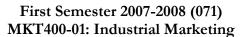


## KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS

## College of Industrial Management Department of Management & Marketing





Final Examination – January, 2008 Time Allowed: 2 Hours

Name of Student:
Student's ID No
<b>GENERAL INSTRUCTIONS:</b> The paper is divided into three sections (A, B and C). Students are asked to attempt all questions in SECTIONS A and B for 30 Marks and select <b>ONE</b> question out of 2 for 10 Marks in SECTION C.

**SECTION A:** This section consists of **multiple-choice questions**. Attempt all questions for **15** marks

- 1. Advertising by industrial marketers can serve many objectives but the primary objective is to:
  - (a) change corporate image
  - (b) reap more profits
  - (c) reach large audience
  - (d) strengthen sales efforts
- 2. The forgone value of investments plus economic penalties and other expenses associated with finding, evaluating, and replacing a current supplier with a new one is known as the:
  - (a) Fixed costs
  - (b) Sunk costs
  - (c) Variable costs
  - (d) Switching costs
- 3. In which of the following selling strategies do we find a situation where more knowledge lies with the salesperson other than the industrial customer?
  - (a) Script-based selling
  - (b) Consultative selling
  - (c) Needs satisfaction selling
  - (d) Strategic partner selling
- 4. Business advertisers favour in-flight magazines for their advertising campaigns because the readership includes
  - (a) young people
  - (b) a high percentage of business travelers
  - (c) a lot of flight attendants
  - (d) old men

- 5. Which of the following communication tools can be used to proactively measure customer satisfaction levels?
  - (a) Public Relations
  - (b) Customer satisfaction survey
  - (c) Websites
  - (d) Advertising
- 6. One method that can be used to determine workload of sales people based on sales potential and market position is:
  - (a) Sales Resource Allocation Grid
  - (b) Product Life Cycle
  - (c) Boston Consulting Matrix
  - (d) Matrix Team selling organization
- 7. To evaluate whether advertising has worked or not, the advertising manager of a business marketing firm must compare results with
  - (a) Objectives
  - (b) Publicity
  - (c) Position
  - (d) Audience
- 8. In direct marketing, the list of potential customers can be generated from internal databases such as the company's customer files. This list is also called:
  - (a) Databank
  - (b) Internal List
  - (c) House List
  - (d) Compiled List
- 9. In selling situations where customer needs do not vary (change) from one customer to another, which of the following can be very effective?
  - (a) Script-based selling
  - (b) Consultative selling
  - (c) Needs satisfaction selling
  - (d) Strategic partner selling
- 10. Which of the following communication elements cannot be classified under direct marketing?
  - (a) Advertising
  - (b) Direct mail
  - (c) Telemarketing
  - (d) Websites
- 11. What is the name given to a loan paid to sales people to provide them stable cash flow so that it can later be deducted from the straight commission?
  - (a) Commission rate
  - (b) Bonus
  - (c) Draw
  - (d) Salary

- 12. What is the term used to describe programs that collect data on product preferences, purchase history of web visitors in order to automatically profile customers?
  - (a) Bots
  - (b) House List
  - (c) Website
  - (d) Response List
- 13. Sales force in industrial marketing is an important element in a firm's marketing mix because they.......
  - (a) cost the firm a lot of money
  - (b) need to be trained
  - (c) manage customer relationship to build sales
  - (d) travel a lot
- 14. In industrial marketing communication, which of the following is a key drawback of telephone?
  - (a) Expensive
  - (b) Intrusiveness
  - (c) Complexity
  - (d) Personalization
- 15. Which of following customer satisfaction measures in industrial marketing has been a good predictor of the durability of relationships?
  - (a) Overall Satisfaction
  - (b) Likelihood of a sustained relationship
  - (c) Intention to repurchase
  - (d) Willingness to recommend

## SECTION B: This section consists of True or False questions. Attempt all questions for 15 marks

- 1. Relationships cemented by switching costs are called *always-a-share relationship* True or False
- 2. Successful learning industrial organizations gather, share, and act on information True or False
- 3. Public affairs department of an Industrial organization is the part of public relations that deals with community groups. True or False
- 4. A vertical trade show is one that include many industries and professions True of False
- 5. In rewarding sales representatives, a *straight commission plan* pays a certain amount for each sale plus salary. True or False
- 6. Total buying plans is the percentage of trade show audience that has influence in the buying process for the specific product exhibited. True or False

- 7. An industrial telemarketer account manager is one of the *inside sales representatives* who normally sell at the company's location. True or False
- 8. Business marketing communications are much more likely to be integrated than are consumer marketing communications. True or False
- 9. *Frequency* is the term used to describe the total number of industrial buyers that see an advertisement placed by a supplier. True or False
- 10. Companies sometimes provide a ceiling to the amount of salary salesperson can earn. A *cap* is the term used to describe the limit to how much a salesperson can earn, no matter what amount of sales he makes. True of False
- 11. Companies remain in business relationships for only **one** reason: because they have to. True or False
- 12. An industrial salesperson can also be called a strategic account manager. True or False
- 13. In industrial marketing, customer service can include both *outbound* and *inbound* telemarketing. True or False
- 14. Trade shows are an important element of the industrial marketing communication mix, making use of mass audience of advertising but not personal communication. True or False
- 15. In assessing the performance of sales people, *outcome quotas* are especially useful in situations where the sales cycle is long and sales are few. True or False

## **SECTION C:** Essay Questions

Answer **ONE** (1) out of two (2) questions for **10 marks**. Note that credit will be given for clarity of expression and orderly and logical presentation of relevant material.

- 1. After establishing a good relationship with the industrial buyer, what are some of the strategies that can be adopted by an industrial marketer to expand sales?
- 2. Discuss some five measures that an industrial supplier can use to assess buyers' expectations.

Good Luck!