

Test Bank for Selling Today 16th Ahearne

Selling Today: Partnering to Create Value, 16e (Ahearne/Manning/Pourmasoudi)
Chapter 1 Relationship Selling Opportunities in the Age of Artificial Intelligence

1) The three prescriptions involved in developing a personal-selling philosophy are to adopt the marketing concept, to assume the role of problem solver or partner in helping customers make informed and intelligent business decisions, and to _____.

- A) value personal selling
- B) assess risk accurately
- C) learn skills of persuasion
- D) overcome objections
- E) create a pipeline

Answer: A

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

Ray Sanchez began as a junior sales rep at industrial products maker DECA Corporation 10 years ago, and has worked up steadily to Senior Regional Sales Director for the entire Southwest region. He is good at his job, and his greatest personal satisfaction—also the cause of his steady rise in the company—is his.... ability to understand customers and needs and to sell them appropriate solutions. As a manager and now Senior Regional Director, Sanchez injects his department with this same commitment to understanding the customers' needs as the key to long-term, profitable sales relationships.

2) Sanchez's success is due largely to the fact that _____.

- A) he was born with the personality of a successful salesperson and capitalized on that
- B) he understood the key factors involved in becoming an excellent salesperson and worked to develop skills to support those factors
- C) he has unlimited energy and makes more cold calls than any other salesperson at Sanchez's level in the company
- D) he knows how to persuade prospects to buy the products he is selling
- E) men tend to be more successful at selling industrial products than women

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

3) To become a successful salesperson, Sanchez had to adopt a personal-selling philosophy. Which of the three prescriptions of that philosophy is not only a mindset but a skill that is practiced and honed to become successful?

- A) Adopt the marketing concept
- B) Value personal selling
- C) Assume the role of problem solver or partner in helping customers make informed and intelligent buying decisions
- D) Focus on product knowledge and everything else will follow
- E) Develop the ability to create rapport with customers so they are buying from a friend

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

Roni Harris is a college student in the business department of her local university. She came into college thinking about becoming an accounting major, but discovered her interest in product marketing and sales.

4) To be successful in sales, Roni will need to enjoy _____.

- A) interacting with potential and existing customers
- B) making money
- C) creating branding and marketing campaigns for products
- D) generating ideas for new products and services
- E) competing fiercely with other salespeople for sales and commissions

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

5) In complex purchases, typically _____.

- A) lower prices are involved
- B) minimal buyer risk is incurred
- C) salespeople bring value to customers
- D) purchase cycles are shorter
- E) approval is needed from one stakeholder

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

6) Assuming the role of a problem solver is part of developing a personal-selling philosophy.

Answer: TRUE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

7) Selling is the largest employment category in the United States.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

8) Briefly describe the personal selling process.

Answer: Personal selling occurs when a company representative interacts directly with a customer or prospective customer to present information about a product or service. Personal selling involves developing relationships with potential clients, discovering the needs, matching the appropriate products with these needs, and communicating the product's benefits through informing, reminding, or persuading.

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.

9) _____ is a series of creative improvements within the sales process that enhance the customer experience.

A) Social selling

B) Intangible selling

C) Value-added selling

D) High-performance selling

E) Social media networking

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

10) Today, we live in an age in which, according to an analysis by the International Monetary Fund, AI is expected to impact about _____ percent of the jobs in advanced economies.

- A) just a tenth
- B) close to a quarter
- C) about half
- D) almost two-thirds
- E) more than three-quarters

Answer: D

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

11) Today, in what is frequently referred to as _____, the sales approach focuses on boosting sales productivity through a collaborative, personalized, and systematic approach that balances technology with human qualities.

- A) Selling 2.0
- B) Selling 3.0
- C) value-added selling
- D) missionary sales
- E) inside selling

Answer: B

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

Ray Sanchez began as a junior sales rep at industrial products maker DECA Corporation 10 years ago and has worked up steadily to Senior Regional Sales Director for the entire Southwest region. Ray is good at the job, and with great personal satisfaction—also the cause of the steady rise in the company—is the ability to understand customers and needs and to sell them appropriate solutions. As a manager and now Senior Regional Director, Sanchez injects the department with this same commitment to understanding the customers' needs as the key to long-term, profitable sales relationships.

12) Sanchez and his department are most likely using which of the following sales methods?

- A) Unified selling
- B) Value-added selling
- C) Transactional selling
- D) Traditional selling
- E) Economy selling

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

13) Which is NOT one of the four major developments that have shaped the age of AI?

- A) Major advances in technology and electronic commerce
- B) Strategic resource is information
- C) Business is defined by customer relationships
- D) Sales success depends on adding and co-creating value
- E) The decline of relationship selling

Answer: E

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

14) David Shenk, author of *Data Smog: Surviving the Information Glut*, notes that we have moved to a state of _____.

- A) information scarcity
- B) information overload
- C) limited information
- D) valueless information
- E) undecipherable information

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

15) The restructuring of America from an information economy to an AI economy began approximately 65 years ago.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

16) Today, computers are used less for connecting, and more for data crunching.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

17) How is AI expected to impact the job market?

Answer: Today, we live in an age in which, according to an analysis by the International Monetary Fund, AI is expected to impact about 60 percent of the jobs in advanced economies, roughly half of which may benefit from AI integration and increased productivity. For the other half, AI applications are expected to execute key tasks currently performed by humans and, in the most extreme cases, extinguish the need for humans.

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

18) List some of the technologies used by salespeople in today's age of AI.

Answer: Salespeople and other marketing-related players in today's age of AI use personal computers, smartphones, websites, customer relationship management (CRM) applications with cloud computing, e-mail, instant messaging, blogging, and social media such as Instagram, Facebook, YouTube, X, and others.

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.

19) On average, an experienced, high-performing salesperson will find the highest compensation opportunities with which type of selling?

- A) Feature/benefit
- B) Transactional
- C) Value-added
- D) Solution
- E) Directed

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

20) Psychic income in selling most likely refers to which one of the following?

- A) Visibility provided by working in the sales department
- B) Satisfaction of being on a commission payment plan
- C) High commissions earned because of successful "intuitive" selling
- D) Opportunity to be a member of the sales team
- E) Job recognition afforded sales personnel

Answer: E

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

21) Salespeople are competitive with workers in other positions when being considered for promotion to positions of greater responsibilities because salespeople _____.

- A) have limited opportunities for advancement in the sales department
- B) are compensated primarily through psychic income
- C) have worked for many companies in their careers
- D) have numerous opportunities to advance to middle-management ranks
- E) have high visibility within companies already relative to other positions

Answer: E

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

22) All of the statements about employment opportunities for salespeople are true EXCEPT _____.

- A) recruitment of college graduates is a common practice
- B) the number of new positions is consistently increasing
- C) there is a single selling occupation
- D) sales positions rank among the jobs most in demand
- E) about two-thirds of business school graduates take jobs as salespeople

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

23) In selling, recognition _____.

- A) occurs less frequently and with lesser intensity than it does in most other occupations
- B) occurs more frequently and with greater intensity than it does in most other occupations
- C) occurs more frequently but with lesser intensity than it does in most other occupations
- D) occurs less frequently but with greater intensity than it does in most other occupations
- E) is practically nonexistent

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

24) Which of these is NOT characteristic of a career in sales?

- A) Above-average income
- B) Low level of autonomy
- C) Numerous opportunities to advance
- D) Above-average psychic income
- E) Diversity of positions

Answer: B

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

25) While sales careers provide above-average financial compensation, they are sorely lacking in psychic income.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

26) Personal-selling careers have become attractive employment options to many professionals who walk away from—or are pushed out of—corporate jobs.

Answer: TRUE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

27) Some salespeople actually earn more than their sales managers and other executives within the organization.

Answer: TRUE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

28) The vast majority of a salesperson's time is spent meeting in-person with customers.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

29) Describe the autonomy a sales career allows.

Answer: Because of the wide range of activities, most selling positions allow salespeople to be in control of how they use their time, decide what activities they will prioritize in their work schedules, and interact with a wide range of people. This is in contrast to many careers where one is confined to a particular location and team of people, assigned very specific tasks, and directly supervised by others. This freedom to plan activities and prioritize the use of time, not unlike that of an entrepreneur, is high on the list of why many successful people have chosen sales as a career.

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.3: Discuss the rewarding aspects of a career in selling today.

30) The fact that new titles are used in selling today is influenced in part by the shift from _____ to _____.

- A) "partnering"; "selling" and "consulting"
- B) "consulting"; "partnering" and "selling"
- C) "selling"; "AI" and "information"
- D) "selling"; "partnering" and "consulting"
- E) "consulting"; "information" and "AI"

Answer: D

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.4: Discuss the different employment settings in selling today.

31) When salespeople assume a consulting or partnering role, _____.

- A) the value of the relationship often exceeds the value of the transaction
- B) the value of the relationship often exceeds the value of the transaction
- C) it reflects an outdated notion of the sales profession
- D) it undermines the long-term relationship of the salesperson and potential customer
- E) it is counter to the new definition and philosophy of selling described in this chapter

Answer: B

Diff: 3

AACSB: Analytical Thinking

Objective: LO 1.4: Discuss the different employment settings in selling today.

32) Alan Karbashian spends all day driving from customer site to customer site for sales meetings in his job with a national medical parts manufacturer. Alan is considered a(n) _____ representative.

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

Answer: B

Diff: 1

AACSB: Analytical Thinking

Objective: LO 1.4: Discuss the different employment settings in selling today.

33) In a well-structured sales department, inside and outside salespeople often _____.

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

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

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

- A) Hotel
- B) Insurance
- C) Banking
- D) Real estate
- E) Chemicals

Answer: E

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

35) _____ attempt to generate goodwill and stimulate demand for the manufacturer's products among channel members.

- A) Missionary salespeople
- B) Trade sellers
- C) Personal salespeople
- D) Outside salespeople
- E) Service sector salespeople

Answer: A

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

36) Sales engineers are people with extensive knowledge of the product who also _____.

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

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

37) Nontechnical industrial salespeople would be most likely to sell which of the following?

- A) Heavy equipment
- B) Machinery
- C) Office equipment
- D) Aircraft
- E) Chemical products

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

38) Which of these insurance agents sells products from multiple companies?

- A) Personal lines agents
- B) Commercial lines agents
- C) Independent insurance agents
- D) Business service agents
- E) Health insurance agents

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

39) Terri Milano, employed by a manufacturer of home electronics, offers assistance to retailers in such areas as credit policies, pricing display, and store layout. Terri is performing the duties of a(n) _____.

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

Answer: A

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.4: Discuss the different employment settings in selling today.

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

- A) Personal computers, automobiles, and assembly line robotics equipment
- B) Photographic equipment, industrial specialties, and recreational equipment
- C) Fashion apparel, personal computers, and recreational vehicles
- D) Microchips, musical instruments, and automobiles
- E) Software back-end integration services, jewelry, and motorcycles

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

41) Network (multilevel) marketing is different from traditional sales in that it _____.

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

Answer: C

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

Ray Sanchez began as a junior sales rep at industrial products maker DECA Corporation 10 years ago and has worked up steadily to Senior Regional Sales Director for the entire Southwest region. Ray is good at the job, and with great personal satisfaction—also the cause of the steady rise in the company—is the ability to understand customers and needs and to sell them appropriate solutions. As a manager and now Senior Regional Director, Sanchez injects the department with this same commitment to understanding the customers' needs as the key to long-term, profitable sales relationships.

42) Sanchez decides to try something new in the Southwest Region. He had been following the model of sending outside sales reps to follow up with prospects who expressed interest in the product by various prospecting methods. Now he will augment those efforts by hiring teams of sales reps to show the product to managers and buyers at stores that do not carry the DECA line but sell complimentary products, and to call these managers on the phone based on qualifying work the sales reps in the store have done. What two types of sales reps will Sanchez most likely hire to comprise these teams?

- A) Missionary salespeople and inside salespeople
- B) Outside salespeople and inside salespeople
- C) Competing salespeople and detail salespeople
- D) Missionary salespeople and detail salespeople
- E) Trade salespeople and detail salespeople

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

Kesha Williams will soon graduate with a marketing degree from a well-respected regional university. Kesha is currently interviewing with several firms and is considering a career in sales. However, Kesha has some concerns about this career path for women since most of the interviewers so far have been men. However, one position in the hospitality industry does seem to be a good fit based on the job description and the interviews to date.

43) Kesha is intrigued by a job posting for a "Business Development Manager in the hospitality industry." Which of the following most accurately describes the duties of this position?

- A) Soliciting donations from charitable donors and foundations for an organization that promotes hospitality
- B) Selling guest and conference hotel rooms and other hotel services to organizations
- C) Working as a front desk clerk at a hotel
- D) Servicing requests from guests at an upscale resort
- E) Managing the banquet hall at a large restaurant/catering facility

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

A start-up has developed a business-to-business product that allows for integration of inventory, billing, shipping, teleconferencing, and webinar functions. This allows salespeople to demonstrate, check inventory, close a sale, and ship the product during a presentation with the client in person or by webinar.

44) Considering the product and the target market, what would be the best sales model for the company to most likely use?

- A) Sell the product exclusively via self-service online, as it is a technology product.
- B) Have the CEO of the company sell the product to prospects because they understand the importance of making sales.
- C) Hire a salesperson with some experience understanding and selling technology products to sell the product.
- D) Hire a highly experienced sales manager from the publishing industry to set up a sales department.
- E) Sell the product through a telemarketing agency.

Answer: C

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

45) To sell the product effectively and efficiently, what type of salespeople should the company hire?

- A) Inside sales reps
- B) Outside sales reps
- C) Detail reps
- D) Missionary reps
- E) Direct sales reps

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

46) Examples of industries in the service channel include convention centers, banking, and advertising.

Answer: TRUE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

47) Selling jobs are limited to the interaction between the company and the end user of the good or service.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

48) Sales careers in the consumer goods channel are often referred to earlier as "C2C" selling.

Answer: FALSE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

49) What is direct selling and what opportunities exist for people interested in this career path?

Answer: Direct salespeople are independent contractors who generally represent manufacturers.

In 2023, there were 6.1 million direct salespeople in the United States, generating \$36.7 billion in revenues. The international growth rate of direct selling is exceeding domestic growth.

Network marketing, or multilevel marketing, is a rapidly growing form of direct marketing.

Diff: 3

AACSB: Analytical Thinking

Objective: LO 1.4: Discuss the different employment settings in selling today.

50) Convention center sales managers, insurance salespeople, and real estate salespeople all have one thing in common—they sell a(n) _____.

Answer: service

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

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

Answer: sales engineer

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

52) Why are sales careers in the service sector a good option for a person that wants to have a career in personal selling?

Answer: Sales careers in service sales include both business-to-business and business-to-consumer sales. Today, approximately 80 percent of the U.S. labor force is employed in some capacity in the service sector of the economy. The growth rate for the service industry is much higher than the growth rate for product companies. Service companies provide career opportunities in a variety of settings.

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.4: Discuss the different employment settings in selling today.

53) Which one of the following people would LEAST likely be considered a "knowledge worker"?

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

Answer: C

Diff: 1

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

54) Salespeople are most likely considered knowledge workers because they _____.

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

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

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

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

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

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

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

Answer: A

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

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

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

Answer: B

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

58) At a time when people change careers eight or more times during their lives, selling skills _____.

- A) are yet another set of skills to be discarded down the line
- B) represent important transferable employment skills
- C) take valuable time to learn only to have no application in other fields
- D) run counter to the skills required in most other work environments
- E) are too time-consuming to acquire for all but the most dedicated salespeople

Answer: B

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

A start-up has developed a business-to-business product that allows for integration of inventory, billing, shipping, teleconferencing, and webinar functions. This allows salespeople to demonstrate, check inventory, close a sale, and ship the product during a presentation with the client in person or by webinar.

59) How does a sales rep most likely create value for the customer with this product?

- A) Sell the customer the exact components that will integrate with the customer's current system.
- B) Speed the transaction along so that the customer can purchase quickly.
- C) Offer a lower price if the customer buys more than one system.
- D) Offer to demonstrate the product in the customer's office.
- E) Allow the customer to see a demo of the product online to see how they will be able to use the product.

Answer: A

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

60) The customer service representatives employed by the company for after-sales support are likely to need _____.

- A) training to learn to speak clearly
- B) to be instructed in basic telephone manners and standards of politeness
- C) mileage allowances for the time they will spend visiting client sites to physically install the software
- D) special sales skills that allow them to close particularly difficult sales
- E) specialized technical skills to assist customer companies in installing and implementing the software

Answer: E

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

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

Answer: TRUE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

62) Knowledge workers do not need selling skills and should focus primarily on learning good communication skills.

Answer: FALSE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

63) Chief executive officers and other executives often accompany salespeople on sales calls to learn more about customer needs.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

64) Most firms don't expect professional workers such as accountants and engineers to bring in new business.

Answer: FALSE

Diff: 1

AACSB: Analytical Thinking

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

65) After an entrepreneur establishes a firm, they no longer need to rely on personal selling.

Answer: FALSE

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

66) In the age of AI, relationships are more important than ever.

Answer: TRUE

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

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

Answer: Information

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

68) Are relationships still important in the age of AI? Discuss.

Answer: Relationships are more important than ever in the age of AI. In many cases, information does not have value unless people interact effectively. Creating networks with social ties allows knowledge workers to acquire and provide information more successfully. A HubSpot study reports that relationship-building and connection are more important than ever, with more than four-fifths of sales professionals say building relationships and connecting with people are the most important parts of selling. The same study reports that by using AI tools to accomplish administrative tasks, salespeople save two hours a day. That's two extra hours for connecting with customers, building relationships, progressing pipeline, and closing more deals.

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.5: Explain how personal-selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.

69) Corporate-sponsored sales training _____.

- A) can take up to a year in some firms
- B) focuses on accounting methods and theory
- C) is primarily concerned with shipping systems and logistics
- D) primarily covers product liability issues
- E) usually takes about two weeks

Answer: A

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

70) Educational videos on websites such as YouTube, LinkedIn, and Coursera _____.

- A) comprise a helpful but usually prohibitively expensive training option
- B) are of such poor quality that they should be avoided
- C) are examples of sales training offered by commercial vendors
- D) offer flexibility beneficial for different learning styles and busy schedules
- E) have become less useful with the current prevalence of high-speed Internet

Answer: D

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

71) A training and education initiative with specific requirements delivered by an industry professional association to salespeople in that industry is an example of a(n) _____.

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

Answer: D

Diff: 1

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

A start-up has developed a business-to-business product that allows for integration of inventory, billing, shipping, teleconferencing, and webinar functions. This allows salespeople to demonstrate, check inventory, close a sale, and ship the product during a presentation with the client in person or by webinar.

72) To train the sales reps, the company should most likely _____.

- A) ask the sales reps to read three classic sales texts and engage in a role-playing workshop
- B) hire a trainer who understands sales techniques to train the sales reps in groups of three
- C) send the sales reps to a standardized course that teaches sales theory
- D) develop an in-house training course focused on product knowledge supplemented by a refresher in sales techniques delivered by a hired company
- E) send the sales reps to shadow the product developers to learn how they develop products for the company

Answer: D

Diff: 3

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

73) Free online content is not a useful source of sales training.

Answer: FALSE

Diff: 1

AACSB: Analytical Thinking

Objective: LO 1.6: Identify the five primary sources of sales training.

74) Increased professionalism in personal selling has led to a rise in the number of sales _____ programs offered to those who complete coursework in sales techniques and best practices.

Answer: certification

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

75) What are the five sources of corporate training? Which do you think is the best type of training and why?

Answer: Answers will vary as to which method is the best, due to personal preferences and experiences. Each method varies in terms of cost, logistics, time commitment, etc., so it is more a matter of which type is best for a particular learner's situation and needs.

1. Corporate-sponsored training
2. Training provided by commercial vendors
3. Certification programs
4. Online video courses
5. College and university coursework

Diff: 2

AACSB: Application of Knowledge

Objective: LO 1.6: Identify the five primary sources of sales training.

Chapter 1

RELATIONSHIP SELLING OPPORTUNITIES IN THE AGE OF ARTIFICIAL INTELLIGENCE

The two chapters that make up Part 1 establish a foundation for the entire textbook. Chapter 1 provides a contemporary definition and description of personal selling and describes personal-selling career opportunities. Sales-training programs offered by academic institutions, sales-training companies, and employer-provided sales training are also presented. Chapter 2, in response to the developments associated with the Age of Artificial Intelligence, presents the evolution of contemporary selling models that complement the marketing concept. Chapter 2 also introduces the major themes that connect all of the chapters.

LEARNING OBJECTIVES: When you finish reading this chapter, you should be able to:

- 1.1: Define personal selling and describe the three prescriptions of a personal-selling philosophy.
- 1.2: Describe the emergence of relationship selling in the age of artificial intelligence.
- 1.3: Discuss the rewarding aspects of a career in selling today.
- 1.4: Discuss the different employment settings in selling today.
- 1.5: Explain how personal selling skills have become one of the master skills needed for success in the age of artificial intelligence and how personal-selling skills contribute to the work performed by knowledge workers.
- 1.6: Identify the five primary sources of sales training.

CHAPTER SUMMARY:

Chapter 1 introduces the concept of selling and its evolution over the past century and a half. From early peddling, through the transformation of how goods and services were brought to the marketplace during the Industrial Revolution, through the Age of Artificial Intelligence, to today's digital age in which data is king, sales has evolved as society and the marketplace have changed over time. This chapter provides insight into the concept of personal selling and how it came about in the 1950s with the *marketing concept*. It then discusses how the information gathered provides the opportunity to create value for customers.

The evolution of sales over time has changed how the profession engages with the marketplace to meet customer needs. This chapter will introduce you to the various career opportunities in sales, defining channels, industries, and specific job titles that support the sales efforts in organizations.

EXTENDED PRESENTATION OUTLINE

Today's workforce is made up of millions of knowledge workers who succeed only when they add value for the customer, using information and data to best understand what the customer needs and wants to create that value. Salespeople and many other knowledge workers add value to information when they collect it, organize it, clarify it, and present it in a convincing manner.

As part of the Reality Selling Video Series, this chapter features Alex Homer from the Tom James Company, selling luxury clothing.

I. Personal Selling – A Definition and a Philosophy LO 1.1

- A. Definition: **Personal selling** occurs when a company representative interacts directly with a customer to present information about a product or service.
 - 1. Personal selling is a process of:
 - a. Developing relationships;
 - b. Discovering needs;
 - c. Matching the appropriate products with these needs;
 - d. Communicating benefits through informing, reminding, or persuading.
 - 2. A **product** is broadly defined as information, services, ideas, and issues.
 - 3. Increasingly, personal selling is viewed as a process that adds value.
 - 4. In an ideal situation, the salesperson:
 - a. Builds a mutually rewarding relationship;
 - b. Diagnoses the customer's needs;
 - c. Custom-fits the product to meet these needs.
- B. Having knowledge of these customer needs will lead to higher customer satisfaction and willingness to purchase a product. Developing a **personal selling philosophy** includes three prescriptions, which are part of the Strategic/Consultative Selling Model:
 - 1. Adopt the marketing concept;
 - 2. Value personal selling;
 - 3. Become a problem solver or partner.

II. Emergence of Relationship Selling in the Age of Artificial Intelligence LO 1.2

- A. Shifts from an industrial economy began in the 1950s toward the **Age of Artificial Intelligence** and have continued to evolve. Today, we live in an age in which AI is expected to impact about 60 percent of the jobs in advanced economies.
- B. Major advances in technology and electronic commerce have changed the way we do business. In what is now frequently referred to as Selling 3.0, the sales approach focuses on boosting sales productivity through a collaborative, personalized, and systematic framework that leverages artificial intelligence and the proliferation of apps while balancing technology with human qualities.
- C. Strategic resource is information.
 - 1. Information is often too plentiful.
 - 2. Salespeople help filter information.
 - 3. Informed salespeople can help us decide which information has value and which information should be ignored.
- D. Business is defined by customer relationships.
 - 1. The *real* new economy is the customer economy.
 - 2. Customers have taken more control of their destinies and have more access to information than before.
 - 3. Relationships build a conduit of trust for information exchange.
- E. Sales success depends on adding and co-creating value.
 - 1. **Value-added selling** is defined as a series of creative improvements in the sales process that enhance the customer experience.

2. Salespeople can create value by:
 - a. Developing a quality relationship focused on trust and providing value.
 - b. Carefully identifying customer needs.
 - c. Configuring and presenting the best possible product solution.
3. The value added by salespeople today is increasingly derived from intangibles such as:
 - a. Quality of advice offered and a greater understanding of how the services, products, and solutions they offer can make an impact on their customers;
 - b. Level of trust that underlies the relationship between the salesperson and the customer, such as creating a relationship that is customer-focused and not sales-driven.

III. Considerations for a Future in Personal Selling LO 1.3

- A. Wide range of employment opportunities.
 1. The 500 largest sales forces in the United States employ more than 23 million salespeople.
 2. There is no single “selling” occupation.
 3. Opportunities exist that match your interests, talents, and ambitions.
 4. Old stereotypes about sales are gradually going by the wayside.
 5. Careers of highly successful relationship salespeople discover that ethical sales practices are key to long-term success.
- B. Activities performed by salespeople.
 1. Salespeople spend about 12 percent of their time in in-person, face-to-face selling situations and 9 percent of their time connecting virtually with their customers.
 2. Salespeople have tremendous freedom to manage their time, activities, and relationships with customers to create value.
 3. Today, many roles in the sales profession have evolved to feature more specialized positions that focus on distinct stages of the sales cycle.
- C. Freedom to Manage One's Own Time and Activities.
 1. Most selling positions allow salespeople to be in control of how they use their time, decide what activities they will prioritize in their work schedules, and interact with a wide range of people.
 2. This is in contrast to many careers where one is confined to a particular location, and a team of people, is assigned very specific tasks, and is directly supervised by others.
 3. This freedom to plan activities and prioritize the use of time, not unlike that of an entrepreneur, is high on the list of why many successful people have chosen sales as a career.
- D. Above-average income.
 1. Table 1.1 presents sales force compensation by job role, showing the average base salary and average commission for Sales Representatives and Sales Managers. The table indicates that Sales Managers earn higher compensation than Sales Representatives in both base salary and commission.
- E. Above-average **psychic income**.
 1. **Psychic income** (psychological rewards) gained from a selling career may include recognition and security, providing great visibility within the organization.

2. In selling, recognition will come more frequently and with greater intensity than in most other occupations.
 3. Accomplishments of sales personnel seldom go unrecognized because they are the revenue generators.
- F. Opportunity for advancement.
1. High visibility affords opportunities for advancement because salespeople understand the products or services and the customer better than most in the organization, providing great insight to other departments.
 2. Sales experience is invaluable in many middle- and upper-management positions because it builds expertise in selling.

IV. Employment Settings in Selling Today LO 1.4

- A. Careers in sales include both inside and outside sales positions.
1. **Inside salespeople** perform selling activities at the employer's location, typically using the telephone and email.
 - a. In some cases, they are called "customer service representatives" and provide a number of support services on behalf of field salespeople.
 - b. Inside sales can be either "inbound" or "outbound."
 2. **Outside salespeople** travel to meet prospects and customers in their places of business or residence.
 3. Inside and outside salespeople often work together and rely heavily on each other.
 4. Sales roles are commonly categorized into two main types: farming and hunting. A hunting salesperson focuses on generating new business, while a farming salesperson concentrates on maintaining and expanding relationships with existing customers.
- B. Titles Used in Selling Today.
1. Just as selling occupations differ, so do the titles by which salespeople are known.
 2. Three factors have contributed to the creation of new titles.
 - a. Shift from "selling" to "consulting" and "partnering."
 - b. New titles reflect a difference in education and skill sets needed for the position.
 - c. Regardless of title, salespeople play an important role in sustaining the growth and profitability of organizations of all sizes.
 - d. Titles may vary, but sales roles are critical to sustaining growth and profitability across organizations of all sizes.
- C. Selling through Channels.
1. Sales jobs exist throughout the supply chain in both business-to-business (B2B) and business-to-consumer (B2C) settings. Major channels include:
 - a. Services channel
 - b. Business goods channel
 - c. Consumer goods channel
- D. Career Opportunities in the Service Channel.
1. Approximately 80 percent of the U.S. labor force is now employed in the service sector.
 2. Career opportunities in the service channel:
 - a. Hotel, motel, and convention center services.

- 1) Salespeople sell room space, food, beverages, and services related to hosting seminars, conferences, and meetings.
- 2) Competition for convention business is intense.
- b. Telecommunications services:
 - 1) Deregulation of telephone service has resulted in the fragmentation of major telephone companies and the creation of numerous new communications companies.
- c. Financial services:
 - 1) There are more than one million sales jobs in securities and financial services.
- d. Media sales:
 - 1) The sales force employed by radio and television stations sells broadcast time to current and prospective advertisers.
 - 2) Newspapers and magazines generate their main revenue from advertising rather than from subscriptions.
 - 3) Media sales personnel help develop advertising campaigns.
 - 4) Revenue from both local and national advertising supports podcasts and the radio, television, newspaper, and magazine industries; it is also a major source of profit for the Internet.
- e. Real estate:
 - 1) Buying a home is usually the largest single expenditure in an average consumer's life.
 - 2) Commercial real estate is significant for businesses, and brokers help find the right locations and represent both tenants' and owners' interests.
 - 3) Real estate salespeople play an important role.
- f. Insurance:
 - 1) Insurance sales is one of the most rewarding careers in sales.
 - 2) Policies sold include fire, liability, life, health, automobile, casualty, and homeowners.
 - 3) There are two broad types of insurance salespeople:
 - (a) Those employed by major insurance companies.
 - (b) Independent insurance agents who represent various companies.
- g. Business services:
 - 1) Outsourcing of services is increasing, including computer programming, training, printing, credit reporting, payroll and accounting, payment processing, recruiting, transportation, and security.
- E. Career Opportunities in the Business Goods Channel.
 1. Common titles of salespeople:
 - a. Industrial salespeople include both technical salespeople (sales engineers or applications engineers) and nontechnical salespeople.
 - b. Sales engineers or applications engineers must have detailed and precise technical knowledge.
 - 1) This role requires expertise in identifying, analyzing, and solving customer problems.
 - 2) They may introduce new products and answer technical questions.

- c. Field salespeople interact with new customers and current customers. They must be able to identify customer needs and requirements and recommend the proper product or service to meet those needs.
 - d. Missionary salespeople (detail salespeople) have the primary goal of developing goodwill and stimulating product demand.
 - 1) They call on wholesale, retail, and other customers to help improve their marketing.
 - 2) They collect information regarding customer acceptance of products.
 - 3) They must be able to offer advice on credit policies, pricing, displays, and so forth.
- F. Career Opportunities in the Consumer Goods Channel.
- 1. Consumers spend billions of dollars on Internet purchases. Well-trained salespeople can add value to the traditional shopping experience.
 - 2. Retail selling: Retail selling is an excellent area for gaining initial sales experience, with multiple opportunities in this type of sales.
 - 1) Well-trained salespeople add value to the shopping experience.
 - 3. Direct selling:
 - a. Independent contractors represent manufacturers.
 - b. There are 6.1 million direct salespeople in the United States, with \$36.7 billion in revenues.
 - c. The three largest U.S.-based firms in direct marketing are Amway, Herbalife International of America, and Avon Products, with \$8.1, \$5.2, and \$2.77 billion in sales, respectively.
 - d. These organizations rely on socialization, communication, and cooperation.

V. Selling Skills – One of the “Master Skills for Success” in the Age of Artificial Intelligence

- A. Knowledge Workers in the Age of AI
- Knowledge workers** are individuals whose work effort is centered on creating, using, sharing, and applying knowledge.
- 1. One way to add value to information is to collect it, organize it, clarify it, and present it in a convincing manner.
 - 2. Creating networks with social ties allows knowledge workers to acquire and provide information more successfully.
- B. The following four groups of knowledge workers use selling skills, too:
- 1. Managerial personnel.
 - a. Some of the managers’ most valuable information comes from customers.
 - b. Executive selling helps managers learn more from customers.
 - c. All managerial personnel have to “sell” to the people who report to them about company policies and procedures, and also upward to their management for support, budgets, headcount, and so forth.
 - 2. Professionals.
 - a. Doctors, accountants, lawyers, engineers, and other professionals need to use selling skills in order to make their businesses succeed.
 - b. Technical skills are not enough in the age of artificial intelligence.
 - c. Professionals need relationship skills to develop new business.

3. Entrepreneurs and small business owners.
 - a. Entrepreneurs need to sell their new business plan to investors and others.
 - b. Business owners rely on personal selling to build their business.
4. Marketing personnel and customer service representatives (CSRs).
 - a. CSRs have traditionally worked with customers in non-selling areas.
 - b. CSRs are now learning and applying selling skills.
 - c. CSRs often discover customer needs.

VI. Learning to Sell LO 1.6

- A. Basic question: “Are salespeople made or are they born?”
 1. The principles of selling can be learned and applied by a variety of people.
 2. Hundreds of corporations spend millions of dollars to develop salespeople.
- B. Sales training has been expanded on five fronts.
 1. Corporate-sponsored training: an organization creates specific training for salespeople
 2. Training provided by commercial vendors (see Table 1.3): firms specializing in the development of sales personnel
 3. Certification programs: classes, both in person and online, that provide certification.
 4. Free online content: online educational videos on websites such as YouTube, LinkedIn Learning, and Coursera.
 5. Courses provided by colleges and universities (see Table 1.4).

END-OF-CHAPTER ACTIVITIES

Included in this section are answers to selected end-of-chapter exercises. Answers are provided for all review questions, application exercises, and case problems. In addition, a brief description of each role-play is provided.

Not included in this section are answers to the Regional Accounts Management Case Study. The answers are found in the Instructor’s Manual for Appendix 2: Answers to the Regional Accounts Management Case Study.

Also not included in this section are answers to exercises related to Appendix 3: “Partnership Selling: A Role-Play/Simulation.” Answers, forms, and instructions related to Appendix 3 will be found in the Instructor’s Manual for Appendix 3 and in the Instructor’s Manual titled Traditional Role-Play Exercises and Forms.

Key Terms

Artificial intelligence (AI), p. 1: The simulation of human intelligence in machines that are programmed to think like humans and mimic their actions.

Personal selling, p. 3: *Personal selling* occurs when a company representative interacts directly with a customer or prospective customer to present information about a product or service. It is a process of developing relationships; discovering needs; matching the appropriate products with these needs; and communicating benefits through informing, reminding, or persuading.

Product, p. 3: The term *product* should be broadly interpreted to encompass information, services, ideas, and issues.

Personal-selling philosophy, p. 4: The development of a *personal-selling philosophy* involves three prescriptions: adopt the marketing concept, value personal selling, and assume the role of a problem solver or partner in helping customers make informed and intelligent buying decisions (Figure 1.1).

Information economy, p. 4: The period in which our economy began shifting from an emphasis on industrial activity to an emphasis on information processing. **Selling 3.0**, p. 5: A new era in selling that revolves around app explosion and the inclusion of artificial intelligence in all aspects of selling.

Value-added selling, p. 6: *Value-added selling* can be defined as a series of creative improvements within the sales process that enhance the customer experience.

Psychic income, p. 8: *Psychic income*, which consists of factors that provide psychological rewards, helps satisfy these important needs, and motivates people to achieve higher levels of performance.

Inside salespeople, p. 9: *Inside salespeople* are those who perform selling activities at the employer's location, typically using the telephone and email.

Outside salespeople, p. 9: Unlike inside sales, *outside salespeople* travel to meet prospects and customers in their places of business or residence.

Trade selling, p. 12: *Trade selling* refers to the sale of a product or service to another member of the supply chain.

Missionary, or detail, sales, p. 13: Another example of B2B sales is *missionary, or detail, sales*. Rather than selling directly to the end user, the missionary salesperson attempts to generate goodwill and stimulate demand for the manufacturer's product among channel members.

Field salespeople, p. 15: *Field salespeople* interact with new and current customers. They must be able to identify customer needs and recommend the proper product or service to meet those needs.

Missionary salespeople, p. 15: *Missionary salespeople*, also known as "detail salespeople," serve to develop goodwill, provide information, and stimulate demand for the manufacturer's products. A missionary salesperson does not sell products but receives recognition for indirectly increasing sales.

Direct salespeople, p. 16: Direct salespeople are independent contractors who represent manufacturers and sell via the Internet. In 201, *Direct Selling News* reported that there are 7.3 million direct salespeople in the United States. The United States is number one, with \$42.7 billion in revenues.

Customer relationship management, p. 17: *Customer relationship management* (CRM), sometimes referred to as “sales automation,” is software that records, in one place, the extensive information necessary to understand a customer and their needs and expectations.

Knowledge workers, p. 18: *Knowledge workers* are individuals whose work effort is centered on creating, using, sharing, and applying knowledge.

Business or client development, p. 19: Many employers expect the professional to bring in new business, often referred to as *business or client development*, in addition to keeping current customers satisfied.

Customer service representative (CSR), p. 20: The term *customer service representative* (CSR) is used to describe knowledge workers who process reservations, accept orders by phone or other means, deliver products, handle customer complaints, provide technical assistance, and assist full-time sales representatives.

ANSWERS TO REVIEW QUESTIONS

- 1-1** Explain how personal selling can help solve the problem of information overload. In an era of limitless data, informed salespeople can help customers decide which information has value and which information should be ignored.
- 1-2** According to the Strategic/Consultative Selling Model (see Figure 1.2), what are the three prescriptions for developing a successful personal-selling philosophy?
The three prescriptions for the development of a successful personal-selling philosophy are (1) full acceptance of the marketing concept, (2) developing an appreciation for the expanding role of personal selling in our competitive national and international markets, and (3) assuming the role of a problem solver/partner.
- 1-3** List and describe the four employment settings for people who are considering a selling career.
According to the employment setting, the classifications are: retail, wholesale, manufacturing, and service careers. (See the responses to Questions 5, 7, and 8 for additional information regarding these four employment settings.)
- 1-4** What opportunities are there in sales for women and people of color to meet the needs of a diverse marketplace today?
There are growing opportunities for both women and people of color to drive revenue and better serve today’s diverse customers by bringing cultural insight, credibility, and representation that many organizations now recognize as a competitive advantage.

- 1-5** Some salespeople have an opportunity to earn certification in a sales or sales-related area. How can a salesperson benefit from certification?
Most certification programs can result in increased sales competence and a more professional approach to selling. Earning a certificate can give a salesperson a great deal of personal pride and greater self-confidence while providing cutting-edge training and skills that help them succeed.
- 1-6** Explain why high-performance value-added salespeople earn much more than high-performance transactional salespeople.
There are two reasons why high-performance value-added salespeople earn more than high-performance transactional salespeople. First, salespeople who can add value during the sales process tend to close more sales. Second, value-added salespeople are often involved in selling complex products such as commercial security systems, computer systems, insurance, and other expensive items. Salespeople who sell these products often earn generous commissions.
- 1-7** List three titles commonly used to describe manufacturing salespeople. Describe the duties of each.
The three types of manufacturing salespeople are: (1) field salespeople who sell well-established products. A high degree of technical knowledge is not required. (2) Sales engineers must have a high degree of technical knowledge. They identify, analyze, and solve highly technical customer problems. (3) Missionary salespeople develop goodwill and stimulate demand for products. Missionary salespeople also train employees and offer advice on advertising, credit, pricing, display, store layout, and storage.
- 1-8** Develop a list of eight selling-career opportunities in the service field.
Selling careers in the service field consist of (1) radio and television sales; (2) media sales; (3) hotel, motel, and convention center sales; (4) insurance sales; (5) financial services; (6) real estate sales; (7) telecommunications services; and (8) business services.
- 1-9** List and briefly describe the four major sources of sales training.
Corporate-sponsored training, commercial vendor training, certification studies, and courses provided by colleges and universities.

SUGGESTED ANSWERS FOR APPLICATION EXERCISES

- 1-10** Examine a social media ad for a new product or service that you have never seen. Evaluate its chances for receiving wide customer acceptance. Does this product require a large amount of personal-selling effort, and how does social media help influence the sale? What types of salespeople (service, manufacturing, wholesale, or retail) are involved in the actual sale of the product?

The objective of this exercise is to help students gain a better understanding of the different types of selling that influence product exposure and acceptance. They are also likely to discover that, with convenience products such as those in a grocery store, even though there is little or no personal selling at the retail level, there may be significant personal selling at the wholesale and manufacturing levels. At the retail level, a sales associate can

handle the order taking for convenience items, but for other items, such as those found at an appliance store, a retail salesperson is typically required.

1-11 For each of the following job classifications, list the name of at least one person you know in that field:

- a. Full-time person who sells a service
- b. Full-time inside wholesale salesperson
- c. Full-time manufacturer's salesperson
- d. Full-time retail salesperson

Interview one of the people you have listed, asking the following questions concerning their duties and responsibilities:

- a. What is your immediate supervisor's title?
- b. What is a general description of your position?
- c. What specific duties and responsibilities do you have?
- d. What is the compensation plan and salary range for a position like yours?

Write a job description from this information.

The objective of this field-based exercise is to get students talking with someone in the selling field. The suggested questions will make the visit more informative for students. Students can share substantial field-based information if they are asked to make oral reports on their interviews. You could have your students fill out a survey, then use those data to create a class discussion as an exercise in how data are used to gain information about customers and the marketplace.

1-12 Shelly Jones, a vice president and partner in the Chicago office of the consulting firm Korn/Ferry International, has looked into the future and sees some new challenges for salespeople. They recently shared the following predictions with *Selling Power* magazine:

- a. Salespeople will spend more time extending the range of applications or finding new markets for the products they sell.
- b. The selling function will be less about pitching your product and more about integrating your product into your client's business equation. Understanding the business environment in which your client operates will be critical.
- c. In the future, you will have to be a financial engineer for your client. You need to understand how your client makes money and be able to explain how your product or service contributes to the profitable operation of the client's firm.

Interview a salesperson who is involved in business-to-business selling—a manufacturer's representative, for example—and determine whether this person agrees with the views of Shelly Jones.

This field interview will give students an opportunity to reflect on some of the new challenges facing business-to-business salespeople. Create a class discussion in which students state their opinions.

- 1-13** There are many information sources on selling careers and career opportunities on the Internet. Two examples include indeed.com and LinkedIn Job Search. Search the Internet for information on selling careers.

Use your search engine to find career information on a pharmaceutical representative, a field sales engineer, and a retail salesperson.

Students will find a variety of information on the listed career choices—from job descriptions to job ads to periodicals relating to the jobs. After students find information on their desired career, have them print and submit it.

ROLE-PLAY EXERCISE

This role-play will give you experience in selling your knowledge, skills, and experience to a prospective employer. You will meet with a class member who will assume the role of an employer developing a new sales team. Prior to this interview, reflect on the courses you have completed, your work experience, and your other life experiences that may have value in the eyes of the employer. You may also want to reflect on any volunteer work you have completed and leadership roles you have held. Be prepared to discuss the personal-selling skills you are developing in this course, skills you have learned in previous employment settings, and related skills you have learned in other courses you have taken, such as psychology, communications, sociology, and so forth.

SOLUTION FOR THE CASE PROBLEM

- 1-14** Yes, Tom James and Alex Homer align with the three prescriptions of a personal-selling philosophy. First, they have adopted the marketing concept insofar as the customer is at the center of their value proposition—Tom James offers a service rather than just clothing; convenience and customization are part of their value proposition. Second, Tom James values personal selling because customers are highly sensitive to the level of service provided, and customer retention depends on superior personal-selling strategies—not just the fit of the clothes, but the service, delivery, and follow-up. Third, sales representatives of Tom James, such as Alex Homer, are problem solvers for their clients, who are under extreme time constraints and need customized service that identifies and fulfills their needs.

- 1-15** For Alex Homer, being employed in a sales position that allows for creativity and autonomy is likely to generate considerable psychic income. Also, considering 80 percent of the business is generated from repeat customers, it is likely that Alex has developed long-term, rewarding relationships that foster job satisfaction. At the same time, the difficulty of finding new business is one of Alex's major challenges and may be one of the most challenging aspects of the sales job. The way to overcome this is to ensure Alex's existing customers are satisfied and willing to provide referrals for new business.