

**I – IAT - SHEME OF EVALUATION**

Marks

<b>Part A - Answer Any Two Full Questions ( 2* 20 = 40 marks)</b>																			
1 (a)	<p>Define sales management and explain its importance</p> <p>Definition: 1 Mark  Sales management refers to the planning, organizing, directing, and controlling of sales activities to achieve the sales objectives of an organization efficiently and effectively.</p> <p>Importance of Sales Management: 2 Marks</p> <p>Revenue Generation: Sales activities directly contribute to the company's income and profitability.</p> <p>Customer Relationship Building: Helps in developing long-term relationships with customers.</p> <p>Market Expansion: Enables companies to penetrate new markets and increase market share.</p>																		
(b)	<p>Differentiate between selling skills and selling strategies with examples.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;">Basis</th> <th style="text-align: left; width: 40%;">Selling Skills</th> <th style="text-align: left; width: 30%;">Selling Strategies</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Personal abilities of a salesperson</td> <td>Planned methods to achieve sales</td> </tr> <tr> <td>Nature</td> <td>Individual-level</td> <td>Organizational-level</td> </tr> <tr> <td>Focus</td> <td>Communication &amp; persuasion</td> <td>Market penetration &amp; growth</td> </tr> <tr> <td>Time Frame</td> <td>Short-term</td> <td>Long-term</td> </tr> <tr> <td>Examples</td> <td>Negotiation skills, presentation</td> <td>Push strategy, relationship selling</td> </tr> </tbody> </table> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• A salesperson using <b>effective communication</b> demonstrates selling skills.</li> <li>• A company offering <b>bulk discounts to distributors</b> is using a selling strategy.</li> </ul>	Basis	Selling Skills	Selling Strategies	Meaning	Personal abilities of a salesperson	Planned methods to achieve sales	Nature	Individual-level	Organizational-level	Focus	Communication & persuasion	Market penetration & growth	Time Frame	Short-term	Long-term	Examples	Negotiation skills, presentation	Push strategy, relationship selling
Basis	Selling Skills	Selling Strategies																	
Meaning	Personal abilities of a salesperson	Planned methods to achieve sales																	
Nature	Individual-level	Organizational-level																	
Focus	Communication & persuasion	Market penetration & growth																	
Time Frame	Short-term	Long-term																	
Examples	Negotiation skills, presentation	Push strategy, relationship selling																	
(c)	<p>Analyze the emerging trends in sales management and their impact on modern businesses.</p> <p><b>Emerging Trends:</b></p> <ol style="list-style-type: none"> <li>1. <b>AI &amp; Data Analytics:</b> Helps in accurate sales forecasting and customer targeting.</li> <li>2. <b>CRM Systems:</b> Improves customer relationship tracking and service personalization.</li> </ol>																		

	<p>3. <b>Social Selling:</b> Use of LinkedIn, Instagram for lead generation.</p> <p>4. <b>Virtual Selling:</b> Zoom &amp; digital demos reduce selling costs.</p> <p>5. <b>Automation Tools:</b> Chatbots and auto follow-ups improve efficiency.</p> <p><b>Impact on Business:</b></p> <ul style="list-style-type: none"> <li>• Faster decision-making</li> <li>• Higher customer satisfaction</li> <li>• Reduced operational cost</li> <li>• Increased productivity</li> <li>• Global market reach</li> </ul>	
2 (a)	<p>What is a sales quota? List different types of sales quotas</p> <p><b>Definition:</b> A sales quota is a <b>sales target assigned to a salesperson or sales team</b> for a specific time period.</p> <p><b>Types of Sales Quotas:</b></p> <ol style="list-style-type: none"> <li>1. Sales Volume Quota</li> <li>2. Profit Quota</li> <li>3. Activity Quota</li> <li>4. Expense Quota</li> </ol>	[03]
(b)	<p>Explain the selection process for hiring a high-performing sales force</p> <p><b>Steps in Selection Process:</b></p> <ol style="list-style-type: none"> <li>1. Sales force planning</li> <li>2. Recruitment</li> <li>3. Screening of applications</li> <li>4. Interview</li> <li>5. Testing (aptitude &amp; personality)</li> <li>6. Medical examination</li> <li>7. Final appointment &amp; training</li> </ol> <p><b>Explanation:</b> A proper selection process ensures hiring the <b>right candidates with strong communication skills, product knowledge, and motivation</b>.</p>	[07]
(c)	<p>Analyze the impact of digital marketing on personal selling.</p> <p><b>Positive Impacts:</b></p> <ol style="list-style-type: none"> <li>1. Easy lead generation through social media.</li> <li>2. CRM tools help track customer interactions.</li> <li>3. Online videos enhance product demonstration.</li> <li>4. AI-based insights improve customer targeting.</li> </ol> <p><b>Negative Impacts:</b></p> <ul style="list-style-type: none"> <li>• Increased competition</li> <li>• Reduced face-to-face interaction</li> <li>• Data privacy concerns</li> </ul> <p><b>Conclusion:</b> Digital marketing has transformed personal selling into a <b>hybrid digital-human selling model</b>.</p>	[10]

3 (a)	<p>Define sales force motivation and explain its importance.</p> <p><b>Definition:</b> Sales force motivation means encouraging salespeople to perform better and achieve organizational goals.</p> <p><b>Importance:</b></p> <ol style="list-style-type: none"> <li>1. Improves sales productivity</li> <li>2. Reduces employee turnover</li> <li>3. Enhances job satisfaction</li> </ol>	[03]
(b)	<p>Discuss different types of compensation plans in sales management.</p> <ol style="list-style-type: none"> <li>1. Straight Salary Method</li> <li>2. Straight Commission Method</li> <li>3. Combination Plan</li> <li>4. Bonus System</li> <li>5. Profit-sharing Plan</li> </ol>	[07]
(c)	<p>Evaluate how financial and non-financial incentives influence sales performance.</p> <p><b>Financial Incentives:</b></p> <ul style="list-style-type: none"> <li>• Salary increase</li> <li>• Commission</li> <li>• Bonus</li> <li>• Performance-linked pay</li> </ul> <p><b>Non-Financial Incentives:</b></p> <ul style="list-style-type: none"> <li>• Recognition</li> <li>• Promotion</li> <li>• Awards</li> <li>• Foreign tours</li> <li>• Job security</li> </ul> <p><b>Influence on Performance:</b></p> <ul style="list-style-type: none"> <li>• Financial incentives improve <b>short-term sales</b></li> <li>• Non-financial incentives improve <b>long-term loyalty and morale</b></li> </ul>	[10]
4	<p><b>Case Study: Sales Quota Challenges in an FMCG Company</b></p> <p><b>Background:</b> Nestle India, a leading FMCG company, recently restructured its sales territories and introduced new sales quotas for its sales representatives. The company expected that the changes would increase market coverage and boost sales performance. However, within six months, multiple issues arose: Sales representatives in rural areas struggled to meet their targets due to lower population density and limited brand awareness. Urban sales teams exceeded their quotas but complained about unrealistic targets, leading to high stress and burnout. The company's compensation structure was not aligned with the difficulty of achieving sales quotas in different regions. Some salespeople manipulated orders to meet their quotas, leading to stockpiling at distributors but low actual demand.</p>	

Nestle's senior management now needs to redefine the quota system to make it fairer and more achievable while maintaining overall revenue growth.

**Case-Based Questions:**

4.a Analyze the major flaws in Nestle's sales quota strategy and suggest an improved quota-setting approach.

[05]

[05]

**Major Flaws:**

1. Same quota for both rural and urban regions.
2. Unrealistic urban targets causing burnout.
3. No alignment between effort and compensation.
4. Manipulated orders leading to artificial demand.

**Improved Quota Approach:**

- Territory-based quotas
- Market potential-based quotas
- Flexible & seasonal quotas
- Separate rural & urban targets

4.b Evaluate the impact of an incentive-based sales quota system and propose strategies to ensure ethical sales practices.

**Impact of Incentive-Based Quotas:**

- Improves motivation
- Increases productivity
- May encourage unethical behavior (stock dumping, fake billing)

**Ethical Sales Strategies:**

1. Strict auditing & monitoring
2. Balanced scorecard approach
3. Long-term performance incentives
4. Ethical sales training