

Chapter 18 - Sales Promotion and Personal Selling

1. What is the term for marketing communication activities in which a short-term incentive is offered to induce the purchase of a particular good or service?
 - a. publicity
 - b. sales promotion
 - c. promotion
 - d. advertising

ANSWER: b

2. Which of the following best describes sales promotion?
 - a. It is a publicity tool.
 - b. It is directed only to the ultimate consumer market.
 - c. It is more difficult to measure than advertising.
 - d. It offers a short-term incentive to buy.

ANSWER: d

3. AFLAC Insurance Company has a duck in its ads that says the company's name instead of "quack." Since the advertising campaign began, AFLAC has created a duck premium, developed a line of clothing with the AFLAC duck, and used the AFLAC duck on its website. What has the AFLAC duck become a tool for?
 - a. push strategies
 - b. comparative advertising
 - c. cause marketing
 - d. sales promotions

ANSWER: d

4. What are the two types of sales promotion?
 - a. consumer and trade
 - b. informative and reminder
 - c. adoptive and diffusive
 - d. personal and impersonal

ANSWER: a

5. What is the usual goal of sales promotion (regardless of what form it takes)?
 - a. immediate purchase by consumers
 - b. return on investment
 - c. cost control
 - d. market share leadership

ANSWER: a

Chapter 18 - Sales Promotion and Personal Selling

6. What are coupons, premiums, contests, free samples, and frequent buyer programs examples of?
- a. personal selling
 - b. publicity
 - c. advertising
 - d. consumer sales promotion

ANSWER: d

7. Why have packaged-goods marketers such as Kellogg's and Betty Crocker recently increased their use of coupons?
- a. intense competition and the introduction of new products
 - b. the growth of frequency programs
 - c. POP activities
 - d. user incentives from retailers

ANSWER: a

8. HarperCollins and Sutter Home Winery formed a partnership to launch a promotion that features neck hangers on 1 million bottles of wine, each of which offers \$2 off a HarperCollins book. What is this neck hanger an example of?
- a. a premium
 - b. a trade discount
 - c. a purchase allowance
 - d. an in-store coupon

ANSWER: d

9. Papa John's boosted its online pizza ordering service with a promotional tie-in with the release of *King Kong* on DVD. Consumers who ordered the pizza (online, by phone, or in-store) received \$3 off the purchase price of the *King Kong* DVD. What is this an example of?
- a. premium
 - b. trade discount
 - c. rebate
 - d. coupon

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

10. What type of coupon has the highest redemption rate?

- a. paper coupons
- b. Internet coupons
- c. flyer coupons
- d. instant coupons on product packages

ANSWER: d

11. What is the term for a cash refund given to consumers for the purchase of a product during a specific time period?

- a. a premium
- b. a trade discount
- c. a rebate
- d. a functional allowance

ANSWER: c

12. Why do some marketers offer rebates instead of price reductions to induce short-term sales?

- a. Rebates are especially good at enticing purchases, but most consumers never bother to redeem them.
- b. A price reduction of this type would likely be an example of price discrimination.
- c. Rebates have a much higher redemption rate than coupons.
- d. Rebates result in brand-loyal consumers.

ANSWER: a

13. When Rick purchased a Xerox colour printer for his law office, he was able to mail in a proof-of-purchase and his cash register receipt to receive a cheque from Xerox for \$200. What did Rick receive?

- a. a premium
- b. a trade allowance
- c. a purchase allowance
- d. a rebate

ANSWER: d

14. When Jane Ming purchased a subscription to *Canadian Living* magazine, she received a free cookbook entitled *Christmas Cookies*. What is the cookbook an example of?

- a. a rebate
- b. a premium
- c. a trade sample
- d. a loyalty incentive

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

15. When Darrell purchased a 2.2-kilogram bag of 9Lives cat food, he received a free can of the manufacturer's new gourmet cat food. What is the can of cat food an example of?
- a. a product placement
 - b. a trade sample
 - c. a premium
 - d. a loyalty incentive

ANSWER: c

16. Consumers can send away for a foam version of the Gear Giggie glasses sold in stores with two proofs of purchase of Minute Maid 10-pack juice boxes. What are the glasses an example of?
- a. a loyalty incentive
 - b. a trade sample
 - c. a premium
 - d. a product placement

ANSWER: c

17. What are cobranded credit cards used in conjunction with?
- a. self-perpetuating discounts
 - b. loyalty marketing programs
 - c. consumer discount programs
 - d. functional consumer discounts

ANSWER: b

18. What is one of the best methods for creating and rewarding brand loyalty among consumers who might otherwise switch to competing brands?
- a. a directed coupon mailing
 - b. a sweepstakes
 - c. a loyalty marketing program
 - d. a sampling program

ANSWER: c

19. What is the objective of a loyalty marketing program?
- a. to encourage brand switching
 - b. to appeal to bargain hunters who consistently buy the lowest priced brand
 - c. to take away customers from the competition
 - d. to build long-term, mutually beneficial relationships between a company and its key customers

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

20. Whenever Hugo buys a soft drink at his nearby convenience store, he gets a stamp for the card that he carries in his wallet. When he has eight stamps, he can exchange the card for a free drink. What is this an example of?
- a. a self-liquidating premium
 - b. a frequent buyer program
 - c. a loyalty incentive
 - d. an in-store rebate

ANSWER: b

21. The Pillsbury Bake-Off requires people to submit a recipe using Pillsbury baking products. Finalists are brought to Pillsbury kitchens to bake their recipes so the winner of a cash prize can be chosen. What is this an example of?
- a. a contest
 - b. a sales promotion game
 - c. a sweepstakes
 - d. a push money deal

ANSWER: a

22. Seagram's Coolers has asked bartenders to submit cocktail recipes to its website. From these entries, the winning recipe will be selected. What is the term that best describes this?
- a. contest
 - b. push money deal
 - c. sampling
 - d. sweepstakes

ANSWER: a

23. Under a partnership agreement between HarperCollins and Sutter Home Winery, consumers can visit the Sutter Home website monthly to learn which book and which wine are being featured. Each visit to the website qualifies the consumers for the opportunity to take their reading group for a weekend stay at the Sutter Home Victorian Inn and free books from HarperCollins. Since there is no skill involved, how will this prize package be awarded?
- a. through a contest
 - b. through a sweepstakes
 - c. through a loyalty incentive plan
 - d. through a, event sponsorship

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

24. Which of the following statements best describes contests and sweepstakes?
- a. Contests depend on luck, and participation is free.
 - b. Contests are generally effective tools for creating long-term relationships with customers.
 - c. Sweepstakes are promotions that require participants to exhibit some skill.
 - d. Sweepstakes usually draw about 10 times more participants than contests.

ANSWER: d

25. Montana's Best is a new precooked meal-in-a-bag product made from bison meat. The company is having difficulty gaining consumer acceptance of its bison products even though bison is high in protein and low in cholesterol, fat, and calories. Those who have tried the meat have agreed that it is tender and as delicious as any choice steak, and it is less expensive. Montana's Best should focus on which of the following sales promotion tools?
- a. sponsorship
 - b. sampling
 - c. in-pack couponing
 - d. premiums

ANSWER: b

26. Rogers Cable mailed 15,000 small business owners in and around Toronto a CD called *100+ Essential Web Sites for Small Business Owners* that lists and links the top websites on improving retail sales. Rogers hopes that recipients of the CD will view this as just one of many useful services Rogers can provide them. What is this CD an example of?
- a. a direct buyer program
 - b. a sampling
 - c. a pull product
 - d. a push product

ANSWER: b

27. Why did manufacturer of Claritin, a drug for allergy sufferers that was designed to not make them sleepy, give physicians free samples of the drug?
- a. Its formula is similar to other allergy relief medicines currently on the market.
 - b. Sampling is a way to get rid of excess products.
 - c. Sampling allows the consumer to try the product risk-free.
 - d. Trial-size containers are a form of advertising.

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

28. Which of the following are promotional exhibits targeted to consumers and set up at the retailer's location to build traffic, advertise the product, or induce impulse buying?
- a. point-of-purchase displays
 - b. trade shows
 - c. direct demonstrations
 - d. freestanding kiosks

ANSWER: a

29. Which of the following is NOT an example of a point-of-purchase promotion?
- a. television monitors at supermarket checkouts
 - b. shelf talkers
 - c. newspaper inserts
 - d. end-aisle and floor-stand displays

ANSWER: c

30. What is one of the major advantages to using point-of-purchase promotion?
- a. its low costs
 - b. its ability to create long-term relationships with customers
 - c. the fact it has a captive audience
 - d. the low monetary requirements

ANSWER: c

31. Which of the following statements best describes online sales promotions?
- a. Internet sales promotions are more effective and cost-efficient at generating responses than their offline counterparts.
 - b. One of the few types of sales promotion that cannot be used online is sampling.
 - c. Online coupons have lower redemption rates than off-line coupons.
 - d. Loyalty marketing programs are ineffective when used at websites to encourage traffic.

ANSWER: a

32. What do point-of-purchase promotions work best for?
- a. high-involvement products
 - b. complex products that require technical knowledge to operate
 - c. impulse buys
 - d. expensive products such as perfume and jewellery

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

33. Which of the following would NOT be a target for a trade sales promotion offered by Rubbermaid, a manufacturer of storage and organization products?
- a. a kitchen department in a large discount store
 - b. a wholesaler of plastic storage bins
 - c. a Rubbermaid distributor
 - d. a consumer who needs to organize her college dorm room

ANSWER: d

34. Which type of strategy do trade sales promotions support?
- a. Push money
 - b. hierarchical
 - c. discontinuous innovation
 - d. pull

ANSWER: a

35. Which of the following is NOT an example of a trade sales promotion?
- a. push money and training
 - b. premiums and coupons
 - c. free merchandise and store demonstrations
 - d. trade shows

ANSWER: b

36. What is the term for a price reduction offered by manufacturers to intermediaries such as wholesalers or retailers, in exchange for performance of specified functions or purchasing during special periods?
- a. a point-of-purchase discount
 - b. pull money
 - c. a quantity discount
 - d. a trade allowance

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

37. Schwinn Cycling and Fitness Inc. is offering a chain of sporting goods superstores a 20 percent discount on all Schwinn bicycles if the stores will run their own special promotion on the new Schwinn Paramount Titanium bikes. What is Schwinn offering?
- a. a trade allowance
 - b. a life-cycle extension promotion
 - c. a P-O-P discount
 - d. a product development deal

ANSWER: a

38. Broyhill is offering the sales force at Meers Furniture Emporium a \$50 reward for each Broyhill Pleasant Isle Living Room Collection sold in the next 30 days. What type of trade sales promotion is the \$50?
- a. a trade allowance
 - b. push money
 - c. a selling deal
 - d. a direct commission

ANSWER: b

39. What is the term for money offered by a manufacturer to employees of channel intermediaries to encourage them to sell the manufacturer's product?
- a. a trade allowance
 - b. push money
 - c. a selling deal
 - d. a premium payment

ANSWER: b

40. Maureen Kye is a sales associate at a store that sells new and used CDs and DVDs. Recently, she was given a DVD containing scenes not in the theatre-released Disney's *Pirates of the Caribbean: Dead Man's Chest* to encourage her to suggest that customers buy this movie. What is the CD an example of?
- a. the use of a pull strategy
 - b. a trade sales promotion
 - c. a trade allowance
 - d. a free consumer sales promotion

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

41. Lopez is the largest Hispanic-owned meat processor in the United States. To assist retailers in marketing its products, Lopez provides point-of-sale materials and offers special introductory discounts to retailers. What does Lopez use?
- a. functional marketing
 - b. relationship selling
 - c. consumer promotions
 - d. trade promotions

ANSWER: d

42. Which of the following describes the use of trade shows, conventions, and conferences to contact customers?
- a. costs much less per potential customer than personal sales calls
 - b. most effective for mature products
 - c. usually directed toward the consumer goods market
 - d. has a disadvantage in that it is usually impossible to display the product itself

ANSWER: a

43. You are responsible for sales promotion for Replenishmints, long-lasting breath mints for smokers. You need to introduce the mints to supermarket managers and owners, attract and identify new store contacts, and test market the response to Replenishmints. Which type of trade promotion would most likely help you reach your objectives?
- a. trade shows
 - b. trade allowances and direct incentives
 - c. push money
 - d. direct sampling and store demonstrations

ANSWER: a

44. Trade sales promotions are popular among manufacturers because they are effective at trade shows, but which of the following can they NOT do at trade shows?
- a. Introduce new products.
 - b. Create long-term relationships between manufacturers and customers.
 - c. Enhance the corporate image.
 - d. Test the market response to new products.

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

45. Which of the following involves direct communication between a sales representative and one or more prospective buyers for the purpose of making a sale?
- a. sales promotion
 - b. public relations
 - c. personal selling
 - d. direct marketing

ANSWER: c

46. After deciding to end its backing of Canada's top tennis tournament, Molson has now agreed to sponsor the Canadian Open Tennis Championships in a new five-year, \$20 million rights fee and media deal. Which promotional activity was most likely used in making this deal?
- a. direct sales management
 - b. personal selling
 - c. public relations
 - d. sales promotion

ANSWER: b

47. Which of the following does NOT describe an advantage personal selling has over other forms of promotion?
- a. Personal selling is less expensive on a per contact basis.
 - b. Personal selling is better for providing customers with detailed demonstrations of products.
 - c. It is easier to direct the marketing effort directly to qualified prospects with personal selling.
 - d. Personal selling costs can be controlled by adjusting the size of the sales force.

ANSWER: a

48. In which of the following cases is personal selling more important than advertising and sales promotion?
- a. The products being sold are standardized.
 - b. There are many customers for the product being sold.
 - c. The product being sold has a low value.
 - d. The products being sold are technically complex.

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

49. For which of the following products would its producer be more likely to choose personal selling rather than advertising or sales promotion to market it?
- a. rosebushes
 - b. washing machine/dryer combo
 - c. snack food
 - d. romance novel

ANSWER: b

50. As a manufacturer of ready-to-drink iced tea, Nestea sells a highly standardized product to consumers all over North America. What would you expect Nestea to rely on to promote its product?
- a. public relations
 - b. personal selling
 - c. advertising and sales promotion
 - d. publicity and direct marketing

ANSWER: c

51. Harland & Wolff in Belfast, North Ireland, makes oceangoing vessels. (It was the company that built the *Titanic*.) Last year its primary customer was the US government. What would you expect Harland & Wolff to rely on to promote its vessels?
- a. advertising and sales promotion
 - b. sales promotion
 - c. personal selling
 - d. product innovations and direct marketing

ANSWER: c

52. When compared to other forms of promotion, personal selling is which of the following?
- a. not as effective at satisfying customers
 - b. wastes more sales resources than any other promotion
 - c. a message customized to the immediate needs of the customers
 - d. best for selling simple, low-involvement products

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

53. Jefferson Smurfit Company is a multibillion-dollar supplier of packaging materials. One of its salespeople rearranged production schedules at three different plants to satisfy an unexpected demand for boxes from General Electric. The salesperson's action is typical of the company's sales philosophy. What does it emphasize?
- a. consultative promotion
 - b. relationship selling
 - c. adaptive selling
 - d. collaborative promotion

ANSWER: b

54. Which of the following is used because most businesses depend on repeat sales?
- a. traditional personal selling
 - b. direct promotions
 - c. all trade promotions
 - d. relationship selling

ANSWER: d

55. Which of the following is a sales practice that involves building, maintaining, and enhancing interactions with customers in order to develop long-term satisfaction through mutually beneficial partnerships?
- a. networking
 - b. adaptive selling
 - c. stimulus-response selling
 - d. relationship selling

ANSWER: d

56. Which of the following best describes relationship selling?
- a. It is also called adaptive selling.
 - b. It is more concerned with making a sale than with developing customer trust.
 - c. It is more typically used when selling low-involvement products in the consumer market.
 - d. It emphasizes a win-win outcome.

ANSWER: d

57. Which of the following statements does NOT characterize the traditional personal selling approach?
- a. Traditional selling focuses on closing sales.
 - b. Traditional selling uses short-term follow-ups that focus on product delivery.
 - c. Traditional personal selling is growing in popularity.
 - d. Traditional selling use to emphasize pricing and product features.

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

58. What sale approach is consultative selling most similar to?

- a. "lone wolf"
- b. self-service
- c. transactional
- d. long-term

ANSWER: b

59. What is the set of steps a salesperson goes through to sell a particular product?

- a. the (P-O-S) cycle
- b. the sales presentation
- c. the sales process
- d. the sales continuum

ANSWER: c

60. What do the seven steps of the selling process closely follow?

- a. the AIDA concept
- b. the hierarchy of needs
- c. the traditional communications model
- d. the JIT process

ANSWER: a

61. Kenneth Lincoln is an Account Director for No Crease, a company that offers laundry and ironing services to hospitals and schools. Kenneth is recommending that his account team learn about the AIDA process. Why would he encourage the use of AIDA?

- a. It can help in the distribution process.
- b. It can help in the networking process.
- c. It can help in the selling process.
- d. It can help in the cold calling process.

ANSWER: c

62. What process is used to identify those firms and people most likely to buy a company's products?

- a. prospecting
- b. lead qualification
- c. sales presentation
- d. sales approach

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

63. Mallory, a junior salesperson for Kraft Foods, has been given a list of all grocery retailers in her region. She has been instructed to call each number on the list and see if the respondent is interested in stocking several new Kraft product lines. What is Mallory doing?
- a. cold calling
 - b. networking
 - c. referring
 - d. quota setting

ANSWER: a

64. Prospecting is the identification of those firms and people most likely to buy the seller's offerings. What is another term for prospecting?
- a. lead generation
 - b. lead qualification
 - c. customer mining
 - d. cold calling

ANSWER: a

65. Joe Hamas sells for Rush Beverages. He is trying to convince retailers to carry his company's Ginseng Rush XXX, a new all-natural beverage that delivers an energy punch without caffeine. When he gets retailers to agree to stock his product, he asks them for the names of other retail operations that might be interested in carrying it. What is he using to get his sales leads?
- a. networking
 - b. cold calling
 - c. referrals
 - d. direct marketing

ANSWER: c

66. Which of the following is a process of finding out about potential clients from friends, business contacts, coworkers, acquaintances, and fellow members in professional or civic organizations?
- a. lead generation
 - b. networking
 - c. lead intermediation
 - d. looking for the golden parachute

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

67. Which of the following is most likely to generate sales leads?

- a. direct mail and telephone marketing programs
- b. cold calling
- c. reorders
- d. networking

ANSWER: d

68. AutoFry is the leading manufacturer of ventless deep fryers for supermarket deli and food service operations. It has developed a new high-capacity fryer. The company has decided to purchase a mailing list of thousands of food service managers and to send out brochures with a detachable card that the managers can use to request more information. What is AutoFry involved in?

- a. lead generation
- b. sales presentation
- c. the close procedure
- d. moving through the sales continuum

ANSWER: a

69. When Madison began selling all-natural cosmetics to consumers, she called friends, relatives, and fellow members of her sorority to see if they were interested in updating their appearances by using her products or eliminating chemicals from their beauty regimen. What is this technique for generating leads called?

- a. cold calling
- b. networking
- c. qualifying
- d. following up

ANSWER: b

70. What is the most basic criterion for determining whether someone is a prospect for a product?

- a. degree of autonomy
- b. ample resources
- c. a need for reciprocity
- d. a need that is not being satisfied

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

71. Kanudsky, the junior salesperson for NU-VU Food Services Systems, has been given a list of phone numbers for all the food service managers in his city. Kanudsky has been instructed to call each number on the list and see if the respondent is interested in buying a NU-VU pizza/bread baking system. What is Kanudsky doing?
- a. cold calling
 - b. networking
 - c. using cold referrals
 - d. lead qualifying

ANSWER: a

72. Which of the following is a form of lead generation in which the salesperson approaches potential buyers without any prior knowledge of the prospects' needs or financial status?
- a. quota setting
 - b. networking
 - c. lead qualification
 - d. cold calling

ANSWER: d

73. Salespeople ensure that delivery schedules are met, that the good or service performs as promised, and that buyers are trained in the use of the product. All of these functions are part of the final step in the selling process. What is that step called?
- a. closing
 - b. lead qualification
 - c. follow-up
 - d. the sales presentation

ANSWER: c

74. Which of the following involves determining which sales prospects have a recognized need, buying power, and receptivity and accessibility?
- a. prospect examination
 - b. customerization
 - c. lead reciprocity
 - d. lead qualification

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

75. What is determined about a prospect during lead qualification?
- a. whether he or she has a recognized need, buying power, and receptivity and accessibility
 - b. whether he or she has any interest in a product
 - c. whether he or she has a real or imagined need for a product
 - d. whether he or she has the funds to pay

ANSWER: a

76. Which process describes the homework that must be done by a salesperson before he or she contacts a prospect?
- a. pre-sales dialogue
 - b. preapproach
 - c. closing preamble
 - d. sale profiling procedure

ANSWER: b

77. Often the task of lead qualification is handled by a telemarketing group or a sales support person. This frees the sales representative from this time-consuming task. What does the task involve?
- a. preapproach
 - b. database mining
 - c. co-opting
 - d. networking

ANSWER: a

78. During the preapproach, what does the salesperson do?
- a. ask for referrals
 - b. learn as much as possible about the prospect's organization and its buyers
 - c. create point-of-purchase displays
 - d. handle pricing objections

ANSWER: b

79. What is the term for a determination of the customer's specific needs and wants and the range of options the customer has for satisfying them?
- a. stimulus-response continuum
 - b. needs hierarchy
 - c. needs assessment
 - d. sales probability

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

80. Which of the following is a written document or professional presentation that outlines how a company's product will meet or exceed the client's needs?
- a. a customer profile
 - b. a needs assessment
 - c. a sales proposal
 - d. a forecast of needs

ANSWER: c

81. Which of the following best describes the sales proposal and the sales presentation?
- a. They are the first step in the consultative selling process.
 - b. They are a relatively inexpensive step in the sales process.
 - c. They have to be face to face with the customer to be a success.
 - d. They follow the sales approach.

ANSWER: d

82. For a powerful sales presentation, what must salespeople do?
- a. ask close-ended questions.
 - b. Incorporate visual elements that impart valuable information.
 - c. Avoid direct eye contact.
 - d. Use facial expressions and voice inflections.

ANSWER: b

83. What should the salesperson do first at the end of a sales presentation?
- a. conduct an unplanned needs assessment
 - b. ask how the customer would like to proceed
 - c. ask for the sale
 - d. modify his or her sales proposal

ANSWER: b

84. Which of the following statements best describes the relative amount of time spent in the selling process by different types of salespeople?
- a. A consultative salesperson would spend a lot of time generating leads.
 - b. A traditional salesperson would spend a lot of time following up the sale.
 - c. A relationship salesperson would spend a lot of time qualifying leads.
 - d. A consultative salesperson would spend a lot of time closing the sale.

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

85. In traditional selling, what is more time spent on than in relationship selling?

- a. qualifying leads
- b. following up
- c. handling objections
- d. designing and proposing solutions

ANSWER: c

86. When a salesperson asks for the sale, he or she is doing which of the following?

- a. closing the sale
- b. creating empathy
- c. reducing cognitive dissonance
- d. qualifying the sale

ANSWER: a

87. Morris Hutch sells high-volume cooking systems to supermarket delis. He is in the process of selling one of his machines as a replacement machine to a deli manager. Hutch has just asked him, “When would you like me to schedule the delivery of your new machine?” In which stage of the selling process would such a question most likely be asked?

- a. closing the sale
- b. follow-up
- c. dealing with cognitive dissonance
- d. qualifying the prospect

ANSWER: a

88. Tate sells coffee machines to offices. He is trying to conclude the sale of a large coffee machine at the headquarters of a large management consulting company. He finally offers free delivery and eight coffee grinders at half price if the consulting firm representative agrees to purchase eight systems from Tate—one for each of its regional offices. What is Tate’s closing technique called?

- a. a summary
- b. a negotiation
- c. an adaptation
- d. a follow-up

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

89. Which of the following is the process during which both the salesperson and the prospect offer special concessions in an attempt to arrive at a sales agreement?

- a. conciliation
- b. negotiation
- c. compromise
- d. concession

ANSWER: b

90. Which of the following statements best describes the impact of technology on personal selling?

- a. Technology is freeing salespeople from tedious administrative tasks, such as placing routine orders, shipping catalogues, and tracking orders.
- b. Technology is a threat to job security for most salespeople.
- c. Technology has made relationship selling obsolete.
- d. The use of technology severely limits the time a salesperson has to spend with his or her customers.

ANSWER: a

Scenario 18-1

Digital Cookware has developed a new kind of skillet that should make cooking easier for many nonchefs. The skillet has a display on its handle that beeps to alert the cook when the pan's target temperature is reached. With the aid of an accompanying cookbook, the skillet will take much of the guesswork out of cooking. Digital Cookware is a small company, and it has invested considerable money in developing this new technology, which it eventually hopes to use in an entire line of pots and pans. It has run some small ads for the new skillet in cooking magazines and been featured on some morning talk shows. It needs a quick infusion of cash to maintain its current operational level and to develop the rest of the cookware line. Digital Cookware is considering some kind of sales promotion.

91. Refer to the scenario. The company's first task is to define its exact sales promotion objective. If the goal of the company is to persuade customers to buy its brand of skillet as opposed to one of the skillets made by its competition, what should it do?

- a. use on-pack coupons
- b. use a cooking contest that has contestants enter recipes that use the new skillet
- c. use price-off packages
- d. use bonus packs

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

92. Refer to the scenario. Why might rebates be a really good sales promotion for Digital Cookware to use?
- a. They are useful in building long-term relationships with customers.
 - b. They can create a great amount of publicity.
 - c. They are good at enticing purchases, but most rebates are not redeemed.
 - d. They can be piggybacked with similar products.

ANSWER: c

93. Refer to the scenario. If Digital Cookware offered sales associates at a chain of cooking stores a bonus for each digital skillet they sold, what would it be an example of?
- a. push money
 - b. a trade allowance
 - c. pull money
 - d. a functional discount

ANSWER: a

94. Refer to the scenario. Which of the following trade sales promotions would NOT be appropriate for Digital Cookware to use?
- a. push money
 - b. event sponsorship
 - c. store demonstrations
 - d. trade shows

ANSWER: b

Chapter 18 - Sales Promotion and Personal Selling

Scenario 18-2

The Entertainment Book is jammed with discounts on dining, travel, and entertainment provided by both local and national businesses. It was created by Entertainment Publications over 30 years ago. People are so excited about good, cheap fun that they're willing to pay between \$40 and \$50 for the book. Consumers justify the cost because total values offered in any Entertainment Book are worth hundreds of dollars. And as the books grow in popularity, more marketers are requesting that a coupon for their businesses be featured in the book. Over 5 million copies of the book are sold each year, and sales are growing steadily. In all, more than 100,000 merchants, including 40,000 restaurants, are represented in the Entertainment Book, making it the largest national discount dining program. Further, the Entertainment Book is sold through clubs, youth groups, and schools. Entertainment Publications creates and distributes ads, posters, and other sales materials to all its sales organizations.

Entertainment Publications has teamed up with Esso to provide a premium item called the MultiCard Savings Book. Esso distributes the book to all its MultiCard members. It contains local and national advertisers that are of interest to Esso members. In a joint venture with American Airlines, Entertainment Publications created a program called Advantage Dining, which was offered to the airline's frequent flyer customers as another way to earn miles.

95. Refer to the scenario. What is American Airlines' distribution of the Entertainment Book an example of?
- a. the Entertainment Book's trade promotion
 - b. the Entertainment Book's publicity
 - c. the Entertainment Book's advertising
 - d. the Entertainment Book's sales promotion

ANSWER: d

96. Refer to the scenario. What is the sales promotion objective of the Entertainment Book and the companies that sponsor coupons in the book?
- a. to generate immediate purchase by customers
 - b. to control costs
 - c. to control market share
 - d. to raise funds

ANSWER: a

97. Refer to the scenario. What did Esso use to enhance its relationships with its customers?
- a. rebates
 - b. coupons
 - c. premiums
 - d. trade allowances

ANSWER: c

Chapter 18 - Sales Promotion and Personal Selling

Scenario 18-3

Successful selling of complex products such as computer software requires excellent salespeople. Lack of quality service in the marketplace led Alan Hall, head of a small computer networking company, to open Technology Advancement Corporation in 1988. Today, Technology Advancement is a national field marketer with several divisions. The bulk of its business involves training and educating salespeople on the features, benefits, competitors, and market potential of Technology Advancement's clients' products. To date, Technology Advancement has focused on computer software and hardware makers and has launched most of the marquee names in the industry: Novell, Lotus Development, IBM, Microsoft, Apple Computer, Hewlett-Packard, Motorola, Intel, and Xerox, as well as smaller firms.

Here's how the Technology Advancement client relationship works for training. A marketer hires the company to promote its product or to launch a new product, and Technology Advancement assigns a team exclusively to that client. The team gathers, usually at a ski resort, and the client comes in for the training. The training starts with explaining how to use direct communication with a prospective purchaser and how it fits the company strategy and differs from sales promotion. Latest developments in the selling process are explained with special emphasis on networking, follow-up strategies, and post-purchase customer service. Many computer giants have reported that this type of training program has significantly improved their business.

98. Refer to the scenario. Technology Advancement is providing training on which subject?
- a. personal selling
 - b. trade promotion
 - c. advertising
 - d. public relations

ANSWER: a

99. Refer to the scenario. Which of the following statements does NOT describe an advantage personal selling can provide the computer companies?
- a. It can tailor the message to the customer's needs.
 - b. It is good for explaining the merits of complex products.
 - c. It is inexpensive on a per contact basis.
 - d. It is effective in convincing a prospective client.

ANSWER: c

100. Refer to the scenario. Why is personal selling important in the computer industry?
- a. Products are standardized.
 - b. The number of potential customers has increased.
 - c. The complexity of products has decreased.
 - d. The value of the products is high.

ANSWER: d

Chapter 18 - Sales Promotion and Personal Selling

101. Refer to the scenario. When John Cason began selling IBM computers, he used what he had learned at the training seminar and called friends, relatives, former business acquaintances, and former fraternity brothers to see if they were looking for new computer systems. What is this lead generation technique known as?
- a. cold calling
 - b. networking
 - c. qualifying
 - d. following up

ANSWER: b

102. Refer to the scenario. One of the key areas of training provided by Technology Advancement Corporation involves postpurchase customer satisfaction surveys. What is this part of?
- a. the sales presentation
 - b. following up
 - c. cold calling
 - d. a referral

ANSWER: b

103. A sales promotion campaign could include any (or all) of the four promotional elements of the promotional mix.
- a. True
 - b. False

ANSWER: False

104. “You have to be odd to be number one.”—Dr. Seuss
- a. True
 - b. False

ANSWER: True

105. Sales promotions are primarily short-term incentives. Immediate purchase is usually the goal of sales promotion.
- a. True
 - b. False

ANSWER: True

106. Coupon distribution by packaged-goods manufacturers has been increasing in recent years.
- a. True
 - b. False

ANSWER: True

Chapter 18 - Sales Promotion and Personal Selling

107. When Hasbro Games offers to pay a \$2 refund to any customer who purchases a Connect Four, Trouble, Operation, Battleship, Twister, or Guess Who? game, it is an example of a premium offer.

- a. True
- b. False

ANSWER: False

108. During the month of July 2006, any child who got a McDonald's Happy Meal also received a toy inspired by Disney's *Pirates of the Caribbean: Dead Man's Chest*. The toy is an example of a premium.

- a. True
- b. False

ANSWER: True

109. Contests generally draw more entries than sweepstakes do.

- a. True
- b. False

ANSWER: False

110. Point-of-purchase promotions are seldom used as a sales promotion tool because most purchase decisions are made before consumers ever enter a store.

- a. True
- b. False

ANSWER: False

111. A trade allowance is a price reduction offered by retailers to customers who are buying homogeneous shopping goods.

- a. True
- b. False

ANSWER: False

112. Hewlett-Packard offered \$25 to individual Office Depot salespeople for each HP Laser Jet printer they sold. The \$25 is push money.

- a. True
- b. False

ANSWER: True

113. Manufacturers use trade promotions because they help manufacturers gain new distributors, obtain intermediary support for consumer promotions, and improve trade relations.

- a. True
- b. False

ANSWER: True

Chapter 18 - Sales Promotion and Personal Selling

114. Trade shows are an excellent place to introduce new products to the marketplace.

- a. True
- b. False

ANSWER: True

115. Josh Moran is in charge of finding sponsors for the Reno Rodeo. He is currently talking to a marketing representative from Wrangler jeans to try to convince Wrangler to sponsor the event. Moran is engaged in personal selling.

- a. True
- b. False

ANSWER: True

116. Personal selling becomes a more important promotional tool as product complexity and buyer risk increase.

- a. True
- b. False

ANSWER: True

117. Relationship selling is typically used to sell industrial-type goods, such as oil drilling equipment.

- a. True
- b. False

ANSWER: True

118. In relationship selling, the salesperson would spend most of his or her contact time with the prospect talking about the product because the salesperson does not want to waste the customer's time.

- a. True
- b. False

ANSWER: False

119. In relationship selling, salespeople focus more time on generating leads than on qualifying leads.

- a. True
- b. False

ANSWER: False

120. Consultative selling is also called relationship selling.

- a. True
- b. False

ANSWER: True

Chapter 18 - Sales Promotion and Personal Selling

121. Salesperson Tami Hravian's products are liked by her clients. These clients give Hravian names of others who may also like her products. Hravian is using cold calling to generate leads.

- a. True
- b. False

ANSWER: False

122. To qualify a sales lead, a salesperson must identify the person in an organization who has the authority to buy the product and must close the sale with that individual.

- a. True
- b. False

ANSWER: False

123. Before approaching the customer, a salesperson should learn as much as possible about the prospect's organization and its buyers.

- a. True
- b. False

ANSWER: True

124. Salespeople should view objections as requests for information.

- a. True
- b. False

ANSWER: True

125. Serena typically negotiates the price with her prospective customers because she knows price is the most effective negotiating tool when closing a sale.

- a. True
- b. False

ANSWER: False

126. The final selling duty for most successful salespeople is closing the sale.

- a. True
- b. False

ANSWER: False

127. Shopper marketing used to be referred to as point of-purchase (P-O-P) promotion.

- a. True
- b. False

ANSWER: True

Chapter 18 - Sales Promotion and Personal Selling

128. Companies need to recognize the opportunities in Middle Eastern countries.

- a. True
- b. False

ANSWER: True

129. E-commerce has had a significant impact on today's marketplace.

- a. True
- b. False

ANSWER: True

130. Experts agree that a relationship between a customer and the salesperson is no longer necessary.

- a. True
- b. False

ANSWER: False

131. What is sales promotion? What are the objectives of sales promotion?

ANSWER: Sales promotion is marketing communication activities, in which short-term incentives are offered to the customer to induce the purchase of a particular product or service. Sales promotion offers consumers incentives to buy via coupons, premiums, contests, and free samples. Immediate purchase is usually the goal of sales promotion. Specifically, the promoter attempts to increase trial, boost product usage, or encourage repurchase. The objectives depend on the general behaviour of the target consumers. Marketers targeting loyal users of their product want to reinforce existing behaviour, whereas other promotions may aim to convince consumers to switch brands or try a new product.

Chapter 18 - Sales Promotion and Personal Selling

132. Oakley Grove and Abraham Enterprises both market oranges and grapefruits. Oakley Grove has been in business for almost 40 years, while Abraham Enterprises has been selling citrus fruit for only about 18 months. Abraham Enterprises would like to take business away from Oakley Grove, and Oakley Grove wants to retain all of its customers. Explain which sales promotions each should emphasize in its marketing mix.

ANSWER: Oakley Grove wants to maintain its current customers. To achieve this objective, it can create a loyalty marketing program. Customers could earn points for each pound purchased, and after acquiring a certain number of points, customers could redeem them for a free gift box. Also, bonus packs would be a good sales promotion to use and would give customers an incentive to stock up. Another possibility is to have customers collect proofs of purchases off the Oakley Grove packages and redeem those for some premium such as a juicer.

Abraham Enterprises would need to use different sales promotions because its goal is to persuade customers to switch from Oakley Grove to its brand of fruit. One method it could try is sampling, especially if it believes that its product is superior to Oakley Groves. It could also use a sweepstakes or a contest (such as who makes the best dessert using oranges) to gain publicity for its product and to draw attention to the products it produces. Abraham Enterprises could also use a premium offer, but it would need to be something unique (like the bounty of one orange tree for a year) so that the premium would make a strong impression on the customers the company wants to gain from its competitors.

Chapter 18 - Sales Promotion and Personal Selling

133. Consumer sales promotion seeks to reach new users, keep current users, and entice users to stock up. It can also be used to reinforce advertising for the good or service. Name and define four popular consumer sales promotional tools.

ANSWER: Coupons are certificates given to consumers entitling them to an immediate price reduction when they purchase the item.

Premiums are items offered to the consumer, usually with proof of purchase required. The premium should be related to the product in some way.

Loyalty marketing programs or frequent buyer programs reward loyal consumers for making multiple purchases of a particular good or service.

Contests are promotions in which participants compete for prizes based on some skill or ability.

Sweepstakes allow anyone to participate and are characterized by chance drawings for prizes.

Sampling refers to free samples and trial sizes. Sampling allows consumers to try products with minimal risk. Trial sizes reduce the risk of trying new products. They also eliminate the problem of being stuck with a large quantity of a disliked product.

Point-of-purchase promotions are special displays set up at retail locations to build traffic, advertise the product, or induce impulse buying.

Online sales promotions are a way to boost website traffic by giving away free services and/or equipment. Also, these promotions include sites that distribute coupons online as a way to counter the high cost and low redemption rate of coupons in print media. Some Internet sites are also using loyalty programs: users are rewarded with points, which can be redeemed later. Sampling is also possible at some websites.

Chapter 18 - Sales Promotion and Personal Selling

134. You are the sales promotion manager for Vita-Balls, a new children's vitamin that is designed to be chewed like gum. Your company uses a pull strategy, and you are responsible for recommending sales promotion tools to accomplish this strategy. Describe three specific sales promotion activities you would recommend for Vita-Balls.

ANSWER: Because Vita-Balls uses a pull strategy, consumer sales promotion tools should be used.

Coupons for discounts on Vita-Balls could be mailed directly to parents or could be placed in parenting magazines.

Premiums could be offered to purchasers of Vita-Balls, with proof of purchase required. The premium should be related to the product, such as books on common parenting problems, a subscription to a nutrition magazine, or other children's health care products.

Loyalty marketing programs or frequent buyer programs could also be offered such as offering one free container of Vita-Balls after 12 are purchased.

Contests could be offered to parents. Entrants could write an essay about Vita-Balls or send in a photograph of their child, with the winning picture appearing on the new package of Vita-Balls. A sweepstakes could allow anyone to enter a random drawing for a free year's supply of Vita-Balls.

Sampling would allow parents to try the product without risk. Free small sizes could be mailed to parents.

Point-of-purchase promotions could be set up at drugstores or grocery stores to attract new customers and encourage current customers to try Vita-Balls.

The manufacturer of Vita-Balls could set up a website where it provided *online coupons* for the vitamin that could be redeemed at retail stores, as well as hints on how to get children to eat more nutritiously. It could award points for visiting this site and have the points redeemable for Vita-Balls.

Chapter 18 - Sales Promotion and Personal Selling

135. Business-to-business marketers use many of the same sales promotion tools used in consumer promotions. There are several tools, however, that are unique to these marketers. Name and briefly describe five of these unique sales promotion tools.

ANSWER: *Trade allowances* are price reductions offered by manufacturers to intermediaries. The price reduction or rebate is in exchange for performance of specified functions or purchasing during special periods.

Push money is a bonus that intermediaries' sales representatives receive for pushing the manufacturer's brand.

Training programs may be provided for an intermediary's personnel if the product is complex.

Free merchandise may be offered in lieu of quantity discounts. It may also be used as payment for trade allowances provided through other sales promotions.

Store demonstrations can be performed at the retail establishment for customers. Customers can then sample products or see how they are used.

136. You are the sales promotion manager for the Pal-o-matic, an automated pallet dispenser used in grocery warehouses. Your company uses a push strategy, and you are responsible for recommending sales promotion tools to accomplish this strategy. Describe three specific sales promotion activities you would recommend for the Pal-o-matic.

ANSWER: Because the Pal-o-matic requires a push strategy, tools unique to trade sales promotion should be used.

Trade allowances could be offered to wholesalers in the form of price reductions or rebates. In exchange, wholesalers would promise to purchase during the holiday season or perform warehousing functions for the Pal-o-matic.

Push money could be offered as a bonus to the wholesaler's sales force for pushing the Pal-o-matic brand.

Training programs could be provided for the intermediary's personnel. The sales force could be trained in selling techniques and operation of the Pal-o-matic.

Free merchandise in the form of extra pallets may be offered in lieu of quantity discounts. Or one free Pal-o-matic could be offered if the wholesaler pays for all further promotional expenditures.

Demonstrations could be performed at grocery warehouses to show how the Pal-o-matic works.

Business meetings, conventions, and trade shows are all ways to meet other vendors and potential customers of the Pal-o-matic.

Chapter 18 - Sales Promotion and Personal Selling

137. Personal selling offers several advantages over other forms of promotion. List four of these advantages.

- ANSWER:*
- Personal selling can be used to provide a detailed explanation or demonstration of the product. This capability is especially needed for complex or new goods or services.
 - Salespeople have the freedom to vary the message according to the motivations and interests of each prospect. When prospects raise objections, counterarguments and explanations can be provided by the salesperson.
 - Personal selling can be directed only to qualified prospects, whereas other forms of promotion waste coverage.
 - Personal selling costs can be controlled easily by adjusting the size of the sales force in one-person increments. Commission plans can also help expenses.
 - Personal selling is more effective in closing the sale than other promotional tools.

138. Certain customer and product conditions indicate personal selling might work better than other forms of promotion. List four of these conditions.

- ANSWER:* Personal selling is more important when
- the product has a high value
 - the product is custom made
 - there are few potential customers
 - the product is technically complex
 - customers are concentrated
- See Exhibit 18.3 (textbook page 345).

139. Compare and contrast relationship selling and traditional personal selling.

- ANSWER:* Traditional selling
- focuses solely on the sales transaction
 - is concerned with making a one-time sale and moving on to the next transaction
 - emphasizes a planned presentation for the sole purpose of making the sale
 - attempts to persuade buyers to accept a point of view or convince the buyer to take some action
 - has objectives that are frequently at the expense of the buyer (win-lose outcome)

Relationship or consultative selling:

- emphasizes the relationship that develops between a salesperson and a buyer
- builds, maintains, and enhances interactions with customers to develop long-term satisfaction through mutually beneficial partnerships
- develops trust over time
- emphasizes solution development over a long-term relationship (a win-win outcome)

Chapter 18 - Sales Promotion and Personal Selling

140. What are the seven steps in the personal selling process?

ANSWER:

1. generating sales leads
2. qualifying sales leads
3. doing a needs assessment
4. developing and proposing solutions
5. handling objections
6. closing the sale
7. following up

141. The first step in the personal selling process is sales lead generation. Define lead generation. Then explain why referral is a superior method for generating leads.

ANSWER: Lead generation, or prospecting, is the identification of those firms and people most likely to buy the seller's offerings. These firms or people become "sales leads" or "prospects."

Referrals are recommendations from customers or business associates. The advantages of referrals over other forms of prospecting include highly qualified leads, higher closing rates, larger initial transactions, and shorter sales cycles.

142. Tony is a salesperson for Allied Pets, a company that sells veterinarian supplies. He has a prospect who is showing interest in learning more about his company's products, so now he must qualify this sales lead. What will Tony do?

ANSWER: *Recognize a need:* First, the salesperson must determine if the prospect has a need that is not being satisfied. Preliminary interviews and questioning may help in this process.

Determine buying power: To avoid wasting time and money, the salesperson should identify the buying authority before making a presentation and determine that the prospect has the funds to pay for the product. An organization chart can qualify the prospect. Additionally, information on a firm's credit standing can be obtained from credit and financial reporting services. Telemarketing may help as well.

Determine receptivity and accessibility: The prospect must be willing to see the salesperson and be accessible to the salesperson.

143. Hugh is a salesperson for Allied Pets, a company that sells veterinarian supplies. He is working on a needs assessment for Athens Veterinary Clinic. What information will he need to find out about Athens?

ANSWER: A consultative salesperson must know everything there is to know about

- the products that Allied Pets offers
- Athens as a customer and have an understanding of its specific needs
- the competition Athens faces
- the industry Athens operates in

Chapter 18 - Sales Promotion and Personal Selling

144. Discuss personal selling in a global marketplace.

ANSWER:

More and more Canadian companies are expanding their marketing and selling efforts into global markets. As discussed in Chapter 4, salespeople selling in foreign markets should tailor their presentation and closing styles to each market. Different personalities and skills will be successful in some countries and absolute failures in others. For instance, if a salesperson is an excellent closer and always focuses on the next sale, doing business in Latin America might be difficult because Latin Americans typically want to take a long time building a personal relationship with their suppliers. With Canada's continued low economic growth, companies need to develop business outside Canada. While there has been a focus on the countries of Brazil, Russia, India, and China (BRIC) of late, companies also need to recognize the opportunities in Middle Eastern countries. The cultural, language, and religious differences in doing business in different countries can be learned and hence should not be a barrier to effective business development. A growing number of business schools, recognizing the importance of doing business abroad, are working to expose graduates to these markets and the cultural nuances that will increase the success of business relationships.

145. What is the impact that technology has on personal selling?

ANSWER: E-commerce, or buying, selling, marketing, collaborating with partners, and servicing customers electronically using the Internet, has had a significant impact on personal selling. Virtually all companies are involved in e-commerce and consider it to be necessary to compete in today's marketplace. For customers, the Web has become a powerful tool, providing accurate and up-to-date information on products, pricing, and order status. The Internet also cost-effectively processes orders and services requests. Although on the surface the Internet might look like a threat to the job security of salespeople, it actually releases sales reps from tedious administrative tasks, resulting in more time to focus on the needs of their clients.

Experts agree that a relationship between the salesperson and customer will always be necessary. Technology, when used appropriately, can improve the effectiveness and efficiency of the salesperson and can and does improve customer relationships. Information readily available to salespeople through Internet research helps the salesperson to work from a strong knowledge base when meeting customers for the first time. Smartphones, iPads, laptops, and email ensure that customers and salespeople can be connected all day, every day. This 24/7 connectedness can result in customer needs being handled in a timely and efficient manner, reinforcing the customer-salesperson relationship. Trust is a key component of the relationship, and technology can help to build and maintain that trust.