

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077**

Program: PGDM – Marketing (Batch 2017-19), Tri-IV

**Subject: Sales & Distribution Management
(End Term Examination)**

Maximum Marks: 50

Duration: 3 Hours

Date: 22nd Sept 2018

Instructions

- 1. Q 1 & 2 is compulsory. Attempt any 2 questions from rest**
- 2. *Use of Personal Course pack given by Faculty is allowed as reference material. Students can use the book provided to them. No other material /loose papers etc. is allowed in examination room.***
- 3. Sharing of any reference material with fellow students NOT ALLOWED**
- 4. Start every Question from Fresh Page**
- 5. Use of examples, flow charts, tables etc. is recommended wherever applicable.**
- 6. Content and Presentation of content, both are important criteria for assessment.**

QUESTION 1

(20 marks)

One of your salespeople tells you about an interesting conversation he had this morning with a long-time customer about a competitor's salesperson who used to work for you, but was discharged for under-performing. The sales rep had criticized your company and you, as a sales manager. He told the customer that the quality of your company's products had diminished significantly in recent years, and that as a result your salespeople are having a hard time selling to prospects and are relying on past reputations to sell to current customers. He also added that your make-quota-or-leave mentality is forcing reps to push products that customers don't really need, such as updates of new parts before old parts are worn out. Your salesperson indicated that this particular long-time customer was unmoved by the competitor's accusations and, in fact, thought that his approach was in bad taste. She also was insulted by the suggestion that she's one of the customers being duped by your company, which implies that she isn't doing her job properly.

After thanking your salesperson for telling you about this, you head back to your

office to consider what to do with this information. Will other customers react as this one has? What about prospects, how will they react? Have other customers heard this story and not told one of your salespeople? What, if anything, should you do now? In addition, should you say anything at your next Monday morning sales meeting with your sales team? If so, what will you say?

QUESTIONS

1. What should you, the sales manager, do now?
2. If you were the sales manager, what would you do about the following:
 - The former rep’s accusation concerning the company’s product quality.
 - The former rep’s accusation concerning the make quota-or-leave mentality.
3. As a sales manager, how would you handle the next meeting with your sales reps?
 - What would you say to your sales reps to guide their actions with customers?
 - What are the possible reactions of the sales reps during the meeting?
4. What are the possible reactions of other customers?
5. Are there any ethical issues involved?

QUESTION 2

(10 marks)

Last year had been a very good year. Sales had increase by 10 percent to \$134 million, due mostly to increased sales to existing customers. Tom Thornton, president and CEO, is even more excited about the coming year because of an exciting new product development and plans for a geographic expansion beyond last year’s southeast Atlantic coast sales area. He is meeting with you, the vice president of sales and marketing, to discuss next year’s budget.

“I’d like to thank you for such a great year in pushing our sales over \$130 million,” greeted Tom. “As you know, I’ve been working on our budget for next year and feel that we have an opportunity to become one of the real players in this industry. With our earnings from last year, I feel that we are finally in a position to expand beyond our present eight-state geographic sales area by adding on New York, Pennsylvania, and West Virginia in the north and Louisiana and Arkansas in the south. On top of that,” he continued, “I feel that at least 10 percent of our sales will be in the new packaging technology. What I really like about the new product is that it is best suited for the high

end of the market, expensive products that are easily broken if not handled correctly. We've needed a product of this kind for some time and it shouldn't cannibalize our existing products which are really best suited for the middle of the market. ”

“Now we just have to aggressively execute our plan,” added Tom. “I've forecasted sales next year for \$174 million which is right at a 30 percent increase over this year's projected sales. We've got to maintain our bottom line to help finance our growth plans, so I'm setting a sales and marketing budget of \$19 million, which is the same as this year's projected 10.9 percent of revenue. This is nearly a \$5 million increase in your budget, which should be enough to reach our target of \$174 million.”

As vice president of sales and marketing, what would be your reaction to Tom's budget? How would you begin to analyze this budget? What are the possible budget implications of the expanded geographic selling area? What about the new product introduction?

QUESTIONS

1. As vice president of sales and marketing, what would be your reaction to Tom's budget?
2. How would you begin to analyze this budget?
3. What are the possible budget implications of the expanded geographic trading area?
4. What are the possible budget implications of the new product introduction?

QUESTION 3

(10 marks)

What were the roles & responsibilities of commercial sales force in the organization where Ben Cooper worked?

Was anything worrying Ben Cooper?

What answers Ben Cooper would have prepared for recommendation so as to improve the performance of his division? Give suitable justifications.

QUESTION 4

10 marks)

- a) What is the dilemma for Startups? What sales model would you recommend to an entrepreneur trying to sell a highly technical product (assume the product of your choice) sourced by educational Institutions?
- b) What are the various customer value propositions in the business market? Explain briefly.

QUESTION 5

(10 marks)

What are the important qualities of a sales person? Explain service selling and developmental selling in the context of banking sector and explain qualities required for a sales person in different roles in service selling as well as developmental selling.

QUESTION 6

(10 marks)

- a) What are the service outputs delivered by Marketing Channels? What are the parameters for comparing Channel Designs?
- b) What is the role of a Manufacturer's Representatives and how this is different from a dealer?

-----END OF PAPER -----