

SVKM's NMIMS

School of Distance Learning

Programme: DMM/PGDMM/PGDBM

Academic Year: 2011-2012

Subject: Sales Management

Date: 29.12.2011

Semester II/III

Marks: 70

Time: 3.00 p.m to 6.00 p.m

Course old

Duration: 3 Hours

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

NB:

1. All 4 questions to be attempted.
 2. All sub-questions carry equal marks.
 3. Answer to each new question to be started on a fresh page.
 4. Figure in brackets indicate full marks.
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Q1. Attempt any 2 out of any 4

(Marks: 10)

- a. What are the various steps involved in the sales process. Discuss in brief.
- b. What are the factors responsible for incompleteness in customer order?
- c. Explain how Quotas are set.
- d. Describe the importance of monitoring and performance appraisal of sales force.

Q2. Write Short notes on any 2 out of 5

(Marks: 10)

- a. Theories of Selling
- b. Types of Sales Organizational structure
- c. Sales Job Analysis
- d. Methods of sales budgeting
- e. Recruitment sources

Q3. Attempt any 3 out of 5

(Marks: 30)

- a. "Careful selection is important, but not essential, in building an effective sales force. Improper selection of sales people can be overcome by a good training programme, sound supervision and an excellent compensation programme." Do you agree? Discuss.
- b. How do factors like PLC (Product Life Cycle) and demographic characteristics influence the compensator scheme offered?
- c. Discuss the scope of Sales Management in a manufacturing and marketing organization.
- d. What is territory planning? How does territory planning help a salesman in performing his duties optimally? Explain with suitable examples.
- e. Distinguish between oral communication and non-verbal communication. How do they help in sales interactions? Give suitable examples.

Q4. Case Study: Life Insurance Corporation Of India (LIC):

(Marks:20)

India is different and there is plenty to learn from the Indian way of selling. One of the categories is the life insurance sector. It is possibly one of the oldest forms of concept selling the country saw. This sector, in many ways, was the pioneer in selling not a physical product but an intangible benefits. What was even more distinct about this was the fact that the product on tout did not have too many positive strokes to offer the customer. Selling the product always meant bringing up the nasty issue of death lurking at the doorstep.

The sector attracted the best of talent. Life insurance selling was seen to be the toughest arena to be in. If you could sell a life insurance product, you could well nigh sell anything!

The early evangelists in this category had a tough time sourcing talent. The talent came from full-timers (far and few) and part-timers who really contributed the bulwark of early business. Training was a big time thing as well. Development officers worked day and night getting the concept of selling a life insurance product off the ground. The LIC salesperson (cleverly called the agent) then became ubiquitous across the big cities and the small towns of the country. The LIC agent in many ways then was the best salesperson we had in the resource bank of salespersons in the country. These are really unsung heroes and heroines of the salescape of this country.

Many of these are housewives who took it all up as a part-time income giver. And many of these housewives are really benami entities who are but names only. The real selling is done by the husband! The bank clerk on a government job by day and moonlighting as an LIC agent by night! Some of our best salespersons have emerged from this shadowy grey space of moonlighters on the prowl!

And then there are the real go-getting women who will not take no for an answer. They will put the most rigid of customers to shame as they take them through a laboriously intensive process of concept selling. The LIC agent in many ways has been considered a leech who will not let go once introduced!

Sophisticated, persistent, gentle, forceful, illustrative and convincing are words one would normally use to describe the best sales force we have in this country. An army of entrepreneur-salespersons who have honed the concept of 1:1 selling into a skill! An army of agents who have quietly put to shame over the years every transnational direct selling organization that entered the Indian market space with much fanfare!

As we recognize the merit, contribution and sheer size of this sales army we have built up in the country, thanks to a behemoth of a public sector insurance giant, it's time to take stock. Indian selling today is different in many ways in this category that is so sharply defined in its scope. As the market for insurance products enlarges with the entry of a multinational major of every hue, there is this base work that has been done by the Life Insurance Corporation of India that is the foundation for everything that is being laid on it. Every other life insurance major, in many ways, suffers from the foundation and enjoys benefits deriving from it as well.

While the joy for every other insurance major entering the country lies in the fact that insurance is no longer a concept to be sold in the bigger metros, but a practical tool to use for financial planning, economic leverage, tax saving and most of all as a useful net in the case of unforeseen circumstances, the pains are likely to be there as well.

What LIC has done over all these years of being out there in the forefront of it all is that it has set up a potent barrier to entry that is completely based on the equity the brand enjoys due to the sheer number of years it has been present in India.

The LIC salesperson today has this huge piece of clout as armour when he or she or IT (in the case of e-selling) approaches a potential customer with a proposition. The LIC salesperson will have doors opened more easily. The LIC is a grandfather figure in the Indian market. Every other player in the

same space is but a grandchild. A fledgling, a name with a twang that is foreign. A name that is frivolous even!

Would you trust a name that has been around in the Indian market for donkey's years, or one that has just come in and displays a cuddly and lovable dog as a brand icon? Would you trust the one that has the old grandfatherly Roman hand-scripted font, or one that throws up a modern machine-made Tahoma font in its overt branding messages? Will you then trust the salesperson who has been your neighbor for very, very senior donkey's years, or would you go with the bright-faced young one with a tie, MBA and briefcase as selling aid to boot? This huge benefit of retro-selling what the life insurance category carries with it as positive equity. As the behemoth aims to morph itself in the wake of competition from every quarter of the globe, it is time for the LIC of India to look keenly at its strengths. Everything that every new entrant considers to be the weakness of the LIC is possibly its biggest set of key strengths! Retro-selling is in. It is big!

The insurance salesperson who will succeed in deepening the involvement in the life insurance sector (particularly with only width of distribution and not depth of involvement being the hallmark of this category currently in India) is the one who carries the name of the oldest in the game.

Sales messages from the oldest will be viewed as one coming from a credible source. One coming from a source that has been around for a long, long while.....

Questions: (16 marks each)

- a. Identify the unique competencies and selling strategy of LIC that contributed to the success of this company to cover the maximum market share?
- b. State & explain the steps in Personal Selling Process. How, in your opinion, LIC has used these for enhancing productivity and sales volume? Identify the areas of improvement where LIC needs to focus and improve more in light of increased competition in the times to come.

***** All the best *****

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