

## Chapter 2 Evolution of Selling Models That Compliment the Marketing Concept

### 2.1 True/False Questions

1) Information technology aids salespeople in creating and maintaining relationships with customers.

Answer: TRUE

Diff: 1 Page Ref: 42

Objective: LO1

2) A company that ignores the marketing concept will not have any negative effects.

Answer: FALSE

Diff: 2 Page Ref: 31

Objective: LO2

3) Value-added selling can be defined as a series of creative improvements within the sales process that enhance the customer experience.

Answer: TRUE

Diff: 2 Page Ref: 42

Objective: LO2

4) Business firms vary in terms of how strongly they support the marketing concept.

Answer: TRUE

Diff: 1 Page Ref: 31

Objective: LO1

5) E-commerce has contributed to the decline in popularity of transactional selling.

Answer: TRUE

Diff: 2 Page Ref: 33

Objective: LO1

6) When measured by either the number of people employed or expenses as a percentage of sales, personal selling is often the major promotional method used by American businesses.

Answer: TRUE

Diff: 2 Page Ref: 32

Objective: LO2

7) Consultative-style selling practices have become popular because they can be easily mastered.

Answer: FALSE

Diff: 2 Page Ref: 33

Objective: LO4

8) A "strategy" can be best described as a collection of techniques, practices, or methods you use when you are face to face with a customer.

Answer: FALSE

Diff: 2 Page Ref: 34

Objective: LO2

9) Consultative-style selling, which emerged in the late 1960s and early 1970s, is an extension of the marketing concept.

Answer: TRUE

Diff: 3 Page Ref: 32

Objective: LO3

10) The four major strategies that form the strategic consultative selling model are independent of one another.

Answer: FALSE

Diff: 3 Page Ref: 38

Objective: LO5

11) Typical salespeople spend about 30 percent of their time in actual face-to-face selling situations.

Answer: TRUE

Diff: 2 Page Ref: 38

Objective: LO5

12) The presentation strategy includes a reminder that outstanding service should be the overriding theme of every sales presentation.

Answer: TRUE

Diff: 1 Page Ref: 38

Objective: LO5

13) A major reason for the demise of the product solution is the growing number of look-alike products.

Answer: TRUE

Diff: 2 Page Ref: 39

Objective: LO6

14) The partnering concept, as an enhancement of personal selling, became very popular in the 1970s.

Answer: FALSE

Diff: 3 Page Ref: 39

Objective: LO6

15) The goal of strategic alliances is to achieve a marketplace advantage by teaming up with another company whose products fit well with your own.

Answer: TRUE

Diff: 1 Page Ref: 39

Objective: LO6

## 2.2 Multiple-Choice Questions

1) In consultative selling, the customer is seen as:

- A) a person to be served
- B) a prospect to be sold
- C) a customer to be retained
- D) progress toward a quota
- E) a challenge to be overcome

Answer: A

Diff: 1 Page Ref: 33

Objective: LO1

2) The development of a personal selling philosophy involves:

- A) a full acceptance of the limits of the marketing concept
- B) a full appreciation of the tenets of the free enterprise system
- C) a desire to sell internationally
- D) assuming the role of a problem-solver in helping customers make complex buying decisions
- E) assuming the role of a competitor for customers' money

Answer: D

Diff: 2 Page Ref: 30

Objective: LO1

3) Sales departments and marketing departments often compete for:

- A) the largest number of employees in the company
- B) the biggest customers
- C) financial resources and budget share
- D) management's favor
- E) product to give away

Answer: C

Diff: 2 Page Ref: 35

Objective: LO1

4) Which of the following statements accurately describes value-added selling?

- A) Value-added selling has emerged as a response to the product strategy.
- B) Value-added selling has emerged as a response to the customer economy.
- C) Value-added selling surfaced during the era of transactional selling.
- D) Value-added selling would not be an appropriate strategy in international markets.
- E) Value-added selling is only appropriate for services, not products.

Answer: B

Diff: 2 Page Ref: 44

Objective: LO1

5) The ultimate goal of the "marketing concept" is:

- A) product diversification
- B) customer satisfaction
- C) brand loyalty
- D) rising profit margins
- E) efficiency of production

Answer: B

Diff: 2 Page Ref: 31

Objective: LO3

6) Which of the following statements would NOT be an application of the marketing concept?

- A) Let's speed up production and get these products to customers faster by eliminating the field test.
- B) Let's show these product designs to some prospective buyers for their reactions.
- C) Let's examine our points of distribution to see if we're reaching the market effectively.
- D) Let's do some research to see which colors the consumers prefer.
- E) Let's ask customers which products they used most heavily.

Answer: A

Diff: 2 Page Ref: 31

Objective: LO3

7) When UPS was first established, founder Jim Casey described the firm's focus as follows:

- A) to become a leader in international shipping
- B) to become the world's most profitable company
- C) to render perfect service to our stores and their customers
- D) to become the world's most efficient shipping company
- E) to become the fastest shipper in the world

Answer: C

Diff: 3 Page Ref: 31

Objective: LO2

8) The marketing mix consists of product, promotion, place, and:

- A) personnel
- B) principle
- C) perfection
- D) pride
- E) price

Answer: E

Diff: 2 Page Ref: 31

Objective: LO3

9) The promotion element of a marketing program can be subdivided into the areas of:

- A) sales, promotion, and advertising
- B) market research, personnel, and product publicity
- C) product research, product design, product production, and product publicity
- D) public relations, place, personal selling, and personnel
- E) sales promotion, public relations, personal selling, and advertising

Answer: E

Diff: 2 Page Ref: 32

Objective: LO3

10) In a market characterized by vigorous competition, look-alike products and customer loyalty that depends on quality relationships as well as quality products, the salesperson should fully utilize the:

- A) product strategy
- B) customer strategy
- C) presentation strategy
- D) relationship strategy
- E) marketing strategy

Answer: D

Diff: 2 Page Ref: 36

Objective: LO5

11) A well-thought-out plan for establishing, building, and maintaining quality relationships is a:

- A) relationship strategy
- B) customer strategy
- C) product strategy
- D) presentation strategy
- E) personal selling philosophy

Answer: A

Diff: 2 Page Ref: 36

Objective: LO5

12) Sharon Wiley is a sales representative employed by a leading producer of pharmaceuticals used in veterinary medicine. Recently she attended a university-sponsored seminar that focused on new research findings in selected areas of veterinary medicine. Ms. Wiley is attempting to develop a:

- A) relationship strategy
- B) customer strategy
- C) service strategy
- D) presentation strategy
- E) product strategy

Answer: E

Diff: 2 Page Ref: 37

Objective: LO5

13) One broad strategic area of the Strategic/Consultative Selling Model is:

- A) marketing strategy
- B) research strategy
- C) customer strategy
- D) service strategy
- E) budget strategy

Answer: C

Diff: 2 Page Ref: 38

Objective: LO5

14) Eric Villa obtained a license to sell real estate and then accepted a sales position with a local Century 21 agency. To prepare for this new position, he purchased and read a research report entitled "Buying Habits of Today's Home Buyers." Mr. Villa is attempting to develop a:

- A) presentation strategy
- B) product strategy
- C) customer strategy
- D) relationship strategy
- E) price strategy

Answer: C

Diff: 2 Page Ref: 38

Objective: LO5

15) The four broad strategic areas of the Strategic/Consultative Selling Model are:

- A) connected to each other
- B) in conflict with each other
- C) independent of each other
- D) not independent of each other
- E) identical to each other

Answer: D

Diff: 2 Page Ref: 38

Objective: LO5

16) Preparing objectives for the sales presentation and a plan to reach those objectives is the:

- A) product strategy
- B) customer strategy
- C) presentation strategy
- D) relationship strategy
- E) marketing strategy

Answer: C

Diff: 2 Page Ref: 38

Objective: LO5

17) The customer strategy always takes into consideration:

- A) maintaining a close partnership
- B) what the customer needs
- C) the profit margins of the product
- D) the relationship between the selling partners
- E) the company's sales quotas

Answer: B

Diff: 3 Page Ref: 38

Objective: LO5

18) When a marketer decides to adopt partnering, emphasis will be placed on:

- A) selling strategies
- B) product development
- C) selling tactics
- D) the customer
- E) the salesperson

Answer: D

Diff: 1 Page Ref: 39

Objective: LO6

19) The evolution of strategic selling can be traced to:

- A) a need to use fewer salespeople to sell more products
- B) the growing demand for less expensive products
- C) the need for salespeople to master sales force automation practices
- D) new levels of competition
- E) several trends that resulted in a more complex selling environment

Answer: E

Diff: 2 Page Ref: 39

Objective: LO6

20) Customers want quality products and:

- A) quality relationships
- B) low prices
- C) free shipping
- D) custom installation
- E) little contact

Answer: A

Diff: 2 Page Ref: 30

Objective: LO6

21) The highest form of partnering is the:

- A) marketing alliance
- B) value-added alliance
- C) partnering alliance
- D) customer partnership alliance
- E) strategic selling alliance

Answer: E

Diff: 2 Page Ref: 39

Objective: LO6

22) A partnership is beneficial for both parties because the successive sales are:

- A) equal to the initial sales
- B) greater than the initial or repeat sales
- C) not necessarily guaranteed
- D) a function of the price of the product
- E) transactional in nature

Answer: B

Diff: 2 Page Ref: 39

Objective: LO6

23) Account managers from Campbell's help add value for their culinary customers by:

- A) giving them cheaper prices
- B) selling more products than the competition
- C) helping them improve their menus
- D) providing various payment options
- E) expediting shipments

Answer: C

Diff: 2 Page Ref: 40

Objective: LO7

24) Achieving a marketplace advantage by teaming up with another company whose products or services fit well with your own is referred to as a:

- A) marketing strategy
- B) customer strategy alliance
- C) sales strategy
- D) strategic selling alliance
- E) successive sales alliance

Answer: D

Diff: 2 Page Ref: 39

Objective: LO6

25) For a strategic alliance to be successful, the first step is for a company to:

- A) enlist legal assistance to make sure its interests are protected
- B) talk to the customer to discover what its needs are
- C) assemble a team of product experts
- D) define the ethical guidelines that will apply to the alliance
- E) find out as much about the proposed partner as possible

Answer: E

Diff: 2 Page Ref: 40

Objective: LO7

26) Maintaining high ethical standards:

- A) can strengthen your relationship with a customer
- B) should be secondary to closing a sale
- C) is rare in the world of sales
- D) will lead to lost revenue for a company
- E) often puts you in conflict with your customers

Answer: A

Diff: 1 Page Ref: 40

AACSB: Ethical Understanding and Reasoning Abilities

Objective: LO7

27) CRM software is used to hold information about:

- A) research and development
- B) competitors
- C) prospects and customers
- D) strategy
- E) market trends

Answer: B

Diff: 2 Page Ref: 42

Objective: LO7

28) The process of building and maintaining strong customer relationships by providing customer value is called:

- A) marketing concept
- B) value-added selling
- C) customer relationship management
- D) personal sales philosophy
- E) customer strategy

Answer: C

Diff: 2 Page Ref: 42

Objective: LO7

29) The effective exchange of information is the foundation of most economic transactions. This is known as:

- A) exchange theory
- B) personal selling
- C) the value-added economy
- D) the information economy
- E) the post-consumer economy

Answer: D

Diff: 2 Page Ref: 42

Objective: LO7

30) Which of the following is a step to creating and delivering the customer value model?

- A) creating the customer's value needs
- B) creating the value proposition
- C) quantifying the value proposition
- D) questioning the value proposition
- E) presenting the value proposition

Answer: B

Diff: 3 Page Ref: 42

Objective: LO7

### 2.3 Completion Questions

1) \_\_\_\_\_ selling can be defined as a series of creative improvements within the sales process that enhance the customer experience.

Answer: Value-added

Diff: 1 Page Ref: 44

Objective: LO1

2) Peter Drucker stated that "the \_\_\_\_\_ defines the business."

Answer: customer

Diff: 3 Page Ref: 31

Objective: LO3

3) \_\_\_\_\_ evolved because of broader and more diverse product lines, demand for specific customized solutions, and more competition.

Answer: Strategic selling

Diff: 2 Page Ref: 34

Objective: LO5

4) A \_\_\_\_\_ is a well thought-out plan for establishing, building and maintaining quality selling relationships.

Answer: relationship strategy

Diff: 2 Page Ref: 36

Objective: LO5

5) A \_\_\_\_\_ is a carefully conceived plan that will result in maximum responsiveness to customers.

Answer: customer strategy

Diff: 2 Page Ref: 38

Objective: LO5

## 2.4 Short Answer Questions

1) List the four parts of the marketing mix.

Answer: Price, product, place, and promotion.

Diff: 1 Page Ref: 32

Objective: LO1

2) List and describe the five strategic steps of the Strategic Consultative Selling Model.

Answer:

1. Developing a personal selling philosophy. This involves adopting the marketing concept, valuing personal selling, and assuming the role of problem-solver.

2. Developing a relationship strategy. Success in selling depends heavily on the salesperson's ability to develop, manage, and enhance interpersonal relations with the customer.

3. Developing a product strategy. Products and services represent the problem-solving tools available to salespeople.

4. Developing a customer strategy. Sales and marketing efforts must be organized around the needs and desires of the customer.

5. Developing a presentation strategy. The presentation is a critical part of the selling process because it is at this point that the salesperson determines whether the customer has a need for the product.

Diff: 2 Page Ref: 36

Objective: LO5

## 2.5 Application Questions

Jenny Johansson sells customized buses like the ones bands use while on road tours. Her company has recently assigned her to a new territory in the Upper Midwest, and she is reevaluating the sales strategies she used in her old territory in New England.

1) Jenny is working on her sales strategy for a mid-sized town in her territory. One of her ideas is to stretch out of the traditional prospect pool of traveling performers, who are not headquartered in the Upper Midwest, and open up new markets with corporations that need customized buses for executives.

This thinking process Jenny is participating in is called:

A) the value proposition

B) the marketing mix

C) presentation strategy

D) strategic planning

E) optimization

Answer: D

Objective: LO1, LO3

2) During a presentation, when communicating the value proposition to the customer, Jenny should focus on:

- A) the features that make the bus special
- B) how much money driving a bus saves over chartering a plane
- C) how the bus will solve problems for the customer
- D) the gas mileage the bus gets
- E) the materials used in the modification of the bus

Answer: C

Objective: LO3

3) Which of the following would be an example of partnering?

- A) selling a customized bus to the CEO of the bus manufacturer
- B) renting customized buses to corporate customers through a car service agency that services corporations
- C) using the same brand of paint on all the buses they customize
- D) developing a standardized process to ensure the buses all receive the same steps, with differences within those steps
- E) creating two or more identical customizations for the same customer

Answer: B

Objective: LO3

4) At a party, Jenny talks to a flight attendant who mentions the passenger she had in first class who needed a second seat for his oxygen and other medical equipment. Jenny realizes that modifying buses for medical needs instead of luxury could open a whole new market. This is an example of:

- A) product strategy
- B) transactional selling
- C) the persuader stage
- D) the marketing mix
- E) the marketing concept

Answer: E

Objective: LO4

5) While making a sales presentation to the head of a local company, Jenny discovers that the head is routinely stopped and delayed at airport security because of a joint replacement that sets off alarms but doesn't show up easily in the x-ray machines. This adds another 3-4 hours to some trips, and has caused him to miss 10 flights in the previous year. This conversation is:

- A) need identification
- B) relationship building
- C) price negotiation
- D) qualifying the prospect
- E) post-sales service

Answer: A

Objective: LO1, LO3

A company has developed a calendar/messaging/paperwork center that helps working mothers organize their families' schedules and paperwork. All the mothers who have tried it have loved it, and it is priced comparably to normal planners, although it offers much more.

6) The product was developed by gathering focus groups of mothers and asking them what they need and what they wish normal planners offered them. This method of product development:

- A) is costly and inefficient
- B) is performed by the marketing department
- C) subscribes to the marketing concept
- D) reduces the barriers to purchasing
- E) is a method developed in the last decade

Answer: C

Objective: LO1

7) As part of the marketing mix, the makers of the calendar will be running an advertising campaign directed at working mothers. Another part of the marketing mix is sending salespeople to sell:

- A) calendars to retail outlets
- B) calendars to working mothers
- C) organizational skills to working mothers
- D) nostalgia to organizers
- E) organizational skills to online reviewers

Answer: A

Objective: LO1, LO2

8) Because this product looks similar to other products and only differentiates itself when a customer uses it, customers might be more influenced to buy it because of:

- A) advertising on websites geared to women
- B) marketing campaigns in non-traditional outlets
- C) word of mouth endorsements from other mothers
- D) teacher recommendations
- E) telephone marketing campaigns

Answer: C

Objective: LO2

9) Company management is having a difficult time deciding whether to allot more money to a marketing campaign involving ad buys and promotional events, or to a staff of sales representatives to sell the organizers. What factor should they consider in allotting the budget?

- A) A national marketing campaign can cost more than the yearly salaries of an entire sales department.
- B) A marketing campaign can reach prospects in several geographic areas at the same time.
- C) Salespeople can visit several retail outlets a day.
- D) Salespeople work on commission.
- E) Even with a marketing campaign, retail outlets will need to order through and be trained on product knowledge by salespeople.

Answer: E

Objective: LO2

10) How can a salesperson add value to the transaction for a retail outlet buying the organizers to resell to customers?

- A) by giving the outlet the same price rival calendars charge
- B) by helping the outlet place the order for the organizers
- C) by providing a free display stand and benefits list to outlets to help them sell
- D) by delivering the organizers to the outlets
- E) by penalizing outlets that do not sell many organizers with a smaller discount off retail price

Answer: C

Objective: LO5

XFormation is a company that develops and delivers custom trainings for products, procedures, and change at companies. XFormation developers have extensive knowledge of adult learning theory, and the trainers are dynamic, engaged teachers.

11) Salespeople for XFormation need to be able to successfully:

- A) convince a prospect to buy
- B) partner with the prospect to achieve the prospect's training goals
- C) communicate why XFormation trainers are the best
- D) make prospects like them so they will want to buy from them
- E) persuade prospects that the XFormation training course will serve their needs

Answer: B

Objective: LO4

12) Which of the following is an example of a relationship strategy salespeople for XFormation could use?

- A) Use mirroring and other subtle methods to create rapport and a good relationship with the customer so the customer ultimately buys.
- B) Understand all the training products they sell and how to customize a package for the customer.
- C) Examine how they can add value for customers so the customers will continue to contract with XFormation on a long-term basis.
- D) Give a presentation to the customer after planning out the objectives carefully ahead of time.
- E) Understand the customer's needs and what and how they need to buy.

Answer: C

Objective: LO4

13) Which of the following is the main goal for XFormation salespeople in terms of product strategy?

- A) Create products that customers really want to buy instead of products that the company wants to sell.
- B) Understand all the training products they sell and how to customize a package for the customer.
- C) Examine how they can add value for customers so the customers will continue to contract with XFormation on a long-term basis.
- D) Give a presentation to the customer after planning out the objectives carefully ahead of time.
- E) Understand the customer's needs and what and how they need to buy.

Answer: B

Objective: LO2

- 14) Which of the following is the customer strategy that XFormation salespeople should use?
- A) Understand all the training products they sell and how to customize a package for the customer.
  - B) Examine how they can add value for customers so the customers will continue to contract with XFormation on a long-term basis.
  - C) Give a presentation to the customer after planning out the objectives carefully ahead of time.
  - D) Spend enough time with the customer that the salesperson lives and breathes the customer's business.
  - E) Understand the customer's needs and what and how they need to buy.

Answer: E

Objective: LO2, LO4

15) As a presentation strategy, which of the following makes the most sense for XFormation sales representatives to follow?

- A) Understand all the training products they sell and how to customize a package for the customer.
- B) Examine how they can add value for customers so the customers will continue to contract with XFormation on a long-term basis.
- C) Rehearse the standardized presentation so extensively that it is smooth and flawless, and any prospect would buy from the salesperson.
- D) Give a presentation to the customer after planning out the objectives carefully ahead of time.
- E) Understand the customer's needs and what and how they need to buy

Answer: D

Objective: LO1, LO2, LO3