



Certificate in Marketing Skills

SELLING SKILLS

WEDNESDAY, MAY 11, 2005. TIME: 2.00 pm - 4.00 pm

Please attempt Section A and TWO questions from Section B.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark **QUESTION 1** and the next **TWO** questions in your Answer Book).

All questions carry equal marks.

Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

SECTION A (50%)

1. Case Study: An Offer That Can Be Refused

You are a salesperson for a major publisher of academic books. Your company has recently published a new textbook on marketing communications aimed at marketing undergraduates. The book, which was written by a leading Irish academic, includes case studies of a variety of Irish promotional campaigns and contributions from ten leading advertisers explaining their most recent campaign. A website that includes a set of slides on each chapter in the book, 200 examination questions with suggested solutions, a set of 100 in-class exercises, and 500 multiple choice questions is available to lecturers who adopt the text. The retail price of the book is €75. It will be sold through a network of book retailers but your company is dependent on colleges recommending the book as essential reading for their students.

Today you are talking to the head of department and four lecturers of a major Irish third-level college who between them have 1000 students to whom the book could be recommended. They all agree that it is a fine textbook and a worthy addition to teaching of marketing communications in Ireland. The Head of Department informs you that his lecturers will be delighted to recommend the book to their students for the next three years if your company would be in a position to donate three copies of each of the 150 business textbooks that your company currently publishes to the college library. Between printing, packaging, administration and delivery this would cost your company approximately €6000. However, you estimate that it would ensure your company sales of about €150,000 over the next three years and it will also allow you to meet your sales target for the year, something that looked very unlikely until you met these prospects.

P.T.O.

You are required to answer **each** of the following questions. Questions do not carry equal marks.

- (a) Outline the main issues and implications of the above situation. (20 marks)
- (b) What is the difference between a gift and a bribe? (10 marks)
- (c) Explain the alternative approach that you would employ as salesperson to secure the sale without adopting the Head of Department's proposal. (20 marks)

SECTION B (50%)

(Please attempt TWO questions. All questions carry equal marks)

- 2.
 - (a) Differentiate between personal selling and advertising as promotional methods.
 - (b) Identify the personal qualities required for success in selling.
- 3.
 - (a) Outline the decision process a consumer might go through in choosing a new car.
 - (b) Explain how and why the process you have outlined above will differ from that to be used by a company in purchasing a fleet of cars for its 10-person sales team and 6 senior executives.
- 4. A tourist gift shop sells a range of hand-painted porcelain leprechauns for €60 including VAT at 20%. The retailer has a 100% margin on all items.
 - How much does the retailer pay the manufacturer for each item?
 - How much value does the retailer add to each item?
 - How much VAT is paid by the final customer?
 - What VAT per unit will the retailer pass on to the Collector General?
 - What is the sales margin in monetary terms?
 - What is the mark-up in percentage terms?
- 5.
 - (a) Briefly explain why salespeople should welcome objections from prospective customers.
 - (b) As a salesperson how would you respond to each of the following comments from prospective customers?
 - “Your product seems to be just what we need and it’s a very good price but I’d like to think about it. Call by again next month.”
 - “I have an important meeting in ten minutes, can we make this sales call snappy?”
 - “Your price is 10% higher than any of your competitors.”