

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM (M)

SIXTH TRIMESTER (Batch 2017-19)

END TERM EXAMINATIONS, MARCH 2019

Set-II

Course Name	SALES NEGOTIATION	Course Code	MKTM606
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Attempt all the questions.

Q1. A retail company (like Big Bazaar, More, Spencer's) was looking at implementing a Point of Sale Solution at its stores for billing, customers to check out quickly and to connect it with the back office systems for SKU (stock keeping unit) evaluation and inventory management. The company floated a limited RFP (request for proposal) to 4 large companies. 3 of them made their presentations and solutions in a standard format which is a fixed cost and a variable cost. Fixed cost included the equipment, the POS (point of sale) terminal and scanners, readers etc. Variable cost included the cloud based software, maintenance and upgrades / updates. One company that won the contract amortized all the hardware and fixed costs and presented it as an operational expense. This meant that the retail company didn't have to buy anything upfront. All the expenses were on a monthly recurring nature which the company found very comfortable in implementing since there was no large Capex.

Based on the scenario e above explain the four potential Negotiation outcomes:

1. Seller wins/buyer loses
2. Seller loses/Buyer wins
3. Seller loses/ Buyer loses
4. Seller wins/Buyer wins

10 marks

Q2. Aman has been interested in the food and beverage industry since he was a little boy. His father owned a restaurant/tavern. Aman spent his evenings, weekends, and summers working in the restaurant. At age 21, he began to work as a bartender. He had firsthand experience ordering food, hiring, firing, and running the entire operation by the time he was 25. At age 30, he bought his father out. During the next 10 years, he opened another restaurant/bar and two package liquor stores. Aman's first love was experimenting with new recipes. He had a chili that won competitions in his hometown. He made a spaghetti sauce that was world class. His garlic bread and garlic cheese bread were legendary. Aman decided to get out of the tavern and liquor business, and he opened a line of spaghetti shops. Sales over the first five years were outstanding, and he opened a new store every six months. Aman continued to experiment with recipes and developed a line of barbecue sauces. He believes that he is the first to dual franchise spaghetti and barbecue in the same building.

Current Situation- Aman is convinced that a good market exists (e.g., groceries, restaurants, gas stations) for his garlic bread and spaghetti and barbecue sauces. He has seen his sales grow by 18 percent per year over the past five years, and the trend is expected to continue for at least the next three years. One of his first problems is to obtain a list of prospects.

Explain the popular prospecting methods used in different selling situations. What prospecting methods should Aman use here?

10 marks

Q3. SPIN Selling explains that by asking questions the salesperson build rapport with the buyer and gathers information. Identify and explain each of the individual steps involved in the SPIN sequence of questioning. Develop two example questions for each step. **10 marks**

Q4. Sales negotiation can be formal event at a specific time and date or it can be ongoing at different points in the sales process. What are the points one should keep in mind while negotiation with the prospect or customer?

- i. Before negotiation begin
- ii. During negotiation
- iii. After the negotiation

10 marks
