JAIPURIA
INSTITUTE OF MANAGEMENT
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JAIPURIA INSTITUTE OF MANAGEMENT

POST GRADUATE DIPLOMA IN MANAGEMENT

THIRD TRIMESTER (Batch 2016-18)

END TERM EXAMINATION (April, 2017)

Course Name	Sales Management and Business Development (SMBD)	Course Code	MKT301
Max. Time	2 hours	Max. Marks	40

Instructions: All the questions are compulsory

1. ITC is an industry leader in the marketing of tobacco related products. The company has a vision of becoming a food major in five years and is planning to go for a national level of launch of its 'Ashirwad' brand. To estimate the demand, the management thinks that they should take few factors into consideration. The factors include income of the target class, the percentage of target class distribution in the major cities and the retail network in the cities. Justify these factors ? Does it make sense to do a survey of the target segment's buying intention or just the survey of retail network (channel partners) would be enough? **(8M)**

2. Need satisfaction method of sales presentation is effective with the use of FAB approach. Identify a feature, an advantage and a benefit for the following products and services assuming you are going to make sales presentation to a prospective customer:

a. Washing machine **(4x3=12M)**
b. Passenger Car
c. Management Programme
d. Life Insurance

3. Assume you are a branch manager of a company, which has recently introduced a sales quotas system that is linked to the incentive scheme for the salespeople. However the salespeople have complained about the frequent short supply of some products which have affected their quarterly incentive payments. As a branch manager what would you do? **(5M)**

4. Read the case and answer the questions after it :

Raymond Fibres is a leading fibre making company I India. It has offices all across the country covering all major towns and employs 700 salespeople. The fibre market is divided into natural and synthetic fibres, and the majority of customers use synthetic fibres as the amount of natural fibre available in India for industrial consumption is very low. So the industry largely depends on artificial synthetic fibres for its requirements. The 700 strong salesforce is under a single employee union. Raymond fibres spends a huge amount of money in research and development as it has to compete with some of the leading global players such as DuPont in the Indian market. The Reliance group is one of the leading synthetic fibre makers in the country and is believed to be the market leader. The new plant of Raymond fibres was set up in Nasik in Maharashtra.
Since the new plant was designed and established to build volumes I business through a new manufacturing method, the company had an agreement with the sales union that the

salespeople will forgo 3 percent of the annual average sales rise for two years in exchange for a bonus, if the new unit posts a string growth in earnings. The plan offered the salespeople to potentially receive upto 15 percent of their salary as reward. The goal of the agreement was to receive the targeted earnings for the new plant by building higher volumes through sales. Meeting such a goal was a small thing in the Indian market in the year 2002 as the demand for synthetic fibre was very high. But the inevitable happened in the next three years and recession hit the market very badly. To add to this was the availability of cheaper import from China, which hit the prices very badly. The bonus for the salespeople practically came to zero in 2001-203, leaving the salespeople with slimmer pay cheques than they would have had with the average raises that they had forgone in the past. The company attempted to educate the salespeople through various forms of communication about the downslide in the industry and the problems of both top and bottom line profits, which came as a shock to salespeople. Under pressure from the trade union leaders, the company had to abandon the plan and raise the salary of the salespeople by 5 percent to compensate for the loss for the last three years.

One of the sales managers was of the opinion that the salespeople are not ready to share the risk of the company at all. Others stated that probably they could have stayed with the company's policy of the gloomy picture, which would have been described to them at the time of the agreement. They are of the opinion that having a job does not guarantee lifetime employment and a guaranteed wage.

Q4.1 Do you agree with the sales manager that the sales people are more willing to take risk when their job security is low? **(5M)**

Q4.2 What do you think the sales manager of Raymond fibres could have done to prevent its employees from getting demotivated by its plan? **(5M)**

Q4.3 What alternatives will you suggest for the sales people to just a straight increase in the salary as done in this case? **(5M)**

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