer: C
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

59) What is the last step in the selling process?
A) follow-up
B) closing
C) handling objections
D) presentation
E) prospecting
Answer: A
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

60) The salesperson completes any details on delivery time, purchase terms, and other matters during the ________ step of the selling process.
A) closing
B) follow-up
C) handling objections
D) presentation
E) prospecting
Answer: B
Diff: 1
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
61) Global Insurance sells health and life insurance policies to Fortune 500 companies for its employees. The company's salespeople regularly contact decision makers to ensure that the necessary paperwork has been filed and that contracts are executed. Updates are also provided regularly about premium changes for health insurance. Which of the following steps of the selling process does this scenario depict?
   A) approach  
   B) presentation  
   C) closing  
   D) follow-up  
   E) preapproach  
   Answer: D  
   Diff: 3  
   LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.  
   AACSB: Analytical thinking

62) Cold-calling is the best source of new prospects for a salesperson.  
Answer: FALSE  
Diff: 1  
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

63) While handling buyer objections, salespeople should use a positive approach to turn logical or psychological objections into reasons for buying.  
Answer: TRUE  
Diff: 1  
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

64) What are the different ways of finding sales prospects?  
Answer: A salesperson must often approach many prospects to get only a few sales. Although the company supplies some leads, salespeople need skill in finding their own. The best source is referrals. Salespeople can ask current customers for referrals and cultivate other referral sources, such as suppliers, dealers, noncompeting salespeople, and Web or other social media contacts. They can also search for prospects in directories or on the Internet and track down leads using the telephone, e-mail, and social media. Or, as a last resort, they can drop in unannounced on various offices (a practice known as cold calling). Salespeople also need to know how to qualify leads — that is, how to identify the good ones and screen out the poor ones. Prospects can be qualified by looking at their financial ability, volume of business, special needs, location, and possibilities for growth.  
Diff: 2  
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.
65) In the context of the selling process, what is closing? What are the various closing techniques a salesperson can use?
Answer: Closing is the step of the selling process in which a salesperson asks a customer for an order. Salespeople can use any of several closing techniques. They can ask for the order, review points of agreement, offer to help write up the order, ask whether the buyer wants this model or that one, or note that the buyer will lose out if the order is not placed now. The salesperson may offer the buyer special reasons to close, such as a lower price, an extra quantity at no charge, or additional services.
Diff: 2
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

66) What is value selling? Explain its importance and requirements.
Answer: Value selling is the process of demonstrating and delivering superior customer value and capturing a return on that value that is fair for both the customer and the company. Successful sales organizations recognize that winning and keeping accounts requires more than making good products and directing the sales force to close lots of sales. It requires engaging the customer over the long haul in a mutually profitable relationship, and value selling helps in this regard. Value selling requires listening to customers, understanding their needs, and carefully coordinating the whole company's efforts to create lasting relationships based on customer value.
Diff: 2
LO: 13-3: Discuss the personal selling process, distinguishing between transaction-oriented marketing and relationship marketing.

67) A freestanding insert in the Sunday newspaper for a local restaurant that contains a $5 off coupon for any meal over $20 is an example of a promotion targeted at ________.
A) government buyers
B) salespeople
C) business customers
D) final buyers
E) retailers and wholesalers
Answer: D
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking

68) Which of the following statements is true of consumer promotions?
A) Their primary objective is to persuade resellers to carry a brand.
B) They include a wide range of tools like samples, coupons, and refunds.
C) They include the use of display allowances.
D) They are primarily used to generate business leads and reward customers.
E) They include the use of conventions and trade shows.
Answer: B
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
69) ________ are offers of a trial amount of a product.
A) Cash refunds
B) Price packs
C) Rebates
D) Coupons
E) Samples
Answer: E
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

70) The manufacturer of Two-In-One, a combination shampoo and conditioner, shrink wraps a 4-ounce foil packet of a smoothing hair pomade to its combo product. Which of the following promotion tools is being used in this case?
A) rebates
B) samples
C) coupons
D) advertising specialties
E) price packs
Answer: B
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSBE: Analytical thinking

71) ________ are certificates that save buyers money while they purchase specified products.
A) Price packs
B) Samples
C) Coupons
D) Point-of-purchase promotions
E) Premiums
Answer: C
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

72) In which of the following promotion tools does a customer send a proof of purchase to a manufacturer, who then refunds part of the purchase price by mail?
A) rebate
B) coupon
C) sample
D) premium
E) price pack
Answer: A
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
73) A toothpaste manufacturer that bands two products together, selling two for the price of one, is using which type of consumer promotion tool to build short-term sales?
A) price packs  
B) coupons  
C) rebates  
D) advertising specialties  
E) samples  
Answer: A  
Diff: 2  
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.  
AACSB: Analytical thinking

74) Cracker Jack, an American brand snack of caramel-coated popcorn and peanuts, has been in existence since 1896. The brand became popularized due to its free prize inside every box. Which of the following promotion tools does this exemplify?
A) rebate  
B) coupon  
C) price pack  
D) sample  
E) premium  
Answer: E  
Diff: 2  
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.  
AACSB: Analytical thinking

75) Koffee, a brand of instant coffee, gives away a free coffee mug with its logo imprinted on it with every purchase of a 500g packet of its instant coffee powder. Which promotion tool is Koffee using?
A) coupons  
B) price packs  
C) samples  
D) advertising specialties  
E) rebates  
Answer: D  
Diff: 2  
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.  
AACSB: Analytical thinking
76) Wisconsin Cheddar has introduced an aged jalapeno cheddar. Displays are set up at various retail cheese stores in the state and patrons are offered free samples as well as $2 off coupons. Which promotion tool is Wisconsin Cheddar most likely using?
A) rebates
B) price packs
C) point-of-purchase promotions
D) coupons
E) advertising specialties
Answer: C
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking

77) AirNetwork, a telecommunications company, sponsors a rock concert by a famous band in order to further its brand visibility. This is an example of a(n) ________.
A) event marketing program
B) premium
C) point-of-purchase promotion
D) trade promotion
E) price pack
Answer: A
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking

78) Sales promotion tools used to persuade resellers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers are collectively called ________ promotions.
A) consumer
B) point-of-purchase
C) sales-force
D) trade
E) business
Answer: D
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

79) What is the primary goal of trade promotions?
A) boosting long-term relationships with final buyers
B) motivating salespeople to attend trade shows
C) generating qualified business leads and contacts
D) rewarding customers for frequent purchases
E) persuading resellers to carry a brand
Answer: E
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
80) Which of the following is a promotion tool used for trade promotions?
A) sweepstakes
B) price packs
C) conventions
D) rebates
E) allowances
Answer: E
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

81) Millie Foods, producers of baby food, offers a monetary sum to retailers who agree to feature its new products on their shelves for a considerable time period. In this case, the promotion tool used by the company is referred to as a(n) ________.
A) price pack
B) rebate
C) sample
D) allowance
E) discount
Answer: D
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

82) ________ help companies reach many prospects that are not reached through their sales forces.
A) Trade shows
B) Rebates
C) Allowances
D) Point-of-purchase promotions
E) Sweepstakes
Answer: A
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

83) Which of the following is most likely an example of a business promotion tool?
A) a free DVD for customers who purchase a new television at a retail store
B) a trade fair showcasing a new audio system developed by an electronics firm
C) a sweepstakes program inviting customers to enter for the chance to win a new car
D) a toaster being sold at half its list price for any buyer who purchases a food processor
E) a display allowance for retailers who feature a manufacturer's product in a favorable manner
Answer: B
Diff: 3
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

AACSB: Analytical thinking
84) Conventions, trade shows, and sales contests are types of ________.
A) point-of-purchase promotions
B) trade promotions
C) advertising specialties
D) business promotions
E) premiums
Answer: D
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

85) Sales promotions targeted toward final buyers are called consumer promotions.
Answer: TRUE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

86) Digital coupons are the slowest growing coupon segment because consumers are concerned about privacy issues and spamming.
Answer: FALSE
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Information technology

87) The primary objective of trade promotions is to motivate salespeople.
Answer: FALSE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

88) Manufacturers provide allowances to retailers as compensation for advertising or creating special displays for their products.
Answer: TRUE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

89) Sales promotions typically create short-term sales but are viewed as ineffective at building long-term customer relationships.
Answer: FALSE
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

90) Providing samples is the most inexpensive way to introduce a new product.
Answer: FALSE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
91) Price reductions from rebates are given to consumers at the point of sale.
Answer: FALSE
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

92) Price packs are goods offered either free or at low cost as an incentive to buy a product, such as toys included with Disney DVDs.
Answer: FALSE
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

93) Sweepstakes give consumers a chance to win something, such as cash, trips, or goods, by luck or through extra effort.
Answer: TRUE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

94) Contests, premiums, and displays are tools solely used for trade promotions.
Answer: FALSE
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

95) The most common evaluation method of a sales promotion program is to compare sales before, during, and after a promotion.
Answer: TRUE
Diff: 1
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

96) What is sales promotion? What are the various factors that have contributed to the rapid growth of sales promotion in consumer markets?
Answer: Sales promotion consists of short-term incentives to encourage the purchase or sale of a product or service. Several factors have contributed to the rapid growth of sales promotion, particularly in consumer markets. First, inside the company, product managers face greater pressures to increase current sales, and they view promotion as an effective short-run sales tool. Second, externally, the company faces more competition, and competing brands are less differentiated. Increasingly, competitors are using sales promotion to help differentiate their offers. Third, advertising efficiency has declined because of rising costs, media clutter, and legal restraints. Finally, consumers have become more deal oriented. In the current economy, consumers are demanding lower prices and better deals. Sales promotions can help attract today's more thrift-oriented customers.
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
97) List the various types of sales promotions. What are the objectives of each type?
Answer: The various types of sales promotions are consumer promotions, trade promotions, 
business promotions, and sales-force promotions. Sales promotion objectives vary widely. 
Sellers may use consumer promotions to urge short-term customer buying or enhance customer 
brand involvement. Objectives for trade promotions include getting retailers to carry new items 
and more inventory, buy ahead, or promote the company's products and give them more shelf 
space. Business promotions are used to generate business leads, stimulate purchases, reward 
customers, and motivate salespeople. For the sales force, objectives include getting more sales-force support for current or new products and getting salespeople to sign up new accounts.
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.

98) Explain the difference between coupons and rebates using suitable examples.
Answer: Coupons are certificates that save buyers money when they purchase specified 
products. Coupons can promote early trial of a new brand or stimulate sales of a mature brand. 
Digital coupons represent today's fastest-growing coupon segment. Digital coupons can be 
individually targeted and personalized in ways that print coupons cannot. For example, drugstore 
chain Walgreens makes coupons available to its customers through several mobile channels. 
Cash refunds (or rebates) are like coupons except that the price reduction occurs after the 
purchase rather than at the retail outlet. The customer sends proof of purchase to the 
manufacturer, which then refunds part of the purchase price by mail. For example, Toro ran a 
clever preseason promotion on some of its snow blower models, offering a rebate if the snowfall 
in the buyer's market area turned out to be below average. Competitors were not able to match 
this offer on such short notice, and the promotion was very successful.
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking

99) Differentiate between consumer promotions and trade promotions. Explain the various tools 
used in trade promotions.
Answer: The difference between consumer promotions and trade promotions is that consumer 
promotions are targeted toward customers, or final buyers, whereas trade promotions aim at 
resellers, i.e., retailers and wholesalers.
Manufacturers use several trade promotion tools. Many of the tools used for consumer 
promotions such as contests, premiums, and displays can also be used as trade promotions. A 
manufacturer may offer a straight discount off the list price on each case purchased during a 
stated period of time. Manufacturers also may offer an allowance (usually so much off per case) 
in return for the retailer's agreement to feature the manufacturer's products in some way. 
Manufacturers may offer free goods, which are extra cases of merchandise, to resellers who buy 
a certain quantity or who feature a certain flavor or size. They may also offer push money, which 
involves cash or gifts to dealers or their sales forces to "push" the manufacturer's goods. 
Manufacturers may give retailers free specialty advertising items that carry the company's name, 
such as pens, calendars, memo pads, flashlights, and tote bags.
Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking
100) What are business promotions? Explain any two major business promotion tools and their benefits.

Answer: Business promotions are sales promotion tools used to generate business leads, stimulate purchases, reward customers, and motivate salespeople. Many companies and trade associations organize conventions and trade shows to promote their products. Firms selling to the industry show their products at trade shows. Vendors at these shows receive many benefits, such as opportunities to find new sales leads, contact customers, introduce new products, meet new customers, sell more to present customers, and educate customers with publications and audiovisual materials. Trade shows also help companies reach many prospects that are not reached through their sales forces. Sales contests too serve as business promotion tools. A sales contest is a contest for salespeople or dealers to motivate them to increase their sales performance over a given period. Sales contests motivate and recognize good company performers, who may receive trips, cash prizes, or other gifts. Some companies award points for performance, which the receiver can turn in for any of a variety of prizes. Sales contests work best when they are tied to measurable and achievable sales objectives.

Diff: 2
LO: 13-4: Explain how sales promotion campaigns are developed and implemented.
AACSB: Analytical thinking

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