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**Third Semester MBA Degree Examination, December 2010**  
**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 role does a sales manager play in the context of marketing? (03 Marks)  
b. Explain the principles for conducting principled negotiations. How can BATNA be used to your advantage? (07 Marks)  
c. State the steps in the selling process. How does a salesman handle customer objections? (10 Marks)
- 2 a. Define sales quota. (03 Marks)  
b. Explain the sales organization structure “by product” and “by customer”, with suitable example. (07 Marks)  
c. As a sales manager of a company selling vacuum cleaners, how will you design the sales territory? (10 Marks)
- 3 a. What is combination quota? (03 Marks)  
b. What are the various methods of fixing sales quotas? (07 Marks)  
c. Explain the different types of compensation plans. (10 Marks)
- 4 a. What is on – the – job training for a new recruit in sales? (03 Marks)  
b. What are the steps in the recruitment and selection of the sales force? (07 Marks)  
c. Explain the process involved in motivating the sales force. (10 Marks)

**PART – B**  
**Retail Management**

- 5 a. What is retail? What are its functions? (03 Marks)  
b. Do you agree that store location is an impatient decision in retail management strategy? Give reasons for the same. (07 Marks)  
c. Discuss the status of the retail industry in India. (10 Marks)
- 6 a. What is the meaning of “assortment”? (03 Marks)  
b. How would you manage the merchandize in an organized retail unit? Explain with an example. (07 Marks)  
c. What are the factors that affect the retail pricing strategy? (10 Marks)
- 7 a. What is a retail audit? (03 Marks)  
b. Explain the various types of retail formats. What are their unique features? (07 Marks)  
c. Discuss some important features of relationship marketing in the retailing context. (10 Marks)

**CASE STUDY****The Westside Model**

Before entering the Indian retailing segment, Westside conducted market research on retailing trends, in both the domestic and international markets.

It was observed, that, in India, garment retailers generally stocked both store – owned brands and other brands in the ratio of 30:70, as it was easy to attract customers for the established brands. However many major international retailers stocked only their own brands, because of high returns, increased store loyalty and less restriction in terms of display, price and promotion. Stocking of only store owned brands for India retailers posed certain problems, however. Though they offered high margins, retailers suffered on account of poor economics of scale (until they established many outlets) and heavy investment in brand building. While all major Indian retail chains stocked established brands, Westside decided to push its own brand.

**Promoting Westside :**

Westside gave a high priority to marketing, in order to increase brand awareness among the consumers. The company focused on two parameters – style and affordability – to communicate to potential customers. The company realized that these were the two pillars, based on which, it could make an impact on the customers. The stores were positioned on the “fashion at affordable pricing” platform. The store level promotions were integrated with internal communication, through advertising. In – store promotions were used to give the shopper a feeling of getting greater value, to offer a good shopping experience. Westside’s total advertisement spending was 8% of its sales. Westside did its brand building through advertisements in the media and also through its in – house promotions, which peaked during summer, Diwali and Christmas. During the Diwali season in 2000, Westside launched a “festival of delights” program, which gave each shopper a scratch – and – win card. The greatest challenge for Westside was from the unorganized sector (98% of India’s retail garment industry operated in the unorganized sector) and to a lesser extent from the similar organized players.

According to Chakrawarti, “the main job was to get people to visit organized stores, such as Westside, instead of buying from an unorganized player”. The general perception is that, in India, organized retailers are more expensive than unorganized retailers. Westside responded to this by connecting the price to quality. It had to make the customers realize that they were getting the latest styles at very good prices and in a comfortable environment. The other challenge for Westside would be to compete with other retail fashion business in India (both Indian and foreign) such as, Wills, Sport 15, Reymonds (Be), Globus, Nike, Crocodile, Margo, and Marks and spencers.

- a. What was the rationale for Westside entering the Indian retail segment? (05 Marks)
- b. What is the business model adopted by Westside? (05 Marks)
- c. What are some of the four retail promotion strategies followed? (05 Marks)
- d. Recommend a few additional promotion strategies to enhance the sales. (05 Marks)

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