

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM/PGDM (SM)/PGDM (M)**  
**THIRD TRIMESTER (Batch 2018-20)**  
**END TERM EXAMINATIONS, MARCH 2019**

Course Name	Sales Management & Business Development	Course Code	MKT302
Max. Time	2 hours	Max. Marks	40

**INSTRUCTIONS: Answer all the questions.**

- Conceived way back in 1960, the Jaquar Group is an undisputed market leader in the organised bath fittings category. The latest addition to the Jaquar Group, Jaquar Lighting offers a complete range of LED solutions from indoor living to outdoor landscaping and decorative pieces to suit the aesthetics and decor of every commercial and residential space. What would you suggest, as a sales consultant during: (5\*3=15 Marks)
  - Design of new sales quota system, outlining the major selling and non-selling activities.
  - Structuring of sales force compensation.
  - Evaluation and control of sales force.
- O'cean Fruit Drink is an innovative initiative by Narang Group that plans to aggressively promote its range of energy drink, active water, fruit drink and fruit wave in major cities of India. Priced at Rs. 50 per bottle of 500 ml., O'cean Active Water is packed with refreshing fruit flavours (Lime & Orange; Peach; Strawberry) electrolytes and vitamins to help boost energy levels and keep oneself well hydrated. The company is aggressively promoting the product and looking forward to expanding in new territories to garner higher pie for the company in this segment. (6\*2= 12 Marks)
  - What major functions would you outline for them to be performed and the important skills required for the mid-level manager for the same?
  - Identify the emerging sales management trends in packaged drinking water industry and how these trends are going to affect the role of sales person?
- Read the following case study carefully and answer the questions given in the end :  
Mr Arman Mehra works for a company that sells machine components and spares to different manufacturers catering to the consumer markets. The costs of these machine components are quite high as they constitute strategic components of many of these machines and go as a part of the boiler used in the factory to keep the temperature of the boiler under control. This is a conversation of Mr Arman Mehra with Mr Piyush Sinha, who heads the purchasing department of a company and is a long-term customer for Mr Mehra.  
  
‘Mr Sinha, your company has established itself as a high-quality manufacturer that provides good products at a superior value to the customers. As a result, your salespeople have had to continuously prove the value of your product against the cheaper alternatives available in the market by showing



the additional benefits when compared with the higher prices that you charge. Do you not agree with this statement?’

‘I do agree with you. I have heard sales managers discussing this with our salesperson all the time, constantly hitting at benefits that our products deliver in comparison to the cheaper alternatives available in the market,’ said Mr Sinha.

‘That is the point. Though quality costs more, it also pays off well for the customer. We all feel the same for the products that we sell you every time. Though they cost more than the product you are considering now from our competitor, the dependability of the performance is certainly something worth comparing while comparing our prices with those of the competitors,’ said Mr Mehra.

‘I understand that Mr Mehra, but our headquarters have instructed us to make savings in the purchases and yours is the largest buying that we are going to have this year. As the industry conditions are bad due to availability of cheap substitutes from China, we have to make some cost cuttings this year. That forces us to look for better alternatives from cost point of view,’ said Mr Sinha.

‘OK, that is something I cannot refute, but the quality of service that our company has given you in last few years has provided longer wear, fewer replacements, and less down time in the production process resulting in substantial cost saving in your organization,’ said Mr Mehra.

‘I am not so sure that I can agree with your statement Mr Mehra. You are talking about measuring something that has not happened. These can only be treated as sales claims as there is no substantial benefit observed as you are suggesting,’ said Mr Sinha.

‘Mr sinha, you know very well that we have worked closely with your production people and had our service engineers stationed for emergency calls at nights and on weekends also. Are you saying that we didn’t help your company in saving money and achieving your sales goals?’ said Mr Mehra.

‘I am not saying that. I also don’t want you to twist what I am saying. What you are referring must be a production problem and it has nothing to do with the purchase department. I have been asked to reduce costs by 15%. Since you cannot give me a lower price, I have decided to go with the competitor as their specifications almost match to that of yours and is OK to my production people. If their products and services do not live up to their promise, I will get in touch with you. I think I have to go for another meeting and I will see you sometime in future,’ said Mr Sinha.

Mr Mehra thanked Mr Sinha and left the office with a deserted look.

#### Questions :

3a. What went wrong? What kind of offer or changes Mr. Mehra should have made in sales talk ? (5)

3b. What advice will you give Mr. Mehra, so that he is able to negotiate & convince Mr. Sinha ? What should be future course of company of Mr. Mehra, so as to handle such situations ? (8)