

MBAMM314 – Sales & Retail Management

Time: 3 Hours

Maximum Marks: 100

Note:

Answer any FOUR full questions from Q.1 to Q.7.

Question No. 8 is compulsory.

Q1

a) Define Personal Selling

Personal Selling refers to a **face-to-face interaction between a salesperson and a prospective buyer to persuade the customer to purchase a product or service.**

Explanation

It is a **direct communication process** where the salesperson explains product features, answers customer queries, and builds relationships to influence buying decisions.

Key Features

- Direct interaction between buyer and seller
- Immediate feedback from customers
- Ability to customize the sales message
- Helps build long-term relationships

Importance

Personal selling plays a crucial role in selling **high-value, technical, or customized products** where customers require detailed explanation and trust before purchase.

b) Recruitment and Selection Process of Sales Force

Recruitment and selection involve identifying and choosing **qualified individuals for sales positions.**

1. Recruitment

Recruitment is the process of **attracting suitable candidates to apply for sales positions.**

Sources of Recruitment

Internal Sources

Employees are promoted or transferred within the organization.

Advantages:

- Familiar with company culture

- Lower recruitment cost
- Faster hiring process

External Sources

Candidates are hired from outside the organization.

Examples:

- Campus recruitment
 - Job portals
 - Employee referrals
 - Recruitment agencies
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2. Selection Process

Selection is the process of **evaluating applicants and choosing the most suitable candidates.**

Steps in Selection

Screening of Applications

Applications are reviewed to shortlist candidates.

Written Tests

Tests assess aptitude, communication skills, and product knowledge.

Personal Interview

Interview evaluates personality, confidence, and selling ability.

Background Verification

Employers verify candidate credentials and past employment.

Final Selection and Training

Selected candidates are offered the job and given sales training.

c) Internationalization of Retailing and Issues in Global Markets

Internationalization of Retailing

Internationalization of retailing refers to **retail companies expanding their operations into foreign countries to reach new markets and increase profits.**

Examples include global retailers expanding across countries.

Reasons for International Retail Expansion

- Market saturation in domestic markets
 - Opportunity for higher profits
 - Access to new customer segments
 - Brand globalization
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Major Issues Faced by Global Retailers

Cultural Differences

Consumer preferences, shopping habits, and lifestyle differ across countries.

Legal and Regulatory Barriers

Different countries have different laws regarding foreign investment and retail operations.

Supply Chain Challenges

Managing logistics and distribution across borders is complex.

Competition from Local Retailers

Local retailers understand customer preferences better.

Economic and Political Risks

Changes in government policies or economic instability can affect operations.

Q2

a) Sales Territory

A sales territory is a geographical area or group of customers assigned to a salesperson to sell the company's products or services.

Explanation

The objective of dividing markets into territories is to **improve sales efficiency and ensure proper market coverage.**

Advantages

- Balanced workload for salespeople
 - Better customer service
 - Improved sales monitoring
 - Reduced travel costs
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b) Motives for International Retailing

Retailers expand internationally for several strategic reasons.

Market Expansion

Retailers enter new markets to **increase sales and customer base.**

Profit Opportunities

Developing countries often offer **higher growth potential.**

Brand Image

Operating globally enhances **brand reputation and recognition**.

Economies of Scale

Retailers can reduce costs through **large-scale procurement and operations**.

Competitive Advantage

International expansion helps firms stay competitive in the global marketplace.

c) Store Layout and Space Planning

Store Layout

Store layout refers to **the arrangement of aisles, shelves, product displays, and departments within a retail store**.

Importance

- Improves customer shopping experience
 - Encourages impulse buying
 - Maximizes store space utilization
 - Guides customer movement
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Types of Store Layout

Grid Layout

Products are arranged in long aisles.

Example: Supermarkets

Advantages:

- Easy navigation
 - Efficient use of space
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Free Flow Layout

Products are arranged creatively without rigid aisles.

Example: Fashion stores

Advantages:

- Attractive design
 - Encourages browsing
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Loop Layout

Customers follow a **circular path through the store**.

Example: Furniture stores

Advantages:

- Ensures customers see most products.
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Space Planning

Space planning refers to **allocating appropriate space for different product categories to maximize sales and customer convenience.**

Retailers allocate more space to **high-demand products.**

Q3

a) Sales Force Motivation

Sales force motivation refers to **encouraging and inspiring salespeople to perform their duties effectively and achieve sales targets.**

Importance

Motivated salespeople are more productive and enthusiastic.

Methods of Motivation

- Financial incentives
 - Recognition and awards
 - Career advancement opportunities
 - Training and development
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b) Role of Visual Merchandising

Visual Merchandising

Visual merchandising refers to **presenting products attractively in retail stores to attract customers and stimulate sales.**

Elements of Visual Merchandising

Window Displays

Displays placed at the store entrance to attract passersby.

Product Arrangement

Products are organized neatly to enhance visibility.

Lighting

Proper lighting highlights products.

Signage

Informative signs guide customers and communicate offers.

Benefits

- Enhances store appeal
 - Creates brand identity
 - Encourages impulse purchases
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c) Emerging Trends in Retailing in India

Retailing in India is evolving rapidly due to technology and changing consumer behavior.

Online Retailing (E-commerce)

Online shopping platforms have transformed retail markets.

Benefits:

- Convenience
 - Wide product choices
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Omnichannel Retailing

Retailers combine **online and offline shopping experiences**.

Example: Buy online and pick up in store.

Experiential Retailing

Retailers create **interactive shopping experiences** to attract customers.

Example:

In-store demonstrations and events.

Use of Technology

Retailers use technologies like:

- Artificial Intelligence
 - Data analytics
 - Digital payments
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Q4

a) Retailing

Retailing refers to **the process of selling goods and services directly to final consumers for personal use**.

Retailers act as **intermediaries between manufacturers and consumers.**

Functions of Retailers

- Assorting products
 - Providing customer service
 - Offering product information
 - Facilitating easy purchase
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b) Types of Retailers

Department Stores

Large stores offering multiple product categories.

Example:

Clothing, electronics, cosmetics.

Supermarkets

Self-service stores selling groceries and household goods.

Specialty Stores

Stores specializing in a specific product category.

Example:

Sports stores or electronics stores.

Convenience Stores

Small stores located near residential areas offering daily essentials.

Online Retailers

Retailers selling products through websites and mobile apps.

c) Selling Process

The selling process consists of **a series of steps that salespeople follow to convert prospects into customers.**

Steps in the Selling Process

Prospecting

Identifying potential customers.

Pre-Approach

Gathering information about the prospect.

Approach

First contact with the customer.

Presentation

Explaining product features and benefits.

Handling Objections

Addressing customer doubts and concerns.

Closing the Sale

Convincing the customer to make the purchase.

Follow-Up

Maintaining contact after the sale to build relationships.

Q5

a) Objectives of Good Store Design

- Improve customer convenience
 - Create attractive shopping environment
 - Increase sales through better product display
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b) Factors Influencing Sales Force Motivation

Compensation

Attractive salary and incentives motivate employees.

Recognition

Appreciation and awards encourage better performance.

Training

Skill development boosts confidence and productivity.

Leadership

Supportive management improves morale.

c) Designing Sales Territories

Methods

Geographic Method

Territories are divided based on **location**.

Customer-Based Method

Territories are formed based on **customer type or industry**.

Product-Based Method

Different territories are assigned for **different product lines**.

Importance

- Efficient coverage of markets
 - Reduced travel costs
 - Better sales performance
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Q6

a) Relationship Marketing

Relationship marketing focuses on **building long-term relationships with customers rather than just making one-time sales**.

Key Elements

- Customer satisfaction
- Trust and loyalty
- Continuous communication

Benefits

- Customer retention
 - Higher lifetime value
 - Positive word-of-mouth
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b) Procedure for Setting Sales Quotas

Sales quotas are **targets assigned to salespeople for a specific period**.

Steps

- 1 Analyze market potential
- 2 Forecast sales
- 3 Determine company sales objectives
- 4 Allocate targets to territories
- 5 Assign quotas to salespeople

c) Importance of Supply Chain Management in Retailing

Supply Chain Management (SCM) refers to **managing the flow of goods from manufacturers to customers.**

Importance

Inventory Management

Ensures adequate stock availability.

Cost Reduction

Efficient logistics reduces operational costs.

Faster Delivery

Products reach stores quickly.

Customer Satisfaction

Products are available when customers need them.

Q7

a) Steps in Selling Process

- 1 Prospecting
 - 2 Pre-Approach
 - 3 Approach
 - 4 Presentation
 - 5 Handling Objections
 - 6 Closing the Sale
 - 7 Follow-Up
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b) Qualities and Responsibilities of Sales Manager

Qualities

- Leadership ability
 - Communication skills
 - Decision-making ability
 - Market knowledge
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Responsibilities

- Recruiting and training salespeople
- Setting sales targets
- Monitoring sales performance

- Motivating sales force
 - Developing sales strategies
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c) Compensation Plans for Sales Force

Straight Salary Plan

Salespeople receive fixed salary.

Advantages:

- Income stability
 - Focus on customer service
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Straight Commission Plan

Income depends on sales volume.

Advantages:

- High motivation
 - Higher earnings potential
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Salary plus Commission Plan

Combination of salary and incentives.

Advantages:

- Balanced motivation and stability
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Impact on Performance

Effective compensation plans:

- Increase motivation
 - Improve productivity
 - Encourage achievement of sales targets
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Q8 Case Study – Rare Rabbit

a) Selling Skills and Personal Selling Strategies

Rare Rabbit enhanced customer experience through **effective personal selling techniques**.

Salespeople focused on:

- Understanding customer preferences
- Providing personalized product suggestions

- Demonstrating product quality and features
- Building friendly interactions with customers

These strategies created **trust and improved customer satisfaction**, leading to higher sales.

b) Role of Sales Territory Design, Recruitment and Training

Sales Territory Design

Territories were structured to ensure **efficient coverage of retail markets**.

Recruitment

Rare Rabbit recruited salespeople with **strong communication and fashion knowledge**.

Training

Training programs helped employees learn:

- Product knowledge
- Customer handling skills
- Sales techniques

This combination improved **sales force efficiency and customer service quality**.

c) Retail Formats, Store Layout and Visual Merchandising

Rare Rabbit used **modern retail formats and attractive store layouts**.

Store Layout

Stores were designed to allow **easy movement and comfortable shopping**.

Visual Merchandising

Products were displayed attractively using:

- Mannequins
- Lighting
- Fashion displays

These techniques strengthened **brand identity and enhanced shopping experience**.

d) Relationship Marketing and Retail Research

Relationship Marketing

Rare Rabbit built long-term relationships through:

- Personalized customer service
- Loyalty programs
- Continuous engagement with customers

Retail Research

Retail research helped the company:

- Understand customer preferences
- Identify market trends
- Improve product offerings

This approach improved **customer retention and supported future international expansion strategies.**
