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Chapter 02 Building Trust and Sales Ethics

TRUEFALSE

1. Relationship selling focuses on an organization's short-term marketing strategy.

(A) True

(B) False

Answer : (B)

2. In today's increasingly competitive marketplace, buyers are finding it more effective and efficient to do less business with more suppliers.

(A) True

(B) False

Answer : (B)

3. Today's contemporary selling process is embedded within the relationship marketing paradigm.

(A) True

(B) False

Answer : (A)

4. A trustworthy salesperson understands doing "anything to get an order" will ultimately strengthen the buyer-seller relationship.

(A) True

(B) False

Answer : (B)

5. A customer-oriented salesperson covers both the pros and cons of a recommended product while pitching a sale to a customer.

(A) True

(B) False

Answer : (A)

6. A salesperson's knowledge is irrelevant in the process of earning the trust of a buyer.

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(A) True

(B) False

Answer : (B)

7. Knowledge of a product's features is sufficient for a salesperson to describe a product to a customer.

(A) True

(B) False

Answer : (B)

8. Salespeople who can offer better service than their competitors have an advantage for generating new business and taking away business from the competition.

(A) True

(B) False

Answer : (A)

9. The ability to use promotion knowledge and price knowledge often makes the difference between a well-informed buyer who is ready to make a decision and another buyer who is reluctant to move the sales process forward.

(A) True

(B) False

Answer : (A)

10. The prices quoted and discounts offered by a salesperson do not legally bind a company to their completion.

(A) True

(B) False

Answer : (B)

11. A salesperson can learn how the entire marketplace uses his or her company's products more quickly than if he or she had to focus on only one line of business.

(A) True

(B) False

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Answer : (B)

12. Using the Web to do an initial search on a company can tell a salesperson what products a company makes, what markets they serve, and so on.

(A) True

(B) False

Answer : (A)

13. A good salesperson must adjust his or her selling strategy depending on the competition.

(A) True

(B) False

Answer : (A)

14. Salespeople should communicate in the manner their prospects and clients prefer.

(A) True

(B) False

Answer : (A)

15. Salespeople can send out mass communications to all customers and prospects via voice mail.

(A) True

(B) False

Answer : (A)

16. Salespeople are exposed to lesser ethical pressures than individuals in many other occupations.

(A) True

(B) False

Answer : (B)

MULTICHOICE

17. In the context of a buyer-seller relationship, which of the following statements is true of trust?

(A) The salesperson defines it in the relationship.

(B) It was more important in traditional selling than it is in today's relationship selling.

(C) A salesperson has to determine what it means to each of his or her buyers.

(D) It is earned when a salesperson believes a customer will make a purchase.

(E) It is the extent of a salesperson's confidence in a buyer's integrity.

Answer : (C)

18. Which component of trust in a salesperson does a buyer's question "Do you know what you're talking about?" most likely address?

(A) Expertise

(B) Candor

(C) Likability

(D) Resilience

(E) Compatibility

Answer : (A)

19. Which component of trust in a salesperson does a buyer's question "Will you recommend what is best for me?" most likely address?

(A) Confidentiality

(B) Service resilience

(C) Customer orientation

(D) Security

(E) Predictability

Answer : (C)

20. Which component of trust in a salesperson does a buyer's question "Can you and your company back up your promises?" most likely address?

(A) Customer orientation

(B) Likability

(C) Service resilience

(D) Dependability

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(E) Compatibility

Answer : (D)

21. Bill, a sales representative at a home appliance store, is trying to convince a customer to purchase a particular refrigerator. The customer is confused with so many options available and cannot decide which one to buy. Following traditional selling methods, which of the following should Bill do?

(A) He should allow the customer to go home and think over the available options.

(B) He should offer the customer his contact number so that he or she can discuss the options later.

(C) He should close the sale as quickly as possible, using whatever means possible.

(D) He should ask the customer to list his or her requirements first instead of making a hasty decision.

(E) He should sit down and discuss the customer's personal life over a cup of coffee.

Answer : (C)

22. Salespeople who always do what they say they will do earn the trust of buyers because buyers perceive them as being:

(A) dependable.

(B) resilient.

(C) experienced.

(D) egocentric.

(E) knowledgeable.

Answer : (A)

23. Andrew is a sales representative for an industrial chemical supplier. He ensures he is never late for appointments with customers and always follows through on promises he makes to them. Because of Andrew's work ethic, his customers perceive him as being:

(A) knowledgeable.

(B) introverted.

(C) dependable.

(D) vulnerable.

(E) egocentric.

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Answer : (C)

24. Susan is hired as salesperson in a jewelry store. Being new to this industry, she does not possess a great deal of knowledge about the products offered by her store. She is often asked questions by customers to which she does not know the answer. However, she always responds to them by saying, "I will check with my store manager and get back to you." By being up-front with her customers, Susan exhibits:

(A) product knowledge.

(B) competitor knowledge.

(C) predictability.

(D) candor.

(E) expertise.

Answer : (D)

25. Jennifer is a salesperson for a business insurance company. Despite putting herself at risk of losing customers, she informs her customers about new company policies that may adversely affect their businesses. In this scenario, Jennifer exhibits _____ behavior.

(A) profit-oriented

(B) amateur

(C) egocentric

(D) customer-oriented

(E) introverted

Answer : (D)

26. Ravi is a sales representative at a sports equipment company. He has a keen interest in tennis and often organizes matches with some of his customers on weekends. By doing so, he has befriended a number of his clients. Given this information, it is evident that Ravi gives high priority to _____ in the buyer-seller relationship.

(A) compatibility

(B) predictability

(C) expertise

(D) candor

(E) knowledge

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Answer : (A)

27. Robert is a young college graduate who is looking for a sales job in the pharmaceutical industry. In order to better his chances of being selected by employers, he decides to enhance his knowledge of the latest medications in the market. In this scenario, it is evident that Robert is trying to enhance his _____.

(A) industry knowledge

(B) customer orientation

(C) promotion knowledge

(D) service resilience

(E) customer knowledge

Answer : (A)

28. Nora, a salesperson working with Fifth Leaf Fashions, informs her customers that they can return garments within 30 days of purchase in return for cash. However, the Fifth Leaf Fashion's return policy states that customers may only exchange the returned garments for other garments and not cash. In this scenario, it is evident that Nora needs to improve her _____.

(A) industry knowledge

(B) company knowledge

(C) product knowledge

(D) promotion knowledge

(E) price knowledge

Answer : (B)

29. A salesperson should be familiar with his or her company's key personnel from other departments. This helps:

(A) determine the company's human resources policies.

(B) build team spirit when the salesperson needs help in meeting a customer's needs.

(C) prevent the stereotyping of salespeople.

(D) in adopting traditional methods of selling goods and services.

(E) minimize the chances of the salesperson's illegal behavior.

Answer : (B)

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30. Which of the following questions must a salesperson be able to answer in order to demonstrate that he or she has product knowledge?

(A) Who are the major competitors in the market?

(B) Who is responsible for delivering goods to a customer?

(C) What materials are used when making the goods?

(D) When is it most appropriate to follow-up with a customer?

(E) What is the company's market share for a particular good?

Answer : (C)

31. Josie is a sales professional for a company which manufactures kitchen appliances, and she is consistently rated by customers as the best salesperson. This is because she has a detailed understanding of all the appliances manufactured by the company, including how they work and how they are made. Given this information, it is evident that Josie possesses sound _____.

(A) promotion knowledge

(B) competitor knowledge

(C) market knowledge

(D) customer knowledge

(E) product knowledge

Answer : (E)

32. A salesperson's service mission is to:

(A) convince a customer to make a purchase at all costs.

(B) prioritize his or her personal interests over a customer's interests.

(C) maximize the number of sales.

(D) provide added value for a customer.

(E) minimize direct contact with a customer.

Answer : (D)

33. It is important for a salesperson to understand what service dimensions concern a buyer. A salesperson's question, "Do we send a team to your site for start-up?" addresses the service dimension of _____.

(A) delivery

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(B) inventory

(C) training

(D) installation

(E) warranty

Answer : (D)

34. Rita has recently been hired as a sales representative at a grocery store. As part of her training, her store manager asks her to memorize the discounts offered by the store during the Christmas season. In this scenario, the store manager wants to enhance Rita's _____.

(A) promotion knowledge

(B) technology knowledge

(C) industry knowledge

(D) customer knowledge

(E) competition knowledge

Answer : (A)

35. Which of the following knowledge tools must a salesperson use to answer the question "Can the salesperson give additional discounts to get a potential client whom the company has been after for years?"

(A) Price knowledge

(B) Customer knowledge

(C) Technology knowledge

(D) Market knowledge

(E) Product knowledge

Answer : (A)

36. Milton is the sales manager of a cosmetics company that offers a wide range of face creams, lipsticks, and eye makeup. Some of the products are sold to wholesalers and distributors, while others are sold directly to end-users. Milton decides to divide his company's vast customer base into distinct segments so that the company's salespeople can specialize in one line of business only. To carry out this process, it is necessary for Milton to possess sound _____.

(A) product knowledge

(B) price knowledge

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(C) technology knowledge

(D) promotion knowledge

(E) market knowledge

Answer : (E)

37. Larger companies typically break their customers into distinct markets. Which of the following statements is true of this sales strategy?

(A) It involves following a common marketing strategy for all customers.

(B) It results in an overall decrease in customer satisfaction.

(C) It prevents a salesperson from understanding a customer's specific needs.

(D) It allows a salesperson to become an expert in a line of business.

(E) It aims at enhancing a buyer's factual knowledge about a product.

Answer : (D)

38. Tony has recently been hired as a salesperson by a logistics company. The company divides its clients into different markets based on their requirements. Tony has been asked to work exclusively with emerging entrepreneurs. To build long-term relationships with his clients, he has to improve his _____.

(A) competitor knowledge

(B) product knowledge

(C) customer knowledge

(D) price knowledge

(E) promotion knowledge

Answer : (C)

39. A salesperson needs to use his or her _____ to answer a buyer's question, "How do your company's prices compare with others in your industry?"

(A) technology knowledge

(B) promotion knowledge

(C) customer knowledge

(D) competitor knowledge

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(E) policy knowledge

Answer : (D)

40. Comparisons of a company's competitors' products for a customer's buying decision are critical, especially when the company:

(A) practices traditional selling methods.

(B) has customers that have been loyal for a long time.

(C) possesses features and benefits that are superior to those of the competition.

(D) lacks up-to-date technology and has outdated manufacturing processes.

(E) sells a product that is priced low in comparison with competition.

Answer : (C)

41. Companies use GPS tracking systems to track their sales force because:

(A) salespeople, in general, cannot be trusted with handling company profits.

(B) it is mandatory for a company to know where its employees are at all times.

(C) customers value companies that use GPS.

(D) it improves sales force effectiveness and minimizes costs.

(E) it is impossible to reach out to customers without such technology.

Answer : (D)

42. The advantage of a salesperson using e-mail to communicate with a buyer is that:

(A) e-mails are more personal than telephone calls or office visits.

(B) mass communications can be sent out to all customers and prospects.

(C) buyers are obligated to respond, otherwise their e-mail accounts are blocked.

(D) there is no scope for misunderstandings between a buyer and seller.

(E) e-mails are the only way for a buyer and seller to have immediate contact with each other.

Answer : (B)

43. Which of the following statements is true of ethical standards?

(A) Ethical standards are not influenced by a person's code of conduct.

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(B) Ethical standards for a profession are based on society's standards.

(C) Ethical standards are legal standards as per the definition of the term.

(D) Ethical standards are not reflective of a person's culture.

(E) Ethical standards have not yet been adopted by the sales profession.

Answer : (B)

44. Salespeople are often stereotyped as pushy, shifty, and untrustworthy because:

(A) they tend to be overly professional in their approach.

(B) traditional selling methods are common even today.

(C) the sales profession does not follow a standard code of conduct.

(D) most salespeople have criminal records.

(E) media in the 1960s and 1970s portrayed them in this way.

Answer : (E)

45. Salespeople are often faced with quota pressure from their managers. Under these circumstances, which of the following practices by a salesperson is most likely to be considered an example of ethical behavior?

(A) Exaggerating product benefits

(B) Withholding relevant information from a customer

(C) Providing answers to questions to which he or she does not know the answer

(D) Lying about the competitor's product

(E) Explaining the cons of a recommended product

Answer : (E)

46. Jim, an inexperienced salesperson, informs one of his potential customers that the laptop he is selling has a much faster processing speed than the competitor's. This is not true. The customer, however, remains unconvinced and does not make a purchase. Jim's behavior is considered unethical because he:

(A) commits a criminal offense by lying.

(B) does not tell a believable lie.

(C) is unable to convince the customer to make a purchase.

(D) exaggerates the benefits of his product.

(E) is unable to meet his sales quota.

Answer : (D)

SHORTANSWER

47. Honesty of the spoken word is called _____, one of the components of trust.**Answer :** candor

48. _____ includes knowledge of a contender's strengths and weaknesses in the market.**Answer :** Competitor knowledge

49. A salesperson must know what his or her commodity can and cannot do. For this, the salesperson must have sound _____.**Answer :** product knowledge

50. _____ is a knowledge tool that salespeople must possess to explain their firms' advertising programs.**Answer :** Promotion knowledge

51. _____ is a knowledgetool salespeople musthave inorder to quote rates and offerdiscounts on products.**Answer :** Price knowledge

52. _____ includes information salespeople must have if larger companies break their customers into distinct segments.**Answer :** Market knowledge

53. _____ is defined as information about buyersthat is gathered over time andfrom very different sourcesthat helps the salespersondetermine consumer needs tobetter serve them.**Answer :** Customer knowledge

54. The ultimate question a buyer asks is: Why should I use your product over the one I am currently using? A salesperson must have _____ to answer this question.**Answer :** competitor knowledge

55. _____ includes information salespeoplemust have about the latestapplied sciences.**Answer :** Technology knowledge

56. Probably the most oversold form of technology in buyer-seller communication is _____.**Answer :** voice mail

57. _____ refers to the right and wrong conduct of individuals and the institutions of which they are a part.**Answer :** Ethics

58. _____ are created by any affirmation of fact or promise, any description, or any sample or model that a salesperson uses, which is made part of the basis of the bargain.**Answer :** Express warranties

59. _____ is taken to mean that a buyer relied on a seller's statements in making a purchase decision.**Answer :** Basis of the bargain

60. If a salesperson does not exercise "reasonable care" in formulating product claims to a

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customer, he or she is guilty of _____.**Answer :** negligence