



**KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS**  
**College of Industrial Management**  
**Department of Management & Marketing**



First Semester 2007-2008 (071)  
**MKT400-01: Industrial Marketing**

**Final Examination – January, 2008**

**Time Allowed: 2 Hours**

**Name of Student:** .....

**Student's ID No.**.....

**GENERAL INSTRUCTIONS:** *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 **ONE** 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 or 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!