

## Chapters 14 and 16 – Student developed questions (13 groups)

Developing questions for other students is an opportunity to practice collaboration and writing effective study discussion points.

Each group must develop two (2) challenging questions based on the concept assigned below. The questions cannot be a repeat of the learning outcomes. The **first question** should demonstrate the receiving group's understanding of the concept (moving beyond memorization). The **second question** should require the receiving group to apply the concept to an example or situation. Feel free to use a short situation/vignette but leave space for the group to answer the question on the page.

Your group number determines the concept assigned. Ensure that the discussion requires the group to define key terms.

Concept:

1. The promotional mix: advertising (types and advantages/disadvantages of each).
2. Promotional mix: personal selling (the six steps).
3. Promotional mix: sales promotion (examples).
4. Promotional mix: public relations (different tools).
5. Primary distribution channels.
6. Benefits of intermediaries in the distribution channel.
7. Benefits of physical distribution.
8. Four common features that differentiate physical retailers (e.g., the brick).
9. Three (3) pillars of sustainability.
10. Linear and circular economies, and sustainability.
11. Life cycle assessment.
12. Sustainable supply chain management.
13. Environmental management strategies and green marketing.

The questions must be clear, concise, and easy to understand. Using the template on the next page, print both questions on one piece of paper (one side). Please make sure to bring three hard copies of the questions: one for your group **with answers**, one for the instructor **with answers**, and one for another group **without the answers**.

**Follow the two (2) templates below and hand them to your instructor at the start of the first class of the week.**

**#1 – Submit one copy without answers and**

**#2 – one copy with answers to your instructor prior to the start of the class.** The other copy with answers is for your group for study purposes.

**Be sure that the pages are appropriately filled out, including the concept assigned with its question number (#1 & #2), your group number (#2), and group members (#2).**

Concept: Promotional mix: sales promotion (examples)

Return to your instructor after the activity. Group members who participate (only these group members will receive the grade) (print first and last name):

_____	_____	_____
_____	_____	_____

### Question 1

Circle whether each statement below is true or false. If false, state the promotional method that could be replaced in the statement in order to make it true. And in your own words, briefly explain what the correct method is for every question.

T/F - Companies use loyalty programs in order to attract new customers.

T/F - Premiums encourage the trial of new products.

T/F - Point of purchase displays serve the objective of gaining attention in a retail environment.

T/F - Frequent user incentives increase customer loyalty

T/F- Coupons are an effective way to entice customers to buy a company's products.

T/F- Contests allow for companies to find potential customers by incentivizing said customers with a chance at winning prizes.

### Question 2

A medium sized store, which sells everything from groceries to large appliances, has a 10% market share. They want to increase their revenue by 25% and also increase market share but are not interested in the usual methods of advertising such as tv ads and billboards as they are already working on those. They want to implement some newer methods of promotion that will directly increase sales and have hired you to provide them with three different ways that would be suitable for their company to use. You must explain what your method is, why it will be successful and give a rough indication on what expenses will be incurred (you do not need figures, only what expenses can be expected). Your methods must be suitable for this business.

Concept: Promotional mix: sales promotion (examples)

Group members who developed the questions (only these group members will receive the grade) (print first and last name):

Katya Bondareva

Brin Harper

Rajvir Grewal

Harry

Yasuhiro Arai

Riley

### Question 1

Circle whether each statement below is true or false. If false, state the promotional method that could be replaced in the statement in order to make it true. And in your own words, briefly explain what the correct method is for every question.

T/F - Companies use loyalty programs in order to attract new customers.

T/F - Premiums encourage the trial of new products.

T/F - Point of purchase displays serve the objective of gaining attention in a retail environment.

T/F - Frequent user incentives increase customer loyalty

T/F- Coupons are an effective way to entice customers to buy a company's products.

T/F- Contests allow for companies to find potential customers by incentivizing said customers with a chance at winning prizes.

### Answer:

T/F - Companies use **\*\*Any method EXCEPT for loyalty program is an acceptable answer \*\*** in order to attract new customers. Loyalty programs are more focused at keeping existing customers instead of targeting new customers.

T/F - **Samples** encourage the trial of new products. A sample is a free product, usually in a trial size, or services for a free trial period.

T/F - Point of purchase displays serve the objective of gaining attention in a retail environment. Point of purchase displays promotional material placed in a retail store to draw attention to certain products.

T/F - Frequent user incentives increase customer loyalty. Frequent user incentives are rewards for customer loyalty.

T/F- Coupons are an effective way to entice customers to buy a company's products. A coupon is a discount on the purchase price of a product.

T/F- Contests allow for companies to find potential customers by incentivizing said customers with a chance at winning prizes. Contests are opportunities for customers to win cash or prizes by entering.

## Question 2

*A medium sized store, which sells everything from groceries, large appliances and luxury cosmetics, has a 10% market share. They want to increase their revenue by 25% and also increase market share but are not interested in the usual methods of advertising such as tv ads and billboards as they are already working on those. They want to implement some newer methods of promotion that will directly increase sales and have hired you to provide them with three different ways that would be suitable for their company to use. You must explain what your method is, why it will be successful and give a rough indication on what expenses will be incurred (you do not need figures, only what expenses can be expected). Your methods must be suitable for this business.*

### **Answer:**

*Any three from the following is acceptable. Explanations may differ but have similar and valid concepts.*

*-Offer samples of products you are selling in order to attract new customers. The idea of a free sample will attract customers to simply try the product and this increases the likelihood of them purchasing the product. This will also appeal to current customers as they will feel as though this is a perk of shopping at this store as they get to try products for free here with no obligation to purchase. The costs related to this will be the cost of how many samples are tried, but a customer is much more likely to make a purchase if they know what they are buying, especially with expensive luxury goods.*

*-Sweepstakes can also be implemented and will increase sales from new customers. If two stores have similar prices with similar products, the company with a giveaway of a certain amount such as \$1,000 will persuade customers to buy from you instead of somewhere else. You will have the cost of advertising this giveaway using banners near the store as well as the cost of the giveaway item, however, the increase in sales from this will help cover the cost.*

*-Loyalty programs are also a good way of retaining market share and also potentially increasing it. By having a loyalty program and rewarding customers for regularly shopping with you, they are more likely to keep coming back to your store as they have an incentive. It will also help increase market share because if you get a customer to your store using the other promotion methods, you can incentivise them to sign up for your program with, for example, a 10% discount off their current purchase. Then once they are signed up and realize they can get points or rewards for shopping with you, they will be more likely to return and shop with you rather than their current store, and this will boost your market share. The expected costs with this will be the cost of setting up the loyalty program software, cost of physical loyalty cards and the cost of the rewards you are giving out.*

*-Point of purchase displays will also be effective around the store and at checkout counters. As customers move around the store, you can have displays promoting certain products in your store such as new arrivals and can show just how good this product is and also advertise the cost (making it look like a bargain). This will likely increase customer interest in the advertised product and they will enquire about the product and if it appeals to them, they may purchase it. A purchase which they may have otherwise missed. Displays near the counter as well will be effective as everyone purchasing items will pass from there and this increases the chances of someone being interested in your product. Costs related to this will be the cost of the displays only.*