

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2019****Subject Code: 2830103****Date: 05-12-2019****Subject Name: Sales and Distribution Management****Time: 10:30 AM TO 1.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) Answer the following multiple choice questions. 06

- 1 The legend for AIDA formula includes attention, interest, desire and one of the following
 [A] Arrangement [B] Agreement
 [C] Action [D] Assistance
- 2 _____ distribution ensures widespread coverage, volumes & availability
 [A] Intensive [B] Selective
 [C] Exclusive [D] Regular
- 3 A zero level channel denotes a _____ distribution set up.
 [A] Indirect [B] Direct
 [C] Dedicated [D] None of above
- 4 Conflicts escalate through the stages of latent, perceived, felt and _____
 [A] Dispute [B] Legal
 [C] Arguments [D] Manifest
- 5 Missionary salesperson's main responsibility is
 [A] Take order [B] Educate or give information
 [C] Solve customer problem [D] Respond to customer demand
- 6 A sales budget consists of estimates of
 [A] Sales volume [B] Selling expenses
 [C] Sales administration costs [D] All of above

Q.1 (b) Briefly explain the following terms 04

1. FAB Approach
2. Delphi Method
3. Activity Quota
4. Horizontal & Vertical Channel Conflict

Q.1 (c) What do you mean by Transactional Selling? 04**Q.2 (a) What are the various sales presentation methods are available to sales person? Explain any two in detail. 07****(b) What are the methods used to determine optimum size of the sales force? Explain any two of these methods. 07****OR****(b) Assume you are appointed as head of marketing of Saragam Aluminium Company, which is a new company, manufacturing and 07**

marketing aluminum extruded products, such as door, window, frames, heat sinks, and control panels. Customers include household and business organizations. The factory is located in Hosur district of Tamil Nadu, about 38 km from Bangalore. You are discussed with CEO to initially focus on sales and distribution efforts in southern region consisting of Karnataka, Tamil Nadu, Andhra Pradesh and Kerala. You are required to design sales territories to cover the four southern states. Describe how you would go about your task.

- Q.3** (a) Explain different qualitative sales forecasting methods. **07**
 (b) Draw up the outline of a distribution strategy for a company selling FMCG product and Pharmaceutical products. **07**

OR

- Q.3** (a) What is channel conflict? What are the main areas that give rise to channel conflict? Explain them in brief. **07**
 (b) All-in-One is a large, (2500 sq.ft.) well established individual retailer in a prominent Delhi locality. He has a regular clientele of hundreds of local citizens. Recently, two major national retail chains have opened supermarkets in the same locality. Sushil Arora, owner of All-in-One is worried. Should he enhance the value added services from his store (reducing profitability) OR should he sell out to a third retail chain which also plans to enter the same area? What should he do and why? **07**

- Q.4** (a) Explain types of retailers and wholesalers with examples. **07**
 (b) What are the factors you would consider for planning a warehouse for dairy products? **07**

OR

- (a) What are the relative advantages and disadvantages of various transportation modes? How would you evaluate the best transport mode in a given situation? **07**
 (b) Talk-more Telecom is a mobile telephone company which ranks No 3 in the industry. They are trying to evaluate their current channel systems. What factors should they consider for this evaluation? **07**

- Q.5** **Case Study : RK Consultants – Selling Consultancy Services** **14**

When the mail from 2M-Hydraulics was received by Rahul Deshpande, the CEO of RK Consultant, he immediately talked on the intercom to his VP, to personally handle this enquiry. “If you succeed to get this order and execute the same to the complete satisfaction of 2M-Hydraulics, it would open doors for many more orders in future,” said the CEO.

“Yes, I agree with you, but for that I will have to fly down to Bangalore immediately to meet with key people in 2M-Hydraulics to understand clearly their needs, before submitting our proposal”, responded Arun.

“Why not, go ahead, and let me know if you need any help from me”, said Rahul and hung up. Arun looked at the website of 2M-Hydraulics and gathered information that the company had a technical tie-up with a German company and wanted to manufacture and market hydraulic valves, pumps, and other accessories in India. The company had decided distribution strategy of selling its product through dealer, who have expected to design, assemble, sales and

service hydraulic power packs required for various applications for material movements. Arun spoke with Srinivas Rao, GM of 2M-Hydraulics, and fixed an appointment to meet with him.

Arun gathered information about market potential in major metros and cities, competition and requirements of 2M-Hydraulics. His doubt about “can we get dealers in India performing so many tasks.” Was answered by the GM. “ If we can get them in German, why not in India” ?

Arun came back to his office at Pune, discussed with Rahul and sent his proposal to Shrinisa, within one week. Arun received a call from Shrinivas, asking Arun to come over to Bangalore for a presentation to a team of senior executives, to be followed by negotiation.

Questions :

1. How was RK Consultants approach to the customer’s requirements?
2. If you were Arun Pande, which presentation method, negotiation style and closing technique you would use?

OR

Q.5

Case Study : CG Engineering Company – Achieving Quota

14

Ashok Desai was transferred from western region, where he worked as are sales manager of CE Engineering Company, to eastern as regional marketing manager – industries. He was told by the company’ GM sales that he was transferred from western to eastern region to set things right, as eastern region was not performing well on sales & profit. Ashok’s main responsibilities were to manage effectively 11 sales engineers and achieve sales volume and contribution (to profit) quotas. For Ashok not only the industrial customers but also the sales engineers are new. The sales engineers were compensated based on straight salary and perquisites like rent allowance and medical reimbursement. There was no incentive scheme. The territory of eastern region consisted of states of West Bengal, Bihar, Assam and Orissa. Ashok felt that the sales engineers were not covering the market adequately and were not following any system of routing and scheduling. He also thought those sales people were spending more time in traveling and less in selling activities. After taking to sales engineers individually, he got an impression that most of them were not motivated, as they were not given adequate freedom of operation and recognition whenever they got good orders. Ashok thought that there was a good scope of applying what he had learnt in the management institute and achieve superior result as expected by general manager (sales)

Questions :

1. If you were Ashok, what you do to achieve the sales volume and contribution quotas?
2. What are the other types of quota’s can be applied in this case?
