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Week 12 Quiz

Question 1

1/1 point (ungraded)

The mailing of free samples of a new soap bar by Unilever to consumers is an example of:

☐ Retailer promotion

☐ Trade promotion

☒ Consumer promotion ✓

☐ All of the above

Submit

You have used 1 of 1 attempt

i Answers are displayed within the problem

Question 2

1/1 point (ungraded)

Why might companies spend money on trade promotions?

☐ To get their products featured in the store flyers

☐ To get their products displayed in the store

☐ To get better shelf space

☒ All of the above ✓

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Question 3

1/1 point (ungraded)

Providing drug samples to physicians by a pharmaceutical company is an example of:

☐ Strategic marketing

☒ Push marketing ✓

☐ Pull marketing

☐ All of the above

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Question 4

1/1 point (ungraded)

Consumer promotions by brand X may aim to induce consumers to

☐ Make current customers buy more frequently and/or buy more quantity

☐ Convert non-users of the product category to become users of brand X

☐ Switch to brand X☒ All the above ✓

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Questions 5 to 10 are based on this problem case.

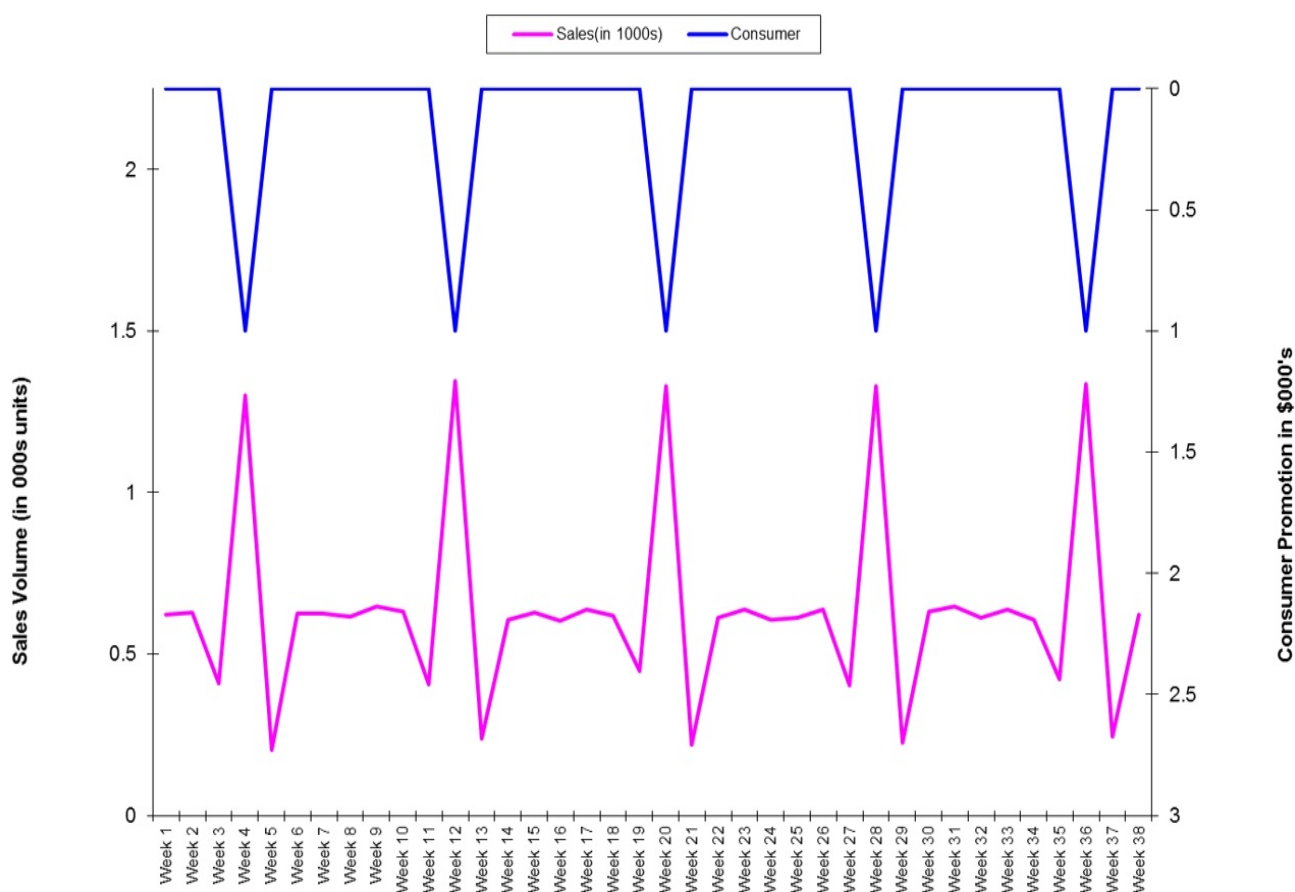
XYZ company is interested in quantifying the impact of consumer promotions on the sales of its packaged food product. XYZ has historical data on the following variables for 38 weeks:

- Sales: Weekly sales volume in thousands of units.
- Prom: Weekly spending on consumer promotions in thousands of Dollars

A plot of the sales data over time did not reveal any seasonality or time trend over the 38 weeks. The figure below depicts the relationship between weekly sales volume (Sales) and weekly promotion spending over time (Prom).

Make sure to pay attention to numbers on the axes.

Sales and Consumer Promotion over Time



Question 5

1/1 point (ungraded)

What can you say about the relationship between sales promotions and sales volume?
That is, how does Prom affect sales in the same week?

- ☐ The relationship between Sales and Prom is not clear
- ☒ There's a positive relationship between Sales and Prom ✓
- ☐ There's a negative relationship between Sales and Prom
- ☐ There is no relationship between Sales and Prom

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Question 6

1/1 point (ungraded)

How do you explain the pre-promotion dip in sales (e.g., the dip in sales in the week prior to the promotion, say the dip in week 11)?

- ☐ Decreasing time trend
- ☐ Consumers bought a large quantity in the past few weeks
- ☐ Seasonality of sales
- ☒ Consumers are expecting a promotion in the near future ✓

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Question 7

1/1 point (ungraded)

How do you explain the post-promotion dip in sales (i.e., the dip in sales in the week just after the promotion, say the dip in week 13)?

- ☐ Decreasing time trend
- ☒ Consumers bought a large quantity during the past promotion ✓
- ☐ Seasonality of sales
- ☐ Consumers are expecting a promotion in the near future

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A regression analysis was applied to XYZ historical dataset (see figure above). The dependent variable is weekly Sales and the independent variables are weekly Prom and weekly Lagged Prom (i.e., last week Prom). This is a summary of the regression output:

Sales = **0.80** + **1.20***Prom - **0.40***Lag(Prom)

- R-squared=0.85
- F-Statistic=23.83
- p-value=0.001 (for the overall regression)
- All regression coefficients are statistically significant at the 5% level.

Use this output to answer the following question.

Question 8

1/1 point (ungraded)

What is the percent of variance in sales that is explained by Prom and Lag(Prom)?

☐ 23.83%

☐ 15%

☐ 99.9%

☒ 85% ✓

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Question 9

1/1 point (ungraded)

What is the net impact of an incremental \$1000 spending on consumer promotions?

☐ 1000 units

☐ 1200 units

☐ 400 units

☒ 800 units ✓

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Question 10

1/1 point (ungraded)

What is predicted sales volume in week 39 if XYZ did not promote in this week and the week before?

☐ 1000 units

☐ 1200 units

☐ 400 units

☒ 800 units ✓

Submit

You have used 1 of 1 attempt

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