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	M.B.A. (Sem.III) Examination, January - 2009 (Elective Minor - 309) Sales & Distribution Management Group : Marketing	

Time : 3 Hours]

[Total Marks : 70
[Min. Passing Marks : 28

*The question Paper is divided in two Sections.
Section A contains 6 questions out of which the candidate is
required to attempt any 4 questions. Section B contains short
case study/application based one question which is compulsory.
All questions are carrying equal marks.*

Use of following supporting material is permitted during examination.
(Mentioned in form No. 205)

1. _____ 2. _____

SECTION - A

- ✓ 1 Discuss the various steps involved in the process of designing and implementing sales force training. What are the targets/ aims of training ?
- 2 Explain centralized versus decentralized sales organization.
- ✓ 3 Define the concept of "Physical Distribution. Discuss strategic issues and the future of physical distribution management.
- 4 What are the major sales factors influencing the sales compensation flow ?
- ✓ 5 Write short notes on :
 - (1) Channel dynamics
 - (2) Channel integration
 - (3) Operation of logistic system
 - (4) Sales budget.
- ✓ 6 What is a sales quota ? Discuss the advantages and disadvantages of quota system and also that of involving dealers and sales team.

SECTION - B

Read the following case and answer the questions :

Sales promotion schemes are devised to motivate the consumer to take that last step and buy the product. This objective has to be held sacrosanct while formulating a promotion scheme.

The soft drinks industry is organised. The soft drinks company supplies concentrate to the bottling company. The bottler adds water and gas to the concentrate, packs it and delivers the finished product to the distributor. The distributor then delivers the product to the retailer and the retailer to the consumer. The marketing message reaches the consumer directly from the company that makes and markets the concentrate. But message like sales promotion actually passes through three hands before it reaches final destination. Often, there are accidents on this journey.

The soft drinks company offers different types of schemes. The schemes that offer gifts on purchase reach the consumer because he insists on the gift being advertised. However, those that require involvement by the consumer like turning in crowns along with/without money for gifts are not relished by the consumer.

This is because :

- (1) The consumer is not excited enough to bite the bait. The consumer bites the bait only when his/her perceived value of the benefit is high. A scheme like 'look under the crown and get whatever is printed on it' will be successful if the prizes are of extremely high value. Because, if you announce a car or bike and do not say how many of these prizes can be won, then you have done a half-hearted job. The consumer is sure to calculate the probability of a prize. He/she will not participate in the scheme, if he/she thinks that the chance of bagging a prize is remote. Instead, it will create hostility in the consumer's mind about the brand.
- (2) The company does a callous job relaying the information through the distribution channel. This is often the case with the soft drink giants. The distribution is the weak link in these schemes.

- (3) The distributor's vans and their salesmen represent the company as far as retailers are concerned. Retailers are enthusiastic about schemes because they think the increase is throughout to their profits. But the distributor's salesmen seem to use their judgements in communicating the schemes. They often act as they are doing a favour by telling them about the schemes. But the retailers also watch TV and know about the schemes. And when there is no communication from the distributor, the retailer gets cynical. Not just cynical, retailers are enraged when they learn that the scheme is not on offer in their area or has not been communicated by the distributor's representatives. There are instances (not stray ones) where a retailer has no idea about a scheme which is being offered by a neighbouring retailer. The company cannot afford to differentiate between retailers when it is advertising the schemes on the national channel. Bar owners are not interested in promoting the schemes because of the profile of their clientele. Hotel owners are one up; they always serve soft drinks in glasses. The staff of the hotel/bar tend to be avid crown collectors. So, the sales promotion scheme runs off-target.

Questions :

- (1) Why such sales promotion are started that seen unwanted expenses and generate heart burn among the consumer and retailer ?
 - (2) How can you synchronise media planning, marketing, sales and distribution efforts in such sales promotion scheme ?
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