

# TEST BANK



THIRD EDITION  
**Relationship Selling**



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## Chapter 2 Using Information to Understand Sellers and Buyers

### Multiple Choice

1. Top sales performers recognize sales and marketing opportunities and take appropriate steps to capitalize on those opportunities to:

- A) Make sure they receive credit for their discovery.
- B) Continually increase sales, profitability, and market share.
- C) Put pressure on their customers.
- D) Keep fellow salespeople at a disadvantage.

Answer: B Difficulty: easy Page: 34

2. Top sales performers act as sales consultants by:

- A) Making sound recommendations.
- B) Presenting their recommendations in a persuasive manner.
- C) Creating an environment of openness.
- D) All of the choices are correct.

Answer: D Difficulty: easy Page: 34

3. In addition to possessing product knowledge, knowledge of the industry, and knowledge of each customer, top sales performers must:

- A) Keep their sales strategies secret.
- B) View each new customer as a potential conquest.
- C) Propose integrated solutions that are relevant to current customer needs.
- D) Teach the customer what they really need.

Answer: C Difficulty: medium Page: 34

4. The character, Willie Loman, portrays sales as a (n):

- A) Sad and demoralizing career.
- B) Unethical and ruthless activity.
- C) Back-slapping, polyester-suit-wearing buffoon.
- D) Telephone hustler selling bogus securities to “pigeons”.

Answer: A Difficulty: hard Page: 35

5. The character, Herb Tarleck in “*WKRP Cincinnati*”, portrays sales as a (n):

- A) Sad and demoralizing career.
- B) Unethical and ruthless activity.
- C) Back-slapping, polyester-suit-wearing buffoon.
- D) Telephone hustler selling bogus securities to “pigeons”.

Answer: C Difficulty: medium Page: 35

## Chapter 2 Using Information to Understand Sellers and Buyers

6. Because of the negative image, sales people need to:

- A) Prove their value to society.
- B) Offer discounts.
- C) Speak more slowly.
- D) Use adaptive selling.

Answer: A Difficulty: easy Page: 37

7. Sales careers appeal to people who value:

- A) Structure.
- B) Security.
- C) Independence.
- D) Repetition.

Answer: C Difficulty: easy Page: 38

8. Some components of job variety in sales include:

- A) Changing internal and external environments.
- B) Different customer needs and problems.
- C) Creative problem-solving.
- D) All of the choices are correct.

Answer: D Difficulty: easy Page: 38

9. Marvin provides a boat-repair service. He often spends extra time helping customers identify and fix other problems without charging them. Marvin receives \_\_\_\_\_ rewards for these efforts.

- A) Intrinsic
- B) Extrinsic
- C) Community
- D) Substantial

Answer: A Difficulty: medium Page: 40

10. George is a salesman. When visiting his home, he proudly points to all the electronic devices he has won for his sales work. George obviously responds to \_\_\_\_\_ rewards.

- A) Intrinsic
- B) Extrinsic
- C) Community
- D) Substantial

Answer: B Difficulty: easy Page: 40

## Chapter 2 Using Information to Understand Sellers and Buyers

11. Which of the following business trends is true?

- A) Count on your past experiences to spur you on.
- B) Technology-driven change has peaked.
- C) We are shifting from the information age to the communication age.
- D) Time is becoming cheaper.

Answer: C Difficulty: medium Page: 36-37

12. The use of \_\_\_\_\_ creates a challenge for managers attempting to keep sales people fully socialized to the culture of the organization.

- A) Virtual offices
- B) Repetitive sales pitches
- C) Industrial RFPs
- D) Modified perceived risk analyses

Answer: A Difficulty: medium Page: 41

13. Which of the following statements about creativity is true?

- A) A person must be highly educated or an intellectual to be creative.
- B) Creativity can be developed.
- C) Always look for the right answer.
- D) Keep ideas practical.

Answer: B Difficulty: easy Page: 39-40

14. Karen is serious about climbing the corporate ladder in her organization. As a salesperson, she should do the following, except:

- A) Network.
- B) Take on extra responsibilities.
- C) Show she wants to advance.
- D) Treat her coworkers as subordinates.

Answer: D Difficulty: easy Page: 42

15. Walton, a top sales representative, has been offered a managerial position. She hesitates to take the position knowing management positions:

- A) Require more time.
- B) Offer few opportunities for advancement.
- C) Take different personal skills and abilities.
- D) All of the choices are correct.

Answer: C Difficulty: hard Page: 42

## Chapter 2 Using Information to Understand Sellers and Buyers

16. Ironically, selling courses and sales training seminars often focus more on teaching speaking and writing skill than:

- A) Listening skills.
- B) Smiling.
- C) Following-up.
- D) Getting organized.

Answer: A Difficulty: medium Page: 44

17. In a study of success factors, the factor rated most important was:

- A) Decision making ability.
- B) Creativity.
- C) Empathy.
- D) Listening skills.

Answer: D Difficulty: medium Page: 44

18. A key difference between transactional and relationship selling is:

- A) The effort devoted to maintaining the relationship between face-to-face encounters.
- B) The time devoted to finding new leads.
- C) Whether or not customer and salesperson ever meet face-to-face.
- D) The caliber of the customer.

Answer: A Difficulty: hard Page: 44

19. Fiona has a canned sales presentation but, realizing this particular customer is already quite knowledgeable about her product, she changes the presentation. Fiona is engaged in:

- A) Hard-selling.
- B) Adaptive selling.
- C) Repeat purchase selling.
- D) Selling center adjustment.

Answer: B Difficulty: medium Page: 45

20. Selling often requires tenacity, sticking with a task. Great salespeople always keep in mind the \_\_\_\_\_ while working on the details.

- A) Big picture
- B) Intrinsic rewards
- C) Work/family conflict
- D) Virtual memory system

Answer: A Difficulty: medium Page: 45

## Chapter 2 Using Information to Understand Sellers and Buyers

21. If you were asked to compare sales peoples' activities ten years ago and today, the major new activities of sales people today center on the use of:

- A) Foreign language skills.
- B) Mentoring.
- C) Consultative sales.
- D) Technology in communication.

Answer: D Difficulty: medium Page: 47

22. If you were asked to compare sales peoples' activities ten years ago and today, one conclusion would be that salespeople have experienced substantial:

- A) Replacement.
- B) Derived demand.
- C) Job enlargement.
- D) Out supplier competition.

Answer: C Difficulty: easy Page: 47

23. Given all the new communications technology used by salespeople today, organizations need to ensure that all salespeople:

- A) Submit their preferences.
- B) Receive proper training.
- C) Engage in dynamic scoring.
- D) All of the choices are correct.

Answer: B Difficulty: medium Page: 48

24. Objections are a natural part of any sales process. Sales representatives can overcome objections by:

- A) Developing a trusting relationship with the client over the long run.
- B) Working to negotiate win-win solutions.
- C) Both A and B.
- D) Neither A nor B.

Answer: C Difficulty: easy Page: 46

25. When salespeople are required to engage in new activities using new technologies, sales managers need to:

- A) Update rewards systems to reflect the new dimensions and activities expected.
- B) Understand each new piece of technology.
- C) Avoid single-source modifying.
- D) Assess the perceived risk and return for each sales person.

Answer: A Difficulty: medium Page: 49

## Chapter 2 Using Information to Understand Sellers and Buyers

26. The largest percentage of a salesperson's time is spent on:

- A) Administrative tasks.
- B) Prospecting.
- C) With customers.
- D) On service calls.

Answer: A Difficulty: medium Page: 49

27. One of the reasons the average cost of a sales call is increasing is because of the:

- A) The increasing use of technology.
- B) Non-selling activities expected of sales people.
- C) Changing rewards requiring greater sales effort.
- D) All of the choices are correct.

Answer: B Difficulty: medium Page: 49

28. The average cost of a sales cost has been estimated at \_\_\_\_ per call:

- A) \$22
- B) \$82
- C) \$242
- D) \$642

Answer: C Difficulty: medium Page: 49

29. It generally takes \_\_\_\_\_ calls to close a new account than an existing account.

- A) More
- B) The same number
- C) Less
- D) It cannot be determined

Answer: A Difficulty: easy Page: 49

30. Because of the high cost of a typical sales call, and the number of calls it takes to close a new account, sales managers emphasize:

- A) Using technology where possible.
- B) Reallocating sales effort to customer retention.
- C) Eliminating nonessential tasks.
- D) All of the choices are correct.

Answer: D Difficulty: easy Page: 49

## Chapter 2 Using Information to Understand Sellers and Buyers

31. In order to avoid unnecessary costly upgrades, managers should carefully assess sales force skills and needs with respect to:

- A) Automobiles.
- B) Technology.
- C) Wardrobes.
- D) Products.

Answer: B Difficulty: medium Page: 50

32. In the whole field of selling, most salespeople are employed in \_\_\_\_\_ selling:

- A) Retail
- B) Industrial
- C) Electronic
- D) Key account

Answer: A Difficulty: easy Page: 52

33. Relationship selling is emphasized in \_\_\_\_\_ selling.

- A) Retail
- B) Business-to-business
- C) Electronic
- D) Key account

Answer: B Difficulty: medium Page: 52

34. Valerie is considering a switch from retailing to business sales. She knows B2B selling is different from B2C selling in that B2B selling typically involves:

- A) Fewer customers.
- B) More complex products.
- C) More expensive products.
- D) All of the choices are correct.

Answer: D Difficulty: easy Page: 53

35. Caroline is a missionary sales person. She typically focuses on:

- A) Selling only socially appropriate products.
- B) Religious organizations as target clients.
- C) Providing information to existing and potential customers.
- D) All of the choices are correct.

Answer: C Difficulty: easy Page: 53



## Chapter 2 Using Information to Understand Sellers and Buyers

36. In order to understand the selling process and why successful salespeople do what they do, you must understand:

- A) Why the organization exists.
- B) How customers make their purchase decisions.
- C) Regulations affecting selling.
- D) The macro economy.

Answer: B Difficulty: medium Page: 54

37. Buying centers exist primarily in:

- A) California.
- B) Retail purchases.
- C) Organizational buying.
- D) Purchasing of services.

Answer: C Difficulty: medium Page: 54

38. A \_\_\_\_\_'s primary responsibility is to increase business from current and potential customers by providing engineering information and assistance:

- A) Missionary seller.
- B) Trade servicer.
- C) New business seller.
- D) Technical seller.

Answer: D Difficulty: medium Page: 53

39. Which of the following is NOT one of the participants in a buying center?

- A) Users
- B) Initiators
- C) Gatekeepers
- D) Decoders

Answer: D Difficulty: easy Page: 54-55

40. New technology available to enhance salesperson performance includes.

- A) Email, cell phone, PDA, and laptop
- B) Online social networking, email blasts, ultra mobile PCs, PDAs
- C) Personalized online thank you card services, online social networking, ultramobile PCs presentation enhancement software
- D) All of the above

Answer: C Difficulty: medium Page: 50-51

## Chapter 2 Using Information to Understand Sellers and Buyers

41. \_\_\_\_\_ play a larger role when a company is reordering as compared to ordering for the first time.

- A) Gatekeepers
- B) Purchasing managers
- C) Selling centers
- D) Key account buyers

Answer: B Difficulty: easy Page: 55

42. Chet is the purchasing manager for an art supply wholesaler. Each time he needs to order a new supply of picture frames, he reorders from his existing suppliers rather than from new sources. Chet's decision is probably influenced by the \_\_\_\_\_ associated with purchasing from new suppliers.

- A) Perceived risk
- B) Perpetual motion
- C) Derived satisfaction avoidance
- D) Matrix dynamic

Answer: A Difficulty: medium Page: 55

43. The key to successful team selling structure is developing a team that:

- A) Knows everything.
- B) Knows everyone.
- C) Meets customer needs.
- D) All of the choices are correct.

Answer: C Difficulty: medium Page: 56

44. A \_\_\_\_\_ brings together individuals from around the organization as a team to join the salesperson.

- A) Buying center.
- B) Selling center.
- C) KAM.
- D) None of the choices are correct.

Answer: B Difficulty: medium Page: 56

45. The \_\_\_\_\_ is a senior salesperson responsible for handling a customer whose potential business is great enough to offset the high cost of team selling.

- A) CRM.
- B) KAM.
- C) GM.
- D) TM.

Answer: B Difficulty: hard Page: 56

## Chapter 2 Using Information to Understand Sellers and Buyers

46. In a \_\_\_\_\_, account executives utilize a global team of salespeople but can also draw from the full functional resources within the company.

- A) Single-source supply system.
- B) Matrix organization.
- C) Buying center.
- D) Virtual office.

Answer: B Difficulty: medium Page: 56

47. Gerald is a sales manager for a company selling to the military. He often puts together a team to sell to the military buying center. He finds team selling:

- A) Is less expensive than individual selling.
- B) Creates problems with coordination.
- C) Reduces overall organizational commitment.
- D) All of the choices are correct.

Answer: B Difficulty: hard Page: 56

48. Many manufacturers allow their suppliers access to their sales information and automatically authorize purchase of materials to replace those used in the products that have been sold. In these organizations, sales are based on:

- A) Profit margins.
- B) Extrinsic rewards.
- C) Outsourcing.
- D) Derived demand.

Answer: D Difficulty: medium Page: 57

49. Which of the following comes before the other choices in organizational buying decision stages?

- A) Evaluation of proposals and selection of suppliers.
- B) Determination and description of the traits and quality of needed items.
- C) Search for and qualification of potential suppliers.
- D) Selection of an order routine.

Answer: B Difficulty: hard Page: 57

50. Which of the following stages comes after the other choices in organizational buying decision stages?

- A) Evaluation of proposals and selection of suppliers.
- B) Determination and description of the traits and quality of needed items.
- C) Search for and qualification of potential suppliers.
- D) Selection of an order routine.

Answer: D Difficulty: hard Page: 57

## Chapter 2 Using Information to Understand Sellers and Buyers

51. The determination of what is needed, how much is needed, and when it is needed is typically determined in the \_\_\_\_\_ stage of the organizational buying decision process.

- A) Evaluation of proposals and selection of suppliers.
- B) Determination and description of the traits and quality of needed items.
- C) Search for and qualification of potential suppliers.
- D) Selection of an order routine.

Answer: B Difficulty: hard Page: 58

52. Payments made to retailers to cover the cost of setting up an item in the retailer's IT system, programming, and access to the retailer's distribution system are called:

- A) Bulk-buying payments
- B) New buying bonuses.
- C) Slotting allowances.
- D) Organizational bribes.

Answer: C Difficulty: easy Page: 60

### True/False

53. Careers in sales have a negative image due to stereotypes of sales people using a soft-sell technique.

Answer: False Difficulty: easy Page: 35

54. Because of the negative image, sales people need to prove their value to society.

Answer: True Difficulty: easy Page: 37

55. Because sales people tend to be compensated for performance, starting salaries for sales people right out of college tend to be lower than most other professions.

Answer: False Difficulty: medium Page: 38

56. Sales careers appeal to people who prefer a structured work environment and defined compensation.

Answer: False Difficulty: easy Page: 38

57. Most sales jobs create a work/family conflict.

Answer: False Difficulty: easy Page: 40

58. The characteristics of creative people can be developed in others.

Answer: True Difficulty: easy Page: 39

## Chapter 2 Using Information to Understand Sellers and Buyers

59. Sales people use the same skills as managers.

Answer: False Difficulty: easy Page: 42

60. Salespeople working for virtual bosses should take responsibility for making the relationship work.

Answer: True Difficulty: easy Page: 41

61. Sales people spend a majority of their time selling.

Answer: False Difficulty: medium Page: 49

### Essay

62. Who was Willy Loman?

Difficulty: hard Page: 35

Answer:

Willy was the main character in *Death of a Salesman*, Arthur Miller's play immortalizing old-style selling.

63. What are the main advantages to careers in selling?

Difficulty: medium Page: 38

Answer:

The main advantages are autonomy, financial rewards, favorable working conditions and excellent opportunities for career development.

64. What is a virtual office?

Difficulty: easy Page: 41

Answer:

A virtual office is an electronic communication system. It often includes a home office, laptop, pager, cell phone, and PDA.

65. Why does success as a salesperson not guarantee success as a sales manager?

Difficulty: easy Page: 43

Answer:

Different skills and abilities are required for each profession. Sales management requires personnel management skills and provides less autonomy than sales.

## Chapter 2 Using Information to Understand Sellers and Buyers

66. List three of the four strategies discussed in this chapter for working with a virtual boss.

Difficulty: hard Page: 41

Answer:

- 1) Spend time in person with the new boss.
- 2) Use the phone and voicemail more.
- 3) Learn when the boss is available and use those times to check-in.
- 4) Take the initiative to reach out regularly.

67. Why is creativity important on the job?

Difficulty: medium Page: 39

Answer:

It can make a job easier and improve productivity. It leaves the door open for improvement.

68. Why is relationship selling more widely used in business-to-business selling than business-to-customer selling?

Difficulty: medium Page: 52-53

Answer:

B2B selling typically involves more expensive and complex products. Relationship selling is expensive and therefore cannot be justified for low-price products, and is not needed as much for simple products as compared to complex products.

69. What does a missionary sales person do?

Difficulty: easy Page: 53

Answer:

Missionary sales people primarily provide information to current and potential customers. They typically do not try to close sales.

70. In order to truly understand the selling process and why successful salespeople do what they do; what do salespeople need to understand?

Difficulty: easy Page: 54

Answer:

They need to understand how customers make purchase decisions.

71. What is perceived risk and how does it affect selling?

Difficulty: hard Page: 55

Answer:

Perceived risk is the how risky a decision appears to be to the buyer. It varies with product complexity, relative importance, time pressure, and the degree of uncertainty. When perceived risk is high, it will slow the buying process and require more sales effort and information.

## Chapter 2 Using Information to Understand Sellers and Buyers

72. Research has identified “key success factors” in relationship selling. Describe any four of the ten factors that have been identified.

Difficulty: medium Page: 44

Answer:

The ten factors include:

Listening skills

Follow-up skills

Ability to adapt sales style from situation to situation

Tenacity-sticking with a task

Well organized

Verbal communication skills

Proficiency in interacting with people at all levels

Demonstrated ability to overcome objections

Closing skills

Personal planning and time management skills.

73. Who are the participants in the organizational buying process, and what are their roles?

Difficulty: medium Page: 54-55

Answer:

There are up to seven roles in organizational buying including:

Initiators, people who perceive a problem or opportunity.

Users, people who must use or work with the product or service.

Influencers, people who provide information for evaluation.

Gatekeepers, people who control access to people and information.

Buyers, people who place the order.

Deciders, people who have the final authority.

Controllers, people who determine the budget for the purchase.

74. Below are the organizational buying stages. Re-organize them by numbering them 1 through 7, into the logical order of organizational buying.

\_\_\_ Acquisition and analysis of proposals or bids

\_\_\_ Selection of an order routine

\_\_\_ Anticipation or recognition of a problem or need

\_\_\_ Performance evaluation and feedback

\_\_\_ Determination and description of the traits and quality of the needed item(s)

\_\_\_ Evaluation of proposals and selection of suppliers

\_\_\_ Search for and qualification of potential suppliers

Difficulty: hard Page: 57

Answer:

The correct order is: 4, 6, 1, 7, 2, 5, 3