

Eastern University, Sri Lanka

Faculty of Commerce & Management

Third Year Second Semester Examination in Bachelor of Business Administration
(Specialization in Marketing Management) 2017/2018 (January 2020) (Proper/Repeat)

MKT 3053 Sales and Retail Management

Answer All Questions

Time: 03 Hours

Q1 Read the case study and answer the questions given below.

Best Buy Electronics

Best Buy is the world's largest consumer electronics retailer, with \$34.2 billion in sales in fiscal 2009. Sales boomed in the 1980s as Best Buy expanded nationally and made some risky business decisions, like putting its sales staff on salary instead of commission pay. This decision created a more consumer-friendly, low-pressure shopping atmosphere and resulted in an instant spike in overall revenues. In the 1990s, Best Buy ramped up its computer product offerings and, by 1995, was the biggest seller of home PCs, a powerful position during the Internet boom.

At the turn of the century, Best Buy faced new competitors like Costco and Walmart, which started ramping up their electronics divisions and product offerings. Best Buy believed the best way to differentiate itself was to increase its focus on customer service by selling product warranties and offering personal services like installation and at-home delivery. Its purchase of Geek Squad, a 24-hour computer service company, proved extremely profitable and strategic as home and small office networks became more complex and the need for personal computing attention increased. By 2004, Best Buy had placed a Geek Squad station in each of its stores, providing consumers with personal computing services in the stores, online, on the phone, and at home.

Today, Best Buy has adopted a corporate strategy it calls Customer-Centricity. It has segmented its broad customer base into a handful of specific targets such as the affluent tech geek, the busy suburban mom, the young gadget enthusiast, and the price-conscious family dad. Next, it uses extensive research and analysis to determine which segments are the most abundant and lucrative in each market. Finally, it configures its stores and trains its employees to target those shoppers

and encourage them to keep coming back again and again. For example, stores targeting tech geeks have separate home theatre departments with knowledgeable salespeople who can spend time discussing all the different product options. Stores with a high volume of suburban shoppers offer personal shopping assistants to help mom get in and out as quickly as possible with the exact items she needs. Sometimes a store will experience a new type of lucrative shopper. In the coastal town of Baytown, Texas, the local Best Buy observed frequent visits from European workers coming off cargo ships and oil tankers.

These men and women were using their precious free time to race over to Best Buy and search the aisles for Apple's iPods and laptops, which are cheaper in the United States than in Europe. To cater to this unique consumer, the local Best Buy rearranged its store, moved iPods, MacBook accessories from the back of the store to the front, and added signage in simple English. The result: sales from these European workers increased 67 percent.

This local ingenuity paired with the ability to cater to each market and segment's needs has helped Best Buy survive the electronics storm while competitors like CompUSA and Circuit City failed. The business is tough, with thin profit margins and continuously evolving technology. However, with over 1,300 stores, including locations in Canada, Mexico, China, and Turkey, Best Buy has a 19 percent market share and a trusted, consumer friendly brand.

Questions

1. What do you mean by "Customer-Centricity"? (01)
2. What are the key factors which contribute to Best Buy Electronics' success? Explain the challenges faced by Best Buy Electronics. (08)4
3. Explain the strategies which were used by Best Buy Electronics to compete with competitors like Walmart and online companies. (10)
4. Describe how the training of Sales personal contributed to Best Buy Electronics' success with this issue. (08)

(Total 20)

- Q2 a) Define the term of “Personal Selling” and explain the classification of personal selling approaches with suitable examples. (07 Marks)
- b) Determine the factors to be considered when designing territories and briefly describe the importance of sales territories to a successful marketer. (06 Marks)
- c) “Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations”.
What are the four phases of Sales Management Evolution and explain the sales management functions with suitable diagram. (05 Marks)

(Total 18 Marks)

- Q3 a) “Sales Training involves the personal development of skills and techniques related to creating and exploring new sales opportunities, as well as closing sales for an organization”
What are the training methods available for salesman and how would this evaluation process be conducted in an organization? (06 Marks)
- b) Explain the major influencers and components of sales force selection with suitable examples. (06 Marks)
- c) Discuss how motivation plays an important role in sales management, elaborate this based on the expectancy theory. (06 Marks)

(Total 18 Marks)

- Q4 a) “Hiring the right person for the job is critical for the success of the sales manager and sales force”
To be an effective recruiter sales manager must decide on number of activities. What are those activities and describe each of them. (05 Marks)
- b) Differentiate break-down sales forecasting method from build-up sales forecasting method and explain why sales forecast is important for sales management. (07 Marks)

- c) Effective job performance is essential for organizations to stay in business and for salespeople to keep their jobs. What are the purposes and importance of performance appraisal?

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(Total 18)

- Q5 a) What is retailing strategy and explain the role of a retailer in distribution channels in the Lankan context.

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- b) "Retailing is the activities involved in the selling of goods to ultimate consumers for personal or household consumption"
Identify the different types of retailers and give examples of each.

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- c) What are the aspects of ethics that sales people have to consider when dealing with customers?

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(Total 18)