

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER (3) – EXAMINATION – SUMMER 2016

Subject Code: 2830103

Date: 09/05/2016

Subject Name: Sales & Distribution Management

Time: 10.30 AM TO 01.30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q.
No.**

6

Q.1 Answer the following multiple choice questions.

(a) 1. A Prospect who needs a product and also has an ability to buy, is also referred to as:

- | | |
|-------------------------|-----------------------|
| A. Suspect | B. Sales Lead |
| 1. C. Probable Prospect | D. Potential Customer |

Naïve method of sales forecasting is classified as:

- | | |
|----------------------|-------------------|
| 2. A. Quantitative | B. Qualitative |
| C. None of the above | D. Both A&B above |

The most important frequently used method of sales training is:

- | | |
|------------------------|-------------------|
| 3. A. Lectures | B. Demonstrations |
| C. On-the-job-training | D. Case Studies |

A store selling standard merchandise at low prices and for low margins is known as:

- | | |
|-------------------|----------------|
| 4. A. Convenience | B. Mom and Pop |
| C. Discount | D. Grocery |

Time elapsed between customer desire to buy a product and actual buying is called:

- | | |
|---------------------|------------------|
| 5. A. Thinking Time | B. Deciding Time |
| C. Waiting Time | D. Free Time |

Rail freight rates operate on the two principles - value of service and the _____ of service.

- | | |
|--------------|--------------|
| 6. A. Timing | B. Distance |
| C. Cost | D. Frequency |

Q.1 (b) Briefly Explain Following Terms

04

1. Sales Quota
2. Sales Forecasting
3. Retailing
4. Supply Chain Management

Q.1 (c) Write a note on AIDAS theory of selling.

04

Q.2 (a) Discuss the different stages of a selling process.

07

- (b) Explain the workload approach to territory planning, outlining its major shortcomings. What are the situations in which you would recommend workload based territory planning? **07**
- OR**
- (b) Establish the link between sales and distribution management with appropriate examples. **07**
- Q.3** (a) Explain the different types of 'Sales forecasting' approaches? **07**
- (b) What kind of organizational specialization within sales department do you recommend for a Textile Machine Manufacturing Company diversifying into a consumer durable product, such as a uniquely designed table fan that can be used by household consumers and commercial firms initially in western India? **07**
- OR**
- Q.3** (a) What are sales quotas and why it is important for a sales manager to set a sales quota for salesman? **07**
- (b) What are the advantages and disadvantages of routing? Explain the procedure of setting up a routing plan with suitable examples. **07**
- Q.4** (a) Explain briefly at least seven elements of a Channel Information System. **07**
- (b) Describe with suitable examples various distribution strategies. **07**
- OR**
- Q.4** (a) What are the Channel Conflicts? Enumerate various methods of resolving Channel Conflicts. **07**
- (b) What is meant by logistics strategy? How is a logistics strategy linked to the marketing function? **07**
- Q.5** Case Study: Hifa Garments **14**
- Hifa garments are a leading manufacturer of readymade garments in India. They supply exclusively to leading brands, which in turn retail them through their own chain of stores in Europe and USA. Hifa is approached by the brand owners who have their sourcing offices in India to manufacture garments as per their designs, fabric and colour schemes, quantity and sizes. Hifa first offers samples as per the design with prices which once approved results in large orders that have to be delivered as per the dates given by sourcing office. Since garments are a seasonal business, deliveries are extremely important – the new season's garments must be in the stores by scheduled dates.
- Question:

Discuss the Sales and Distribution set up for Hifa Garments.

OR

Q.5

Case study: Snow White Paper Company

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Snow White Paper Company is located in an agricultural belt about 300 kilometers from a metro city. The company is into hiring and printing paper. Its primary raw material is wheat straw. Last year the company had a turnover of Rs.134 corers on a volume of 45,000 tons of paper. While preparing the business plan for the current year, the top management was concerned with the following distribution issue that they want to help resolve:

PROBLEM: FINISHED GOODS DISTRIBUTION

The paper industry is dominated by selling agents who bring the manufacturer like Snow White and the buyer like printing / publishing companies and note book makers, together. They make a commission of about 2% on all transactions. Some other points. Snow White depends on about 10 agents to canvass business for it from the users. The company sells 23% of its paper directly to some government organisations. The agent arranges for the buyer to pay the company for its produce by advance demand draft. It is expected that the agent provides the credit support to the buyer. Agents are not exclusive for Snow White and work for other paper mills also and not normally play the mills against each other. They have a grip on the business and are reluctant to put the mill directly in touch with the buyers. There is always an uncertainty on the orders and the price, which would be obtained on the orders – the company cannot plan its profit properly nor offer the best price to the end users so that they always ask for Snow White.

Questions:

- 1) How can you help Snow White less dependent on the selling agents – use a “Channel business model”.
- 2) How can they plan their customer service efforts?
