

UGANDA MARTYRS UNIVERSITY, NKOZI/LUBAGA CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCE

BAM III SEMESTER ONE 2021/2022

COURSE UNIT: SALES FORCE MANAGEMENT

DATE: Thursday, 27th January 2022

Time allowed: 2:00Pm -5:00pm

Instructions to Candidates:

Read the following before answering the examination questions.

- 1) Do not write anything on this question paper.**
- 2) Attempt Four questions in total**
- 3) Question One is Compulsory**
- 4) Select and Answer at least 1 Question from Each Section**
- 5) Begin each question on a new page**

SECTION A

Question One

This Video (The Four-Letter Code to Selling Anything by Derek Thompson) was presented to you prior to the Examination to internalise . The transcript for the Video , The Four-Letter Code to Selling Anything is presented for your reference to aid you answer Question 1.

The Four-Letter Code to Selling Anything: Derek Thompson (Transcript) TED Talk
Education / By Pangambam S / December 17, 2020 11:55 pm

For thousands of years, some of the smartest people in the world have been asking themselves versions of the same question: **why do we like what we like?** Is there a formula for beauty, for popularity, for human affinity? And the ancient Greeks said yes, of course, there is. **It's the golden ratio 1.62 etcetera etcetera to 1** and then the Enlightenment thinkers said yes of course there is; it's **Kant's theory of aesthetics**. But today we don't have the golden ratio; we don't have philosophers. We have Google and Facebook. We have advertisers.

And **in the advertiser formula, the first variable is always novelty**. This is a scientific fact: they actually went through several decades ago all of the words they could possibly find in all the advertisements that were out there, and the most common word in all of those ads wasn't *'buy'*, wasn't *now*; wasn't *risk-free warranty*. It was *new*.

We are living in a cult of novelty. Companies want us to like new things, to buy new things, to crave new things. But the truth is that we don't like novelty. In fact, we hate it.

According to the **mere-exposure effect**, one of the oldest and most robust theories in the history of psychology, the mere exposure of any stimulus to you over time will bias you toward that stimulus. In English, familiarity good. And indeed when you think about it, we seek out new songs. But the songs that we most reliably enjoy are those with familiar chord structures and timbers. We seek out new movies but every year this century, a majority of the top ten films in America have been sequels, adaptations, or reboots. Familiar, familiar, familiar.

In fact, maybe the best proof of the power of familiarity is that thing that is so familiar to you, your own face. It turns out that people prefer the face they see in mirrors to the face they see in photographs. Maybe you have a friend who complains constantly about how he or she looks in Facebook photos but is often constantly admiring his or herself in the mirror.

Well, this is not pure vanity; this is mere exposure effect. The face is slightly asymmetric. We see different versions when we see a reflection versus a photo. And if you're not a celebrity, then the version you're most used to seeing is not in a photograph but rather in the most common reflection in the world in a mirror. You prefer that version of your face, not because it's you at your most beautiful, but because it's you at your most familiar.

In fact, the power of familiarity seems so deep that people think it must be written into our genetics. **The evolutionary theory for the preference for the familiar is that if you're a hunter-gatherer and you're trawling the Savannah of Africa, and you see a plant or an animal and you recognize it, that's a very good sign that plant or animal has not killed you yet.** So of course you should prefer it. But this creates an enormous problem for creators, for creative types, because I just told you that people only like new things if they're just like old things.

So the question before us today is: **how do you balance familiarity and surprise in such a way as to design hits, to design things that people love? Is it possible to engineer a familiar surprise?**

And to begin to answer that question, I want to tell you a short story about a man who was a hero of mine, a hero of my book but also a man that I would imagine 9% to 95% of this room does not know. His name is **Raymond Loewy**, and he designed the 20th century.

Raymond Loewy was a French orphan who came over to the United States after World War I and his brother picked him up in a cab. And this is the 1920s where they drive to Downtown Manhattan where one of the tallest buildings down there is the Equitable Building, which looks a bit like a tuning fork with sort of two large buildings rising into the sky.

And Raymond Loewy takes an elevator to the top of this building and he looks out over Manhattan from this vista. And he's expecting from his dreams in Paris to see a world that is beautiful, that is round, that is feminine. But the New York and inferrals in front of him is the exact opposite. It's grungy; it's noisy; it's the hokiness of the Industrial Age. And Loewy makes a promise to himself and his brother; he says "I'm going to devote the rest of my life to beautifying America in my image." And Loewy did just that.

Raymond Loewy designed the most famous Car of The 20th Century, **the 1953 Studebaker**. He designed the most famous train and locomotive of the 20th century, the Pennsylvania Railroad GG1. He designed the modern Greyhound bus and the modern tractor, the modern Coca-Cola fountain. He designed that pencil sharpener that looks like an egg with a little spindle coming out of it that you've seen in a hundred thousand classrooms. He designed the logos for Exxon and USPS. He basically designed all of 1950s Americana. And in fact, one day Raymond Loewy was hanging out with his friend and he saw the President's plane take off. And he said it looks gaudy. So President Kennedy invited Loewy to the Oval Office where they sat on the floor and cut little papers until they achieved the perfect design for Air Force One. And in fact, the design that Raymond Loewy came up with there on the floor of the Oval Office with JFK still adorns the most famous plane in the world today. So the question is: **what did this man possibly understand about human psychology that he knew what we wanted from planes and trains and automobiles?** This man was like Don Draper meets Steve Jobs for the 20th century. He understood everything. Unfortunately, for us, Raymond Loewy had a grand theory of everything. It was called MAYA. **M-A-Y-A, most advanced yet acceptable.**

Raymond Loewy said that human preferences are torn between two opposing forces. On the one hand, there is *neo philia*, a love of new things and an appreciation for the new, a need to discover. But on the other hand, there is *neophobia*, a fear of anything that is too new, a deep conservativeness. And Loewy said that in order to make hits, you need to make products that live right at that intersection of the familiar surprise. **To sell something familiar, you have to make it surprising. But to sell something surprising, you have to make it familiar.**

And Loewy was not a scientist. But this theory has been proved and validated by scores of studies and meta studies since he died. It has been used to explain hits in technology, in academics, in culture and even in politics.

Let's start with technology. Technologists are often in the position of having to make something new and then make that new thing popular with an audience that doesn't understand it. This was the problem recently at Spotify. **Spotify**, obviously the famous streaming music company, which was developing its app which probably many people in this audience have used called **Discover Weekly**. If you haven't used Discover Weekly, every single Monday, Spotify will dump 30 songs onto your phone and initially they wanted those 30 songs to be entirely new so that people had never heard the songs and they had never heard the artists. But when they were initially testing it, there was a bug in the algorithm that accidentally lets slip through some familiar songs and some familiar artists. So they quickly fixed the bug and they kept testing.

But what happened is that when they kept testing the app once they'd fixed the bug, engagement with the app plummeted. It turned out that having just a little bit of familiarity in this Discovery platform made it significantly more popular. **To sell that which was surprising, they had to make it familiar.**

Two, academics. I'd imagine that most academics don't think of themselves as hitmakers; they don't think of themselves as operating in a cultural marketplace. But in order to become a star in your discipline, you often need to be published by

the most famous publishers. And therefore you are essentially giving up your research proposing your research to people who are essentially your audience. So in 2014, a group of researchers from Harvard University in Northwestern wanted to figure out what is the formula for a hit paper? They wanted to figure out what sort of paper was most likely to be accepted by the NIH? Was it really really novel proposals or was it extremely familiar ones?

So they created a dummy list of 150 papers and they coded each of them for novelty, and then they delivered those papers to a group of 150 researchers who scored their favorites. And the graph of that score looks a bit like an upside-down U. Over here you have utmost familiarity. Over here you have utmost novelty. But it turned out that the researchers who were evaluating these proposals, they too preferred that which they called **optimally familiar**. Advanced yet acceptable. M-A-Y-A.

Three, identity. In my book **Hit Makers**, I spend a long time trying to figure out this issue of why do fashions exist. **Indeed, if the brain is an organ of ancient chemistry, then why should we change our opinion of what is good?** But of course, we do. Guitar

solos are weird in the 1930s, extremely popular in the 1970s, and then weird again in the 2000s. Skinny jeans are unpopular and then popular and unpopular and popular and they followed the sine curve.

So why does this happen? Well, it's really important to understand that for the vast majority of human history, fashions really didn't exist. People wore the same clothes for centuries, for millennia. It never occurred to people wearing togas that they should somehow change the look of their toga from one decade to the next.

But a really interesting way to look at fashion is to say, all right, well, let's say people clearly do have different clothing fashion preferences. But let's imagine a make-believe store. And at the store all clothes simply exist; they all cost the same price; and there is no marketing.

It's important to think about this store sort of in your head, because as an economic writer, I often think, all right, well, to explain fashion, I would think that it must be explained by price, or by the fact that Jake who doesn't want you to wear a certain kind of pant anymore, so they take it away. Or they want you to wear a new kind of pants they market it.

But imagine with me this magical store where all of the clothes exist and they're all the same price and marketing is impossible. Well, in fact, that store exists here in the real world. It is the marketplace of first names.

Think about it. All first names exist; they all cost the same price; and there's no direct marketing. Nike really really wants you to buy its next shoe but there is no advertisement in Nike history that has ever said, *oh and after you buy your shoe, would you please name your baby girl after the Greek goddess of victory and speed*. It's never happened.

So why do first names follow the same hype cycles as clothes?

So a sociologist named **Stanley Lieberman** investigated this and he came up with a really interesting theory that essentially just went right back to MAYA. He found that people tend to prefer names that are familiar surprises. So take a name like Samantha. Samantha in the 1980s was not a particularly popular name. It was about the 30th most popular baby girl name in the country.

But just enough young couples decided that that was a perfectly popular name for

their baby girl that in 1992, 222,000 couples named their baby girl Samantha, making it the second most popular baby girl name of that year. But then think about what happens five years later. All these little Samanthas go into kindergarten together and the kindergarten is suddenly just run amok with Samantha, Samantha, Samantha, when all these parents thought they were giving their daughter unique name.

And so since most parents have a preference for names that are familiar but also surprising, the name Samantha naturally without any organization rises in popularity and then falls. One of the more interesting proofs for the fact that parents have a specific taste for popularity is that siblings tend to have similarly common or uncommon names. And this is intuitively true.

If you meet the siblings, Michael, Emily, and Sarah, it's a little bit strange if they say and this is our sister Xanthippe. But if you meet the siblings, Xanthippe, Prairie Rose, Esmerelda, it's very strange if they're like also here's our brother Chad. Parents have a specific taste for familiarity.

One of the most interesting proofs of this naming theory is looking at the phenomenon of baby girl names for black Americans. For the vast majority of human history... for American history, excuse me, blacks and whites had similar names. But starting about the 1960s, there was a great forking where some names began to sound white and other names sounded black. And one of those markers for a black name is the *la* or *le* prefix, like for LeBron James or LaDainian Tomlinson. But this was basically unheard of before the 1960s.

But **Stanley Lieberman** found that starting in 1967, eight distinct black baby girl names peaked in popularity with a *la* prefix, and they peaked in the following order: Latonia; Latonya; Latasha; Latoya; Latreece; Lakeisha, Lakeisha, Latricia. And what's so fascinating about the sequence is just how orderly it is. Every next popular name is a play on what came before it. It takes the familiar and it makes it surprising.

Fourth, politics. In this age of hyper partisanship and polarization, there is an enormous demand to figure out how people can talk to each other, how we can persuade each other. But often when we get into debates, when we get into discussions and we try to persuade someone of our point of view, we begin with our code of ethics.

So if you're a Liberal, you'll say you shouldn't like Donald Trump because his policies are cruel to Hispanics. Or if you're a conservative, you might say you shouldn't like Bernie Sanders because he's trying to turn us into Denmark. Now on its face, these statements are perfectly genuine and sincere. But they fail immediately as articles of persuasion, because if you are a conservative who supports Trump, you probably like those policies that are discriminatory. And if you are the Liberal supporting Bernie Sanders, you kind of want to nudge the U.S. toward Denmark. But imagine if instead we invert the process and we begin with the code of ethics of the person that we're talking about. We piggyback off of their familiarities.

So if you're talking to someone as a Liberal and you're talking to someone who supports Donald Trump, you might say one of the things that I've always respected about the Republican Party is their emphasis on patriotism, putting country over self, and seeking service. Helped me think through times in Donald Trump's business career, he's been a paragon of these values. Now you might not create a Bernie

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Sanders supporter on the spot, you might be slapped for insouciance. But you're going to get a lot farther following this path than you are putting forth first principles that the person you're speaking to disagrees with.

The model that I've just proposed is called the **Moral Foundations Theory**. And it says essentially that it's always more beneficial when debating with somebody else to begin with their first principles, to begin with their code of ethics and then show how slow walking those code of ethics toward the center might make their position leak into your position.

All debate involves a form of ideological advertising, and in both polemics and in products, to make it MAYA make it familiar. The last story I want to tell takes us back to Raymond Loewy, and it takes us back to his last assignment as an industrial designer. Raymond Loewy was told to design the interior habitat for the first NASA space orbital, the most surprising and unfamiliar and exotic environment you could possibly imagine a human being in, in deep space.

And Loewy conducted a bunch of habitability studies and he made some tweaks here and some tweaks there but his most famous contribution to space history is that he cut a hole in the side of the NASA Space orbital. He placed a sheet of glass there and created a viewing portal first. Yes, that viewing portal that you have seen in all of those movies that too is Raymond Loewy's innovation.

And I cannot think of a more perfect illustration for MAYA or a more beautiful inspiration to creators everywhere, because it says that **a window to a new world can also show you home.**

Questions

- Show the relevance and application of the video to your class product (15 Marks)
- Elaborate on the challenges you face in the application of the concepts mentioned in Question 1 (10 marks)

SECTION B : CLASS PRODUCT

Question Two

With reference to the class product / service.

- a. Justify the importance of the customer perception. **(13 marks)**
- b. Discuss the challenges you would face in ensuring you understand the client's perception. **(12 marks)**

Question Three

Using an example of your class project,

- a. Elaborate how you would ensure customer relationship management **(13 marks)**
- b. Discuss the factors that would make client stop purchasing your product **(12 marks)**

Question Four

- a. Discuss the relevance of the marketing mix in the sales / sales process **(15 marks)**
- b. Discuss the environmental factors that affect your product **(10 marks)**

SECTION C

Question Five

Assume you are appointed the Head of Marketing and Sales in Uganda Martyrs University.

- a. What qualities would you need for the UMU sales person (**13 marks**)
- b. With illustration discuss how you would develop and segregate target the prospective students (**12 marks**)

Question Six

Assume you are the Sales Manager for Tororo Cement

For purposes of this exam you will need to make 3 additional assumptions you have used to answer the Question. The first assumption is the Department has 7 members of staff

- a. Elaborate on how you appraise the sales person's performance **(8 marks)**
- b. Discuss of the possible motivations you would give the staff in the Department. **(9 marks)**
- c. Give at least 5 areas you would need to train you sales staff **(8 marks)**