

Sub: Sales Management

Code: 18MBAMM401

Date: 16/07/2021 Duration: 90mins Marks: 50 Max Sem: 4

Branch: MBA

Note: Part A - Answer Any Two Full Questions (20\*02=40 Marks)

Part B - Compulsory (01\*10=10 marks)

Part	Question #	Description	Marks Distribution		Max Marks
A	1	a) What is sales Compensation? The incentive plan needs to align the salesperson’s activities with the firm’s objectives.” Toward that end, an effective plan may be based on the past, the present, or the future	3 M	3	20
		b) Explain the types of the sales manager. 1. Administrative sales manager: Administrative sales managers are found normally in highly integrated sales organisations selling multiple lines of products in national and international markets. He is known by alternative titles such as ‘vice president’, ‘in-charge of sales’, ‘director of marketing’, ‘general sales manager’ and ‘marketing manager’.  He is primarily concerned with coordination and integration of all the company activities relevant to marketing. He is not an authority on design, engineering, manufacturing and finance; contrary to these, he is an authority on sales and profits. It does not mean, however, that he can be aloof from other departments and their functions.  In addition to the crucial task of coordinating marketing with other company activities, he is to coordinate the activities of his own sales organisation within and with outside advertising and sales counsel. He is responsible for sales planning that involves integration of sales personnel, merchandising, advertising and promotion, financing, distribution network.  Planning also includes the determination of the functions of sales organisation, delegation of responsibilities, personnel selection, and performance evaluation. He frames the policies and strategies on the prices, distribution, relations with dealers, service, advertising and sales-promotion.	7M	7	

2. Field sales manager:

The field sales manager or operating sales manager is a line sales executive reporting directly to the administrative sales manager. Operative sales manager works under the direction, guidance and supervision of the general sales manager.

He is mainly responsible for the effective implementation of sales plans and policies developed by the administrative sales manager.

He is known for personal direction and control of sales personnel and hence, spends major portion of his time in the field supervision of the work of sales-force. Manpower maintenance of the sales organisation is the basic task of this executive. He is to recruit, select, train, supervise, stimulate, evaluate, equip, control and route the sales-force.

Field sales manager moves with salesmen on visits of importance. He assigns sales territories and controls activities of salesmen through setting the standards of sales achievements, analysing the sales reports, holding the sales meeting, supervising the advertising and sales-promotion cooperation with dealers, directing sales contests, supervising warehousing inventories, dealer relations and coordinating territorial and home office activities.

Thus, a field sales manager provides the administrative sales manager with the latest information relating to the view points of dealers and consumers on company, company products, policies, and practices with facts on market trends, competitors, distributors and individual salesman.

3. Administrative-cum-field sales manager:

In case of smaller organisations, we come across such sales manager who combines the functions of administrative and executive sales officer. Generally speaking, administration and field operations cannot go together. However, size and economy points force many units to combine the distinct roles of administration and field operation.

		<p>As an administrator, he plans, organizes, directs and coordinates. As a field operator, he guides and supervises and controls the activities within the sales organisation. Thus, thinking and doing are done by the same person that goes against the very idea of specialisation for an administrator is a ‘thinker’ and a line officer as ‘doer’.</p> <p>4. Assistant sales manager:</p> <p>Generally, the administrative sales manager is assisted by Assistant sales manager in the administrative functions of planning, analysis, direction and coordination. He coordinates the work of sales staff that is specialized in advertising, sales-promotion, research, merchandising and dealer relations.</p> <p>He may also handle sales office personnel, records and routine. He acts as the link between the head-quarters and the field-sales-manager at distance. It is not a surprise if he discharges the functions of field sales manager. Thus, he acts as both line and staff officer in the sales organisation.</p> <p>5. Product-line sales manager:</p> <p>A company that markets variety of products has such product-line sales manager responsible for one or group of products in the product- line. He is also known as product or brand manager.</p>			
	c)	<p>Discuss the growth of internet trading in India. E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of September 2020, the number of internet connections in India significantly increased to 776.45 million, driven by the ‘Digital India’ programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.</p> <p>Market Size</p> <p>The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US \$1.9 billion in 2019, expanding at a CAGR of 57%.</p>	10	10	

India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

In India, smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown.

In festive season CY20, the Indian e-commerce GMV was recorded at US\$ 8.3 billion, a significant jump of 66% over the previous festive season. Similarly, the Indian e-commerce market recorded ~88 million users in festive season CY20, a significant jump of 87% over the previous festive season.

#### Investments/ Developments

Some of the major developments in the Indian e-commerce sector are as follows:

In May 2021, Amazon introduced a video streaming service within its shopping app called MiniTV for users in India. MiniTV features web series, comedy shows and content on tech news, food, beauty and fashion.

In May 2021, Flipkart strengthened its grocery infrastructure to cater to customer safety and demand across India. In this quarter, it is planning to further expand its fulfilment centre capacity for grocery by over 8 lakh square feet across Delhi, Kolkata, Chennai, Coimbatore and Hyderabad.

In May 2021, Flipkart announced that it is in talks with sovereign funds, private equity majors and other investors to raise up to US\$ 2 billion at a valuation of US\$ 30 billion.

In April 2021, Flipkart announced a commercial alliance with Adani Group to improve the company's logistics and data centre capabilities and create about 2,500 direct jobs.

		<p>In April 2021, Flipkart announced to acquire Cleartrip, an online travel technology firm. Flipkart announced to purchase 100% shareholding of Cleartrip as the company expands its investments to broaden its digital commerce offerings for customers.</p> <p>In April 2021, Kirana commerce platform ElasticRun raised US\$ 75 million in a round led by existing investors—Avataar Venture Partners and Prosus Ventures.</p> <p>In March 2021, Amazon acquired Bengaluru-based retail tech start-up Perpule for Rs. 107.6 crore (US\$ 14.5 million).</p> <p>In March 2021, Purple, an online beauty store, raised US\$ 45 million from Sequoia Capital India, Verlinvest, Blume Ventures and JSW Ventures.</p>			
2	a)	<p>Describe three roles and responsibilities of a sales manager.</p> <p>A sales manager is responsible for meeting the sales targets of the organization through effective planning and budgeting.</p> <p>A sales manager devises strategies and techniques necessary for achieving the sales targets. He is the one who decides the future course of action for his team members.</p> <p>It is the sales manager's duty to map potential customers and generate leads for the organization. He should look forward to generating new opportunities for the organization.</p>	3	3	20
	b)	<p>Explain the Standard sales management process. It's important to know that there are various processes in sales. You've got a sales forecasting process, data entry management process, budgeting, sales recruitment, performance review/evaluation etc.</p> <p>They are all necessary workflows that ensure the sales organization runs as smoothly as possible.</p> <p>But the sales management process is the one that:</p> <p>Maximizes opportunity conversion rate  Reduces sales cycle  Increases deal size/value margin</p> <p>It is a stable framework or series of performance-driving sales activities based on your organization's best track record of closing deals.</p>	7	7	

		<p>There are four main types of sales management process:</p> <p>Territory (improving efficiency over a given area/territory)</p> <p>Opportunity (increasing effectiveness for individual deals)</p> <p>Call (planning individual customer interactions)</p> <p>Account (maximizing long-term value from existing clients)</p> <p>Depending on the type of organization you work for, you may have one or all of these sales management processes in place.</p>			
	c)	<p>Analyze characteristics of a sales manager</p> <p>1) Passion. This is also one of the top qualities of a master closer and the only one that can't be taught. Without a passion for the home building industry, it's impossible to lead and inspire a team, Tarullo says.</p> <p>2) Integrity. Combined with passion, these are the two most important qualities for a sales manager. "They need that core," Tarullo says. "If they don't have those, they shouldn't be in sales management."</p> <p>3) Positive attitude. It's up to a builder's leadership to put smiles on the faces of the sales team and set the tone for the company.</p> <p>4) Coaching. Seventy percent of a sales manager's time should be spent coaching, either in groups or one on one, Tarullo says. Any sales manager who says the workload doesn't allow that kind of time with the staff needs to examine how the day is being spent and ditch or delegate any activity that doesn't affect lead generation or conversion.</p> <p>5) Leadership by example. "The sales manager should be out on the sales floor with his people," says Jim Capaldi, director of sales for the Ventura division of Standard Pacific Homes and author of The Ultimate New Home Sales Success Manual. "That's where you're most productive. Lead by example, make them accountable, push them, and get them out of their comfort zone."</p>	10		10

		<p>6) Loyalty. Sales managers need to go to bat for their sales team members, says Debbie Dompke, sales manager for -Chicago-based Lexington Homes. “Let them know you’re on their side,” she says. “When they know you’re sincere, it’s amazing the work ethic you’ll get in return.”</p> <p>7) Availability. Dallas-based sales trainer Bob Hafer says paperwork has to be done, but it can’t be used as an excuse “to not do the tough stuff.” It’s easier than dealing with people, to be sure, he says, adding, “Administrative tasks never talk back to you.” When he was a sales manager, he got to work at 7 a.m. and spent two hours on paperwork before the phone started ringing. Then, when the sales centers opened, he was available to work with his sales teams in the field.</p> <p>8) Motivation. This includes encouragement and recognition. Dompke says she does this in “so many ways—contests, games, dancing, singing, dressing up. You laugh together and play together.”</p> <p>9) Continuous learning. Doctors, accountants, attorneys, and other professionals keep learning their whole lives in order to keep their skills up to date. Sales managers need to do likewise. “When you don’t grow,” Capaldi says, “you leave the door open for someone else.”</p> <p>10) Listening and communication. This is an underpinning for most of the other qualities. You can’t be a good coach or motivator if you’re not a good communicator; and you can’t continuously learn, lead by example, or demonstrate loyalty without being a good listener.</p>			
	a)	<p>What is e commerce? E-commerce is the activity of electronically buying or selling of products on online services or over the Internet.</p>	3	3	
3	b)	<p>Explain advantages and disadvantages of card payment Advantages of using payment cards for purchases Advantages of using company credit, debit, charge or pre-paid cards to make purchases include:</p>	7M	7	20

		<p>Convenience - cards are quicker and might be cheaper to use than cheques. They're useful for everyday expenses and can be used over the phone and internet.</p> <p>Credit - credit or charge cards can offer an interest-free period of varying lengths, dependent on which card issuer you use.</p> <p>Most cards are globally recognised - using cards for foreign travel purchases may give you better exchange rates.</p> <p>Ability to monitor expenditure - you can specify which employees receive cards and set different credit limits for each card.</p> <p>Fast access to cash - cash can be withdrawn from ATMs. However, card issuers may levy a commission and - if given on credit - interest is payable from the day the cash is withdrawn.</p> <p>Reduction in administration - with a company credit or charge card, you pay one bill each month, no matter how many purchases you make. Itemised monthly statements can help with your accounting and administrative procedures.</p> <p>Disadvantages of using payment cards for purchases</p> <p>Even though you can usually set maximum spending limits on employees' cards, be aware that you're giving your employees the opportunity to spend company money unchecked.</p> <p>As with personal payment cards, you are also open to the possibility of two further major drawbacks.</p> <p>Card fraud - if the card details are discovered or revealed, you may find fraudulent purchases appearing on your statement. If this is due to an employee's negligence, your business will be liable for the payments. Financial Fraud Action UK provide guidance on preventing card fraud.</p> <p>Debt - with the convenience of a plastic card and the time lapse between purchase and payment, it can be tempting to overextend yourself and build up debts for the business. Remember, if you make purchases with a credit card and don't pay off the bill in full, you'll incur interest charges.</p>			
	c)	<p>Describe the types of compensation plans.</p> <p>Types of Compensation Plans</p> <p>1. Straight Salary Compensation</p>	10	10	



		<p>Under this structure, workers receive a wage or basic salaries. In many instances, the business sets a range within which the employee's pay will fall. The base payment is influenced by the professional's rank and job description. Whether the pay rises or falls is determined by the employee's performance.</p> <p>Straight salary structures encourage equality among sales reps working in teams. This structure will also attract any sales rep joining a new industry. This is because it gives them something to survive on as they learn the ropes in the new territory. However, the reps lose their chance of earning incentives.</p> <p>2. Pure Commission</p> <p>Businesses that engage independent sales agents tend to pay them commissions only. This plan could be helpful for a startup that wants to break even in a certain territory. To cater for seasons when sales are low, some businesses decide to offer the salesperson an advance pay commonly known as "draw against commissions." The company, however, recoups the draw amount from future earnings. Unfortunately, with this model, if the employee doesn't sell they are not paid at the end of the month.</p> <p>3. Salary Plus Commission</p> <p>This arrangement compensates employees with a base salary and bonuses for performance that meets or exceeds the set goals. Companies tie this bonus to their budget or specified targets. One benefit of this plan is that employees always receive a salary even in seasons when sales aren't coming by. However, commission plus salary earners battle with higher income tax rates compared to most workers.</p> <p>4. Territory Volume Compensation Plan</p> <p>Under this kind of pay structure, the business calculates sales turnover and all commissions are distributed evenly among salespeople. This model is highly effective where teamwork is a priority. However, since the structure rewards teamwork, professionals who put extra effort may feel that their exceptional work isn't well recognized.</p>			
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B	4	<p>Jamie Danby is Head of Business Transformation at Steinhoff UK and responsible for seeing business challenge. By comparing where Steinhoff is today to where the company wants to be in the future, he surfaced certain requirements that would make a seamless omnichannel journey possible:</p> <ul style="list-style-type: none"> <li>a. A customized product experience</li> <li>b. An empowered team who can complete tasks independently</li> <li>c. The ability to drive conversion rate fast</li> <li>d. Rapid and agile deployment</li> </ul> <p>Questions: Analyze the importance of ecommerce for this company.</p> <p>Electronic commerce, normally known as ecommerce, is the purchasing and selling of product or administration over electronic frameworks, for example, the Internet and other PC systems. Electronic commerce draws on such innovations as electronic funds transfer, supply chain management, Internet marketing, online exchange preparing, Electronic Data Interchange (EDI), inventory frameworks, and computerized information assortment frameworks. Present-day electronic commerce normally utilizes the World Wide Web in any event at one point in the exchange's life-cycle, despite the fact that it might include a more extensive scope of advancements, for example, email, cell phones and phones too.</p> <p>Electronic commerce is by and large viewed as the business part of e-business. It likewise comprises the trading of information to encourage the financing and installment parts of business exchanges. Indeed, even today, some significant time after the dot com, electronic commerce (e-commerce) stays a moderately new, rising and always changing region of business the executives and information technology. There has been and keeps on being a lot of exposure and talks about ecommerce. Library lists and retires are loaded up with books and articles regarding the matter. Be that as it may, there stays a feeling of perplexity, doubt and misjudging encompassing the territory, which has been exacerbated by the various settings wherein electronic business is utilized, combined with the bunch related popular expressions and abbreviations.</p>	5	5	10
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In the rising worldwide economy, online business and e-business have progressively become a fundamental part of the business technique and a solid impetus for monetary advancement. The coordination of Information and Communications Technology (ICT) in business has changed connections inside associations and those between and among associations and people. In particular, the utilization of ICT in business has upgraded profitability, empowered more prominent client cooperation, and empowered mass customization, other than lessening costs.

. What international business and marketing strategies will help this company to grow further in future if it goes global?

1. People - Understanding Customer Behavior in a Different World

The people you are marketing to and the product that you are marketing go hand in hand.

However, we're leading off with the people because if you don't first and foremost understand who you are marketing to, you may end up trying to sell them a product they don't want and probably will never buy.

For example, Best Buy has not found much international success, especially in Europe. While their products were something that their target market wanted overseas, the way in which it was distributed was not well executed based on the way consumers shop in Europe.

Instead of tailoring their stores to fit the preferred mold of Europeans — which is smaller shops as opposed to large box stores — Best Buy opened up brick and mortars that were much bigger than what Europeans were used to. We'll get more into how important the 'place' is in which you sell your product internationally in a bit.

In this example, had Best Buy done more research to understand their intended target audience, they would have seen that their product offering — tech gadgets in an extremely large one-stop-shop — would not have fared well. Instead, they could have opened up smaller stores to accommodate cultural preference.

		<p>So, when it comes to taking a product or service abroad, you first have to see if there is even a market for your offering.</p> <p>2. Product - Altering to Fit the Needs of Your New Market</p> <p>If you notice that the current offering of your product now won't play in the new market you want to enter then you can do one of two things:</p> <p>A.) Decide not to sell in that market</p> <p>B.) Change your offering to meet the local demand</p> <p>The classic example of this is McDonald's.</p> <p>The fast-food empire has an astounding 34,480 restaurants in 119 countries. In order to be successful, they had to alter their menu for just about every one of those countries — which led to some pretty interesting entrees.</p> <p>McDonald's put in the work to understand the people they were about to serve and altered their offering to fit their palate.</p> <p>Overall, this decision is an excellent one to learn from for those looking to branch out to foreign markets.</p> <p>3. Prices - Choosing a Premium or Economy Pricing Strategy</p> <p>For the most part, if you already have a product or service that is successful in one area of the world, the price point you use won't vary much in comparison to the competition in that area.</p> <p>If you have a premium product, it's likely premium elsewhere.</p> <p>If you have a more affordable, economically-friendly product, it'll be the same in your new market.</p> <p>This is for the sake of consistency. It's difficult to pull off being associated as a more expensive, premium product in one country, and the complete opposite in another. You may even risk bringing down your brand image as a result.</p>			
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Imagine if Omega was entering the Swiss market for the first time and because they knew Rolex already had a definitive hold on the premium watch market, they decided to pivot to a more economy pricing strategy. While a move like this might help them sell more watches in the short term, the long term effects could make people outside of Switzerland associate them with cheaper products, which is not could negatively impact sales in other regions.

But what if they created an entirely new, separate brand to sell in a different country? This tends to be a strategy that is often used in international product marketing.

For example, Procter & Gamble has many, many brands. Some are premium products while others are more economically-friendly. They own both Dawn and Joy, which are dishwashing liquid brands.

In the 1990s, Procter & Gamble introduced Joy, the more affordable option, to the Japanese market and found success — quickly becoming one of the market leaders.

Obviously, this is an extreme example due to Procter & Gamble's diverse selection of brands. Therefore, they have the flexibility and size to own brands with a wide range of pricing options as opposed to exclusively premium or exclusively affordable offerings.

Going back to the Omega and Rolex example, it is not inconceivable to think Omega could enter the Swiss market with an affordable watch under a different name if they truly wanted to target that segment of the watch market.

It wouldn't be so different than Birkenstock, which offers their premium sandals in addition to their economic option, which is made from EVA foam. The key is to articulate that the economic option is for those who want the look, but don't want to pay the price.

No harm, no foul.

4. Promotion - Choosing Strategies That Work in This New Environment

		<p>Figuring out the most effective methods for marketing your product or service abroad is not that much different than doing it domestically.</p> <p>Even if you live where you're promoting your product, you still have to do some additional research to find out where your target audience is and which mediums they frequent.</p> <p>Take Brazil, China, Japan, Russia, Poland, South Korea, and Vietnam for example. In these countries — at least as of 2011 — Facebook is not the most popular social media site.</p> <p>Instead, Twitter or Orkut and other regional platforms reign supreme.</p> <p>Obviously, this doesn't mean you shouldn't be advertising on Facebook, but this information does suggest that perhaps focusing more effort on the leading site in those geographical locations — like Twitter, may be more effective. Especially if that's where your demographic is hanging out.</p> <p>Just like cities across the U.S. that vary in terms of which mediums are most effective, cities across the world tend to have their own unique preferences on channels and messaging.</p>			
			5	5	