

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

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Eastern University, Sri Lanka

Third Year/Second Semester Examination in Business Administration
specialization in Marketing Management – 2009/2010 (January 2012)

(Proper)

MKT 3053 Sales and Retail Management

Answer all Questions

Time: 03 hours

Q1) Read the following case study and answer the questions given below:

Holden Electrical Supplies Company: Manufacturer of Electrical Equipment - Recruiting Sales Personnel.

Holden Electrical Supplies Company, Cincinnati, Ohio, manufactured a wide line of electrical equipment used in both home and industry. The sales force called on both electrical wholesalers and industrial buyers with the greater part of their efforts concentrated on industry buyers. The industrial products required considerable technical expertise upon the part of salespeople. Sales offices situated in twenty cities spread over the country had two hundred sales personnel operating out of them. In the past eight years sales volume increased by more than 50 percent, to a level of nearly \$150,000,000. The fast rise in sales volume and the accompanying plant expansion created a problem in that more sales personnel were needed to keep up with the new accounts and to make sure the additional plant capacity was used profitably.

In addition, Holden's sales recruiting problem was compounded by a noticeable decline in the number of college seniors wanting a selling career. Holden recruiters had observed this at colleges and universities where they went searching for prospective salespeople. Another indication of the increased difficulty in attracting good young people into selling was aggressive recruiting by more and more companies. These factors combined to make the personnel recruiting problem serious for Holden; consequently, management ordered an evaluation of recruiting methods.

Virtually all Holden salespeople were recruited from twenty-five engineering colleges by district sales managers. Typically, Holden recruiters screened two hundred college seniors to hire ten qualified sales engineers. It was estimated to cost Holden \$600 to recruit a candidate. Management believed the college recruiting program was deficient in light of the high cost and the fact that only 5 percent of the candidates interviewed accepted employment with Holden.

Evaluation of the college recruiting program began with the College Recruiting Division of the company asking district sales managers for their appraisals. Some district managers felt that Holden should discontinue college recruiting for various reasons, including the time required for recruiting, the intense competition and the candidates' lack of experience. Other district managers, however, felt the program should continue with a few modifications, such as recruiting college juniors for summer employment more or less on a trial basis, concentrating on fewer schools and getting on friendly terms with placement directors and professors.

Holden's general sales manager favoured abandoning the college recruiting program and believed the company should adopt an active recruiting program utilizing other sources. He reasoned that, while engineering graduates had a fair technical background, their lack of maturity, inability to cope with business-type problems, and their lack of experience precluded an effective contribution to the Holden selling operation.

The general sales manager felt that the two hundred sales engineers currently working for Holden were an excellent source of new recruits. They knew the requirements for selling the Holden line and were in continual contact with other salespeople. By enlisting the support of the sales force, the general manager foresaw an end to Holden's difficulty in obtaining sales engineers.

The president preferred internal recruiting from the non-selling divisions, such as engineering, design and manufacturing. He claimed that their familiarity with Holden and their proven abilities were important indicators of potential successful sales engineers.

A complete analysis of Holden's entire personnel recruiting program was in order, and, regardless of the approach finally decided upon, it was paramount that

company have a continuous program to attract satisfactory people to the sales organization.

Questions:

(i) Why it is an important task for organization to have an effective recruiting system for Sales force?

(07 Marks)

(ii) Evaluate Holden's sales force recruiting program, suggesting whether or not the company should have continued its college recruiting of sales engineers.

(08 Marks)

(iii) As a Sales Manager for this organization, workout alternative plans for recruiting of sales force and give the pros and cons of those alternatives.

(09 Marks)

(Total 24 Marks)

Q2) a) Describe briefly the significance of **personal selling** in today's highly competitive marketing environment.

(06 Marks)

b) How would you meet **sales resistance/objection** in the following situation?

(i) A **sincere objection** raised by the customer about the **high price** of your product.

(ii) An **insincere objection** relating to the **shape of the bottle** in which your cough syrup is being sold.

(06 Marks)

c) "When companies have determined how many to recruit they can examine the sources of potentially qualified job applicants". What are the **internal and external sources** through which the qualified job applicants could be seek out and briefly give an account of the **advantages and disadvantages** of these two sources?

(06 Marks)

d. What is a **Sales territory**, and what may be **some reasons** a firm establishes sales territories and **reason** why a firm may **not want** to have sales territories?

(06 Marks)

(Total 24Marks)



Q3) a) What **types of Sales quotas** do organization set and brief out how these types are **different** from each other?

(04 Marks)

b) The **selection process** consists of a series of steps that increases **information** sales manager has available to aid in the decision. What **kinds of information** is usually obtained at these steps?

(05 Marks)

c) Why is **evaluation of sales training** such an important step? **How** should the process be conducted?

(05 Marks)

d) "**Qualitative forecasting techniques** are sometimes referred to as judgmental or subjective techniques because they rely more on opinion and less on mathematics in their formulation". Briefly describe about the **different qualitative techniques** with focusing on how they are **different** from each other.

(06 Marks)

(Total 20 Marks)

Q4) a) How would you relate the **expectancy theory** and **Equity theory** in motivating salespeople for **high performance**?

(05 Marks)

b) What are the **three fundamental** ways to **compensate performance**? Which of these has the most **impact**?

(05 Marks)

c) "**Performance evaluation** is often a complicated affair and takes a lot of time. However its importance cannot be overlooked". Two general **categories of performance criteria** exist, describe the **difference** between them, and explain why a sales manager needs to **use** both kinds?

(06 Marks)

(Total 16 Marks)

Q5) a) "**Leadership** research has not found any single best leadership style. A **situational approach** suggests that a number of appropriate leadership styles exist, and which one may be best will depend on the situation". Describe the **four major leadership styles**?

(06 Marks)

b) In the light of the changing role of the salesperson, explain the **qualities or traits** of **good sales personnel**.

(05 Marks)

c) What are the aspects of **ethics** that **sales people** have to consider when dealing with **their employers**?

(05 Marks)

(Total 16 Marks)

