



## Certificate in Marketing Skills

### SELLING SKILLS

WEDNESDAY, AUGUST 16, 2006. 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%)

#### Case Study:

John Duffy sells a range of DIY hand tools. They are typically sold through hardware stores. In response to a request from a large supermarket chain, that intends expanding its product line into that area, John is meeting with the Linda Ryan, the senior buyer.

After exchanging greetings John starts his presentation by explaining the history of his company. He then emphasises the quality of his product and his company's market leadership position in DIY hand tools. Every feature he mentions is converted into a benefit for Ms. Ryan's stores. He also tells her about the revolving display stand that is provided to all retailers carrying his brand. During his presentation Duffy gives Ryan a brochure depicting the entire range of tools he sells with a description of their specification.

Throughout the 10-minute presentation Ryan listens but says nothing and gives no buying signals. Duffy thinks that she is interested however; as she didn't object to his price, conditions of sale, or indeed raise any other objections. Duffy has already said everything he can think of and now must attempt to close the sale.

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

1. (a) Identify three closing techniques that John Duffy would find useful in the circumstances? Explain your choices. (15 marks)
- (b) Suggest how Duffy could improve his sales presentation? (20 marks)
- (c) Assess Ryan's negotiating tactics (15 marks)

**P.T.O.**

**SECTION B (50%)**  
**(Please attempt TWO questions)**

2. A hardware store buys electric drills for €60.00 each including VAT and sells them for €120.00 including VAT. The VAT rate is 20%.
- (a) What is the retailer's mark-up? (5 marks)
  - (b) What is the retailer's sales margin in percentage terms? (5 marks)
  - (c) What is the retailer's sales margin in monetary terms? (5 marks)
  - (d) What value did the retailer add to the product? (5 marks)
  - (e) What is the selling price excluding VAT? (5 marks)

**(Note:** A VAT rate of 20% is used for the convenience of the question rather than indicating the existence of such a rate in Ireland).

3. (a) Define the term *merchandising*. (5 marks)
- (b) Advise the manager of a clothes shop on store layout and traffic flow management. (20 marks)
4. (a) Explain the principles of effective negotiations. (15 marks)
- (b) Describe the factors that determine the balance of power in negotiations. (10 marks)
5. (a) Outline the decision-making process an industrial organisation might adopt in buying a new computer system for its administrative departments. (15 marks)
- (b) Explain the variety of roles to be fulfilled in an industrial decision-making unit (DMU). (10 marks)