

Eastern University, Sri Lanka

Faculty of Commerce & Management

Third Year Second Semester Examination in BBA

Specialization in Marketing Management

2016/2017 (July 2019) (Proper/Repeat)

MKT 3053 Sales and Retail Management

er all questions

Time: 03 Hours

Pages 01 -05

Read the following case study and answer the questions given below.

One thing is for sure; experiential retail is the future. For years, we have heard stories of the apparent decline of the high street and the subsequent rise of the internet, as if this was a trajectory impossible to reverse. But as the desire for experiences has risen, for example millennials said 52% of their holiday spending would go on experience-related purchases compared to 39% of older customers, this trend could be about to reverse.

As consumers choose to invest in experiences rather than products, retailers need to respond to meet the needs of their customers. Customers don't want to just walk into your shop, buy your product and leave because they could do this in the comfort of their own home. But by creating a more immersive retail experience, retailers can drive people towards their stores and ensure they leave not just with your products but also memories. Retailtainment is predicted to dominate the industry, the fusion of retail and entertainment, an effort on the part of retailers to provide customers with fun, unique experiences that elevate shopping above anything it's previously been.

Traditional marketing strategies were once successful through analytical, quantitative methods focused on functional features and benefits. But with our ever changing environment and the retail industry entering into a new era, it is necessary to shift attention from the features-and-benefits approach to entirely customer experiences. Managers must understand new concepts and approaches to enhance consumer's experience, and new approaches within the organization to capitalize on the new opportunities offered by experiential marketing.

Consumers have a plethora of choices when it comes to where they spend their money. Experiential marketing is everywhere, and to make sure your business is successful you need to offer your consumers a desirable experience to drive sales.

Farfetch

Farfetch, founded in 2008, is an e-commerce portal for luxury boutiques. It has successfully positioned itself as the technology provider for brands, and has most recently combined technology and fashion to provide a unique in-store experience.

The founder of Farfetch, José Neves, spoke about his concern that physical retail is diminishing, where it accounts for 93% of sales today, but by 2025 it is predicted to account for just 80 per cent.

“Retailers need a way to collect information about their customers while they are browsing in-store, just as they collect data from online searches” – José Neves

Neves has a vision for a future retail experience, where advancements in technology would start to free up time and can help make the consumer experience become more human. With this idea, the retail entrepreneur produced Farfetch’s Store of the Future – an augmented retail solution that “links the online and offline worlds, using data to enhance the retail experience.” The Store of the Future aims at providing the in-store experience of the future by giving visibility to retailers on what is happening in the store.

In their most recent temporary retail store in London, the luxury e-commerce platform provided connected clothing racks, touch-screen-enhanced mirrors and sign-in stations that could help put data collected from customers online to use in stores.

Farfetch provides a screen for customers to use where they can sign in and search their purchase history and bucket list, providing customer insight for the sales

assistants. There is also a smart mirror so they can request different sizes, alternative products or even pay without leaving the dressing room. Their high tech advancements also gives the customers the opportunity to customize and order shoes, with different styles and fabrics.

Farfetch's innovation has lead them to be labeled as "The Retail of the Future", as it fundamentally allows customers to enjoy a bespoke and effortless experience that harmonises the best parts of boutique shopping with the speed and convenience of eCommerce.

An effortless shopping trip? Now that's an experience I'm sure we all want.

Questions

i. **Illustrate** the term 'Retailing'.

(Marks 04)

ii. **Analyse** the functions of retailer.

(Marks 04)

iii. **Briefly discuss the future of** experiential retailing in Sri Lanka

(Marks 04)

iv. 'Despite a significantly smaller consumer base than in neighbouring India, the retail sector in Sri Lanka has recorded formidable growth in recent years'.

Illustrate the changes in the retailing in Sri Lanka.

(Marks 06)

v. '*Digitalization denotes an on-going transformation of great importance for the retail sector*'. '*For retailers that have saturated the domestic market, globalization gives them access to new customers and new capital useful in global marketing*'.

Discuss how digitalization and globalization influence Retailing with example.

(Marks 10)

(Total 28 Marks)

- Q2. i) *Sales management is the process of handling all aspects of a sales team's activities to ensure that company goals are met.*

Appraise Sales management Functions with examples.

(Marks 06)

- ii) Sales management is attainment of an organization's sales goals in an effective & efficient manner. **Demonstrate** the objectives of sales management with example.

(Marks 06)

- iii) *'Person-to-person communication with a prospect for building personal relationships with another party which salesperson attempts to persuade a buyer to make a purchase that results in both parties obtaining value'*.

Briefly describe the evolutionary stages of personal selling with example.

(Marks 06)

(Total 18 Marks)

- Q3. i) *'Traditionally, a sales territory refers to a geographical area assigned to an individual salesperson or team'*.

Briefly explain how the territories can be formed, citing examples.

(Marks 06)

- ii) *'The sales culture is an important tool for strategy implementation because management can directly influence culture through activities and symbols'*.

Briefly analyse the techniques managers use to convey the appropriate values and beliefs citing suitable examples.

(Marks 06)

- iii) *'A sales reward system is the means of motivating salespeople, and compensation also influence sales personnel's motivation'*.

Demonstrate the formal compensation process.

(Marks 06)

(Total 18 Marks)

- i) *Sales manager's behaviours and activities influence sales people'.*

Demonstrate the behavioural influence and activities influence along examples.

(Marks 06)

- ii) *'Sales training methodologies have one main objective: to develop a productive salesperson'.*

Describe the sales training and the sales training model with citing examples.

(Marks 06)

- iii) **Explain** the terms with example:

- a. Fringe benefits
b. Sales related Marketing Policies

(Marks 06)

(Total 18 Marks)

- i) *'The core of the staffing process is the interview'.*

Illustrate the types of interviews and **critically evaluate** the effectiveness of interviewing with example.

(Marks 04)

- ii) *'Socialization is important for the sales people'.*

Discuss the above statement and explain how socialization process can help the organization.

(Marks 06)

- iii) *Motivating sales people requires the skill of getting them to achieve their objectives while at the same time finding satisfaction from the job.*

Describe the components of a Motivational System.

(Marks 08)

(Total 18 Marks)