

NEW SCHEME

Third Semester MBA Degree Examination, Dec. 06 / Jan. 07
Business Administration
Sales and Retail Management

Time: 3 hrs.]

[Max. Marks:100

- Note: 1. Answer any TWO questions from PART A
and any TWO questions from PART B.
2. Question No.8 is compulsory.

PART A

Sales Management

- 1 a. What are the qualities required for a sales manager? (03 Marks)
b. Explain the methods used in training programs. (07 Marks)
c. What do you mean by personal selling? Describe the process of personal selling with examples. (10 Marks)
- 2 a. What are the dimensions of motivation? (03 Marks)
b. Describe the types of sales quotas with examples. (07 Marks)
c. Explain the concept of sales presentation, and describe how you can make an effective presentation. (10 Marks)
- 3 a. What are the sources for recruiting sales force? (03 Marks)
b. Describe the elements used in compensation with examples. (07 Marks)
c. Describe the techniques used in sales forecasting with suitable examples. (10 Marks)
- 4 a. Write notes on double win strategy in sales management. (03 Marks)
b. As a sales manager for a cell phone company, explain your ideas for designing sales territories. (07 Marks)
c. "Money is the main motivating instrument for a salesman". Discuss with examples. (10 Marks)

PART B

Retail Management

- 5 a. Explain the terms retailing and retailer. (03 Marks)
b. Describe the functions of retailing with examples. (07 Marks)
c. Explain the factors affecting consumer decision making on retailing. (10 Marks)
- 6 a. What are the benefits of market segmentation? (03 Marks)
b. What do you mean by relationship marketing? Write down the difference between relationship marketing and transactional marketing. (07 Marks)
c. Name any five organized retail units and explain the current trends on their promotional strategy. (10 Marks)
- 7 a. Explain the concept "zero level channel". (03 Marks)
b. What are the criteria for effective market segmentation? Explain. (07 Marks)
c. "A good firm is less dependent on middlemen". Discuss with examples. (10 Marks)

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8 CASE STUDY:Pantaloon Parade

Pantaloon Parade is one of the leading retail brands in India. They have a chain of garments and fashion accessories outlets in different cities. They are facing problems of attrition in some of their stores in Bangalore for which they have developed a radical recruitment process compared to the original hiring process followed in the organization. A centralized electronic hiring process replaced the 400 store managers. In the original hiring process the store managers were responsible for recruiting the retail sales staff. In the new system the company interviews and hires people over telephone from its headquarters.

The applicants fill an application for the store where they wish to work and submit the application to the manager who checks it for inconsistency, incompleteness, and illegibility. If the application is found to be consistent then the store manager gives a toll free number to the applicant to call for an interview in which an electronic voice leads the applicant through an inventory of yes and no questions about honesty, morality in profession, drug and other stimulant usage behaviour, and on other personal habits.

Answers are entered in a touch tone phone and the computer records responses and the time taken in responding to the questions. Interviewers at the corporate office evaluate the record and design a set of questions for a follow-up live interview in which the applicant gets a chance to explain his answers and reasons for his choices. The interviewers are trained to interpret the response behaviour that includes pauses, changes of tone, and speech patterns. The local store managers only do the initial screening job and rarely challenge the new system and its effectiveness. This method has reduced the retail sales force turnover substantially.

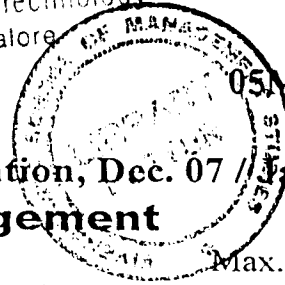
Questions:

- Do you think Pantaloon Parade's new hiring process is more reliable for recruiting qualified retail sales force? Explain.
- How would you feel when you are asked to give an interview by voice mail?
- Is it true that electronic screening is a better method to remove bias in selection process than personal interview? Explain.
- "An electronic hiring system changed the role of the sales manager". Discuss.

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05MBAMM312

Third Semester MBA Degree Examination, Dec. 07 / Jan. 08
Sales and Retail Management

Time: 3 hrs.

Max. Marks: 100

- Note : 1. Answer any TWO questions from PART – A and any TWO questions from PART – B.
2. Question No. 8 is compulsory.*

PART – A Sales Management

1.
 - a. Write notes on Double – Win strategy. (03 Marks)
 - b. What do you mean by Sales Quota? Describe the types of sales quotas with examples. (07 Marks)
 - c. What is Sales Presentation? Explain how will you handle the customer objections with suitable examples. (10 Marks)
2.
 - a. Write down the difference between the concept Marketing and Selling. (03 Marks)
 - b. What are the characteristics of compensation? Explain the elements of compensation plan with examples. (07 Marks)
 - c. What do you mean by “personal selling”? Explain the process of personal selling with examples. (10 Marks)
3.
 - a. Explain the term “Salesmanship”? (03 Marks)
 - b. What are the types of Sales Training? Explain the techniques used to train the sales force. (07 Marks)
 - c. What are the Dimensions of Motivation? Describe the process of motivation with examples. (10 Marks)
4.
 - a. What are the responsibilities of a Sales Manager? (03 Marks)
 - b. Write down the various functions of a modern Sales Management. (07 Marks)
 - c. What is the need for Sales Territory? Describe a design of Sales Territory with suitable examples. (10 Marks)

PART – B Retail Management

5.
 - a. What are the activities performed by Retailers? (03 Marks)
 - b. What are the criteria for the selection of a supplier? Explain with examples. (07 Marks)
 - c. As a Marketing Manager, explain the promotional strategy for any FIVE well organized Retail Outlets Functioning in India. (10 Marks)
6.
 - a. Write notes on the types of suppliers. (03 Marks)
 - b. What are the components of Relationship Marketing Strategies in Retailing? Explain. (07 Marks)
 - c. Describe the need for a high profile location and layout plan for the Retail shop in India with examples. (10 Marks)
7.
 - a. Write the difference between Transactional Marketing and Relationship Marketing. (03 Marks)
 - b. Explain the external influences on retail pricing strategy with examples. (07 Marks)
 - c. Describe the scope for the growth of Retail Industries in India. (10 Marks)

8 Case Study :: [Compulsory]

In search of new ways to woo Shoppers, the nation's super markets have become a marketing test ground. The industry is still struggling to fight new competition and demographic changes that have been building for years. Baby boomers, one of the largest and most affluent groups of shoppers have aged and now eat out frequently and shop on the run. The evidence of their life style is ubiquitous : Convenience stores and pharmacies now carry an array of groceries and purveyors of prepared foods are flourishing.

The liberal spending by baby boomers has helped food sales to soar. But super market shopping sprees have not weighed heavily in the increase. But over the period, spending on food to be consumed at home purchased mainly from supermarkets.

In addition, the increased competition from the discounters super centers has forced at least a hundred weaker super markets a year to shut down. And in an attempt to be as attentive to customers needs as the corner grocers of the past, Supermarkets are stocking twice as many products as they did a decade ago, further increasing their costs. Many have added conveniences like in-store restaurants, banks, pharmacies and with hot prepared foods. They are using computer scanners to track individual purchases and to improve their market. Some are holding events like sampling extravaganzas to make shopping more exciting.

Service, Value convenience and quality, rather than price are the carrots that lure time pressed shoppers today. "Retailers are moving away from features sales", said the president of an advertising agency that specializes in the food industry". No longer do you pile it high and sell it cheap".

Questions :

- What kind of marketing strategies can new retailers adopt to manage the competitions?
- What are the Infra structure facilities required to start a Retail outlet?
- "Children of a family is the main influencing factor to visit a Retail outlet". Explain.
- "Price is an unmatched factor for a rural customer in the organized Retail outlet". Is it? Explain.

(20 Marks)

- 7 a. Write notes on EDLP with benefits. (03 Marks)
 b. "Retail pricing strategy is highly influenced by External Factors". Explain your answer with examples. (07 Marks)
 c. "Huge motivation between the Retailers in providing their retail service through Infrastructure and attractive promotional strategies in India"- explain with five examples. (10 Marks)

8 Case Study [Compulsory]

Karadi Tales is one of the leading children's entertainment and knowledge products selling company in India. It sells compact discs, books, and educational materials. The company plans to open a chain of retail stores for children. The company plan to conduct workshops, and seminars for parents and children of upper class and upper middle class.

The company plans to cover top ten cities in India and planning to recruit around 300 people and wishes to hire and retain the best people. The children's market in which Karadi Tales plans to operate demands service personal who are very patient and knowledgeable about children, toys, and computers. Proper training is given for all to reach the goal.

The attrition rate in the industry is very high and the executives leaves the company in a year's time. One of the important factors for the high turn-over rate is the demanding nature of the job in this industry. They are planning to set up sales teams for their new chain stores.

The sales teams will contribute towards improving the quality of the service, problem solving, and brainstorming in the market. This approach of team selling is quite new to the industry and company expects that this will deliver the desired results.

Questions:

- i) How can Karadi Tales attract best minds for jobs in the new chain stores?
- ii) As a Manager, Explain. Why the attrition rate is very high?
- iii) What measures and characteristics should be used for selecting the best candidates?
- iv) Suggest the best Retail promotional strategy to karadi tales to satisfy the children.

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08MBAMM312

Third Semester MBA Degree Examination, Dec.09/Jan.10
Sales and Retail Management

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer any FOUR full questions from the Q.No.1 to 7.
2. Question No. 8 is compulsory.

PART – A Sales Management

- 1 a. Explain double win strategy in selling. (03 Marks)
b. What are the qualitative and quantitative objectives of personal selling? (07 Marks)
c. Explain, how the sales territories are designed using either a build-up or a break-down method? (10 Marks)
- 2 a. Define sales leakage. (03 Marks)
b. Good selection is of vital importance to a firm because it is the sales force that directly generates revenues for the firm. Elaborate. (07 Marks)
c. Specify the criteria to be considered in selecting a forecasting method. Also, discuss different methods available for forecasting sales. (10 Marks)
- 3 a. What is the purpose of sales training? (03 Marks)
b. Explain the methods used in training programs. (07 Marks)
c. What is the purpose of compensation? Explain the types of compensation plans. (10 Marks)
- 4 a. What is prospecting? (03 Marks)
b. Why are quotas important? Explain the types of sales quota with example. (07 Marks)
c. Explain the concept of sales presentation and describe the methods of handling customer objections. (10 Marks)

PART – B Retail Management

- 5 a. Explain the terms retailing and retailer. (03 Marks)
b. What do you mean by relationship marketing? Write the difference between relationship and transactional marketing. (07 Marks)
c. Specify the criteria for evaluating market segmentation and explain the approaches to retain market segmentation. (10 Marks)
- 6 a. What is merchandising? (03 Marks)
b. Explain the presentation techniques in store management. (07 Marks)
c. What are the characteristics of a retailer? Explain the types of retailers. (10 Marks)
- 7 a. Explain the concept of zero level channel. (03 Marks)
b. What are the retail channels available for interacting with customers? Explain the skills needed by firms to effectively operate the channels of retailing. (07 Marks)
c. Explain the pricing strategies available for consumer durable goods at retail market. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank spaces.
2. Any revealing of identification, apt to evaluator and/or equations written eg, 42+8 = 50, will be treated as malpractice.

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CASE STUDY (Compulsary):**DIAMOND IN THE ROUGH**

Ruth Diamond, president of Diamond Furriers, was concerned that sales in her store appeared to have flattened out and was considering establishing a different method of compensating her salespeople.

Diamond was located in an affluent suburb of Nashville, Tennessee. Ruth's father had founded the company 40 years earlier and she had grown up working in the business. After his retirement in 1980, she moved the store into an upscale shopping mall not far from its previous location and sales had boomed almost immediately, rising to just over \$1 million in five years. However, once it had reached that sales volume, it remained there for the next three years, making Ruth wonder whether her salespeople had sufficient incentive to sell more aggressively.

Diamond's staff was all women, ranging in age from 27 to 58. There were four full-timers and four part-timers (20 hours a week), all of whom had at least three years of experience in the store. All of them were paid at the same hourly rate, which was \$10; there was also a liberal health benefit plan. Employee morale was excellent and the entire staff displayed strong personal loyalty to Mrs. Diamond.

The store was open 78 hours a week, which meant that there was nearly always a minimum staff of three on the floor, rising to six at peak periods. Diamond's merchandise consisted exclusively of fur coats and jackets, ranging in price from \$750 to more than \$5,000. The average unit sale was about \$2,000. Full-timers' annual sales averaged about \$160,000 and the part-timers' were a little over half of that.

Mrs. Diamond's concern about sales transcended her appreciation for her people's loyalty. She had asked them, for example, to maintain customer files and call their customers when the new styles came in. While some of them had been more diligent about this than others, none of them appeared to want to be especially aggressive about promoting sales.

So she began to investigate commission systems and discussed them with some of her contacts in the trade.

All suggested lowering the salespeople's base pay and installing either a fixed or a variable commission rate system.

One idea was to lower the base hourly rate from \$10 to \$7 and let them make up the difference through a 4 percent commission on all sales, to be paid monthly. Such an arrangement would allow them all to earn the same as they currently did.

However, she realized that such a system would provide no incentive to sell the higher priced furs, which she recognized might be a way to improve overall sales. So she considered offering to pay 3 percent on items priced below \$2,000 and 5 percent on all those above.

Either of these systems would require considerable extra book keeping. Returns would have to be deducted from commissions. And she was also concerned that disputes might arise among her people from time to time over who had actually made the sale. So she conceived of a third alternative, which was to leave the hourly rates the same but pay a flat bonus of 4 percent of all sales over \$1 million, and divide it among the people on the basis of the proportion of hours each had actually worked. This "commission" would be paid annually, in the form of a Christmas bonus.

DISCUSSION QUESTIONS:

- a. What were the reasons for stagnation in sales volume of Diamond Furriers? (05 Marks)
- b. What are the advantages and disadvantages of the various alternatives Ruth Diamond is considering? (05 Marks)
- c. Do you have any other suggestions for improving the store's sales? (05 Marks)
- d. What would you recommend? Why? (05 Marks)

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